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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE**

DANIEL HE and JONELLE VELASQUEZ,
individually, and on behalf of others similarly
situated,

Plaintiffs,

v.

BAY PHOTO LAB INC; CIRCLE
GRAPHICS, INC.; and DOES 1 through 25,
inclusive,

Defendants.

Case No.: 24STCV05682
[related to case no. 24STCV07440]

Honorable Samantha P. Jessner
Spring Street Department 7

**SUPPLEMENTAL DECLARATION OF
ANNABEL BLANCHARD IN SUPPORT OF
PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: December 4, 2025
Time: 11:00 a.m.
Dept.: SSC-7

Complaint Filed: March 6, 2024
Trial Date: Not Set

1 **SUPPLEMENTAL DECLARATION OF ANNABEL BLANCHARD**

2 I, Annabel Blanchard, declare and state as follows:

3 1. I am an attorney duly licensed to practice law in all Courts of the State of California. I
4 am a member of Blackstone Law, APC (“Class Counsel”), attorneys of record for Plaintiffs Daniel He
5 and Jonelle Velasquez (“Plaintiffs”).

6 2. I have personal knowledge of the facts contained herein, and, if called to testify, I could
7 and would competently do so. This personal knowledge has been attained either by my own
8 observations or the underlying records and documents of this litigation. If called upon to testify as
9 witness to the following statements, I could and would do so truthfully and based upon my personal
10 knowledge, excepting those matters stated upon information and belief, in which case I believe them
11 to be true.

12 3. On June 27, 2025, Plaintiffs filed their Motion for Preliminary Approval of Class
13 Action and PAGA Settlement (“Motion”), which was set for hearing on September 23, 2025, at 10:00
14 a.m. On September 17, 2025, the Court issued a Minute Order (“Minute Order”) wherein it indicated
15 that, upon review of the Motion, the Court issued the Checklist for Preliminary Approval of Class
16 Action Settlement (“Preliminary Approval Checklist”), and continued the hearing on Plaintiffs’
17 Motion to December 4, 2025, at 11:00 a.m.. (*See* Minute Order attached hereto as **Exhibit 1**, and
18 Preliminary Approval Checklist attached hereto as **Exhibit 2**.)

19 4. Specifically, the Preliminary Approval Checklist ordered further briefing on the
20 following items:

- 21 a. Plaintiffs are to file a consolidated complaint including all parties and claims.
22 b. The released claims should be modified to reflect one operative complaint.
23 c. The Parties must correct the misnumbered paragraphs in the Settlement Agreement.
24 d. Workweeks should not be included in the Class Period (and release period) definition.
25 e. The released claims should be modified to reflect one, consolidated operative
26 complaint.
27 f. The term “PAGA Released Claims” is not defined in the Settlement Agreement.
28 g. The Response Deadline must either be 45 days or 60 days. The Settlement Agreement

1 has conflicting provisions.

2 h. Modify the Class Notice in accordance with modifications to the Settlement
3 Agreement.

4 5. On November 6, 2025, Plaintiffs filed their First Amended Class and Representative
5 Action Complaint (“FAC”) in the above-captioned action, which FAC serves to consolidate all parties
6 and claims into one action.

7 6. In order to address the Court’s additional concerns and comments, the Parties have
8 prepared the First Amended Joint Stipulation of Class Action and PAGA Settlement Agreement
9 (“Amended Settlement Agreement” attached as **Exhibit 3**) fully executed on November 10, 2025.
10 Attached as **Exhibit 4** is a redlined version of the Amended Settlement Agreement, comparing it to
11 the original settlement agreement.

12 7. Attached as **Exhibit 5** is a revised Class Notice to be sent to Class Members, which
13 incorporates the revisions made to the Amended Settlement Agreement (“Revised Class Notice”).
14 Attached as **Exhibit 6** is a redlined version comparing the original Class Notice with the Revised Class
15 Notice.

16 8. Filed concurrently with this declaration is a Revised Proposed Order which references
17 the Amended Settlement Agreement and attaches the Revised Notice.

18 I declare under penalty of perjury under the laws of the State of California that the foregoing
19 is true and correct.

20 Executed on November 10, 2025, at Beverly Hills, California

21 *A. Blanchard*
22 _____
23 Annabel Blanchard
24
25
26
27
28

EXHIBIT 1

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

Civil Division

Central District, Spring Street Courthouse, Department 7

24STCV05682

DANIEL HE, et al. vs BAY PHOTO LAB INC, et al.

September 17, 2025

2:44 PM

Judge: Honorable Samantha Jessner

Judicial Assistant: A. Morales

Courtroom Assistant: None

CSR: None

ERM: None

Deputy Sheriff: None

APPEARANCES:

For Plaintiff(s): No Appearances

For Defendant(s): No Appearances

NATURE OF PROCEEDINGS: Court Order

In reviewing the motion for preliminary approval of class action settlement, the Court issues the Checklist for Preliminary Approval of Class Action Settlement signed and filed this date.

On the Court's own motion, the Hearing on Motion for Preliminary Approval of Settlement and PAGA Settlement scheduled for 09/23/2025 is continued to 12/04/2025 at 11:00 AM in Department 7 at Spring Street Courthouse.

Supplemental papers shall be filed no later than 11/10/2025.

The Clerk is to give notice.

Certificate of Service is attached.

EXHIBIT 2

LOS ANGELES SUPERIOR COURT, COMPLEX CIVIL DEPARTMENT

CHECKLIST FOR

PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT

Department: SSC-7

FILED
Superior Court of California
County of Los Angeles
09/17/2025

RE: **Daniel He, et al., v. Bay Photo Lab Inc., et al.** (Case No. 24STCV05682)

David W. Slayton, Executive Officer / Clerk of Court
By: A. Morales Deputy

In reviewing your motion for preliminary approval of class action settlement, the Court orders further briefing on the items checked below.

The additional briefing shall be due by November 10, 2025. Note: if briefing is not filed by said date the hearing will be placed off calendar. Your hearing date set for September 23, 2025, is continued to the first available date of December 04, 2025, at 11:00 a.m. in Department 7.

This checklist provides direction on what information and argument the court requires to grant a motion for preliminary approval of a class action settlement. All parties are urged to carefully review the checklist and fully comply with each item that applies to the case in order that the motion may be promptly ruled upon. The content of the motion should follow the same order as this checklist, as that is how the judge and research attorney review the motion.

You should also consider using the form wage and hour settlement agreements now available on the court's website at <https://www.lacourt.org/forms/all> – "Civil Forms" section. With input and unanimous consensus from an Ad Hoc Wage and Hour Committee (chaired by Judge Hogue and Judge Cunningham and comprised of 8 plaintiff's attorneys and 8 defense attorneys), the court has posted: (1) [a form class action settlement agreement](#), (2) [a form class action/PAGA settlement agreement](#), (3) and [a form PAGA settlement agreement](#). Using these forms should cut down on attorney negotiation time and reduce the lag time between a successful mediation and execution of a long form agreement. Filing a motion that is based on a form agreement and includes a redlined copy identifying modifications will also expedite the court's review process and help reduce the current backlog on hearings. These forms are encouraged but entirely optional.

I. MOVING PAPERS (Motion and Declarations)

All facts submitted for the court to consider must be provided in the form of a declaration or other admissible evidence. The court will not consider facts stated only in the motion.

A. Introductory Information

☒ **Summary of the litigation, including identity of the parties, brief procedural history, claims asserted, and general factual basis for the claims.**

- **File a consolidated complaint that includes all parties and all claims. The releases should be modified to reflect one operative complaint.**

B. Dunk/Kullar Analysis

- ☐ Summary of the case, including the legal and factual basis for each claim. (*Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 133 (*Kullar*); *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal.App.4th 399, 409.)
- ☐ Summary of the investigation and discovery conducted, including the specific documents reviewed prior to agreeing to settle the case. (*Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1802, as modified Sept. 30, 1996 (*Dunk*).) If counsel's analysis was informed by a data sample, show that the sample is statistically reliable.
- ☐ Summary of settlement negotiations, including when the settlement was reached, and whether the parties were assisted by a mediator. (*Dunk, supra*, 48 Cal.App.4th at p. 1802.)
- ☐ A summary of the risks, expenses, complexity, and duration of further litigation if the settlement is not approved.
- ☐ A summary of the risks of achieving and maintaining class action status.
- ☐ Specific information sufficient for the court to make an independent determination that the consideration being received for the release of class members' claims is reasonable in light of the strengths and weaknesses of the claims and the risks of the particular litigation. (*Kullar, supra*, 168 Cal.App.4th at 129.) This discussion should specify the maximum realistic recovery of each claim asserted in the operative complaint, defenses asserted by Defendant, and any other relevant factors justifying the amount offered in settlement. If the settlement is predicated on a payment plan or is predicated on defendant's financial situation, admissible evidence of Defendant's financial situation should be provided, including appropriate financial documents such as a balance sheet, statement of cash flows, profit and loss statement, and the like.
- ☐ If approval of the settlement of class claims is requested together with approval of non-class claims (such as claims under the Labor Code's Private Attorney General Act (PAGA)) discuss why the amount allocated to the non-class claims is fair to those affected. See *Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 77 (*Moniz*).

C. Class Certification

- ☐ Numerosity: Total number of members in the settlement class and number of members in each sub-class (if applicable).

☐ Ascertainability: The manner by which members of the class will be identified and when. (*Noel v. Thrifty Payless* (2019) 7 Cal.5th 955.)

☐ Community of Interest: Discuss specific facts showing that the proposed class representatives have claims or defenses typical of the class and can adequately represent the class. (*Linder v. Thrifty Oil Co.* (2000) 23 Cal.4th 429, 435.)

☐ Adequacy:

Class Counsel: A summary of Class Counsel's experience and a listing of all prior cases in which each named Class Counsel has been approved by a court to act as lead or co-counsel. (See *Dunk, supra*, 48 Cal.App.4th at p. 1802.)

Class Representative(s): Provide evidence that each proposed class representative has agreed to act as same and understands his or her responsibilities. (See *Soderstedt v. CBIZ Southern California, LLC* (2011) 197 Cal.App.4th 133, 155-156; *Jones v. Farmers Ins. Exchange* (2013) 221 Cal.App.4th 986, 998-999).

D. Claim Requirement (if applicable)

☐ If class members are required to submit a claim to receive compensation, explain why a claim form is necessary and either 1) provide an estimate of the anticipated claims rate or 2) provide an explanation why a claims rate cannot be provided.

☐ Provide a detailed explanation why a "claims made" settlement is appropriate in this case.

☐ Indicate what actions class counsel will take to encourage claim submission.

☐ Explain why the claims process is not so burdensome that relief would be inaccessible to class members (if applicable).

E. Miscellaneous

☐ If appropriate, explain why the settlement includes terms that are outside the scope of the operative complaint. (*Trotsky v. Los Angeles Fed. Savings & Loan Assn.* (1975) 48 Cal.App.3d 134, 148.) If approval of settlement of a PAGA claim is requested provide a copy of Plaintiff's notice letter to the LWDA.

☐ If notice will be given in English only, explain why this is sufficient.

☐ A statement of any affirmative obligations to be undertaken by the class member or class counsel and the reason for such obligations.

☐ Provide information regarding any fee splitting agreement and whether the client has given written approval. (*Mark v. Spencer* (2008) 166 Cal.App.4th 219; Rules Prof. Conduct, rule 1.5.1; Cal. Rules of Court, rule 3.769.) Counsel has only provided that the client has given consent, but not any other information regarding the fee split.

☐ Any agreement that has injunctive relief against a class representative generally is not appropriate in a class action case. Provide the authority and factual reasons why this case is an exception. See *Moniz, supra*, 72 Cal.App.5th at 84. (“[T]he preclusive effect of a prior judgment is determined by the court in which it is asserted, not the court that rendered it.” (*Fireside Bank Cases* (2010) 187 Cal.App.4th 1120, 1131 [115 Cal. Rptr. 3d 80].))

☐ Explanation as to why any class representative enhancement is reasonable, including what the class representative did beyond the expected services of any class representative. (*Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal.App.4th 399, 412; *Radcliffe v. Experian Information Solutions Inc.* (9th Cir. 2013) 715 F.3d 1157, 1165.) In PAGA settlements explanation should be provided as to why an incentive award is appropriate.

☒ **Correct the misnumbering of the agreement. There are two Paragraphs 3.2.4.1 and 3.2.4.2. The second set should be 3.2.5.1 and 3.2.5.2.**

SETTLEMENT AGREEMENT

The settlement agreement should address the following:

A. The Basics

☐ Class definition. If a PAGA representative action is settled with a proposed Class Settlement consider whether there should be separate definitions for Class Members and Aggrieved Employees.

☒ **Class and Release Period: If the class and release periods extend beyond the preliminary approval explain why this is appropriate.**

- **Do not include the number of workweeks in the class period definition. (§1.12.)**

B. Release of Claims

☒ **Scope: The scope of any release given by class members must be defined with precision and clarity. Any released claims not presented directly in the operative complaint should be based on the facts alleged in the operative complaint. (See *Amaro v. Anaheim Arena Mgmt.* (2021) 69 Cal. App. 5th 521, 537 and FN. 5; *Uribe v. Crown Building Maintenance Co.* 70 Cal. App. 5th 986, 1005.)**

- **Modify the releases to reflect a consolidated complaint.**

- **The term “PAGA Released Claims” is used throughout the agreement and in the PAGA release as if it were defined, but there is no definition for this term. Provide a definition or modify the agreement accordingly.**

☐ Class cases which include a PAGA claim should have a separate release for the PAGA claim tied to the facts alleged in the notice given to the LWDA. *Id.*

☐ If PAGA and Class Settlement: The Release and Notice should provide an explanation that released claims include all PAGA claims that could have been premised on the facts alleged in the Plaintiff’s LWDA Letter and aggrieved employees will release PAGA claims even if class members request exclusion from the class. See *Robinson v. Southern Counties Oil Co.* (2020) 53 Cal.App.5th 476.

☐ A Civil Code section 1542 waiver is generally not appropriate in a class action case as to the putative class members (if applicable). Provide the authority and factual reasons why this case is an exception. (*Israel-Curley v. California Fair Plan* (2005) 126 Cal.App.4th 123, 129; *Salehi v. Surfside III Condominium Owners’ Assn.* (2011) 200 Cal.App.4th 1146, 1159–1161.)

☐ Release Effective Date: Indicate the point in time at which the release will be deemed effective as to the absent class members. If the release will be effective before settlement funds are paid, explain why this is in the best interest of the class.

☐ Class Data: If there are confidentiality provisions, explain why they are in the best interest of the Class and whether they will impede Class Counsel’s ability to discharge fiduciary duties.

C. Monetary Terms of Settlement

☐ Settlement Amount: Indicate the amount of the gross settlement, how and when the settlement will be paid, and information regarding payment plan, if any. If a class claim is being settled with a PAGA claim the amounts allocated should be separated and paid only to the aggrieved employees.

☐ Deductions from the settlement fund: Indicate the amounts to be deducted from the gross settlement for attorneys’ fees and costs, plaintiff incentive awards, administrative costs, PAGA payment and allocation of award to LWDA and the parties, and any other existing deductions.

☐ If there are subclasses, explain why the monetary distribution is fair to each subclass. Ensure there is a class representative who fits the definition of each subclass.

☐ Information about how attorney fees will be calculated. The percentage method, with or without a lodestar cross-check, may be used in common fund cases. (*Laffitte v. Robert*

Half Internat., Inc. (2016) 1 Cal.5th 480, 503.) In other cases, counsel should fully brief how the fees are calculated.

- ☐ If wages are involved, explain how Defendant's share of taxes will be paid.
- ☐ Whether, and under what circumstances, amounts may revert to Defendant, and a justification for such reversion (if applicable). (*Cundiff v. Verizon California, Inc.* (2008) 167 Cal.App.4th 718, 728–729.)
- ☐ Payment Formula: Amount and manner of distribution of the compensation to each class member, including the estimated amount each class member will receive and the timeline on which payments will be issued.
- ☐ Tax allocation of settlement payments.
- ☐ Nature of injunctive relief (if any), and valuation of such relief.

D. Notice Administration

The following issues regarding notice administration should be addressed in the settlement agreement. A copy of the proposed notice must be attached to the settlement agreement as an exhibit.

- ☐ Indicate the administrator for the settlement and why the bid for administration is fair.
- ☐ Provide the qualifications and experience of the Administrator, including evidence that the settlement administrator has procedures in place to protect the security of class data and adequate insurance in the event of a data breach or defalcation of funds.
- ☐ Indicate how/when the administrator will receive the class list.
- ☐ Indicate whether the list will be updated by the administrator prior to the initial mailing by use of National Change of Address Registry.
- ☐ Provide the deadline for the initial issuance of notice to class members.
- ☐ Ensure the content of the notice complies with California Rules of Court, rule 3.766(d). In wage and hour cases the notice should indicate the specific amount the class member will receive and how that amount was calculated. A separate breakdown for PAGA payments should be provided. The terms of the release(s) should be reflected in the Notice.
- ☐ Ensure the notice accurately reflects the Court's current social distancing procedures for attendance at hearings and review of court files. (Counsel should check the Court website for most current information.)

- ☐ Indicate how and when payments will be processed.
- ☐ Indicate how notices returned to the administrator as undeliverable will be handled.
- ☐ Explain how re-mailed notices, if any, will be handled. Will class members who receive re-mailed notices be given an extended deadline to respond (i.e., opt-out, object, and dispute workweeks)?
- ☐ Explain how notice of any change of the date or location of the will hearing be given.
- ☐ Indicate whether there will be a settlement website. If so, provide the URL.
- ☐ If publication notice will be given indicate the timing, locations, and manner by which publication notice will be disseminated.
- ☐ Explain how notice of final judgment will be given to the class. (Cal. Rules of Court, rule 3.771(b)) (e.g. Posted on administrator's website.)

E. Responses to Notice

- ☐ Description of the procedures for submitting written objections, requests for exclusion, claim forms (if applicable) and disputes to estimated payments.
- ☒ **Indicate the deadline to submit objections, requests for exclusion, claim forms (if applicable), and/or disputes to workweeks. Confirm the deadline is reasonable and that class members who receive re-mailed notices will be given an extension.**
 - **Paragraph 1.43 defines the response deadline as 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and extends it 14 days in the event of re-mailed notices. However, Paragraphs 7.4.4, 7.5.1, 7.6, 7.7.2 state that objections, requests for exclusion, and challenges to workweeks must be submitted no later than 45 days after notice is mailed, and extends it 15 days for re-mails. Modify the agreement to resolve this inconsistency.**
- ☐ The objection procedure should be the same as the opt-out procedure, with the only requirement being that objections be mailed to the settlement administrator and not filed with the court.
- ☐ Do not include language indicating that class members may only be heard at final approval if they have complied with all objection procedures or that they must use specific language to request exclusion, or, if a specific procedure is sought, explain why it is necessary. In general, the court will hear from any class member who attends the final approval hearing and asks to speak regarding his or her objection.

