

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

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

1. DEFINITIONS.

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

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

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

1.4 “Aggrieved Employee” 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.

1.5 “Class” 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.

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 Action.

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, for a total of 32,500 workweeks.

1.13 “Class Representatives” mean the named Plaintiffs in the Class Action 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 1.25 “Judgment” means the judgment entered by the Court based upon the Final Approval.

2 1.26 “LWDA” means the California Labor and Workforce Development Agency, the agency
3 entitled, under Labor Code section 2699, subdivision (i).

4 1.27 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA
5 under Labor Code section 2699, subdivision (i).

6 1.28 “Net Settlement Amount” means the Gross Settlement Amount, less the following
7 payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA
8 Payment, Class Representatives Service Payment, Class Counsel Fees Payment, Class Counsel
9 Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid
10 to Participating Class Members as Individual Class Payments.

11 1.29 “Non-Participating Class Member” means any Class Member who opts out of the
12 Settlement by sending the Administrator a valid and timely Request for Exclusion.

13 1.30 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked
14 for Defendants for at least one day during the PAGA Period.

15 1.31 “PAGA Period” means the period from January 1, 2025, going backwards to the later of
16 January 17, 2023, or the date 32,500 Class Workweeks are met.

17 1.32 “PAGA” means the Private Attorneys General Act (Lab. Code, § 2698 et seq.).

18 1.33 “PAGA Notice” means Plaintiff Velasquez’s January 17, 2024, letter to Defendants and
19 the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).

20 1.34 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the
21 Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$12,500.00) and the 75% to
22 LWDA (\$37,500.00) in settlement of PAGA claims.

23 1.35 “Participating Class Member” means a Class Member who does not submit a valid and
24 timely Request for Exclusion from the Settlement.

25 1.36 “Plaintiffs” means Daniel He and Jonelle Velasquez, the named plaintiffs in the Action.

26 1.37 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the
27 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 60 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 14 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 this Action by filing a Class Action Complaint 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)

1 Violation of Cal. Lab. Code § 226.7 (Unpaid Rest Period Premiums); (5) Violation of Cal. Lab. Code
2 §§ 204 and 210 (Wages Not Timely Paid During Employment); (6) Violation of Cal. Lab. Code §
3 226(a) (Failure to Provide Accurate Wage Statements); (7) Violation of Cal. Lab. Code §§ 201, 202,
4 and 203 (Untimely Final Wages); (8) Violation of Cal. Lab. Code §§ 2800 and 2802 (Failure to
5 Reimburse Necessary Business Expenses); and (9) Violation of Cal. Business & Professions Code §§
6 17200, *et seq.* (the “ Operative Class Action Complaint”). On March 24, 2024, Plaintiff Velasquez
7 filed a PAGA Complaint seeking civil penalties under the PAGA alleging (1) Violation of Cal. Lab.
8 Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages); (2) Violation of Cal. Lab. Code §§ 510
9 and 1198 (Unpaid Overtime); (3) Violation of Cal. Lab. Code §§ 226.7 and 512(a) (Unpaid Meal
10 Period Premiums); (4) Violation of Cal. Lab. Code § 226.7 (Unpaid Rest Period Premiums); (5)
11 Violation of Cal. Lab. Code §§ 204 and 210 (Wages Not Timely Paid During Employment); (6)
12 Violation of Cal. Lab. Code § 226(a) (Failure to Provide Accurate Wage Statements); (7) Violation of
13 Cal. Lab. Code §§ 201, 202, and 203 (Untimely Final Wages); (8) Violation of Cal. Lab. Code §§
14 2800 and 2802 (Failure to Reimburse Necessary Business Expenses); (9) Violation of Cal. Business
15 & Professions Code §§ 17200, *et seq.*; and (10) Violation of Cal. Lab. Code § 1174(d) (Failure to
16 Maintain Accurate Payroll Records) (the “Operative PAGA Complaint”). Defendants deny the
17 allegations in the Operative Class Action Complaint and the Operative PAGA Complaint, deny any
18 failure to comply with the laws identified in the Operative Class Action Complaint and the Operative
19 PAGA Complaint and deny any and all liability for the causes of action alleged.

20 2.2 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff Velasquez gave timely
21 written notice to Defendants and the LWDA by sending the PAGA Notice.

22 2.3 On October 2, 2024, the Parties participated in an all-day mediation presided over by
23 Monique Ngo-Bonnici, Esq. The Parties did not reach a settlement during mediation. The Parties
24 continued to engage in settlement negotiations after mediation, which led to this Agreement to settle
25 the Action.