F. Cy Pres Distribution

- ☐ Indicate the length of time from issuance for which settlement checks will remain valid.
- ☐ Identify the fund to which uncashed checks will be directed and detail the steps that will be taken to ensure compliance with Code of Civil Procedure section 384. The Court's Omnibus Trailer Bill of 2018 replaced the language of the prior statutory distribution scheme under Code of Civil Procedure, section 384 with a requirement that the Court re-open judgments following the final distribution of funds to include the cy pres in the judgment and to include the unclaimed amount, plus an unspecified amount of interest. Such information should be actively contemplated/provided for within the current terms of the settlement.
- ☐ Explain why the cy pres distribution fills the purposes of the lawsuit or is otherwise appropriate. (*State of California v. Levi Strauss & Co.* (1986) 41 Cal.3d 460, 472; *In re Microsoft I-V Cases* (2006) 135 Cal.App.4th 706, 722; *Nachshin v. AOL, Inc.* (9th Cir. 2011) 663 F.3d 1034, 1038–1041; *Dennis v. Kellogg Co.* (9th Cir. 2012) 697 F.3d 858, 865; Code Civ. Proc., § 384.)
- ☐ Provide declarations by all parties and counsel disclosing any interest or involvement (or lack thereof) in the governance or work of the cy pres recipient.

G. MISCELLANEOUS

- ☒ **Assure the Settlement Agreement and Notice are consistent and that the Settlement Agreement (including revised versions) has been signed by all parties and counsel. Carefully proofread both.**
- ☐ The Settlement Agreement and paperwork derivative thereof should not suggest that the end result of court approval will be dismissal of the Action with prejudice or entry of a Final Judgment and Order dismissing with prejudice all claims. See California Rules of Court, rule 3.769(h).

III. EXHIBITS TO THE MOTION

- ☐ Provide proof of submission of the proposed settlement agreement to the LWDA. (Lab. Code, § 2699, subd. (l)(2).)
- ☐ Include a proposed Judgment, which should not include a dismissal or any findings not contained in the Final Approval Order. (Cal. Rules of Court, rule 3.769(h).)
- ☐ All exhibits should be bookmarked, as set forth in the Presiding Judge's First Amended General Order of May 3, 2019 re: Electronic Filing, available on the Court website.

If the Settlement Agreement is modified pursuant to this checklist, please submit both a red-lined copy showing changes made as well as a final version signed by all parties and counsel. Do not submit an addendum in lieu of a full amended settlement agreement including all operative settlement terms.

Modify notice to match any alterations to the Settlement Agreement.

Date: 09/17/2025



A handwritten signature in black ink, appearing to read "Samantha Jessner".

Samantha Jessner / Judge

JUDICIAL OFFICER

EXHIBIT 3

1 **FIRST AMENDED JOINT STIPULATION OF CLASS ACTION AND PAGA**
2 **SETTLEMENT AGREEMENT**

3 This First Amended Joint Stipulation of Class Action and PAGA Settlement Agreement
4 (“Agreement”) is made by and between Plaintiffs Daniel He (“He”) and Jonelle Velasquez
5 (“Velasquez”) (collectively, “Plaintiffs”) and Defendants Bay Photo Lab Inc. and Circle Graphics,
6 Inc. (“Defendants”). The Agreement refers to Plaintiffs and Defendants collectively as “Parties,” or
7 individually as “Party.”

8 Pursuant to Paragraph 11.9 of the Joint Stipulation of Class Action and PAGA Settlement
9 Agreement which was executed on April 8, 2025 (“Original Agreement”), the Original Agreement is
10 hereby replaced and supplanted in its entirety by this instrument.

11 **1.DEFINITIONS.**

12 1.1 “Actions” means the Plaintiffs’ lawsuit alleging wage and hour violations against
13 Defendants captioned *Daniel He and Jonelle Velasquez v. Bay Photo Lab Inc. and Circle Graphics,*
14 *Inc.*, Case No. 24STCV05682 initiated on March 6, 2024, and pending in Superior Court of the State
15 of California, County of Los Angeles, and Plaintiff Velasquez’s lawsuit seeking civil penalties from
16 Defendants captioned *Jonelle Velasquez v. Bay Photo Lab Inc. and Circle Graphics, Inc.*, Case No.
17 24STCV07440 initiated on March 24, 2024, and pending in Superior Court of the State of California,
18 County of Los Angeles.

19 1.2 “Administrator” means Apex Class Action, the neutral entity the Parties have agreed to
20 appoint to administer the Settlement.

21 1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from
22 the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the
23 Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval
24 of the Settlement.

25 1.4 “Aggrieved Employee” means all current and former hourly paid and/or non-exempt
26 employees who worked for Bay Photo Lab Inc. in California during the PAGA Period.

27 1.5 “Class” means all current and former hourly paid and/or non-exempt employees who
28 worked for Bay Photo Lab Inc. in California during the Class Period.

1.6 “Class Counsel” means Jonathan M. Genish, Barbara DuVan-Clarke, Danielle GruppChang, P.J. Van Ert, and Annabel Blanchard of Blackstone Law, APC.

1.7 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and verified costs and expenses, respectively, incurred to prosecute the Actions.

1.8 “Class Data” means Class Member identifying information in Defendants’ possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

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

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

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

1.12 “Class Period” means the period November 19, 2021, through January 1, 2025.

1.13 “Class Representatives” mean the named Plaintiffs in the Operative Complaint in the Action seeking Court approval to serve as Class Representatives.

1.14 “Class Representative Service Payment” means the payment to the Class Representatives for initiating the Action and providing services in support of the Action.

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

1.16 “Defendants” means named Defendants Bay Photo Lab Inc. and Circle Graphics, Inc.

1.17 “Defense Counsel” means Rachael S. Lavi and Grace L. Waddell of Littler Mendelson, P.C.

1.18 “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final and no longer appealable. For purposes of this Agreement, “becomes final and is no longer appealable” shall mean the latter of: (a) the day after the last date by which a notice of appeal, writ, or other appellate proceeding to the applicable Court of Appeal of the order and judgment approving this the Settlement Agreement may be timely filed and none is filed (i.e., 61 days from notice of entry of judgment); (b) if an appeal, writ, or other appellate proceeding is filed, and the appeal is finally disposed of by ruling, dismissal, denial, or in a any other manner that confirms the validity of the order and judgment, the day after the last date for filing a request for further review of the order and judgment approving this Agreement passes, and no further review is requested; or (c) if an appeal, writ, or other appellate proceeding is filed and the order approving this Agreement is affirmed and further review of the order is requested, the day after the review is finally resolved and the order and judgment approving this Agreement is affirmed. No funding of the Settlement shall occur until after the Effective Date has passed.

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

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

1.21 “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

1.22 “Gross Settlement Amount” means \$650,000 which is the total amount Defendants agree to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator’s Expenses.

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

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

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

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

1.27 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).

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

1.29 “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

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

1.31 “PAGA Period” means the period from January 17, 2023 through January 1, 2025 .

1.32 “PAGA” means the Private Attorneys General Act (Lab. Code, § 2698 et seq.).

1.33 “PAGA Notice” means Plaintiff Velasquez’s January 17, 2024, letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).

1.34 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$12,500.00) and the 75% to LWDA (\$37,500.00) in settlement of PAGA claims.

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

1.36 “Plaintiffs” means Daniel He and Jonelle Velasquez, the named plaintiffs in the Action.

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

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

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

1.40 “Released PAGA Claims” means the claims being released as described in Paragraph 5.4 below.

1.41 “Released Parties” means Defendants, their subsidiaries, and affiliates, and each of their former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, agents, reinsurers, and any individual or entity which could be jointly liable with Defendants.

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

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

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

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

2. RECITALS.

2.1 On March 6, 2024, Plaintiffs commenced a class action by filing a Class Action Complaint For Damages alleging causes of action against Defendants for (1) Violation of Cal. Lab. Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages); (2) Violation of Cal. Lab. Code §§ 510 and 1198

(Unpaid Overtime); (3) Violation of Cal. Lab. Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (4) Violation of Cal. Lab. Code § 226.7 (Unpaid Rest Period Premiums); (5) Violation of Cal. Lab. Code §§ 204 and 210 (Wages Not Timely Paid During Employment); (6) Violation of Cal. Lab. Code § 226(a) (Failure to Provide Accurate Wage Statements); (7) Violation of Cal. Lab. Code §§ 201, 202, and 203 (Untimely Final Wages); (8) Violation of Cal. Lab. Code §§ 2800 and 2802 (Failure to Reimburse Necessary Business Expenses); and (9) Violation of Cal. Business & Professions Code §§ 17200, *et seq.* (the “ Class Action Complaint”).

2.2 On March 25, 2024, Plaintiff Velasquez filed a Complaint For Enforcement Action Under The Private Attorneys General Act, Cal. Labor Code §§ 2698, *et seq.* seeking civil penalties under the PAGA alleging (1) Violation of Cal. Lab. Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages); (2) Violation of Cal. Lab. Code §§ 510 and 1198 (Unpaid Overtime); (3) Violation of Cal. Lab. Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (4) Violation of Cal. Lab. Code § 226.7 (Unpaid Rest Period Premiums); (5) Violation of Cal. Lab. Code §§ 204 and 210 (Wages Not Timely Paid During Employment); (6) Violation of Cal. Lab. Code §§ 201, 202, and 203 (Untimely Final Wages); (7) Violation of Cal. Lab. Code § 226(a) (Failure to Provide Accurate Wage Statements); (8) Violation of Cal. Lab. Code § 1174(d) (Failure to Maintain Accurate Payroll Records); and (9) Violation of Cal. Lab. Code §§ 2800 and 2802 (Failure to Reimburse Necessary Business Expenses) (the “ PAGA Complaint”).

2.3 On November 6, 2025 Plaintiffs filed a First Amended Class and Representative Action Complaint (“Operative Complaint”), combining the claims in the Class Action Complaint and PAGA Complaint, and effectively consolidating both Actions into one, under the lead class action case (Los Angeles Superior Court Case No. 24STCV05682).

2.4 Defendants deny the allegations in the Actions and the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint and deny any and all liability for the causes of action alleged.

2.5 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff Velasquez gave timely written notice to Defendants and the LWDA by sending the PAGA Notice.

1 2.6 On October 2, 2024, the Parties participated in an all-day mediation presided over by
2 Monique Ngo-Bonnici, Esq. The Parties did not reach a settlement during mediation. The Parties
3 continued to engage in settlement negotiations after mediation, which led to this Agreement to settle
4 the Actions.

5 2.7 Prior to mediation, Plaintiffs obtained, through informal discovery, information such as
6 employee handbooks, payroll calendars, meal break waivers, meal break guidelines, job descriptions,
7 timekeeping policies and procedures, and anonymized time and pay records for all putative class
8 members. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in
9 *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail,*
10 *Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").2.8 The Court has not granted class
11 certification.

12 2.9 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any
13 other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

14 **3.MONETARY TERMS.**

15 3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendants
16 promise to pay \$650,000.00 and no more as the Gross Settlement Amount and to separately pay any
17 and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments.
18 Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the
19 deadline stated in Paragraph 4.2 of this Agreement. The Administrator will disburse the entire Gross
20 Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees
21 to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to
22 Defendants.

23 3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the
24 following payments from the Gross Settlement Amount, in the amounts specified by the Court in the
25 Final Approval:

26 3.2.1 **To Plaintiffs:** Class Representative Service Payments to each of the Class
27 Representatives of not more than \$7,500.00 each (in addition to any Individual Class Payment and any
28 Individual PAGA Payment the Class Representatives may be entitled to receive as a Participating

1 Class Member and/or Aggrieved Employee). Defendants will not oppose Plaintiffs' request for a Class
2 Representative Service Payment that does not exceed this amount. As part of the motion for Class
3 Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for
4 any Class Representative Service Payments no later than 16 court days prior to the Final Approval
5 Hearing. If the Court approves a Class Representative Service Payment less than the amount requested,
6 the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay
7 the Class Representative Service Payment using IRS Form 1099. Plaintiffs assume full responsibility
8 and liability for employee taxes owed on the Class Representative Service Payment. This is not a
9 material term of this Settlement, and any reduction by the Court of the requested Service Payment to
10 Plaintiffs shall not be sufficient grounds to void the Settlement or appeal the Judgment.

11 **3.2.2 To Class Counsel:** A Class Counsel Fees Payment of not more than 35%, which
12 is currently estimated to be \$227,500.00, and a Class Counsel Litigation Expenses Payment of not
13 more than \$40,000.00. Defendants will not oppose requests for these payments provided that the
14 payments do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class
15 Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the
16 Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel
17 Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the
18 remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or
19 any other Plaintiffs' Counsel arising from any claim to any portion of any Class Counsel Fee Payment
20 and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel
21 Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class
22 Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment
23 and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies
24 Defendants, from any dispute or controversy regarding any division or sharing of any of these
25 Payments. This is not a material term of this Settlement, and any reduction by the Court of the
26 requested Class Counsel Fees Payment Class Counsel Litigation Expenses Payment or shall not be
27 sufficient grounds to void the Settlement or appeal the Judgment.

1 **3.2.3 To the Administrator:** An Administrator Expenses Payment not to exceed
2 \$10,900.00 except for a showing of good cause and as approved by the Court. To the extent the
3 Administration Expenses are less or the Court approves payment less than \$10,900.00, the
4 Administrator will retain the remainder in the Net Settlement Amount.

5 **3.2.4 To Each Participating Class Member:** An Individual Class Payment calculated
6 by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all
7 Participating Class Members during the Class Period and (b) multiplying the result by each
8 Participating Class Member's Workweeks.

9 **3.2.4.1 Tax Allocation of Individual Class Payments.** One third (1/3) of each
10 Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims
11 (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an
12 IRS W-2 Form. Two thirds (2/3) of each Participating Class Member's Individual Class Payment will
13 be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-
14 Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms.
15 Participating Class Members assume full responsibility and liability for any employee taxes owed on
16 their Individual Class Payment.

17 **3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual**
18 *Class Payments.* Non-Participating Class Members will not receive any Individual Class Payments.
19 The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement
20 Amount for distribution to Participating Class Members on a pro rata basis. Non-Participating Class
21 Members are still subject to the release of Released PAGA Claims and will receive their Individual
22 PAGA Payment.

23 **3.2.5 To the LWDA and Aggrieved Employees:** PAGA Penalties in the amount of
24 \$50,000.00 to be paid from the Gross Settlement Amount, with 75% (\$37,500.00) allocated to the
25 LWDA PAGA Payment and 25% (\$12,500.00) allocated to the Individual PAGA Payments.

26 **3.2.6** The Administrator will calculate each Individual PAGA Payment by (a) dividing
27 the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$12,500.00) by the total
28 number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period

1 and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved
2 Employees assume full responsibility and liability for any taxes owed on their Individual PAGA
3 Payment.

4 3.2.7 If the Court approves PAGA Penalties of less than the amount requested, the
5 Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report
6 the Individual PAGA Payments on IRS 1099 Forms.

7 **4. SETTLEMENT FUNDING AND PAYMENTS.**

8 4.1 Class Data. Not later than 30 days after the Court grants Preliminary Approval of the
9 Settlement, Defendants will simultaneously deliver the Class Data to the Administrator, in the form
10 of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must
11 maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for
12 no other purpose, and restrict access to the Class Data to Administrator employees who need access
13 to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to
14 immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying
15 information and to provide corrected or updated Class Data as soon as reasonably feasible. Without
16 any extension of the deadline by which Defendants must send the Class Data to the Administrator, the
17 Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise
18 resolve any issues related to missing or omitted Class Data.

19 4.2 Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement
20 Amount, and also fund the amounts necessary to fully pay Defendants' share of payroll taxes by
21 transmitting the funds to the Administrator no later than 14 days after the Effective Date.

22 4.3 Payments from the Gross Settlement Amount. Within 14 days after Defendants fund the
23 Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all
24 Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the
25 Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class
26 Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel
27 Litigation Expenses Payment and the Class Representative Service Payment shall not precede
28 disbursement of Individual Class Payments and Individual PAGA Payments.

1 4.3.1 The Administrator will issue checks for the Individual Class Payments and/or
2 Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage
3 prepaid. The face of each check shall prominently state the date (not less than 180 days after the date
4 of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the
5 void date. The Administrator will send checks for Individual Settlement Payments to all Participating
6 Class Members (including those for whom Class Notice was returned undelivered). The Administrator
7 will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-
8 Participating Class Members who qualify as Aggrieved Employees (including those for whom Class
9 Notice was returned undelivered). The Administrator may send Participating Class Members a single
10 check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing
11 any checks, the Settlement Administrator must update the recipients' mailing addresses using the
12 National Change of Address Database.

13 4.3.2 The Administrator must conduct a Class Member Address Search for all other
14 Class Members whose checks are returned undelivered without United States Postal Service ("USPS")
15 forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks
16 to the USPS forwarding address provided or to an address ascertained through the Class Member
17 Address Search. The Administrator need not take further steps to deliver checks to Class Members
18 whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a
19 replacement check to any Class Member whose original check was lost or misplaced, requested by the
20 Class Member prior to the void date.

21 4.3.3 For any Class Member whose Individual Class Payment check or Individual
22 PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit
23 the funds represented by such checks to the California Controller's Unclaimed Property Fund in the
24 name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of Code
25 of Civil Procedure section 384, subdivision (b).

26 4.3.4 The payment of Individual Class Payments and Individual PAGA Payments shall
27 not obligate Defendants to confer any additional benefits or make any additional payments to Class
28 Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

1 **5. RELEASES OF CLAIMS.** Effective on the date when Defendants fully fund the entire Gross
2 Settlement Amount and fund all employer payroll taxes owed on the Wage Portion of the Individual
3 Class Payments, Plaintiffs, Class Members, Aggrieved Employees, the State of California with respect
4 to the Aggrieved Employees, and Class Counsel will release claims against all Released Parties as
5 follows:

6 5.1 Plaintiff He's Release. As to Plaintiff He's claims only, the Release of Claims further
7 includes, without limitation, any and all claims and potential claims that may legally be waived by
8 private agreement, whether known or unknown, which Plaintiff He has asserted or could assert against
9 the Company arising out of or relating in any way to any acts, circumstances, facts, transactions, or
10 omissions, occurring up to and including the date he signs this Agreement ("Plaintiff's Released
11 Claims"). Plaintiff He understands that he is releasing such Plaintiff He's Released Claims on behalf
12 of himself and all persons who could make Claims under, through or by Plaintiff He, such as Plaintiff
13 He's spouse, heirs, executors or assignees. This release includes, but is not limited to, (i) any and all
14 Claims arising under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, the Civil
15 Rights Act of 1991, the Age Discrimination in Employment Act of 1967 (ADEA), the Family and
16 Medical Leave Act (FMLA), the Employee Retirement Income Security Act (ERISA), the National
17 Labor Relations Act (NLRA), the Pregnancy Discrimination Act, the Pregnant Workers Fairness Act
18 (PWFA), the Worker Adjustment and Retraining Notification Act, the Americans with Disabilities
19 Act (ADA), the Uniformed Services Employment and Reemployment Rights Act (USERRA), any
20 amendments to such laws, any other federal, state, or local constitution, charter, law, rule, ordinance,
21 regulation, or order; (ii) Claims based on veterans status; (iii) Claims in equity or under common law
22 including but not limited to claims for tort, breach of contract (express or implied, written or oral),
23 wrongful discharge, defamation, emotional distress, and negligence; (iv) all Claims made or which
24 could have been made in civil action numbers 24STCV05682 and 24STCV07440 pending in the
25 Superior Court of the State of California, County of Los Angeles.