26 2.4 Prior to mediation, Plaintiffs obtained, through informal discovery, information such as
27 employee handbooks, payroll calendars, meal break waivers, meal break guidelines, job descriptions,

1 timekeeping policies and procedures, and anonymized time and pay records for all putative class
2 members. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in
3 *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail,*
4 *Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

5 2.5 The Court has not granted class certification.

6 2.6 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any
7 other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

8 **3. MONETARY TERMS.**

9 3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendants
10 promise to pay \$650,000.00 and no more as the Gross Settlement Amount and to separately pay any
11 and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments.
12 Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the
13 deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross
14 Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees
15 to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to
16 Defendants.

17 3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the
18 following payments from the Gross Settlement Amount, in the amounts specified by the Court in the
19 Final Approval:

20 3.2.1 To Plaintiffs: Class Representative Service Payment to each of the Class Representatives
21 of not more than \$7,500.00 each (in addition to any Individual Class Payment and any Individual
22 PAGA Payment the Class Representatives are entitled to receive as a Participating Class Member).
23 Defendants will not oppose Plaintiffs' request for a Class Representative Service Payment that does
24 not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation
25 Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments
26 no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class
27 Representative Service Payment less than the amount requested, the Administrator will retain the

1 remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service
2 Payment using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes
3 owed on the Class Representative Service Payment. This is not a material term of this Settlement, and
4 any reduction by the Court of the requested Service Payment to Plaintiffs shall not be sufficient
5 grounds to void the Settlement or appeal the Judgment.

6 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than 35%, which is
7 currently estimated to be \$227,500.00, and a Class Counsel Litigation Expenses Payment of not more
8 than \$40,000.00. Defendants will not oppose requests for these payments provided that the payments
9 do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees
10 Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval
11 Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation
12 Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to
13 the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other
14 Plaintiffs' Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or
15 Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees
16 Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel
17 assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the
18 Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies
19 Defendants, from any dispute or controversy regarding any division or sharing of any of these
20 Payments. This is not a material term of this Settlement, and any reduction by the Court of the
21 requested Class Counsel Fees Payment Class Counsel Litigation Expenses Payment or shall not be
22 sufficient grounds to void the Settlement or appeal the Judgment.

23 3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed \$10,900.00
24 except for a showing of good cause and as approved by the Court. To the extent the Administration
25 Expenses are less or the Court approves payment less than \$10,900.00, the Administrator will retain
26 the remainder in the Net Settlement Amount.

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

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

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

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

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

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

4. SETTLEMENT FUNDING AND PAYMENTS.

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

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

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

4.3.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The

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

11 4.3.2 The Administrator must conduct a Class Member Address Search for all other Class
12 Members whose checks are returned undelivered without United States Postal Service ("USPS")
13 forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks
14 to the USPS forwarding address provided or to an address ascertained through the Class Member
15 Address Search. The Administrator need not take further steps to deliver checks to Class Members
16 whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a
17 replacement check to any Class Member whose original check was lost or misplaced, requested by the
18 Class Member prior to the void date.

19 4.3.3 For any Class Member whose Individual Class Payment check or Individual PAGA
20 Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the
21 funds represented by such checks to the California Controller's Unclaimed Property Fund in the name
22 of the Class Member thereby leaving no "unpaid residue" subject to the requirements of Code of Civil
23 Procedure section 384, subdivision (b).

24 4.3.4 The payment of Individual Class Payments and Individual PAGA Payments shall not
25 obligate Defendants to confer any additional benefits or make any additional payments to Class
26 Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.
27

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, and Class Counsel will release claims against all Released
4 Parties as follows:

5 5.1 Plaintiff He's Release. As to Plaintiff He's claims only, the Release of Claims further
6 includes, without limitation, any and all claims and potential claims that may legally be waived by
7 private agreement, whether known or unknown, which Plaintiff He has asserted or could assert against
8 the Company arising out of or relating in any way to any acts, circumstances, facts, transactions, or
9 omissions, occurring up to and including the date he signs this Agreement ("Plaintiff's Released
10 Claims"). Plaintiff He understands that he is releasing such Plaintiff's Released Claims on behalf of
11 himself and all persons who could make Claims under, through or by Plaintiff He, such as Plaintiff
12 He's spouse, heirs, executors or assignees. This release includes, but is not limited to, (i) any and all
13 Claims arising under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, the Civil
14 Rights Act of 1991, the Age Discrimination in Employment Act of 1967 (ADEA), the Family and
15 Medical Leave Act (FMLA), the Employee Retirement Income Security Act (ERISA), the National
16 Labor Relations Act (NLRA), the Pregnancy Discrimination Act, the Pregnant Workers Fairness Act
17 (PWFA), the Worker Adjustment and Retraining Notification Act, the Americans with Disabilities
18 Act (ADA), the Uniformed Services Employment and Reemployment Rights Act (USERRA), any
19 amendments to such laws, any other federal, state, or local constitution, charter, law, rule, ordinance,
20 regulation, or order; (ii) Claims based on veterans status; (iii) Claims in equity or under common law
21 including but not limited to claims for tort, breach of contract (express or implied, written or oral),
22 wrongful discharge, defamation, emotional distress, and negligence; (iv) all Claims made or which
23 could have been made in civil action numbers 24STCV05682 and 24STCV07440 pending in the
24 Superior Court of the State of California, County of Los Angeles.

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

27 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE
28 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE**

1 **RELEASE, AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE**
2 **MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE**
3 **DEBTOR OR RELEASED PARTY.**

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

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

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

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

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

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

27 **5.3 Release by Participating Class Members:** All Participating Class Members, on behalf
28 of themselves and their respective former and present representatives, agents, attorneys, heirs,
administrators, successors and assigns, release Released Parties from (i) all claims that were alleged,

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

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

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

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

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

20 6.2 Plaintiffs’ Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all
21 documents necessary for obtaining Preliminary Approval at least seven (7) days before filing,
22 including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary
23 Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of
24 the PAGA Settlement under Labor Code section 2699, subdivision (f)(2); (ii) a draft proposed Order
25 Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice;
26 (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the
27 Settlement and attesting to its willingness to serve; competency; operative procedures for protecting

1 the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or
2 other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members;
3 and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense
4 Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and
5 disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or
6 the Administrator; (vi) a signed declaration from each Class Counsel firm attesting to its competency
7 to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA
8 documents (initial notice of violations (Lab. Code, § 2699.3, subd. (a))), Operative Complaint (Lab.
9 Code, § 2699, subd. (l)(1)), this Agreement (Lab. Code, § 2699, subd. (l)(2)); (vii) a redlined version
10 of the Parties' Agreement showing all modifications made to the Model Agreement ready for filing
11 with the Court; and (viii) all facts relevant to any actual or potential conflict of interest with Class
12 Members and/or the Administrator. In their Declarations, Plaintiffs and Class Counsel Declaration
13 shall aver that they are not aware of any other pending matter or action asserting claims that will be
14 extinguished or adversely affected by the Settlement.

15 6.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for
16 expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the
17 full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary
18 Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval.
19 Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

20 6.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
21 Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense
22 Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone,
23 and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or
24 conditions Preliminary Approval on any material change to this Agreement, Class Counsel and
25 Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by
26 telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

27 **7. SETTLEMENT ADMINISTRATION.**

1 7.1 Selection of Administrator. The Parties have jointly selected Apex Class Action to serve
2 as the Administrator and verified that, as a condition of appointment, Apex Class Action agrees to be
3 bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in
4 exchange for payment of Administration Expenses. The Parties and their Counsel represent that they
5 have no interest or relationship, financial or otherwise, with the Administrator other than a professional
6 relationship arising out of prior experiences administering settlements.

7 7.2 Employer Identification Number. The Administrator shall have and use its own Employer
8 Identification Number for purposes of calculating payroll tax withholdings and providing reports state
9 and federal tax authorities.

10 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets
11 the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-
12 1.

13 7.4 Notice to Class Members.

14 7.4.1 No later than 3 business days after receipt of the Class Data, the Administrator shall
15 notify Class Counsel that the list has been received and state the number of Class Members, PAGA
16 Members, Workweeks and Pay Periods in the Class Data.

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

25 7.4.3 Not later than 3 business days after the Administrator’s receipt of any Class Notice
26 returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any
27 forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the

1 Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most
2 current address obtained. The Administrator has no obligation to make further attempts to locate or
3 send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

4 7.4.4 The deadlines for Class Members' written objections, Challenges to Workweeks and/or
5 Pay Periods and Requests for Exclusion will be extended an additional 15 days beyond the 45 days
6 otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The
7 Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

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

16 7.5 Requests for Exclusion (Opt-Outs).