26 Plaintiff He, for himself, has read Section 1542 of the Civil Code of the State of California,
27 which provides as follows:

28 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE
CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO**

1 **EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE**
2 **RELEASE, AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE**
3 **MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE**
4 **DEBTOR OR RELEASED PARTY.**

5 Plaintiff He understands that Section 1542 gives the right not to release existing claims of which he is
6 not now aware, unless Plaintiff He voluntarily chooses to waive this right. Having been so apprised,
7 Plaintiff He nevertheless voluntarily waives the rights described in Section 1542, and elects to assume
8 all risks for claims that now exist in his favor, known or unknown. The release of the claims of Plaintiff
9 He as set forth in this Paragraph is a condition precedent to enforcement of this Agreement.

10 5.2 Plaintiff Velasquez's Release. Plaintiff Velasquez, without limitation, releases any and
11 all claims and potential claims that may legally be waived by private agreement, whether known or
12 unknown, which Plaintiff Velasquez has asserted or could assert against the Defendants in the Actions,
13 including claims for unpaid wages (including premiums) or other compensation allegedly owed, or for
14 damages, penalties, restitution, interest, liquidated damages, attorneys' fees, or costs, or any other
15 recovery including under the California Labor Code and corresponding provisions of the California
16 Code of Regulations, Title 8 and IWC Wage Orders, including, e.g., (1) Violation of Cal. Lab. Code
17 §§ 1194, 1197, 1197.1 and 1194.2 (Unpaid Minimum Wages); (2) Violation of Cal. Lab. Code §§ 510,
18 1198, and 1194 (Unpaid Overtime); (3) Violation of Cal. Lab. Code §§ 226.7 and 512(a) (Unpaid
19 Meal Period Premiums); (4) Violation of Cal. Lab. Code § 226.7 (Unpaid Rest Period Premiums); (5)
20 Violation of Cal. Lab. Code §§ 204 and 210 (Wages Not Timely Paid During Employment); (6)
21 Violation of Cal. Lab. Code § 226(a) (Failure to Provide Accurate Wage Statements); (7) Violation of
22 Cal. Lab. Code §§ 201, 202, and 203 (Untimely Final Wages); (8) Violation of Cal. Lab. Code §§
23 2800 and 2802 (Failure to Reimburse Necessary Business Expenses); and (9) Violation of Cal.
24 Business & Professions Code §§ 17200, *et seq.* In addition, to the greatest extent permitted by law,
25 Plaintiff Velasquez individually and on behalf of herself freely, knowingly and voluntarily releases
26 and forever discharges Defendants and the Released Parties of and from all manner of actions, suits,
27 claims, damages, liabilities, penalties, arbitrations, charges, claims for attorneys' fees, interest,
28 expenses and costs, judgments, awards, orders, executions or demands of any nature whatsoever,
 whether known or unknown, suspected or unsuspected, against them or any of them, which Plaintiff

1 Velasquez ever had, now has, or which Plaintiff Velasquez or her heirs, assigns, executors or
2 administrators hereafter can, shall or may have arising under the California Private Attorneys General
3 Act (California Labor Code section 2698 et seq.) which includes but is not limited to claims brought
4 under the PAGA predicated upon California Labor Code Sections 201, 202, 203, 204, 210, 218.5, 226,
5 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2800, 2802, relevant sections of
6 the applicable Industrial Welfare Commission Wage Order, and/or any other California Labor Code
7 provisions that could have been asserted under the PAGA in connection with the Actions and/or PAGA
8 Notice, including but not limited to any claims for penalties, wages, interest and/or attorneys' fees and
9 costs thereon, for the entire period of her employment and through the date of Preliminary Approval
10 of this Agreement. Collectively, the claims released in this paragraph shall be known as "Velasquez
11 Released Claims." All such Velasquez Released Claims (including, without limitation, claims for
12 related attorneys' fees and costs) are forever barred by this Agreement regardless of the forum in which
13 they may be brought.

14 Plaintiff Velasquez, for herself, has read Section 1542 of the Civil Code of the State of
15 California, which provides as follows:

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

19 Plaintiff Velasquez understands that Section 1542 gives the right not to release existing claims of
20 which she is not now aware, unless Plaintiff Velasquez voluntarily chooses to waive this right as to
21 the Velasquez Released Claims. Having been so apprised, Plaintiff Velasquez nevertheless voluntarily
22 waives the rights described in Section 1542 as to the Velasquez Released Claims, and elects to assume
23 all risks for claims that now exist in her favor, known or unknown. The release of the claims of Plaintiff
24 Velasquez as set forth in this Paragraph is a condition precedent to enforcement of this Agreement.

25 5.3 Release by Participating Class Members: All Participating Class Members, on behalf
26 of themselves and their respective former and present representatives, agents, attorneys, heirs,
27 administrators, successors and assigns, release Released Parties from (i) all claims that were alleged,
28 or reasonably could have been alleged, based on the Class Period facts stated in the Operative

1 Complaint and ascertained in the course of the Actions for unpaid wages (including premiums) or
2 other compensation allegedly owed, or for damages, penalties, restitution, interest, liquidated
3 damages, attorneys' fees, or costs, or any other recovery including under the California Labor Code
4 and corresponding provisions of the California Code of Regulations, Title 8 and IWC Wage Orders,
5 including, e.g., (1) Violation of Cal. Lab. Code §§ 1194, 1197, 1197.1 and 1194.2 (Unpaid Minimum
6 Wages); (2) Violation of Cal. Lab. Code §§ 510, 1198, and 1194 (Unpaid Overtime); (3) Violation of
7 Cal. Lab. Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (4) Violation of Cal. Lab. Code
8 § 226.7 (Unpaid Rest Period Premiums); (5) Violation of Cal. Lab. Code §§ 204 and 210 (Wages Not
9 Timely Paid During Employment); (6) Violation of Cal. Lab. Code § 226(a) (Failure to Provide
10 Accurate Wage Statements); (7) Violation of Cal. Lab. Code §§ 201, 202, and 203 (Untimely Final
11 Wages); (8) Violation of Cal. Lab. Code §§ 2800 and 2802 (Failure to Reimburse Necessary Business
12 Expenses); and (9) Violation of Cal. Business & Professions Code §§ 17200, *et seq.* ("Released Class
13 Claims"). Except as set forth in Section 5.4 of this Agreement, Participating Class Members do not
14 release any other claims, including claims for vested benefits, wrongful termination, violation of the
15 Fair Employment and Housing Act, unemployment insurance, disability, social security, workers'
16 compensation or claims based on facts occurring outside the Class Period.

17 5.4 Release by Plaintiffs, Aggrieved Employees, and the State of California: Plaintiff
18 Velasquez, individually and as the representative acting as proxy or agent of the LWDA, a State of
19 California Executive Branch Agency, and Aggrieved Employees, in the Actions, are deemed to
20 release, on behalf of themselves and their respective former and present representatives, agents,
21 attorneys, heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA
22 penalties under Labor Code section 2698 *et seq.* that were alleged, or reasonably could have been
23 alleged, based on the PAGA Period facts stated in the Operative Complaint, the PAGA Notice, and
24 ascertained in the course of the Actions, including, e.g., under Labor Code sections 201, 202, 203,
25 204, 210, 218.5, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2800,
26 2802, and all applicable IWC Wage Orders ("Released PAGA Claims"). The express purpose of this
27 Agreement and the Judgment to be entered by the Court following approval of this settlement is to
28 forever bar Plaintiffs, the LWDA, and any other individual or entity acting on behalf of or purporting

1 to act on behalf of the LWDA (including all Aggrieved Employees) from asserting any of the Released
2 PAGA Claims in any future litigation. It is the intent of the Parties that, to the greatest extent provided
3 by law, including under the holding of *Arias v. Superior Court*, 46 Cal. 4th 969, 986 (2009), the ability
4 of Plaintiffs, the State of California or any Aggrieved Employee to bring a PAGA claim on behalf of
5 the LWDA based on the Released PAGA Claims for the PAGA Period is completely and forever
6 foreclosed. All Aggrieved Employees, including Non-Participating Class Members, are to be bound
7 by the PAGA portion of this Settlement upon its approval by the Court, regardless of whether he or
8 she negotiates (i.e. cashes or deposits) his or her Individual PAGA Payment.

9 **6. MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly prepare and file a
10 motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s
11 current checklist for Preliminary Approvals.

12 6.1 Defendants’ Declaration in Support of Preliminary Approval. Within 30 days of the full
13 execution of this Agreement, Defendants will prepare and deliver to Class Counsel a signed
14 Declaration from Defendants and Defense Counsel disclosing all facts relevant to any actual or
15 potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and
16 Defendants shall aver that they are not aware of any other pending matter or action asserting claims
17 that will be extinguished or adversely affected by the Settlement.

18 6.2 Plaintiffs’ Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all
19 documents necessary for obtaining Preliminary Approval at least seven (7) days before filing,
20 including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary
21 Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of
22 the PAGA Settlement under Labor Code section 2699, subdivision (f)(2); (ii) a draft proposed Order
23 Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice;
24 (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the
25 Settlement and attesting to its willingness to serve; competency; operative procedures for protecting
26 the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or
27 other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members;
28 and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense

Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Lab. Code, § 2699.3, subd. (a))), Operative Complaint (Lab. Code, § 2699, subd. (l)(1)), this Agreement (Lab. Code, § 2699, subd. (l)(2)); (vii) a redlined version of the Parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (viii) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator. In their Declarations, Plaintiffs and Class Counsel Declaration shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

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

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

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected Apex Class Action to serve as the Administrator and verified that, as a condition of appointment, Apex Class Action agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they

1 have no interest or relationship, financial or otherwise, with the Administrator other than a professional
2 relationship arising out of prior experiences administering settlements.

3 7.2 Employer Identification Number. The Administrator shall have and use its own Employer
4 Identification Number for purposes of calculating payroll tax withholdings and providing reports state
5 and federal tax authorities.

6 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets
7 the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-
8 1.

9 7.4 Notice to Class Members.

10 7.4.1 No later than 3 business days after receipt of the Class Data, the Administrator
11 shall notify Class Counsel that the list has been received and state the number of Class Members,
12 PAGA Members, Workweeks and Pay Periods in the Class Data.

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

21 7.4.3 Not later than 3 business days after the Administrator’s receipt of any Class
22 Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using
23 any forwarding address provided by the USPS. If the USPS does not provide a forwarding address,
24 the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the
25 most current address obtained. The Administrator has no obligation to make further attempts to locate
26 or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

27 7.4.4 The deadlines for Class Members’ written objections, Challenges to Workweeks
28 and/or Pay Periods and Requests for Exclusion will be extended an additional 15 days beyond the 45

1 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The
2 Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

3 7.4.5 If the Administrator, Defendants, or Class Counsel is contacted by or otherwise
4 discovers any persons who believe they should have been included in the Class Data and should have
5 received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and
6 in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree,
7 such persons will be Class Members entitled to the same rights as other Class Members, and the
8 Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise
9 options under this Agreement not later than 15 days after receipt of Class Notice, or the deadline dates
10 in the Class Notice, which ever are later.

11 7.5 Requests for Exclusion (Opt-Outs).

12 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement
13 must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later
14 than 45 days after the Administrator mails the Class Notice (plus an additional 15 days for Class
15 Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member
16 or his/her/their representative that reasonably communicates the Class Member's election to be
17 excluded from the Settlement and includes the Class Member's name, address and email address or
18 telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked
19 by the Response Deadline. Class Members who are also Aggrieved Employees cannot opt out of the
20 PAGA portion of this Settlement.

21 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it
22 fails to contain all the information specified in the Class Notice. The Administrator shall accept any
23 Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person
24 as a Class Member and the Class Member's desire to be excluded. The Administrator's determination
25 shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason
26 to question the authenticity of a Request for Exclusion, the Administrator may demand additional
27 proof of the Class Member's identity. The Administrator's determination of authenticity shall be final
28 and not appealable or otherwise susceptible to challenge.

1 7.5.3 Every Class Member who does not submit a timely and valid Request for
2 Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits
3 and bound by all terms and conditions of the Settlement, including the Participating Class Members'
4 Releases under Paragraphs 5.3 and 5.4 of this Agreement, regardless of whether the Participating Class
5 Member actually receives the Class Notice or objects to the Settlement.

6 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a
7 Non-Participating Class Member and shall not receive an Individual Class Payment or have the right
8 to object to the class action components of the Settlement. Because future PAGA claims are subject
9 to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved
10 Employees are deemed to release the claims identified in Paragraph 5.4 of this Agreement and are
11 eligible for an Individual PAGA Payment even if they submit a Request for Exclusion.

12 7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 45 days after the
13 Administrator mails the Class Notice (plus an additional 15 days for Class Members whose Class
14 Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any)
15 allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation
16 by communicating with the Administrator via fax, email or mail. The Administrator must encourage
17 the challenging Class Member to submit supporting documentation. In the absence of any contrary
18 documentation, the Administrator is entitled to presume that the Workweeks contained in the Class
19 Notice are correct so long as they are consistent with the Class Data. The Administrator's
20 determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and
21 not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies
22 of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class
23 Counsel and the Administrator's determination the challenges.

24 7.7 Objections to Settlement.

25 7.7.1 Only Participating Class Members may object to the class action components of
26 the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or
27 amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment
28 and/or Class Representative Service Payment.

1 7.7.2 Participating Class Members may send written objections to the Administrator by
2 fax, email or mail. In the alternative, Participating Class Members may appear in Court (or hire an
3 attorney to appear in Court) to present oral objections at the Final Approval Hearing. A Participating
4 Class Member who elects to send a written objection to the Administrator must do so not later than 45
5 days after the Administrator's mailing of the Class Notice (plus an additional 15 days for Class
6 Members whose Class Notice was re-mailed).

7 7.7.3 Non-Participating Class Members have no right to object to any of the class action
8 components of the Settlement.

9 7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be
10 performed or observed by the Administrator contained in this Agreement or otherwise.

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

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

27 7.8.3 **Weekly Reports**. The Administrator must, on a weekly basis, provide written
28 reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class

1 Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether
2 valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received
3 and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments
4 (“Weekly Report”). The Weekly Reports must include provide the Administrator’s assessment of the
5 validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections
6 received.

7 **7.8.4 Workweek and/or Pay Period Challenges.** The Administrator has the authority
8 to address and make final decisions consistent with the terms of this Agreement on all Class Member
9 challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall
10 be final and not appealable or otherwise susceptible to challenge.

11 **7.8.5 Administrator’s Declaration.** Not later than 14 days before the date by which
12 Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will
13 provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court
14 attesting to its due diligence and compliance with all of its obligations under this Agreement,
15 including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered,
16 the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for
17 Exclusion from Settlement it received (both valid or invalid), the number of written objections and
18 attach the Exclusion List. The Administrator will supplement its declaration as needed or requested
19 by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s
20 declaration(s) in Court.

21 **7.8.6 Final Report by Settlement Administrator.** Within 10 days after the
22 Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide
23 Class Counsel and Defense Counsel with a final report detailing its disbursements by employee
24 identification number only of all payments made under this Agreement. At least 15 days before any
25 deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense
26 Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments
27 required under this Agreement. Class Counsel is responsible for filing the Administrator’s declaration
28 in Court.

1 **8. DEFENDANTS' RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion
2 identified in the Exclusion List exceeds 5% of the total of all Class Members, Defendants may, but
3 are not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendants
4 withdraw, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither
5 Party will have any further obligation to perform under this Agreement; provided, however,
6 Defendants will remain responsible for paying all Settlement Administration Expenses incurred to that
7 point. Defendants must notify Class Counsel and the Court of its election to withdraw not later than 7
8 days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have
9 no effect.

10 **9. MOTION FOR FINAL APPROVAL.**

11 9.1 This Agreement is contingent upon an order by the Court granting Final Approval of the
12 Settlement as agreed upon with respect to all material terms, that the LWDA does not intervene and/or
13 object to the Settlement and that this Agreement becomes Effective, as defined in Paragraph 1.18,
14 above. Material terms include the definition of Aggrieved Employee (Paragraph 1.4), the definition
15 of Class (Paragraph 1.5), the definition of Class Period (Paragraph 1.12), the definition of Effective
16 Date (Paragraph 1.18), the definition of Gross Settlement Amount (Paragraph 3.1), the definition of
17 PAGA Period (Paragraph 1.31), the definition of Released Class Claims (Paragraphs 1.39 and 5.3),
18 the definition of Released PAGA Claims (Paragraphs 1.40 and 5.4), the definition of Released Parties
19 (Paragraph 1.41), and Plaintiff He's Release (Paragraph 5.1). In the event it becomes impossible to
20 secure approval of the Settlement by the Court and the LWDA or the Agreement does not become
21 Effective as to the material terms herein, the Parties shall be restored to their respective positions in
22 the Action prior to entry of this Settlement. If this Settlement Agreement is voided, not approved by
23 the Court or approval is reversed on appeal, it shall have no force or effect and no Party shall be bound
24 by its terms except to the extent: (a) the Court reserves any authority to issue any appropriate orders
25 when denying approval; and/or (b) there are any terms and conditions in this Settlement Agreement
26 specifically stated to survive the Settlement Agreement being voided or not approved, and which
27 control in such an event.
28

1 9.2 Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will
2 file in Court, a motion for final approval of the Settlement that includes a request for approval of the
3 PAGA settlement under Labor Code section 2699, subdivision (l), a Proposed Final Approval Order
4 and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiffs shall provide drafts of
5 these documents to Defense Counsel not later than 7 days prior to filing the Motion for Final Approval.
6 Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and
7 in good faith, to resolve any disagreements concerning the Motion for Final Approval.