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

26 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to
27 contain all the information specified in the Class Notice. The Administrator shall accept any Request

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

7 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is
8 deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound
9 by all terms and conditions of the Settlement, including the Participating Class Members' Releases
10 under Paragraphs 5.3 and 5.4 of this Agreement, regardless of whether the Participating Class Member
11 actually receives the Class Notice or objects to the Settlement.

12 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-
13 Participating Class Member and shall not receive an Individual Class Payment or have the right to
14 object to the class action components of the Settlement. Because future PAGA claims are subject to
15 claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved
16 Employees are deemed to release the claims identified in Paragraph 5.4 of this Agreement and are
17 eligible for an Individual PAGA Payment even if they submit a Request for Exclusion.

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

of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7 Objections to Settlement.

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

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

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

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

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

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after

1 the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a
2 list to Class Counsel and Defense Counsel containing (a) the names and other identifying information
3 of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the
4 names and other identifying information of Class Members who have submitted invalid Requests for
5 Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or
6 invalid).

7 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to
8 Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices
9 mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or
10 invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or
11 resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly
12 Report”). The Weekly Reports must include provide the Administrator’s assessment of the validity of
13 Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

14 7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to address
15 and make final decisions consistent with the terms of this Agreement on all Class Member challenges
16 over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final
17 and not appealable or otherwise susceptible to challenge.

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

1 7.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator
2 disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and
3 Defense Counsel with a final report detailing its disbursements by employee identification number
4 only of all payments made under this Agreement. At least 15 days before any deadline set by the Court,
5 the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration
6 suitable for filing in Court attesting to its disbursement of all payments required under this Agreement.
7 Class Counsel is responsible for filing the Administrator's declaration in Court.

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

17 **9. MOTION FOR FINAL APPROVAL.**

18 9.1 This Agreement is contingent upon an order by the Court granting Final Approval of the
19 Settlement as agreed upon with respect to all material terms, that the LWDA does not intervene and/or
20 object to the Settlement and that this Agreement becomes Effective, as defined in Paragraph 1.18,
21 above. Material terms include the definition of Aggrieved Employee (Paragraph 1.4), the definition
22 of Class (Paragraph 1.5), the definition of Class Period (Paragraph 1.12), the definition of Effective
23 Date (Paragraph 1.18), the definition of Gross Settlement Amount (Paragraph 3.1), the definition of
24 PAGA Period (Paragraph 1.31), the definition of Released Class Claims (Paragraphs 1.39 and 5.3),
25 the definition of Released PAGA Claims (Paragraphs 1.40 and 5.4), the definition of Released Parties
26 (Paragraph 1.41), and Plaintiff He's Release (Paragraph 5.1). In the event it becomes impossible to
27 secure approval of the Settlement by the Court and the LWDA or the Agreement does not become

1 Effective as to the material terms herein, the Parties shall be restored to their respective positions in
2 the Action prior to entry of this Settlement. If this Settlement Agreement is voided, not approved by
3 the Court or approval is reversed on appeal, it shall have no force or effect and no Party shall be bound
4 by its terms except to the extent: (a) the Court reserves any authority to issue any appropriate orders
5 when denying approval; and/or (b) there are any terms and conditions in this Settlement Agreement
6 specifically stated to survive the Settlement Agreement being voided or not approved, and which
7 control in such an event.

8 9.2 Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will
9 file in Court, a motion for final approval of the Settlement that includes a request for approval of the
10 PAGA settlement under Labor Code section 2699, subdivision (l), a Proposed Final Approval Order
11 and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiffs shall provide drafts of
12 these documents to Defense Counsel not later than 7 days prior to filing the Motion for Final Approval.
13 Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and
14 in good faith, to resolve any disagreements concerning the Motion for Final Approval.

15 9.3 Response to Objections. Each Party retains the right to respond to any objection raised by
16 a Participating Class Member, including the right to file responsive documents in Court no later than
17 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

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

26 9.5 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
27 Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i)

enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters and (iii) addressing such post-Judgment matters as are permitted by law.

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

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

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

11. **ADDITIONAL PROVISIONS**.