8 9.3 Response to Objections. Each Party retains the right to respond to any objection raised by
9 a Participating Class Member, including the right to file responsive documents in Court no later than
10 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

11 9.4 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval
12 on any material change to the Settlement (including, but not limited to, the scope of release to be
13 granted by Class Members), the Parties will expeditiously work together in good faith to address the
14 Court’s concerns by revising the Agreement as necessary to obtain Final Approval. The Court’s
15 decision to award less than the amounts requested for the Class Representative Service Payment, Class
16 Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses
17 Payment shall not constitute a material modification to the Agreement within the meaning of this
18 paragraph.

19 9.5 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
20 Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i)
21 enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters and (iii)
22 addressing such post-Judgment matters as are permitted by law.

23 9.6 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
24 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
25 Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their respective counsel
26 and all Participating Class Members who did not object to the Settlement as provided in this
27 Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and
28 appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary

1 writs and appeals. The waiver of appeal does not include any waiver of the right to oppose such
2 motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform
3 under this Agreement will be suspended until such time as the appeal is finally resolved and the
4 Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement
5 Amount.

6 9.7 Appellate Court Orders to Vacate, Reverse or Materially Modify Judgment. If the
7 reviewing Court vacates, reverses or modifies the Judgment in a manner that requires a material
8 modification of this Agreement (including, but not limited to, the scope of release to be granted by
9 Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously
10 work together in good faith to address the appellate court's concerns and to obtain Final Approval and
11 entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably
12 incurred after remittitur. An appellate decision to vacate, reverse or modify the Court's award of the
13 Class Representative Service Payment or any payments to Class Counsel shall not constitute a material
14 modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement
15 Amount remains unchanged.

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

19 **11. ADDITIONAL PROVISIONS.**

20 11.1 No Admission of Liability, Class Certification or Representative Manageability for Other
21 Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing
22 in this Agreement is intended or should be construed as an admission by Defendants that any of the
23 allegations in the Operative Complaint and/or PAGA Complaint have merit or that Defendants have
24 any liability for any claims asserted; nor should it be intended or construed as an admission by
25 Plaintiffs that Defendants' defenses in the Action have merit. The Parties agree that class certification
26 and representative treatment is for purposes of this Settlement only. If, for any reason the Court does
27 grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the right to contest
28 certification of any class for any reasons, and Defendants reserve all available defenses to the claims

1 in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available
2 and to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle
3 the Action will have no bearing on, and will not be admissible in connection with, any litigation
4 (except for proceedings to enforce or effectuate the Settlement and this Agreement).

5 11.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendants, and
6 Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is
7 filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another
8 person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly,
9 specifically or generally, to any person, corporation, association, government agency or other entity
10 except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep
11 this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report
12 income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response
13 to an inquiry or subpoena issued by a state or federal government agency. After the Motion for
14 Preliminary Approval of Settlement is filed, Class Counsel and Plaintiffs agree not to publicize the
15 terms of this Settlement with the media, including but not limited to, any newspaper, journal,
16 magazine, website, online reporter of settlements or on any website, and/or in social media. Class
17 Counsel may, however, use the factual information about this case, including but not limited to the
18 amount and case name(s) and number(s), in any future motion practice in court. Each Party agrees to
19 notify each other Party, within three business days, of any judicial or agency order, inquiry, or
20 subpoena seeking such information. Plaintiff, Class Counsel, Defendants, and Defense Counsel
21 separately agree not to, directly or indirectly, initiate any conversation or other communication, before
22 the filing of the Motion for Preliminary Approval, with any third-party regarding this Agreement or
23 the matters giving rise to this Agreement except to respond only that "the matter was resolved," or
24 words to that effect. This paragraph does not restrict Class Counsel's communications with Class
25 Members in accordance with Class Counsel's ethical obligations owed to Class Members.

26 11.3 No Solicitation. The Parties separately agree that they and their respective counsel and
27 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from
28 the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to

1 communicate with Class Members in accordance with Class Counsel's ethical obligations owed to
2 Class Members.

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

7 11.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
8 represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate
9 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its
10 terms, and to execute any other documents reasonably required to effectuate the terms of this
11 Agreement including any amendments to this Agreement.

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

19 11.7 No Prior Assignments. The Parties separately represent and warrant that they have not
20 directly or indirectly assigned, transferred, encumbered or purported to assign, transfer or encumber
21 to any person or entity and portion of any liability, claim, demand, action, cause of action or right
22 released and discharged by the Party in this Settlement.

23 11.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendants, nor Defense Counsel are
24 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon
25 as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as
26 amended) or otherwise.

1 11.9 Modification of Agreement. This Agreement, and all parts of it, may be amended,
2 modified, changed or waived only by an express written instrument signed by all Parties or their
3 representatives and approved by the Court.

4 11.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to
5 the benefit of, the successors of each of the Parties.

6 11.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be
7 governed by and interpreted according to the internal laws of the State of California, without regard
8 to conflict of law principles.

9 11.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of
10 this Agreement. This Agreement will not be construed against any Party on the basis that the Party
11 was the drafter or participated in the drafting.

12 11.13 Confidentiality. To the extent permitted by law, all agreements made and orders entered
13 during Action and in this Agreement relating to the confidentiality of information shall survive the
14 execution of this Agreement.

15 11.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to
16 Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class
17 Counsel by Defendants in connection with the mediation, other settlement negotiations, or in
18 connection with the Settlement, may be used only with respect to this Settlement, and no other purpose,
19 and may not be used in any way that violates any existing contractual agreement, statute or California
20 Rules of Court rule. Not later than 90 days after the date when the Court discharges the Administrator's
21 obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall
22 destroy all paper and electronic versions of Class Data received from Defendants unless, prior to the
23 Court's discharge of the Administrator's obligation, Defendants make a written request to Class
24 Counsel for the return, rather than the destruction, of Class Data.

25 11.15 Headings. The descriptive heading of any section or paragraph of this Agreement is
26 inserted for convenience of reference only and does not constitute a part of this Agreement.

1 11.16 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall
2 be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend
3 or federal legal holiday, such date or deadline shall be on the first business day thereafter.

4 11.17 Notice. All notices, demands or other communications between the Parties in connection
5 with this Agreement will be in writing and deemed to have been duly given as of the third business
6 day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

7 To Plaintiffs:

8 Jonathan M. Genish
9 jgenish@blackstonepc.com
10 Barbara DuVan-Clarke
11 BDC@blackstonepc.com
12 Danielle GruppChang
13 dgruppchang@blackstonepc.com
14 P.J. Van Ert
15 pjvanert@blackstonepc.com
16 Annabel Blanchard
17 ablanchard@blackstonepc.com
18 BLACKSTONE LAW, APC
19 8383 Wilshire Blvd., Suite 745
20 Beverly Hills, California 90211
21 Telephone: 310.622.4278

22 To Defendants:

23 Rachael S. Lavi
24 rlavi@littler.com
25 Grace L. Waddell
26 gwaddell@littler.com
27 LITTLER MENDELSON, P.C.
28 2049 Century Park East
29 5th Floor
30 Los Angeles, California 90067
31 Telephone: 310.553.0308

32 11.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts
33 by facsimile, electronically (i.e., DocuSign), or email which for purposes of this Agreement shall be
34 accepted as an original. All executed counterparts and each of them will be deemed to be one and the
35 same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any
36 executed counterpart will be admissible in evidence to prove the existence and contents of this
37 Agreement.

38 11.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the
39 litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree

1 that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 to
2 extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire
3 period of this settlement process.

4
5 Dated: November 2, 2025

Daniel He

Daniel He
Plaintiff

6
7
8
9
10 Dated: November ___, 2025

11
12 Jonelle Velasquez
Plaintiff

13
14 Dated: November 6, 2025


Jonathan M. Genish
Barbara DuVan-Clarke
Danielle GruppChang
P.J. Van Ert
Annabel Blanchard
Attorneys for Plaintiffs

15
16
17
18
19 Dated: November ___, 2025

20
21 Michael Freed, Chief Executive Officer
22 For Defendants, Bay Photo Lab, Inc. and Circle
23 Graphics, Inc.

24 Dated: November ___, 2025

LITTLER MENDELSON P.C.

25
26 Rachael S. Lavi
27 Grace L. Waddell
28 Attorneys for Defendants

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2 extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire
3 period of this settlement process.

4
5 Dated: November ___, 2025

6
7 _____
8 Daniel He
9 Plaintiff

10 Dated: November 6, 2025

11 
12 _____
13 Jonelle Velasquez
14 Plaintiff

15 Dated: November ___, 2025

16 _____
17 Jonathan M. Genish
18 Barbara DuVan-Clarke
19 Danielle GruppChang
20 P.J. Van Ert
21 Annabel Blanchard
22 Attorneys for Plaintiffs

23 Dated: November ___, 2025

24 _____
25 Michael Freed, Chief Executive Officer
26 For Defendants, Bay Photo Lab, Inc. and Circle
27 Graphics, Inc.

28 Dated: November ___, 2025

LITTLER MENDELSON P.C.

Rachael S. Lavi
Grace L. Waddell
Attorneys for Defendants

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3 period of this settlement process.

4
5 Dated: November __, 2025
6

7
8 Daniel He
Plaintiff

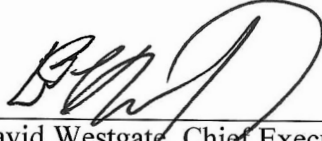
9
10 Dated: November __, 2025
11

12
13 Jonelle Velasquez
Plaintiff

14 Dated: November __, 2025
15

16
17 Jonathan M. Genish
Barbara DuVan-Clarke
Danielle GruppChang
P.J. Van Ert
Annabel Blanchard
Attorneys for Plaintiffs

18
19 Dated: November 10, 2025
20

21
22 
David Westgate, Chief Executive Officer
For Defendants, Bay Photo Lab, Inc. and Circle
Graphics, Inc.

23 Dated: November 10, 2025
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LITTLER MENDELSON P.C.

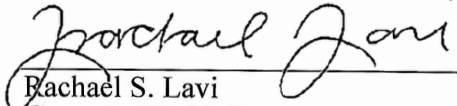
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Rachael S. Lavi
Grace L. Waddell
Attorneys for Defendants
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EXHIBIT A

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT
AND HEARING DATE FOR FINAL COURT APPROVAL
Daniel He and Jonelle Velasquez v. Bay Photo Lab, Inc. and Circle Graphics, Inc.
Superior Court of California for the County of Los Angeles, Case No. 24STCV05682

PLEASE READ THIS CLASS NOTICE CAREFULLY.

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

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

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

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiffs Daniel He and Jonelle Velasquez ("Plaintiffs") and Defendants Bay Photo Lab, Inc. and Circle Graphics, Inc. ("Defendants") (Plaintiffs and Defendants are collectively referred to as the "Parties") in the case entitled *Daniel He and Jonelle Velasquez v. Bay Photo Lab, Inc. et al.*, Los Angeles County Superior Court, Case No. 24STCV05682 ("Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" or "Class Member(s)" means all current and former hourly paid and/or non-exempt employees who worked for Bay Photo Lab, Inc. in California during the Class Period.

"Class Period" means the period from November 19, 2021 through January 1, 2025.

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

"Aggrieved Employee(s)" means all current and former hourly paid and/or non-exempt employees who worked for Bay Photo Lab, Inc. in California during the PAGA Period.

"PAGA Period" means the period from January 17, 2023 through January 1, 2025.

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

II. BACKGROUND OF THE ACTION

On January 17, 2024, Plaintiff Velasquez provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendants of the specific provisions of the California Labor Code that Plaintiffs contend were violated ("PAGA Letter"). On March 6, 2024, Plaintiffs commenced a putative class action lawsuit by filing a Class Action Complaint for Damages in the Action ("Class Action Complaint"). On March 25, 2024, Plaintiff Velasquez filed a Complaint for Enforcement Action Under the Private Attorneys General Act, Cal. Labor Code §§ 2698, et seq. ("PAGA Complaint"). On November , 2025, Plaintiffs filed a First Amended Class and Representative Action Complaint in the Action, effectively consolidating the PAGA claims with the class action claims in the Action ("Operative Complaint").

Plaintiffs contend that Defendants failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated waiting-time penalties, provide accurate wage statements, and reimburse business expenses, and thereby engaged in unfair business practices in violation of the California Business and Professions Code section 17200, et seq., and conduct that gives rise to penalties under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698, et seq. ("PAGA"). Plaintiffs seek, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys' fees and costs.

Defendants deny all of the allegations in the Action or that it violated any law.

The Parties participated in mediation with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into a Joint Stipulation of Class Action and PAGA Settlement Agreement (“Settlement” or “Settlement Agreement”).

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Apex Class Action as the administrator of the Settlement (“Settlement Administrator”), Plaintiffs Daniel He and Jonelle Velasquez as representatives of the Class (“Class Representatives”), and the following Plaintiffs’ attorneys as counsel for the Class (“Class Counsel”):

Jonathan M. Genish
Barbara DuVan-Clarke
Danielle GruppChang
P.J. Van Ert
Annabel Blanchard
Blackstone Law, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

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

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendants that the claims in the Action have merit or that Defendants have any liability to Plaintiffs, Class Members, or Aggrieved Employees. Plaintiffs and Defendants, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, the State of California, and Aggrieved Employees.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is Six Hundred Fifty Thousand Dollars (\$650,000) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys’ fees, in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$227,500), and reimbursement of litigation costs and expenses, in an amount not to exceed Forty Thousand Dollars (\$40,000) to Class Counsel; (2) Class Representative Service Payments in an amount not to exceed Seven Thousand Five Hundred Dollars (\$7,500) to each Plaintiff (for a total of \$15,000) for their services in the Action; (3) the amount of Fifty Thousand Dollars (\$50,000) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Amount”), of which the LWDA will be paid 75% (\$37,500) (“LWDA Payment”) and the remaining 25% (\$12,500) will be distributed to PAGA Employees (“PAGA Employee Amount”); and (4) Settlement Administration Costs in an amount not to exceed Ten Thousand Nine Hundred Dollars (\$10,900) to the Settlement Administrator.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Class Share”) based on the number of weeks each Class Member worked for Defendants for at least one day, during the Class Period (“Workweeks”). The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members and has multiplied each Class Member’s individual Workweeks by the result, in

order to yield an estimated Individual Class Share that each Class Member may be entitled to receive under the Class Settlement (which is listed in Section III.C below). Class Members who do not submit a timely and valid Request for Exclusion (“Participating Class Members”) will be issued their final Individual Class Payment.

Each Individual Class Share will be allocated as one-third (1/3) as wages, which will be reported on an IRS Form W-2, and two-thirds (2/3) as penalties and interest, which will be reported on an IRS Form 1099 (if applicable). Each Individual Class Share will be subject to reduction for the employee’s share of payroll taxes and withholdings with respect to the wages portion of the Individual Class Shares resulting in a net payment to the Participating Class Member (“Individual Class Payment”). The employer’s share of taxes and contributions in connection with the wages portion of Individual Class Payments (“Employer Taxes”) will be paid by Defendants separately and in addition to the Gross Settlement Amount.

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

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject to taxes or withholdings, and will be reported on IRS Form 1099 (if applicable).

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

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

According to Defendant’s records:

- **From November 19, 2021 through January 1, 2025 (i.e., the Class Period), you are credited as having worked [REDACTED] Workweeks.**
- **From January 17, 2023 through January 1, 2025 (i.e., the PAGA Period), you are credited as having worked [REDACTED] PAGA Pay Periods.**

If you wish to dispute the Workweeks and/or PAGA Pay Periods credited to you, you must submit your dispute in writing to the Settlement Administrator (“Challenge to Calculation of Workweeks” or “Challenge”). The Challenge must: (a) contain the case name and number of the Action (*He, et al. v. Bay Photo Lab, Inc., et al.*, Case No. 24STCV05682); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) clearly state that you dispute the number of Workweeks and/or PAGA Pay Periods credited to you and what you contend is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B below, postmarked **on or before [Response Deadline]**.

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

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

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

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

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

D. Release of Claims

Upon the full funding of the Gross Settlement Amount and all employer taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs and all Participating Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff, the State of California with respect to all PAGA Employees, and all PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

“Released Class Claims” means all claims which were alleged or which reasonably could have been alleged based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action for unpaid wages (including premiums) or other compensation allegedly owed, or for damages, penalties, restitution, interest, liquidated damages, attorneys’ fees, or costs, or any other recovery including under the California Labor Code and corresponding provisions of the California Code of Regulations, Title 8 and IWC Wage Orders, including, e.g., (1) Violation of Cal. Lab. Code §§ 1194, 1197, 1197.1 and 1194.2 (Unpaid Minimum Wages); (2) Violation of Cal. Lab. Code §§ 510, 1198, and 1194 (Unpaid Overtime); (3) Violation of Cal. Lab. Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (4) Violation of Cal. Lab. Code § 226.7 (Unpaid Rest Period Premiums); (5) Violation of Cal. Lab. Code §§ 204 and 210 (Wages Not Timely Paid During Employment); (6) Violation of Cal. Lab. Code § 226(a) (Failure to Provide Accurate Wage Statements); (7) Violation of Cal. Lab. Code §§ 201, 202, and 203 (Untimely Final Wages); (8) Violation of Cal. Lab. Code §§ 2800 and 2802 (Failure to Reimburse Necessary Business Expenses); and (9) Violation of Cal. Business & Professions Code §§ 17200, et seq. Except as set forth in Section 5.4 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation or claims based on facts occurring outside the Class Period

“Released PAGA Claims” means all claims for PAGA penalties under Labor Code section 2698 et seq. that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, the PAGA Notice, and ascertained in the course of the Action, including, e.g., under Labor Code sections 201, 202, 203, 204, 210, 218.5, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2800, 2802, and all applicable IWC Wage Orders. The express purpose of this Agreement and the Judgment to be entered by the Court following approval of this settlement is to forever bar Plaintiffs, the LWDA, and any other individual or entity acting on behalf of or purporting to act on behalf of the LWDA (including all Aggrieved Employees) from asserting any of the Released PAGA Claims in any future litigation. It is the intent of the Parties that, to the greatest extent provided by law, including under the holding of *Arias v. Superior Court*, 46 Cal. 4th 969, 986 (2009), the ability of Plaintiffs, the State of California or any Aggrieved Employee to bring a PAGA claim on behalf of the LWDA based on the Released PAGA Claims for the PAGA Period is completely and forever foreclosed.

All Aggrieved Employees, including Non-Participating Class Members, are to be bound by the PAGA portion of the Settlement upon its approval by the Court, regardless of whether he or she negotiates (i.e. cashes or deposits) his or her Individual PAGA Payment

“Released Parties” means Defendants, their subsidiaries, and affiliates, and each of their former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, agents, reinsurers, and any individual or entity which could be jointly liable with Defendants.

E. Attorneys’ Fees and Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$227,500) and reimbursement of litigation costs and expenses in an amount not to exceed Forty Thousand Dollars

(\$40,000) (collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and Costs granted by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiffs, Class Members, and Aggrieved Employees on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Class Representative Service Payments to Plaintiffs

Plaintiffs will seek the amount of Seven Thousand Five Hundred Dollars (\$7,500) (“Class Representative Service Payment(s)”), each in recognition of their services in connection with the Action. The Class Representative Service Payments will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, it will be paid to Plaintiffs in addition to their Individual Class Payments and Individual PAGA Payments that they are entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Ten Thousand Nine Hundred Dollars (\$10,900) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Objections, and Challenges to Workweeks, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

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

A. Participate in the Settlement

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

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

If you are an Aggrieved Employee and the Court grants final approval of the Settlement, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims against the Released Parties as described in Section III.D above.

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

B. Request Exclusion from the Class Settlement

Class Members may request to be excluded from the Class Settlement by submitting a letter (“Request for Exclusion”) to the Settlement Administrator, at the following address:

[Settlement Administrator]

[Mailing Address]

A Request for Exclusion must: (a) contain the case name and number of the Action (*He, et al. v. Bay Photo Lab, Inc., et al.*, Case No. 24STCV05682); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security number; (c) clearly state that you do not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address above, postmarked **on or before** [Response Deadline].

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be issued an Individual Class Payment, will not be bound by the Class Settlement (and the release of Released Class

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

C. Object to the Class Settlement

You can object to the Class Settlement as long as you have not submitted a Request for Exclusion by submitting a written objection (“Objection”) to the Settlement Administrator.

The Objection must: (a) contain the case name and number of the Action (*He, et al. v. Bay Photo Lab, Inc., et al.*, Case No. 24STCV05682); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before [Response Deadline]**.

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

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 7 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and grant the Attorneys’ Fees and Costs to Class Counsel, Class Representative Service Payments to Plaintiffs, and Settlement Administration Costs to the Settlement Administrator.

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

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers, which are on file with the Court.

You may view the Settlement Agreement and other documents filed in the Action by visiting <https://www.lacourt.org/>

You may also visit the Settlement Administrator’s website at **[redacted]** for key documents in the Action.

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

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

EXHIBIT 4

1 **FIRST AMENDED JOINT STIPULATION OF CLASS ACTION AND PAGA**
2 **SETTLEMENT AGREEMENT**

3 This First Amended Joint Stipulation of Class Action and PAGA Settlement Agreement
4 (“Agreement”) is made by and between Plaintiffs Daniel He (“He”) and Jonelle Velasquez
5 (“Velasquez”) (collectively, “Plaintiffs”) and Defendants Bay Photo Lab Inc. and Circle Graphics,
6 Inc. (“Defendants”). The Agreement refers to Plaintiffs and Defendants collectively as “Parties,” or
7 individually as “Party.”

8 Pursuant to Paragraph 11.9 of the Joint Stipulation of Class Action and PAGA Settlement
9 Agreement which was executed on April 8, 2025 (“Original Agreement”), the Original Agreement is
10 hereby replaced and supplanted in its entirety by this instrument.

11 **1.DEFINITIONS.**

12 1.1 “Actions” means the Plaintiffs’ lawsuit alleging wage and hour violations against
13 Defendants captioned *Daniel He and Jonelle Velasquez v. Bay Photo Lab Inc. and Circle Graphics,*
14 *Inc.*, Case No. 24STCV05682 initiated on March 6, 2024, and pending in Superior Court of the State
15 of California, County of Los Angeles, and Plaintiff Velasquez’s lawsuit seeking civil penalties from
16 Defendants captioned *Jonelle Velasquez v. Bay Photo Lab Inc. and Circle Graphics, Inc.*, Case No.
17 24STCV07440 initiated on March 24, 2024, and pending in Superior Court of the State of California,
18 County of Los Angeles.

19 1.2 “Administrator” means Apex Class Action, the neutral entity the Parties have agreed to
20 appoint to administer the Settlement.

21 1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from
22 the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the
23 Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval
24 of the Settlement.

25 1.4 “Aggrieved Employee” means all current and former hourly paid and/or non-exempt
26 employees who worked for Bay Photo Lab Inc. in California during the PAGA Period.

27 1.5 “Class” means all current and former hourly paid and/or non-exempt employees who
28 worked for Bay Photo Lab Inc. in California during the Class Period.

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1 1.6 “Class Counsel” means Jonathan M. Genish, Barbara DuVan-Clarke, Danielle
2 GruppChang, P.J. Van Ert, and Annabel Blanchard of Blackstone Law, APC.

3 1.7 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean
4 the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and verified
5 costs and expenses, respectively, incurred to prosecute the Action~~s~~.

6 1.8 “Class Data” means Class Member identifying information in Defendants’ possession
7 including the Class Member’s name, last-known mailing address, Social Security number, and number
8 of Class Period Workweeks and PAGA Pay Periods.

9 1.9 “Class Member” or “Settlement Class Member” means a member of the Class, as either a
10 Participating Class Member or Non-Participating Class Member (including a Non-Participating Class
11 Member who qualifies as an Aggrieved Employee).

12 1.10 “Class Member Address Search” means the Administrator’s investigation and search for
13 current Class Member mailing addresses using all reasonably available sources, methods and means
14 including, but not limited to, the National Change of Address database, skip traces, and direct contact
15 by the Administrator with Class Members.

16 1.11 “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION
17 SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class
18 Members in English with a Spanish translation in the form, without material variation, attached as
19 Exhibit A and incorporated by reference into this Agreement.

20 1.12 “Class Period” means the period November 19, 2021, through January 1, 2025, ~~for a total~~
21 ~~of 32,500 workweeks.~~

22 1.13 “Class Representatives” mean the named Plaintiffs in the ~~Class Action~~Operative
23 Complaint in the Action seeking Court approval to serve as Class Representatives.

24 1.14 “Class Representative Service Payment” means the payment to the Class Representatives
25 for initiating the Action and providing services in support of the Action.

26 1.15 “Court” means the Superior Court of California, County of Los Angeles.

27 1.16 “Defendants” means named Defendants Bay Photo Lab Inc. and Circle Graphics, Inc.
28

1 1.17 “Defense Counsel” means Rachael S. Lavi and Grace L. Waddell of Littler Mendelson,
2 P.C.

3 1.18 “Effective Date” means the date by when both of the following have occurred: (a) the
4 Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment
5 is final and no longer appealable. For purposes of this Agreement, “becomes final and is no longer
6 appealable” shall mean the latter of: (a) the day after the last date by which a notice of appeal, writ, or
7 other appellate proceeding to the applicable Court of Appeal of the order and judgment approving this
8 the Settlement Agreement may be timely filed and none is filed (i.e., 61 days from notice of entry of
9 judgment); (b) if an appeal, writ, or other appellate proceeding is filed, and the appeal is finally
10 disposed of by ruling, dismissal, denial, or in a any other manner that confirms the validity of the order
11 and judgment, the day after the last date for filing a request for further review of the order and judgment
12 approving this Agreement passes, and no further review is requested; or (c) if an appeal, writ, or other
13 appellate proceeding is filed and the order approving this Agreement is affirmed and further review of
14 the order is requested, the day after the review is finally resolved and the order and judgment approving
15 this Agreement is affirmed. No funding of the Settlement shall occur until after the Effective Date has
16 passed.

17 1.19 “Final Approval” means the Court’s order granting final approval of the Settlement.

18 1.20 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval
19 of the Settlement.

20 1.21 “Final Judgment” means the Judgment Entered by the Court upon Granting Final
21 Approval of the Settlement.

22 1.22 “Gross Settlement Amount” means \$650,000 which is the total amount Defendants agree
23 to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount
24 will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA
25 Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and
26 the Administrator’s Expenses.

1 1.23 “Individual Class Payment” means the Participating Class Member’s pro rata share of the
2 Net Settlement Amount calculated according to the number of Workweeks worked during the Class
3 Period.

4 1.24 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of
5 the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA
6 Period.

7 1.25 “Judgment” means the judgment entered by the Court based upon the Final Approval.

8 1.26 “LWDA” means the California Labor and Workforce Development Agency, the agency
9 entitled, under Labor Code section 2699, subdivision (i).

10 1.27 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA
11 under Labor Code section 2699, subdivision (i).

12 1.28 “Net Settlement Amount” means the Gross Settlement Amount, less the following
13 payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA
14 Payment, Class Representatives Service Payment, Class Counsel Fees Payment, Class Counsel
15 Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid
16 to Participating Class Members as Individual Class Payments.

17 1.29 “Non-Participating Class Member” means any Class Member who opts out of the
18 Settlement by sending the Administrator a valid and timely Request for Exclusion.

19 1.30 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked
20 for Defendants for at least one day during the PAGA Period.

21 1.31 “PAGA Period” means the period from January 17, 2023 through January 1, 2025; ~~going~~
22 ~~backwards to the later of January 17, 2023, or the date 32,500 Class Workweeks are met.~~

23 1.32 “PAGA” means the Private Attorneys General Act (Lab. Code, § 2698 et seq.).

24 1.33 “PAGA Notice” means Plaintiff Velasquez’s January 17, 2024, letter to Defendants and
25 the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).

26 1.34 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the
27 Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$12,500.00) and the 75% to
28 LWDA (\$37,500.00) in settlement of PAGA claims.

1 1.35 “Participating Class Member” means a Class Member who does not submit a valid and
2 timely Request for Exclusion from the Settlement.

3 1.36 “Plaintiffs” means Daniel He and Jonelle Velasquez, the named plaintiffs in the Action.

4 1.37 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the
5 Settlement.

6 1.38 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval
7 and Approval of PAGA Settlement.

8 1.39 “Released Class Claims” means the claims being released as described in Paragraph 5.2
9 3 below.

10 1.40 “Released PAGA Claims” means the claims being released as described in Paragraph 5.4
11 below.

12 1.41 “Released Parties” means Defendants, their subsidiaries, and affiliates, and each of their
13 former and present directors, officers, shareholders, owners, members, attorneys, insurers,
14 predecessors, successors, assigns, agents, reinsurers, and any individual or entity which could be
15 jointly liable with Defendants.

16 1.42 “Request for Exclusion” means a Class Member’s submission of a written request to be
17 excluded from the Class Settlement signed by the Class Member.

18 1.43 “Response Deadline” means 4560 days after the Administrator mails Notice to Class
19 Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax,
20 email or mail Requests for Exclusion from the Settlement, or (b) fax, email or mail his, her, or their
21 Objection to the Settlement. Class Members to whom Notice Packets are resent after having been
22 returned undeliverable to the Administrator shall have an additional 154 calendar days beyond the
23 Response Deadline has expired.

24 1.44 “Settlement” means the disposition of the Action effected by this Agreement and the
25 Judgment.

26 1.45 “Workweek” means any week during which a Class Member worked for Defendants for
27 at least one day, during the Class Period.

28 **2. RECITALS.**

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2.1 On March 6, 2024, Plaintiffs commenced ~~a class~~^{this} ~~A~~ction by filing a Class Action Complaint For Damages alleging causes of action against Defendants for (1) Violation of Cal. Lab. Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages); (2) Violation of Cal. Lab. Code §§ 510 and 1198 (Unpaid Overtime); (3) Violation of Cal. Lab. Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (4) Violation of Cal. Lab. Code § 226.7 (Unpaid Rest Period Premiums); (5) Violation of Cal. Lab. Code §§ 204 and 210 (Wages Not Timely Paid During Employment); (6) Violation of Cal. Lab. Code § 226(a) (Failure to Provide Accurate Wage Statements); (7) Violation of Cal. Lab. Code §§ 201, 202, and 203 (Untimely Final Wages); (8) Violation of Cal. Lab. Code §§ 2800 and 2802 (Failure to Reimburse Necessary Business Expenses); and (9) Violation of Cal. Business & Professions Code §§ 17200, *et seq.* (the “~~Operative~~ Class Action Complaint”).

2.2 On March 25⁴, 2024, Plaintiff Velasquez filed a ~~PAGA~~ Complaint For Enforcement Action Under The Private Attorneys General Act, Cal. Labor Code §§ 2698, et seq. seeking civil penalties under the PAGA alleging (1) Violation of Cal. Lab. Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages); (2) Violation of Cal. Lab. Code §§ 510 and 1198 (Unpaid Overtime); (3) Violation of Cal. Lab. Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (4) Violation of Cal. Lab. Code § 226.7 (Unpaid Rest Period Premiums); (5) Violation of Cal. Lab. Code §§ 204 and 210 (Wages Not Timely Paid During Employment); (6) Violation of Cal. Lab. Code §§ 201, 202, and 203 (Untimely Final Wages); ~~Violation of Cal. Lab. Code § 226(a) (Failure to Provide Accurate Wage Statements);~~ (7) Violation of Cal. Lab. Code § 226(a) (Failure to Provide Accurate Wage Statements); ~~Violation of Cal. Lab. Code §§ 201, 202, and 203 (Untimely Final Wages);~~ (8) Violation of Cal. Lab. Code § 1174(d) (Failure to Maintain Accurate Payroll Records); ~~Violation of Cal. Lab. Code §§ 2800 and 2802 (Failure to Reimburse Necessary Business Expenses);~~ and (9) Violation of Cal. Lab. Code §§ 2800 and 2802 (Failure to Reimburse Necessary Business Expenses); ~~Violation of Cal. Business & Professions Code §§ 17200, et seq.; and (10) Violation of Cal. Lab. Code § 1174(d) (Failure to Maintain Accurate Payroll Records)~~ (the “~~Operative~~ PAGA Complaint”).

2.3 On November 6, 2025, Plaintiffs filed a First Amended Class and Representative Action Complaint (“Operative Complaint”), combining the claims in the Class Action Complaint and PAGA

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1 Complaint, and effectively consolidating both Actions into one, under the lead class action case (Los
2 Angeles Superior Court Case No. 24STCV05682).

3 2.4 Defendants deny the allegations in the Actions and the Operative ~~Class Action~~ Complaint
4 ~~and the Operative PAGA Complaint~~, deny any failure to comply with the laws identified in the
5 Operative ~~Class Action~~ Complaint ~~and the Operative PAGA Complaint~~ and deny any and all liability
6 for the causes of action alleged.

7 2.2.5 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff Velasquez gave timely
8 written notice to Defendants and the LWDA by sending the PAGA Notice.

9 2.6.3 On October 2, 2024, the Parties participated in an all-day mediation presided over by
10 Monique Ngo-Bonnici, Esq. The Parties did not reach a settlement during mediation. The Parties
11 continued to engage in settlement negotiations after mediation, which led to this Agreement to settle
12 the Actions.

13 2.7.4 Prior to mediation, Plaintiffs obtained, through informal discovery, information such as
14 employee handbooks, payroll calendars, meal break waivers, meal break guidelines, job descriptions,
15 timekeeping policies and procedures, and anonymized time and pay records for all putative class
16 members. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in
17 *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail,*
18 *Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

19 2.8.5 The Court has not granted class certification.

20 2.9.6 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any
21 other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

22 **3. MONETARY TERMS.**

23 3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendants
24 promise to pay \$650,000.00 and no more as the Gross Settlement Amount and to separately pay any
25 and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments.
26 Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the
27 deadline stated in Paragraph 4.2.3 of this Agreement. The Administrator will disburse the entire Gross
28 Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees

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1 to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to
2 Defendants.

3 3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the
4 following payments from the Gross Settlement Amount, in the amounts specified by the Court in the
5 Final Approval:

6 3.2.1 **To Plaintiffs:** Class Representative Service Payments to each of the Class
7 Representatives of not more than \$7,500.00 each (in addition to any Individual Class Payment and any
8 Individual PAGA Payment the Class Representatives may be entitled to receive as a Participating
9 Class Member and/or Aggrieved Employee). Defendants will not oppose Plaintiffs' request for a Class
10 Representative Service Payment that does not exceed this amount. As part of the motion for Class
11 Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for
12 any Class Representative Service Payments no later than 16 court days prior to the Final Approval
13 Hearing. If the Court approves a Class Representative Service Payment less than the amount requested,
14 the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay
15 the Class Representative Service Payment using IRS Form 1099. Plaintiffs assume full responsibility
16 and liability for employee taxes owed on the Class Representative Service Payment. This is not a
17 material term of this Settlement, and any reduction by the Court of the requested Service Payment to
18 Plaintiffs shall not be sufficient grounds to void the Settlement or appeal the Judgment.

19 3.2.2 **To Class Counsel:** A Class Counsel Fees Payment of not more than 35%, which
20 is currently estimated to be \$227,500.00, and a Class Counsel Litigation Expenses Payment of not
21 more than \$40,000.00. Defendants will not oppose requests for these payments provided that the
22 payments do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class
23 Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the
24 Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel
25 Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the
26 remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or
27 any other Plaintiffs' Counsel arising from any claim to any portion of any Class Counsel Fee Payment
28 and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel

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1 Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class
2 Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment
3 and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies
4 Defendants, from any dispute or controversy regarding any division or sharing of any of these
5 Payments. This is not a material term of this Settlement, and any reduction by the Court of the
6 requested Class Counsel Fees Payment Class Counsel Litigation Expenses Payment or shall not be
7 sufficient grounds to void the Settlement or appeal the Judgment.

8 3.2.3 **To the Administrator:** An Administrator Expenses Payment not to exceed
9 \$10,900.00 except for a showing of good cause and as approved by the Court. To the extent the
10 Administration Expenses are less or the Court approves payment less than \$10,900.00, the
11 Administrator will retain the remainder in the Net Settlement Amount.

12 3.2.4 **To Each Participating Class Member:** An Individual Class Payment calculated
13 by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all
14 Participating Class Members during the Class Period and (b) multiplying the result by each
15 Participating Class Member's Workweeks.

16 3.2.4.1 *Tax Allocation of Individual Class Payments.* One third (1/3) of each
17 Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims
18 (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an
19 IRS W-2 Form. Two thirds (2/3) of each Participating Class Member's Individual Class Payment will
20 be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-
21 Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms.
22 Participating Class Members assume full responsibility and liability for any employee taxes owed on
23 their Individual Class Payment.

24 3.2.4.2 *Effect of Non-Participating Class Members on Calculation of Individual*
25 *Class Payments.* Non-Participating Class Members will not receive any Individual Class Payments.
26 The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement
27 Amount for distribution to Participating Class Members on a pro rata basis. Non-Participating Class
28

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1 Members are still subject to the release of ~~PAGA~~ Released PAGA Claims and will receive their
2 Individual PAGA Payment.