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

11.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendants, and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. After the Motion for Preliminary Approval of Settlement is filed, Class Counsel and Plaintiffs agree not to publicize the terms of this Settlement with the media, including but not limited to, any newspaper, journal, magazine, website, online reporter of settlements or on any website, and/or in social media. Class Counsel may, however, use the factual information about this case, including but not limited to the amount and case name(s) and number(s), in any future motion practice in court. Each Party agrees to

1 notify each other Party, within three business days, of any judicial or agency order, inquiry, or
2 subpoena seeking such information. Plaintiff, Class Counsel, Defendants, and Defense Counsel
3 separately agree not to, directly or indirectly, initiate any conversation or other communication, before
4 the filing of the Motion for Preliminary Approval, with any third-party regarding this Agreement or
5 the matters giving rise to this Agreement except to respond only that “the matter was resolved,” or
6 words to that effect. This paragraph does not restrict Class Counsel’s communications with Class
7 Members in accordance with Class Counsel’s ethical obligations owed to Class Members.

8 11.3 No Solicitation. The Parties separately agree that they and their respective counsel and
9 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from
10 the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel’s ability to
11 communicate with Class Members in accordance with Class Counsel’s ethical obligations owed to
12 Class Members.

13 11.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
14 together with its attached exhibits shall constitute the entire agreement between the Parties relating to
15 the Settlement, superseding any and all oral representations, warranties, covenants or inducements
16 made to or by any Party.

17 11.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
18 represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate
19 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its
20 terms, and to execute any other documents reasonably required to effectuate the terms of this
21 Agreement including any amendments to this Agreement.

22 11.6 Cooperation. The Parties and their counsel will cooperate with each other and use their
23 best efforts, in good faith, to implement the Settlement by, among other things, modifying the
24 Settlement Agreement, submitting supplemental evidence and supplementing points and authorities
25 as requested by the Court. In the event the Parties are unable to agree upon the form or content of any
26 document necessary to implement the Settlement, or on any modification of the Agreement that may
27

1 become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or
2 the Court for resolution.

3 11.7 No Prior Assignments. The Parties separately represent and warrant that they have not
4 directly or indirectly assigned, transferred, encumbered or purported to assign, transfer or encumber
5 to any person or entity and portion of any liability, claim, demand, action, cause of action or right
6 released and discharged by the Party in this Settlement.

7 11.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendants, nor Defense Counsel are
8 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon
9 as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as
10 amended) or otherwise.

11 11.9 Modification of Agreement. This Agreement, and all parts of it, may be amended,
12 modified, changed or waived only by an express written instrument signed by all Parties or their
13 representatives and approved by the Court.

14 11.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to
15 the benefit of, the successors of each of the Parties.

16 11.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be
17 governed by and interpreted according to the internal laws of the State of California, without regard
18 to conflict of law principles.

19 11.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of
20 this Agreement. This Agreement will not be construed against any Party on the basis that the Party
21 was the drafter or participated in the drafting.

22 11.13 Confidentiality. To the extent permitted by law, all agreements made and orders entered
23 during Action and in this Agreement relating to the confidentiality of information shall survive the
24 execution of this Agreement.

25 11.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to
26 Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class
27 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
jgenish@blackstonepc.com
18 Barbara DuVan-Clarke
BDC@blackstonepc.com
19 Danielle GruppChang
dgruppchang@blackstonepc.com
20 P.J. Van Ert
pjvanert@blackstonepc.com
21 Annabel Blanchard
ablanchard@blackstonepc.com
22 BLACKSTONE LAW, APC
8383 Wilshire Blvd., Suite 745
23 Beverly Hills, California 90211
Telephone: 310.622.4278

24 To Defendants:

25 Rachael S. Lavi
rlavi@littler.com
26 Grace L. Waddell
gwaddell@littler.com
27 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: April ³ __, 2025

Daniel He

Daniel He
Plaintiff

Dated: April ⁷ __, 2025

Jonelle Velasquez

Jonelle Velasquez
Plaintiff

1 Dated: April 7, 2025

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Dated: April __, 2025

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Dated: April __, 2025

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

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

LITTLER MENDELSON P.C.

Rachael S. Lavi
Grace L. Waddell
Attorneys for Defendants

1 Dated: March ___, 2025

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3/27/2025
Dated: March ___, 2025

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April 8, 2025
Dated: ~~March XXXXX~~

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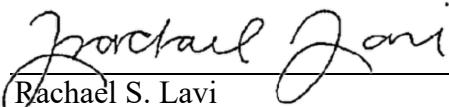
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Jonathan M. Genish
Barbara DuVan-Clarke
Danielle GruppChang
P.J. Van Ert
Annabel Blanchard
Attorneys for Plaintiff

Signed by:

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For Defendants, Bay Photo Lab Inc. and Circle
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