3 3.2.5 **To the LWDA and Aggrieved Employees:** PAGA Penalties in the amount of
4 \$50,000.00 to be paid from the Gross Settlement Amount, with 75% (\$37,500.00) allocated to the
5 LWDA PAGA Payment and 25% (\$12,500.00) allocated to the Individual PAGA Payments.

6 3.2.6 ~~4.1~~ The Administrator will calculate each Individual PAGA Payment by (a)
7 dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$12,500.00) by the
8 total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA
9 Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods.
10 Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual
11 PAGA Payment.

12 3.2.7 ~~4.2~~ If the Court approves PAGA Penalties of less than the amount requested, the
13 Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report
14 the Individual PAGA Payments on IRS 1099 Forms.

15 **4. SETTLEMENT FUNDING AND PAYMENTS.**

16 4.1 Class Data. Not later than 30 days after the Court grants Preliminary Approval of the
17 Settlement, Defendants will simultaneously deliver the Class Data to the Administrator, in the form
18 of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must
19 maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for
20 no other purpose, and restrict access to the Class Data to Administrator employees who need access
21 to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to
22 immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying
23 information and to provide corrected or updated Class Data as soon as reasonably feasible. Without
24 any extension of the deadline by which Defendants must send the Class Data to the Administrator, the
25 Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise
26 resolve any issues related to missing or omitted Class Data.

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1 4.2 Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement
2 Amount, and also fund the amounts necessary to fully pay Defendants' share of payroll taxes by
3 transmitting the funds to the Administrator no later than 14 days after the Effective Date.

4 4.3 Payments from the Gross Settlement Amount. Within 14 days after Defendants fund the
5 Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all
6 Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the
7 Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class
8 Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel
9 Litigation Expenses Payment and the Class Representative Service Payment shall not precede
10 disbursement of Individual Class Payments and Individual PAGA Payments.

11 4.3.1 The Administrator will issue checks for the Individual Class Payments and/or
12 Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage
13 prepaid. The face of each check shall prominently state the date (not less than 180 days after the date
14 of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the
15 void date. The Administrator will send checks for Individual Settlement Payments to all Participating
16 Class Members (including those for whom Class Notice was returned undelivered). The Administrator
17 will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-
18 Participating Class Members who qualify as Aggrieved Employees (including those for whom Class
19 Notice was returned undelivered). The Administrator may send Participating Class Members a single
20 check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing
21 any checks, the Settlement Administrator must update the recipients' mailing addresses using the
22 National Change of Address Database.

23 4.3.2 The Administrator must conduct a Class Member Address Search for all other
24 Class Members whose checks are returned undelivered without United States Postal Service ("USPS")
25 forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks
26 to the USPS forwarding address provided or to an address ascertained through the Class Member
27 Address Search. The Administrator need not take further steps to deliver checks to Class Members
28 whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a

1 replacement check to any Class Member whose original check was lost or misplaced, requested by the
2 Class Member prior to the void date.

3 4.3.3 For any Class Member whose Individual Class Payment check or Individual
4 PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit
5 the funds represented by such checks to the California Controller's Unclaimed Property Fund in the
6 name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of Code
7 of Civil Procedure section 384, subdivision (b).

8 4.3.4 The payment of Individual Class Payments and Individual PAGA Payments shall
9 not obligate Defendants to confer any additional benefits or make any additional payments to Class
10 Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

11 **5. RELEASES OF CLAIMS.** Effective on the date when Defendants fully fund the entire Gross
12 Settlement Amount and fund all employer payroll taxes owed on the Wage Portion of the Individual
13 Class Payments, Plaintiffs, Class Members, [Aggrieved Employees, the State of California with respect](#)
14 [to the Aggrieved Employees,](#) and Class Counsel will release claims against all Released Parties as
15 follows:

16 5.1 Plaintiff He's Release. As to Plaintiff He's claims only, the Release of Claims further
17 includes, without limitation, any and all claims and potential claims that may legally be waived by
18 private agreement, whether known or unknown, which Plaintiff He has asserted or could assert against
19 the Company arising out of or relating in any way to any acts, circumstances, facts, transactions, or
20 omissions, occurring up to and including the date he signs this Agreement ("Plaintiff's Released
21 Claims"). Plaintiff He understands that he is releasing such Plaintiff [He's](#) Released Claims on behalf
22 of himself and all persons who could make Claims under, through or by Plaintiff He, such as Plaintiff
23 He's spouse, heirs, executors or assignees. This release includes, but is not limited to, (i) any and all
24 Claims arising under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, the Civil
25 Rights Act of 1991, the Age Discrimination in Employment Act of 1967 (ADEA), the Family and
26 Medical Leave Act (FMLA), the Employee Retirement Income Security Act (ERISA), the National
27 Labor Relations Act (NLRA), the Pregnancy Discrimination Act, the Pregnant Workers Fairness Act
28 (PWFA), the Worker Adjustment and Retraining Notification Act, the Americans with Disabilities

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1 Act (ADA), the Uniformed Services Employment and Reemployment Rights Act (USERRA), any
2 amendments to such laws, any other federal, state, or local constitution, charter, law, rule, ordinance,
3 regulation, or order; (ii) Claims based on veterans status; (iii) Claims in equity or under common law
4 including but not limited to claims for tort, breach of contract (express or implied, written or oral),
5 wrongful discharge, defamation, emotional distress, and negligence; (iv) all Claims made or which
6 could have been made in civil action numbers 24STCV05682 and 24STCV07440 pending in the
7 Superior Court of the State of California, County of Los Angeles.

8 Plaintiff He, for himself, has read Section 1542 of the Civil Code of the State of California,
9 which provides as follows:

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

13 Plaintiff He understands that Section 1542 gives the right not to release existing claims of which he is
14 not now aware, unless Plaintiff He voluntarily chooses to waive this right. Having been so apprised,
15 Plaintiff He nevertheless voluntarily waives the rights described in Section 1542, and elects to assume
16 all risks for claims that now exist in his favor, known or unknown. The release of the claims of Plaintiff
17 He as set forth in this Paragraph is a condition precedent to enforcement of this Agreement.

18 5.2 Plaintiff Velasquez's Release. Plaintiff Velasquez, without limitation, releases any and
19 all claims and potential claims that may legally be waived by private agreement, whether known or
20 unknown, which Plaintiff Velasquez has asserted or could assert against the Defendants Company in
21 the Actions, including claims for unpaid wages (including premiums) or other compensation allegedly
22 owed, or for damages, penalties, restitution, interest, liquidated damages, attorneys' fees, or costs, or
23 any other recovery including under the California Labor Code and corresponding provisions of the
24 California Code of Regulations, Title 8 and IWC Wage Orders, including, e.g., (1) Violation of Cal.
25 Lab. Code §§ 1194, 1197, 1197.1 and 1194.2 (Unpaid Minimum Wages); (2) Violation of Cal. Lab.
26 Code §§ 510, 1198, and 1194 (Unpaid Overtime); (3) Violation of Cal. Lab. Code §§ 226.7 and 512(a)
27 (Unpaid Meal Period Premiums); (4) Violation of Cal. Lab. Code § 226.7 (Unpaid Rest Period
28 Premiums); (5) Violation of Cal. Lab. Code §§ 204 and 210 (Wages Not Timely Paid During

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1 Employment); (6) Violation of Cal. Lab. Code § 226(a) (Failure to Provide Accurate Wage
2 Statements); (7) Violation of Cal. Lab. Code §§ 201, 202, and 203 (Untimely Final Wages); (8)
3 Violation of Cal. Lab. Code §§ 2800 and 2802 (Failure to Reimburse Necessary Business Expenses);
4 and (9) Violation of Cal. Business & Professions Code §§ 17200, *et seq.* In addition, to the greatest
5 extent permitted by law, Plaintiff Velasquez individually and on behalf of herself freely, knowingly
6 and voluntarily releases and forever discharges Defendants and the Released Parties of and from all
7 manner of actions, suits, claims, damages, liabilities, penalties, arbitrations, charges, claims for
8 attorneys' fees, interest, expenses and costs, judgments, awards, orders, executions or demands of any
9 nature whatsoever, whether known or unknown, suspected or unsuspected, against them or any of
10 them, which Plaintiff Velasquez ever had, now has, or which Plaintiff Velasquez or her ~~Plaintiffs~~
11 heirs, assigns, executors or administrators hereafter can, shall or may have arising under the California
12 Private Attorneys General Act (California Labor Code section 2698 et seq.) which includes but is not
13 limited to claims brought under the PAGA predicated upon California Labor Code Sections 201, 202,
14 203, 204, 210, 218.5, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2800,
15 2802, relevant sections of the applicable Industrial Welfare Commission Wage Order, and/or any other
16 California Labor Code provisions that could have been asserted under the PAGA in connection with
17 the Actions and/or PAGA Notice, including but not limited to any claims for penalties, wages, interest
18 and/or attorneys' fees and costs thereon, for the entire period of her employment and through the date
19 of Preliminary Approval of this Agreement. Collectively, the claims released in this paragraph shall
20 be known as "Velasquez Released Claims." All such Velasquez Released Claims (including, without
21 limitation, claims for related attorneys' fees and costs) are forever barred by this Agreement regardless
22 of the forum in which they may be brought.

23 Plaintiff Velasquez, for herself, has read Section 1542 of the Civil Code of the State of
24 California, which provides as follows:

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

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1 Plaintiff Velasquez understands that Section 1542 gives the right not to release existing claims of
2 which she is not now aware, unless Plaintiff Velasquez voluntarily chooses to waive this right as to
3 the Velasquez Released Claims. Having been so apprised, Plaintiff Velasquez nevertheless voluntarily
4 waives the rights described in Section 1542 as to the Velasquez Released Claims, and elects to assume
5 all risks for claims that now exist in her~~his~~ favor, known or unknown. The release of the claims of
6 Plaintiff Velasquez as set forth in this Paragraph is a condition precedent to enforcement of this
7 Agreement.

8 5.3 Release by Participating Class Members: All Participating Class Members, on behalf
9 of themselves and their respective former and present representatives, agents, attorneys, heirs,
10 administrators, successors and assigns, release Released Parties from (i) all claims that were alleged,
11 or reasonably could have been alleged, based on the Class Period facts stated in the Operative ~~Class~~
12 ~~Action~~-Complaint and ascertained in the course of the Action for unpaid wages (including premiums)
13 or other compensation allegedly owed, or for damages, penalties, restitution, interest, liquidated
14 damages, attorneys' fees, or costs, or any other recovery including under the California Labor Code
15 and corresponding provisions of the California Code of Regulations, Title 8 and IWC Wage Orders,
16 including, e.g., (1) Violation of Cal. Lab. Code §§ 1194, 1197, 1197.1 and 1194.2 (Unpaid Minimum
17 Wages); (2) Violation of Cal. Lab. Code §§ 510, 1198, and 1194 (Unpaid Overtime); (3) Violation of
18 Cal. Lab. Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (4) Violation of Cal. Lab. Code
19 § 226.7 (Unpaid Rest Period Premiums); (5) Violation of Cal. Lab. Code §§ 204 and 210 (Wages Not
20 Timely Paid During Employment); (6) Violation of Cal. Lab. Code § 226(a) (Failure to Provide
21 Accurate Wage Statements); (7) Violation of Cal. Lab. Code §§ 201, 202, and 203 (Untimely Final
22 Wages); (8) Violation of Cal. Lab. Code §§ 2800 and 2802 (Failure to Reimburse Necessary Business
23 Expenses); and (9) Violation of Cal. Business & Professions Code §§ 17200, *et seq.* ("Released Class
24 Claims"). Except as set forth in Section 5.4 of this Agreement, Participating Class Members do not
25 release any other claims, including claims for vested benefits, wrongful termination, violation of the
26 Fair Employment and Housing Act, unemployment insurance, disability, social security, workers'
27 compensation or claims based on facts occurring outside the Class Period.

1 5.4 Release by Plaintiffs, Aggrieved Employees, and the State of California: Plaintiff
2 Velasquezs, individually and as the representative acting as proxy~~ies~~ or agents of the LWDA, a State
3 of California Executive Branch Agency, and Aggrieved Employees, in the~~is~~ Actions, are deemed to
4 release, on behalf of themselves and their respective former and present representatives, agents,
5 attorneys, heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA
6 penalties under Labor Code section 2698 *et seq.* that were alleged, or reasonably could have been
7 alleged, based on the PAGA Period facts stated in the Operative ~~PAGA~~-Complaint, the PAGA Notice,
8 and ascertained in the course of the Actions, including, e.g., under Labor Code sections 201, 202, 203,
9 204, 210, 218.5, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2800,
10 2802, and all applicable IWC Wage Orders ("Released PAGA Claims"). The express purpose of this
11 Agreement and the Judgment to be entered by the Court following approval of this settlement is to
12 forever bar Plaintiffs, the LWDA, and any other individual or entity acting on behalf of or purporting
13 to act on behalf of the LWDA (including all Aggrieved Employees) from asserting any of the ~~PAGA~~
14 Released PAGA Claims in any future litigation. It is the intent of the Parties that, to the greatest extent
15 provided by law, including under the holding of *Arias v. Superior Court*, 46 Cal. 4th 969, 986 (2009),
16 the ability of Plaintiffs, the State of California or any Aggrieved Employee to bring a PAGA claim on
17 behalf of the LWDA based on the ~~PAGA~~-Released PAGA Claims for the PAGA Period is completely
18 and forever foreclosed. All Aggrieved Employees, including Non-Participating Class Members, are to
19 be bound by the PAGA portion of this Settlement upon its approval by the Court, regardless of whether
20 he or she negotiates (i.e. cashes or deposits) his or her Individual PAGA Payment.

21 **6. MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly prepare and file a
22 motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's
23 current checklist for Preliminary Approvals.

24 6.1 Defendants' Declaration in Support of Preliminary Approval. Within 30 days of the full
25 execution of this Agreement, Defendants will prepare and deliver to Class Counsel a signed
26 Declaration from Defendants and Defense Counsel disclosing all facts relevant to any actual or
27 potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and
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1 Defendants shall aver that they are not aware of any other pending matter or action asserting claims
2 that will be extinguished or adversely affected by the Settlement.

3 6.2 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all
4 documents necessary for obtaining Preliminary Approval at least seven (7) days before filing,
5 including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary
6 Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of
7 the PAGA Settlement under Labor Code section 2699, subdivision (f)(2); (ii) a draft proposed Order
8 Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice;
9 (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the
10 Settlement and attesting to its willingness to serve; competency; operative procedures for protecting
11 the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or
12 other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members;
13 and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense
14 Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and
15 disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or
16 the Administrator; (vi) a signed declaration from each Class Counsel firm attesting to its competency
17 to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA
18 documents (initial notice of violations (Lab. Code, § 2699.3, subd. (a))), Operative Complaint (Lab.
19 Code, § 2699, subd. (l)(1)), this Agreement (Lab. Code, § 2699, subd. (l)(2)); (vii) a redlined version
20 of the Parties' Agreement showing all modifications made to the Model Agreement ready for filing
21 with the Court; and (viii) all facts relevant to any actual or potential conflict of interest with Class
22 Members and/or the Administrator. In their Declarations, Plaintiffs and Class Counsel Declaration
23 shall aver that they are not aware of any other pending matter or action asserting claims that will be
24 extinguished or adversely affected by the Settlement.

25 6.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for
26 expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the
27 full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary
28

1 Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval.
2 Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

3 6.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
4 Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense
5 Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone,
6 and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or
7 conditions Preliminary Approval on any material change to this Agreement, Class Counsel and
8 Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by
9 telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

10 **7. SETTLEMENT ADMINISTRATION.**

11 7.1 Selection of Administrator. The Parties have jointly selected Apex Class Action to serve
12 as the Administrator and verified that, as a condition of appointment, Apex Class Action agrees to be
13 bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in
14 exchange for payment of Administration Expenses. The Parties and their Counsel represent that they
15 have no interest or relationship, financial or otherwise, with the Administrator other than a professional
16 relationship arising out of prior experiences administering settlements.

17 7.2 Employer Identification Number. The Administrator shall have and use its own Employer
18 Identification Number for purposes of calculating payroll tax withholdings and providing reports state
19 and federal tax authorities.

20 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets
21 the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-
22 1.

23 7.4 Notice to Class Members.

24 7.4.1 No later than 3 business days after receipt of the Class Data, the Administrator
25 shall notify Class Counsel that the list has been received and state the number of Class Members,
26 PAGA Members, Workweeks and Pay Periods in the Class Data.

27 7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14
28 days after receiving the Class Data, the Administrator will send to all Class Members identified in the

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1 Class Data, via first-class USPS mail, the Class Notice with Spanish translation, substantially in the
2 form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently
3 estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment
4 payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable)
5 used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class
6 Member addresses using the National Change of Address database.

7 7.4.3 Not later than 3 business days after the Administrator's receipt of any Class
8 Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using
9 any forwarding address provided by the USPS. If the USPS does not provide a forwarding address,
10 the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the
11 most current address obtained. The Administrator has no obligation to make further attempts to locate
12 or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

13 7.4.4 The deadlines for Class Members' written objections, Challenges to Workweeks
14 and/or Pay Periods and Requests for Exclusion will be extended an additional 15 days beyond the 45
15 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The
16 Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

17 7.4.5 If the Administrator, Defendants, or Class Counsel is contacted by or otherwise
18 discovers any persons who believe they should have been included in the Class Data and should have
19 received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and
20 in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree,
21 such persons will be Class Members entitled to the same rights as other Class Members, and the
22 Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise
23 options under this Agreement not later than 15 days after receipt of Class Notice, or the deadline dates
24 in the Class Notice, which ever are later.

25 7.5 Requests for Exclusion (Opt-Outs).

26 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement
27 must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later
28 than 45 days after the Administrator mails the Class Notice (plus an additional 15 days for Class

1 Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member
2 or his/her/their representative that reasonably communicates the Class Member's election to be
3 excluded from the Settlement and includes the Class Member's name, address and email address or
4 telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked
5 by the Response Deadline. Class Members who are also Aggrieved Employees cannot opt out of the
6 PAGA portion of this Settlement.

7 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it
8 fails to contain all the information specified in the Class Notice. The Administrator shall accept any
9 Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person
10 as a Class Member and the Class Member's desire to be excluded. The Administrator's determination
11 shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason
12 to question the authenticity of a Request for Exclusion, the Administrator may demand additional
13 proof of the Class Member's identity. The Administrator's determination of authenticity shall be final
14 and not appealable or otherwise susceptible to challenge.

15 7.5.3 Every Class Member who does not submit a timely and valid Request for
16 Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits
17 and bound by all terms and conditions of the Settlement, including the Participating Class Members'
18 Releases under Paragraphs 5.3 and 5.4 of this Agreement, regardless of whether the Participating Class
19 Member actually receives the Class Notice or objects to the Settlement.

20 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a
21 Non-Participating Class Member and shall not receive an Individual Class Payment or have the right
22 to object to the class action components of the Settlement. Because future PAGA claims are subject
23 to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved
24 Employees are deemed to release the claims identified in Paragraph 5.4 of this Agreement and are
25 eligible for an Individual PAGA Payment even if they submit a Request for Exclusion.

26 7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 45 days after the
27 Administrator mails the Class Notice (plus an additional 15 days for Class Members whose Class
28 Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any)

1 allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation
2 by communicating with the Administrator via fax, email or mail. The Administrator must encourage
3 the challenging Class Member to submit supporting documentation. In the absence of any contrary
4 documentation, the Administrator is entitled to presume that the Workweeks contained in the Class
5 Notice are correct so long as they are consistent with the Class Data. The Administrator's
6 determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and
7 not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies
8 of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class
9 Counsel and the Administrator's determination the challenges.

10 **7.7 Objections to Settlement.**

11 7.7.1 Only Participating Class Members may object to the class action components of
12 the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or
13 amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment
14 and/or Class Representative Service Payment.

15 7.7.2 Participating Class Members may send written objections to the Administrator by
16 fax, email or mail. In the alternative, Participating Class Members may appear in Court (or hire an
17 attorney to appear in Court) to present oral objections at the Final Approval Hearing. A Participating
18 Class Member who elects to send a written objection to the Administrator must do so not later than 45
19 days after the Administrator's mailing of the Class Notice (plus an additional 15 days for Class
20 Members whose Class Notice was re-mailed).

21 7.7.3 Non-Participating Class Members have no right to object to any of the class action
22 components of the Settlement.

23 **7.8 Administrator Duties.** The Administrator has a duty to perform or observe all tasks to be
24 performed or observed by the Administrator contained in this Agreement or otherwise.

25 **7.8.1 Website, Email Address and Toll-Free Number.** The Administrator will
26 establish and maintain and use an internet website to post information of interest to Class Members
27 including the date, time and location for the Final Approval Hearing and copies of the Settlement
28 Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion

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1 for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses
2 Payment and Class Representative Service Payment, the Final Approval and the Judgment. The
3 Administrator will also maintain and monitor an email address and a toll-free telephone number to
4 receive Class Member calls, faxes and emails.

5 **7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List.** The Administrator will
6 promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5
7 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall
8 email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying
9 information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion
10 List”); (b) the names and other identifying information of Class Members who have submitted invalid
11 Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether
12 valid or invalid).

13 **7.8.3 Weekly Reports.** The Administrator must, on a weekly basis, provide written
14 reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class
15 Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether
16 valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received
17 and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments
18 (“Weekly Report”). The Weekly Reports must include provide the Administrator’s assessment of the
19 validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections
20 received.

21 **7.8.4 Workweek and/or Pay Period Challenges.** The Administrator has the authority
22 to address and make final decisions consistent with the terms of this Agreement on all Class Member
23 challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall
24 be final and not appealable or otherwise susceptible to challenge.

25 **7.8.5 Administrator’s Declaration.** Not later than 14 days before the date by which
26 Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will
27 provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court
28 attesting to its due diligence and compliance with all of its obligations under this Agreement,

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1 including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered,
2 the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for
3 Exclusion from Settlement it received (both valid or invalid), the number of written objections and
4 attach the Exclusion List. The Administrator will supplement its declaration as needed or requested
5 by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's
6 declaration(s) in Court.

7 7.8.6 **Final Report by Settlement Administrator.** Within 10 days after the
8 Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide
9 Class Counsel and Defense Counsel with a final report detailing its disbursements by employee
10 identification number only of all payments made under this Agreement. At least 15 days before any
11 deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense
12 Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments
13 required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration
14 in Court.

15 **8. DEFENDANTS' RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion
16 identified in the Exclusion List exceeds 5% of the total of all Class Members, Defendants may, but
17 are not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendants
18 withdraw, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither
19 Party will have any further obligation to perform under this Agreement; provided, however,
20 Defendants will remain responsible for paying all Settlement Administration Expenses incurred to that
21 point. Defendants must notify Class Counsel and the Court of its election to withdraw not later than 7
22 days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have
23 no effect.

24 **9. MOTION FOR FINAL APPROVAL.**

25 9.1 This Agreement is contingent upon an order by the Court granting Final Approval of the
26 Settlement as agreed upon with respect to all material terms, that the LWDA does not intervene and/or
27 object to the Settlement and that this Agreement becomes Effective, as defined in Paragraph 1.18,
28 above. Material terms include the definition of Aggrieved Employee (Paragraph 1.4), the definition

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1 of Class (Paragraph 1.5), the definition of Class Period (Paragraph 1.12), the definition of Effective
2 Date (Paragraph 1.18), the definition of Gross Settlement Amount (Paragraph 3.1), the definition of
3 PAGA Period (Paragraph 1.31), the definition of Released Class Claims (Paragraphs 1.39 and 5.3),
4 the definition of Released PAGA Claims (Paragraphs 1.40 and 5.4), the definition of Released Parties
5 (Paragraph 1.41), and Plaintiff He's Release (Paragraph 5.1). In the event it becomes impossible to
6 secure approval of the Settlement by the Court and the LWDA or the Agreement does not become
7 Effective as to the material terms herein, the Parties shall be restored to their respective positions in
8 the Action prior to entry of this Settlement. If this Settlement Agreement is voided, not approved by
9 the Court or approval is reversed on appeal, it shall have no force or effect and no Party shall be bound
10 by its terms except to the extent: (a) the Court reserves any authority to issue any appropriate orders
11 when denying approval; and/or (b) there are any terms and conditions in this Settlement Agreement
12 specifically stated to survive the Settlement Agreement being voided or not approved, and which
13 control in such an event.

14 9.2 Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will
15 file in Court, a motion for final approval of the Settlement that includes a request for approval of the
16 PAGA settlement under Labor Code section 2699, subdivision (l), a Proposed Final Approval Order
17 and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide drafts of
18 these documents to Defense Counsel not later than 7 days prior to filing the Motion for Final Approval.
19 Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and
20 in good faith, to resolve any disagreements concerning the Motion for Final Approval.

21 9.3 Response to Objections. Each Party retains the right to respond to any objection raised by
22 a Participating Class Member, including the right to file responsive documents in Court no later than
23 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

24 9.4 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval
25 on any material change to the Settlement (including, but not limited to, the scope of release to be
26 granted by Class Members), the Parties will expeditiously work together in good faith to address the
27 Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's
28 decision to award less than the amounts requested for the Class Representative Service Payment, Class

1 Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses
2 Payment shall not constitute a material modification to the Agreement within the meaning of this
3 paragraph.

4 9.5 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
5 Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i)
6 enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters and (iii)
7 addressing such post-Judgment matters as are permitted by law.

8 9.6 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
9 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
10 Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their respective counsel
11 and all Participating Class Members who did not object to the Settlement as provided in this
12 Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and
13 appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary
14 writs and appeals. The waiver of appeal does not include any waiver of the right to oppose such
15 motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform
16 under this Agreement will be suspended until such time as the appeal is finally resolved and the
17 Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement
18 Amount.

19 9.7 Appellate Court Orders to Vacate, Reverse or Materially Modify Judgment. If the
20 reviewing Court vacates, reverses or modifies the Judgment in a manner that requires a material
21 modification of this Agreement (including, but not limited to, the scope of release to be granted by
22 Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously
23 work together in good faith to address the appellate court's concerns and to obtain Final Approval and
24 entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably
25 incurred after remittitur. An appellate decision to vacate, reverse or modify the Court's award of the
26 Class Representative Service Payment or any payments to Class Counsel shall not constitute a material
27 modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement
28 Amount remains unchanged.

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

4 11. **ADDITIONAL PROVISIONS.**

5 11.1 No Admission of Liability, Class Certification or Representative Manageability for Other
6 Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing
7 in this Agreement is intended or should be construed as an admission by Defendants that any of the
8 allegations in the ~~Class Action~~Operative Complaint and/or PAGA Complaint have merit or that
9 Defendants have any liability for any claims asserted; nor should it be intended or construed as an
10 admission by Plaintiffs that Defendants' defenses in the Action have merit. The Parties agree that class
11 certification and representative treatment is for purposes of this Settlement only. If, for any reason the
12 Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the
13 right to contest certification of any class for any reasons, and Defendants reserve all available defenses
14 to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any
15 grounds available and to contest Defendants' defenses. The Settlement, this Agreement and Parties'
16 willingness to settle the Action will have no bearing on, and will not be admissible in connection with,
17 any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

18 11.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendants, and
19 Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is
20 filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another
21 person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly,
22 specifically or generally, to any person, corporation, association, government agency or other entity
23 except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep
24 this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report
25 income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response
26 to an inquiry or subpoena issued by a state or federal government agency. After the Motion for
27 Preliminary Approval of Settlement is filed, Class Counsel and Plaintiffs agree not to publicize the
28 terms of this Settlement with the media, including but not limited to, any newspaper, journal,

1 magazine, website, online reporter of settlements or on any website, and/or in social media. Class
2 Counsel may, however, use the factual information about this case, including but not limited to the
3 amount and case name(s) and number(s), in any future motion practice in court. Each Party agrees to
4 notify each other Party, within three business days, of any judicial or agency order, inquiry, or
5 subpoena seeking such information. Plaintiff, Class Counsel, Defendants, and Defense Counsel
6 separately agree not to, directly or indirectly, initiate any conversation or other communication, before
7 the filing of the Motion for Preliminary Approval, with any third-party regarding this Agreement or
8 the matters giving rise to this Agreement except to respond only that “the matter was resolved,” or
9 words to that effect. This paragraph does not restrict Class Counsel’s communications with Class
10 Members in accordance with Class Counsel’s ethical obligations owed to Class Members.

11 11.3 No Solicitation. The Parties separately agree that they and their respective counsel and
12 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from
13 the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel’s ability to
14 communicate with Class Members in accordance with Class Counsel’s ethical obligations owed to
15 Class Members.

16 11.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
17 together with its attached exhibits shall constitute the entire agreement between the Parties relating to
18 the Settlement, superseding any and all oral representations, warranties, covenants or inducements
19 made to or by any Party.

20 11.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
21 represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate
22 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its
23 terms, and to execute any other documents reasonably required to effectuate the terms of this
24 Agreement including any amendments to this Agreement.

25 11.6 Cooperation. The Parties and their counsel will cooperate with each other and use their
26 best efforts, in good faith, to implement the Settlement by, among other things, modifying the
27 Settlement Agreement, submitting supplemental evidence and supplementing points and authorities
28 as requested by the Court. In the event the Parties are unable to agree upon the form or content of any

1 document necessary to implement the Settlement, or on any modification of the Agreement that may
2 become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or
3 the Court for resolution.

4 11.7 No Prior Assignments. The Parties separately represent and warrant that they have not
5 directly or indirectly assigned, transferred, encumbered or purported to assign, transfer or encumber
6 to any person or entity and portion of any liability, claim, demand, action, cause of action or right
7 released and discharged by the Party in this Settlement.

8 11.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendants, nor Defense Counsel are
9 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon
10 as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as
11 amended) or otherwise.

12 11.9 Modification of Agreement. This Agreement, and all parts of it, may be amended,
13 modified, changed or waived only by an express written instrument signed by all Parties or their
14 representatives and approved by the Court.

15 11.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to
16 the benefit of, the successors of each of the Parties.

17 11.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be
18 governed by and interpreted according to the internal laws of the State of California, without regard
19 to conflict of law principles.

20 11.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of
21 this Agreement. This Agreement will not be construed against any Party on the basis that the Party
22 was the drafter or participated in the drafting.

23 11.13 Confidentiality. To the extent permitted by law, all agreements made and orders entered
24 during Action and in this Agreement relating to the confidentiality of information shall survive the
25 execution of this Agreement.

26 11.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to
27 Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class
28 Counsel by Defendants in connection with the mediation, other settlement negotiations, or in

1 connection with the Settlement, may be used only with respect to this Settlement, and no other purpose,
2 and may not be used in any way that violates any existing contractual agreement, statute or California
3 Rules of Court rule. Not later than 90 days after the date when the Court discharges the Administrator's
4 obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall
5 destroy all paper and electronic versions of Class Data received from Defendants unless, prior to the
6 Court's discharge of the Administrator's obligation, Defendants make a written request to Class
7 Counsel for the return, rather than the destruction, of Class Data.

8 11.15 Headings. The descriptive heading of any section or paragraph of this Agreement is
9 inserted for convenience of reference only and does not constitute a part of this Agreement.

10 11.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall
11 be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend
12 or federal legal holiday, such date or deadline shall be on the first business day thereafter.

13 11.17 Notice. All notices, demands or other communications between the Parties in connection
14 with this Agreement will be in writing and deemed to have been duly given as of the third business
15 day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

16 To Plaintiffs:

17 Jonathan M. Genish
18 jgenish@blackstonepc.com
19 Barbara DuVan-Clarke
20 BDC@blackstonepc.com
21 Danielle GruppChang
22 dgruppchang@blackstonepc.com
23 P.J. Van Ert
24 pjvanert@blackstonepc.com
25 Annabel Blanchard
26 ablanchard@blackstonepc.com
27 BLACKSTONE LAW, APC
28 8383 Wilshire Blvd., Suite 745
Beverly Hills, California 90211
Telephone: 310.622.4278

24 To Defendants:

25 Rachael S. Lavi
26 rlavi@littler.com
27 Grace L. Waddell
28 gwaddell@littler.com
LITTLER MENDELSON, P.C.
2049 Century Park East
5th Floor
Los Angeles, California 90067

Telephone: 310.553.0308

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

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

Dated: ~~November~~April __, 2025

Daniel He
Plaintiff

Dated: ~~November~~April __, 2025

Jonelle Velasquez
Plaintiff

Dated: ~~November~~April __, 2025

Jonathan M. Genish
Barbara DuVan-Clarke
Danielle GruppChang
P.J. Van Ert
Annabel Blanchard
Attorneys for Plaintiffs

1 Dated: ~~November~~April __, 2025

2
3 David Westgate~~Michael Freed~~, Chief Executive
4 Officer
5 For Defendants, Bay Photo Lab, Inc. and Circle
6 Graphics, Inc.

7 Dated: ~~November~~April __, 2025

LITTLER MENDELSON P.C.

8 Rachael S. Lavi
9 Grace L. Waddell
10 Attorneys for Defendants
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EXHIBIT 5

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT
AND HEARING DATE FOR FINAL COURT APPROVAL
Daniel He and Jonelle Velasquez v. Bay Photo Lab, Inc. and Circle Graphics, Inc.
Superior Court of California for the County of Los Angeles, Case No. 24STCV05682

PLEASE READ THIS CLASS NOTICE CAREFULLY.

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

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

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

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiffs Daniel He and Jonelle Velasquez (“Plaintiffs”) and Defendants Bay Photo Lab, Inc. and Circle Graphics, Inc. (“Defendants”) (Plaintiffs and Defendants are collectively referred to as the “Parties”) in the case entitled *Daniel He and Jonelle Velasquez v. Bay Photo Lab, Inc. et al.*, Los Angeles County Superior Court, Case No. 24STCV05682 (“Action”), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] (“Final Approval Hearing”) to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

“**Class**” or “**Class Member(s)**” means all current and former hourly paid and/or non-exempt employees who worked for Bay Photo Lab, Inc. in California during the Class Period.

“**Class Period**” means the period from November 19, 2021 through January 1, 2025.

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

“**Aggrieved Employee(s)**” means all current and former hourly paid and/or non-exempt employees who worked for Bay Photo Lab, Inc. in California during the PAGA Period.

“**PAGA Period**” means the period from January 17, 2023 through January 1, 2025.

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

II. BACKGROUND OF THE ACTION

On January 17, 2024, Plaintiff Velasquez provided written notice to the California Labor and Workforce Development Agency (“LWDA”) and Defendants of the specific provisions of the California Labor Code that Plaintiffs contend were violated (“PAGA Letter”). On March 6, 2024, Plaintiffs commenced a putative class action lawsuit by filing a Class Action Complaint for Damages in the Action (“Class Action Complaint”). On March 25, 2024, Plaintiff Velasquez filed a Complaint for Enforcement Action Under the Private Attorneys General Act, Cal. Labor Code §§ 2698, et seq. (“PAGA Complaint”). On November 6, 2025, Plaintiffs filed a First Amended Class and Representative Action Complaint in the Action, effectively consolidating the PAGA claims with the class action claims in the Action (“Operative Complaint”).

Plaintiffs contend that Defendants failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated waiting-time penalties, provide accurate wage statements, and reimburse business expenses, and thereby engaged in unfair business practices in violation of the California Business and Professions Code section 17200, et seq., and conduct that gives rise to penalties under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698, et seq. (“PAGA”). Plaintiffs seek, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys’ fees and costs.

Defendants deny all of the allegations in the Action or that it violated any law.

The Parties participated in mediation with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into a Joint Stipulation of Class Action and PAGA Settlement Agreement (“Settlement” or “Settlement Agreement”).

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Apex Class Action as the administrator of the Settlement (“Settlement Administrator”), Plaintiffs Daniel He and Jonelle Velasquez as representatives of the Class (“Class Representatives”), and the following Plaintiffs’ attorneys as counsel for the Class (“Class Counsel”):

Jonathan M. Genish
Barbara DuVan-Clarke
Danielle GruppChang
P.J. Van Ert
Annabel Blanchard
Blackstone Law, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

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

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendants that the claims in the Action have merit or that Defendants have any liability to Plaintiffs, Class Members, or Aggrieved Employees. Plaintiffs and Defendants, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, the State of California, and Aggrieved Employees.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is Six Hundred Fifty Thousand Dollars (\$650,000) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys’ fees, in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$227,500), and reimbursement of litigation costs and expenses, in an amount not to exceed Forty Thousand Dollars (\$40,000) to Class Counsel; (2) Class Representative Service Payments in an amount not to exceed Seven Thousand Five Hundred Dollars (\$7,500) to each Plaintiff (for a total of \$15,000) for their services in the Action; (3) the amount of Fifty Thousand Dollars (\$50,000) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Amount”), of which the LWDA will be paid 75% (\$37,500) (“LWDA Payment”) and the remaining 25% (\$12,500) will be distributed to PAGA Employees (“PAGA Employee Amount”); and (4) Settlement Administration Costs in an amount not to exceed Ten Thousand Nine Hundred Dollars (\$10,900) to the Settlement Administrator.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Class Share”) based on the number of weeks each Class Member worked for Defendants for at least one day, during the Class Period (“Workweeks”). The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members and has multiplied each Class Member’s individual Workweeks by the result, in

order to yield an estimated Individual Class Share that each Class Member may be entitled to receive under the Class Settlement (which is listed in Section III.C below). Class Members who do not submit a timely and valid Request for Exclusion (“Participating Class Members”) will be issued their final Individual Class Payment.

Each Individual Class Share will be allocated as one-third (1/3) as wages, which will be reported on an IRS Form W-2, and two-thirds (2/3) as penalties and interest, which will be reported on an IRS Form 1099 (if applicable). Each Individual Class Share will be subject to reduction for the employee’s share of payroll taxes and withholdings with respect to the wages portion of the Individual Class Shares resulting in a net payment to the Participating Class Member (“Individual Class Payment”). The employer’s share of taxes and contributions in connection with the wages portion of Individual Class Payments (“Employer Taxes”) will be paid by Defendants separately and in addition to the Gross Settlement Amount.

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

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject to taxes or withholdings, and will be reported on IRS Form 1099 (if applicable).

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

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

According to Defendant’s records:

- **From November 19, 2021 through January 1, 2025 (i.e., the Class Period), you are credited as having worked [REDACTED] Workweeks.**
- **From January 17, 2023 through January 1, 2025 (i.e., the PAGA Period), you are credited as having worked [REDACTED] PAGA Pay Periods.**

If you wish to dispute the Workweeks and/or PAGA Pay Periods credited to you, you must submit your dispute in writing to the Settlement Administrator (“Challenge to Calculation of Workweeks” or “Challenge”). The Challenge must: (a) contain the case name and number of the Action (*He, et al. v. Bay Photo Lab, Inc., et al.*, Case No. 24STCV05682); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) clearly state that you dispute the number of Workweeks and/or PAGA Pay Periods credited to you and what you contend is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B below, postmarked **on or before [Response Deadline]**.

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

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

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

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

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

D. Release of Claims

Upon the full funding of the Gross Settlement Amount and all employer taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs and all Participating Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff, the State of California with respect to all PAGA Employees, and all PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

“Released Class Claims” means all claims which were alleged or which reasonably could have been alleged based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action for unpaid wages (including premiums) or other compensation allegedly owed, or for damages, penalties, restitution, interest, liquidated damages, attorneys’ fees, or costs, or any other recovery including under the California Labor Code and corresponding provisions of the California Code of Regulations, Title 8 and IWC Wage Orders, including, e.g., (1) Violation of Cal. Lab. Code §§ 1194, 1197, 1197.1 and 1194.2 (Unpaid Minimum Wages); (2) Violation of Cal. Lab. Code §§ 510, 1198, and 1194 (Unpaid Overtime); (3) Violation of Cal. Lab. Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (4) Violation of Cal. Lab. Code § 226.7 (Unpaid Rest Period Premiums); (5) Violation of Cal. Lab. Code §§ 204 and 210 (Wages Not Timely Paid During Employment); (6) Violation of Cal. Lab. Code § 226(a) (Failure to Provide Accurate Wage Statements); (7) Violation of Cal. Lab. Code §§ 201, 202, and 203 (Untimely Final Wages); (8) Violation of Cal. Lab. Code §§ 2800 and 2802 (Failure to Reimburse Necessary Business Expenses); and (9) Violation of Cal. Business & Professions Code §§ 17200, et seq. Except as set forth in Section 5.4 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation or claims based on facts occurring outside the Class Period

“Released PAGA Claims” means all claims for PAGA penalties under Labor Code section 2698 et seq. that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, the PAGA Notice, and ascertained in the course of the Action, including, e.g., under Labor Code sections 201, 202, 203, 204, 210, 218.5, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2800, 2802, and all applicable IWC Wage Orders. The express purpose of this Agreement and the Judgment to be entered by the Court following approval of this settlement is to forever bar Plaintiffs, the LWDA, and any other individual or entity acting on behalf of or purporting to act on behalf of the LWDA (including all Aggrieved Employees) from asserting any of the Released PAGA Claims in any future litigation. It is the intent of the Parties that, to the greatest extent provided by law, including under the holding of *Arias v. Superior Court*, 46 Cal. 4th 969, 986 (2009), the ability of Plaintiffs, the State of California or any Aggrieved Employee to bring a PAGA claim on behalf of the LWDA based on the Released PAGA Claims for the PAGA Period is completely and forever foreclosed.

All Aggrieved Employees, including Non-Participating Class Members, are to be bound by the PAGA portion of the Settlement upon its approval by the Court, regardless of whether he or she negotiates (i.e. cashes or deposits) his or her Individual PAGA Payment

“Released Parties” means Defendants, their subsidiaries, and affiliates, and each of their former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, agents, reinsurers, and any individual or entity which could be jointly liable with Defendants.

E. Attorneys’ Fees and Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$227,500) and reimbursement of litigation costs and expenses in an amount not to exceed Forty Thousand Dollars

(\$40,000) (collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and Costs granted by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiffs, Class Members, and Aggrieved Employees on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Class Representative Service Payments to Plaintiffs

Plaintiffs will seek the amount of Seven Thousand Five Hundred Dollars (\$7,500) (“Class Representative Service Payment(s)”), each in recognition of their services in connection with the Action. The Class Representative Service Payments will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, it will be paid to Plaintiffs in addition to their Individual Class Payments and Individual PAGA Payments that they are entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Ten Thousand Nine Hundred Dollars (\$10,900) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Objections, and Challenges to Workweeks, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

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

A. Participate in the Settlement

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

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

If you are an Aggrieved Employee and the Court grants final approval of the Settlement, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims against the Released Parties as described in Section III.D above.

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

B. Request Exclusion from the Class Settlement

Class Members may request to be excluded from the Class Settlement by submitting a letter (“Request for Exclusion”) to the Settlement Administrator, at the following address:

[Settlement Administrator]

[Mailing Address]

A Request for Exclusion must: (a) contain the case name and number of the Action (*He, et al. v. Bay Photo Lab, Inc., et al.*, Case No. 24STCV05682); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security number; (c) clearly state that you do not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address above, postmarked **on or before** [Response Deadline].

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be issued an Individual Class Payment, will not be bound by the Class Settlement (and the release of Released Class

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

C. Object to the Class Settlement

You can object to the Class Settlement as long as you have not submitted a Request for Exclusion by submitting a written objection (“Objection”) to the Settlement Administrator.

The Objection must: (a) contain the case name and number of the Action (*He, et al. v. Bay Photo Lab, Inc., et al.*, Case No. 24STCV05682); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before [Response Deadline]**.

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

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 7 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and grant the Attorneys’ Fees and Costs to Class Counsel, Class Representative Service Payments to Plaintiffs, and Settlement Administration Costs to the Settlement Administrator.

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

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers, which are on file with the Court.

You may view the Settlement Agreement and other documents filed in the Action by visiting <https://www.lacourt.org/>

You may also visit the Settlement Administrator’s website at **[redacted]** for key documents in the Action.

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

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

EXHIBIT 6

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

Daniel He and Jonelle Velasquez v. Bay Photo Lab, Inc. and Circle Graphics, Inc.
Superior Court of California for the County of Los Angeles, Case ~~Nos~~No. 24STCV05682-~~&~~
~~24STCV07440~~

PLEASE READ THIS CLASS NOTICE CAREFULLY.

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

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

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

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiffs Daniel He and Jonelle Velasquez ("Plaintiffs") and Defendants Bay Photo Lab, Inc. and Circle Graphics, Inc. ("Defendants") (Plaintiffs and Defendants are collectively referred to as the "Parties") in the case entitled *Daniel He and Jonelle Velasquez v. Bay Photo Lab, Inc. et al.*, Los Angeles County Superior Court, Case ~~Nos~~No. 24STCV05682-~~and 24STCV07440~~ ("Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" or "Class Member(s)" means all current and former hourly paid and/or non-exempt employees who worked for Bay Photo Lab, Inc. in California during the Class Period.

"Class Period" means the period from November 19, 2021 through January 1, 2025.

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

"Aggrieved Employee(s)" means all current and former hourly paid and/or non-exempt employees who worked for Bay Photo Lab, Inc. in California during the PAGA Period.

"PAGA Period" means the period from January 17, 2023 through January 1, 2025.[†]

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

II. BACKGROUND OF THE ACTION

On January 17, 2024, Plaintiff Velasquez provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendants of the specific provisions of the California Labor Code that Plaintiffs contend were violated ("PAGA Letter"). On March 6, 2024, Plaintiffs commenced a putative class action lawsuit by filing a Class Action Complaint for Damages in the Action ("Class Action Complaint"). On March 25, 2024, Plaintiff Velasquez filed a Complaint for Enforcement Action Under the Private Attorneys General Act, Cal. Labor Code §§ 2698, et seq. ("PAGA Complaint") ~~in the Action.~~). On November 6, 2025, Plaintiffs filed a First Amended Class and Representative Action Complaint in the Action, effectively consolidating the PAGA claims with the class action claims in the Action ("Operative Complaint").

Plaintiffs contend that Defendants failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated

[†]-The beginning date of the PAGA Period is subject to change pursuant to Paragraph 1.31 of the Settlement Agreement, which states: "1.31 "PAGA Period" means the period from January 1, 2025, going backwards to the later of January 17, 2023, or the date 32,500 Class Workweeks are met."

waiting-time penalties, provide accurate wage statements, and reimburse business expenses, and thereby engaged in unfair business practices in violation of the California Business and Professions Code section 17200, *et seq.*, and conduct that gives rise to penalties under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698, *et seq.* (“PAGA”). Plaintiffs seek, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys’ fees and costs.

Defendants deny all of the allegations in the Action or that it violated any law.

The Parties participated in mediation with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into a Joint Stipulation of Class Action and PAGA Settlement Agreement (“Settlement” or “Settlement Agreement”).

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Apex Class Action as the administrator of the Settlement (“Settlement Administrator”), Plaintiffs Daniel He and Jonelle Velasquez as representatives of the Class (“Class Representatives”), and the following Plaintiffs’ attorneys as counsel for the Class (“Class Counsel”):

Jonathan M. Genish
Barbara DuVan-Clarke
Danielle GruppChang
P.J. Van Ert
Annabel Blanchard
Blackstone Law, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

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

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendants that the claims in the Action have merit or that Defendants have any liability to Plaintiffs, Class Members, or Aggrieved Employees. Plaintiffs and Defendants, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, the State of California, and Aggrieved Employees.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is Six Hundred Fifty Thousand Dollars (\$650,000) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys’ fees, in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$227,500), and reimbursement of litigation costs and expenses, in an amount not to exceed Forty Thousand Dollars (\$40,000) to Class Counsel; (2) Class Representative Service Payments in an amount not to exceed Seven Thousand Five Hundred Dollars (\$7,500) to each Plaintiff (for a total of \$15,000) for their services in the Action; (3) the amount of Fifty Thousand Dollars (\$50,000) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Amount”), of which the LWDA will be paid 75% (\$37,500) (“LWDA Payment”) and the remaining 25% (\$12,500) will be distributed to PAGA Employees (“PAGA Employee Amount”); and (4) Settlement Administration Costs in an

amount not to exceed Ten Thousand Nine Hundred Dollars (\$10,900) to the Settlement Administrator.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Class Share”) based on the number of weeks each Class Member worked for Defendants for at least one day, during the Class Period (“Workweeks”). The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members and has multiplied each Class Member’s individual Workweeks by the result, in order to yield an estimated Individual Class Share that each Class Member may be entitled to receive under the Class Settlement (which is listed in Section III.C below). Class Members who do not submit a timely and valid Request for Exclusion (“Participating Class Members”) will be issued their final Individual Class Payment.

Each Individual Class Share will be allocated as one-third (1/3) as wages, which will be reported on an IRS Form W-2, and two-thirds (2/3) as penalties and interest, which will be reported on an IRS Form 1099 (if applicable). Each Individual Class Share will be subject to reduction for the employee’s share of payroll taxes and withholdings with respect to the wages portion of the Individual Class Shares resulting in a net payment to the Participating Class Member (“Individual Class Payment”). The employer’s share of taxes and contributions in connection with the wages portion of Individual Class Payments (“Employer Taxes”) will be paid by Defendants separately and in addition to the Gross Settlement Amount.

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

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject to taxes or withholdings, and will be reported on IRS Form 1099 (if applicable).

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

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

According to Defendant’s records:

- **From November 19, 2021 through January 1, 2025 (i.e., the Class Period), you are credited as having worked [REDACTED] Workweeks.**
- **From January 17, 2023 through January 1, 2025 (i.e., the PAGA Period), you are credited as having worked [REDACTED] PAGA Pay Periods.**

If you wish to dispute the Workweeks and/or PAGA Pay Periods credited to you, you must submit your dispute in writing to the Settlement Administrator (“Challenge to Calculation of Workweeks” or “Challenge”). The Challenge must: (a) contain the case name and number of the Action (*He, et al. v. Bay Photo Lab, Inc., et al.*, Case No. 24STCV05682); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) clearly state that you dispute the number of Workweeks and/or PAGA Pay Periods credited to you and what you contend is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B below, postmarked **on or before [Response Deadline]**.

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

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

**Under the terms of the Settlement, your Individual Class Payment is estimated to be \$ [REDACTED].
The Individual Class Payment is subject to reduction for the employee’s share of taxes and**

withholdings with respect to the wages portion of the Individual Class Payment and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

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

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

D. Release of Claims

Upon the full funding of the Gross Settlement Amount and all employer taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs and all Participating Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff, the State of California with respect to all PAGA Employees, and all PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

“Released Class Claims” means all claims which were alleged or which reasonably could have been alleged based on the Class Period facts stated in the Operative ~~Class Action~~ Complaint and ascertained in the course of the Action for unpaid wages (including premiums) or other compensation allegedly owed, or for damages, penalties, restitution, interest, liquidated damages, attorneys’ fees, or costs, or any other recovery including under the California Labor Code and corresponding provisions of the California Code of Regulations, Title 8 and IWC Wage Orders, including, e.g., (1) Violation of Cal. Lab. Code §§ 1194, 1197, 1197.1 and 1194.2 (Unpaid Minimum Wages); (2) Violation of Cal. Lab. Code §§ 510, 1198, and 1194 (Unpaid Overtime); (3) Violation of Cal. Lab. Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (4) Violation of Cal. Lab. Code § 226.7 (Unpaid Rest Period Premiums); (5) Violation of Cal. Lab. Code §§ 204 and 210 (Wages Not Timely Paid During Employment); (6) Violation of Cal. Lab. Code § 226(a) (Failure to Provide Accurate Wage Statements); (7) Violation of Cal. Lab. Code §§ 201, 202, and 203 (Untimely Final Wages); (8) Violation of Cal. Lab. Code §§ 2800 and 2802 (Failure to Reimburse Necessary Business Expenses); and (9) Violation of Cal. Business & Professions Code §§ 17200, et seq. Except as set forth in Section 5.4 of ~~this~~ the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation or claims based on facts occurring outside the Class Period

“Released PAGA Claims” means all claims for PAGA penalties under Labor Code section 2698 et seq. that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative ~~PAGA~~ Complaint, the PAGA Notice, and ascertained in the course of the Action, including, e.g., under Labor Code sections 201, 202, 203, 204, 210, 218.5, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2800, 2802, and all applicable IWC Wage Orders. The express purpose of this Agreement and the Judgment to be entered by the Court following approval of this settlement is to forever bar Plaintiffs, the LWDA, and any other individual or entity acting on behalf of or purporting to act on behalf of the LWDA (including all Aggrieved Employees) from asserting any of the ~~PAGA~~-Released PAGA Claims in any future litigation. It is the intent of the Parties that, to the greatest extent provided by law, including under the holding of *Arias v. Superior Court*, 46 Cal. 4th 969, 986 (2009), the ability of Plaintiffs, the State of California or any Aggrieved Employee to bring a PAGA claim on behalf of the LWDA based on the ~~PAGA~~-Released PAGA Claims for the PAGA Period is completely and forever foreclosed.

All Aggrieved Employees, including Non-Participating Class Members, are to be bound by the PAGA portion of the Settlement upon its approval by the Court, regardless of whether he or she negotiates (i.e. cashes or deposits) his or her Individual PAGA Payment

“Released Parties” means Defendants, their subsidiaries, and affiliates, and each of their former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, agents, reinsurers, and any individual or entity which could be jointly liable with Defendants.

E. Attorneys' Fees and Costs to Class Counsel

Class Counsel will seek attorneys' fees in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$227,500) and reimbursement of litigation costs and expenses in an amount not to exceed Forty Thousand Dollars (\$40,000) (collectively, "Attorneys' Fees and Costs"), subject to approval by the Court. The Attorneys' Fees and Costs granted by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiffs, Class Members, and Aggrieved Employees on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Class Representative Service Payments to Plaintiffs

Plaintiffs will seek the amount of Seven Thousand Five Hundred Dollars (\$7,500) ("Class Representative Service Payment(s)"), each in recognition of their services in connection with the Action. The Class Representative Service Payments will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, it will be paid to Plaintiffs in addition to their Individual Class Payments and Individual PAGA Payments that they are entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Ten Thousand Nine Hundred Dollars (\$10,900) ("Settlement Administration Costs") for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Objections, and Challenges to Workweeks, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

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

A. Participate in the Settlement

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

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

If you are an Aggrieved Employee and the Court grants final approval of the Settlement, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims against the Released Parties as described in Section III.D above.

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

B. Request Exclusion from the Class Settlement

Class Members may request to be excluded from the Class Settlement by submitting a letter ("Request for Exclusion") to the Settlement Administrator, at the following address:

[Settlement Administrator]
[Mailing Address]

A Request for Exclusion must: (a) contain the case name and number of the Action (*He, et al. v. Bay Photo Lab, Inc., et al.*, Case No. 24STCV05682); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security number; (c) clearly state that you do not wish to be included in the Class Settlement; and (d) be

returned by mail to the Settlement Administrator at the specified address above, postmarked **on or before [Response Deadline]**.

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

C. Object to the Class Settlement

You can object to the Class Settlement as long as you have not submitted a Request for Exclusion by submitting a written objection (“Objection”) to the Settlement Administrator.

The Objection must: (a) contain the case name and number of the Action (*He, et al. v. Bay Photo Lab, Inc., et al.*, Case No. 24STCV05682); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before [Response Deadline]**.

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

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 7 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and grant the Attorneys’ Fees and Costs to Class Counsel, Class Representative Service Payments to Plaintiffs, and Settlement Administration Costs to the Settlement Administrator.

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

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers, which are on file with the Court.

You may view the Settlement Agreement and other documents filed in the Action by visiting <https://www.lacourt.org/>

You may also visit the Settlement Administrator’s website at **[redacted]** for key documents in the Action.

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

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