PAGA SETTLEMENT AGREEMENT

This Settlement Agreement ("Settlement Agreement" or "Settlement") is made and entered into between Plaintiff Gleysa Martinez ("Plaintiff"), acting in a private attorney general capacity, and Defendants Universal Packaging Systems, Inc. ("Universal Packaging") and Quality Staffing Services, Inc. ("Quality Staffing") (jointly referred to as "Defendants") (collectively, the "Parties").

I. DEFINITIONS

The following terms, when used in this Settlement Agreement, shall have the following meanings:

1. "Action" means the matters entitled: *Gleysa Martinez v. Universal Packaging Systems, Inc., et al.*, San Bernardino Superior Court, San Bernardino Justice Center, Case Number: CIVSB2408885, and as set forth in Plaintiff Martinez's correspondence to the California Labor and Workforce Development Agency ("Martinez LWDA Letter") dated January 10, 2024.

2. "Aggrieved Employees" consist of all non-exempt, hourly employees who worked for Defendant in the State of California, at any time from January 13, 2023, through December 31, 2025.

3. "Universal Packaging" means Defendant, Universal Packaging Systems, Inc.

4. "Quality Staffing" means Defendant, Quality Staffing Services, Inc.

4. "Settlement Administrator" means Phoenix Settlement Administrators.

5. "Complaint" means the operative complaint in the Action, which refers to the action filed on March 18, 2024.

6. "Court" means the Superior Court of California for the County of San Bernardino Superior Court.

7. "Effective Date" means the date the Court enters an Order granting Court approval to the settlement.

8. "Individual PAGA Payment" means the amount to be paid to each Aggrieved Employee based on the formula described herein.

9. "LWDA" means the California Labor and Workforce Development Agency.

10. "Gross Settlement Amount" is the non-reversionary sum of One Hundred Twenty-Five Thousand Dollars and Zero Cents ($125,000.00), which represents the total amount payable under this Settlement Agreement by Defendants (subject to the Escalator Clause described below), including, without limitation, payments to all Aggrieved Employees, payment to the LWDA, payment of Plaintiff's attorneys' fees and costs, payment of Plaintiff's enhancement payments, and payment to the Settlement Administrator for administration costs.

11. "Net Settlement Amount" is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts, if approved by the Court, are subtracted from the Gross Settlement Amount: (a) Plaintiff's attorneys' fees up to one third of the Gross Settlement Amount; (b) Plaintiff's litigation costs up to $5,000.00; (c) Plaintiff's enhancement payments up to $6,000.00; and (d) administration costs up to $10,000.00.

12. "PAGA" means the California Labor Code Private Attorneys General Act, California Labor Code section 2698, *et seq.*

13. "PAGA Period" means the time period from January 13, 2023, through December 31, 2025.

14. "PAGA Released Claims" mean all PAGA claims that were pled in the Action, or which could have been pled in the Action, or which could have been pled under the PAGA based on the factual allegations in the Action, that arose during the PAGA Period. The release of the PAGA Released Claims shall extend for the duration of the PAGA Period.

15. "Parties" means, collectively, Plaintiff and Defendants.

16. "Plaintiff's Counsel" means Scott Ernest Wheeler and Justin A. Wheeler of The Wheeler Law Firm, APC.

II. RECITALS

1. Plaintiff performed work for Defendants as non-exempt employees in California during the PAGA Period and is therefore an Aggrieved Employee pursuant to the definition contained herein.

2. On January 10, 2024, Plaintiff provided written notice to the LWDA and Defendants asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of various Labor Code sections and her intent to file a civil lawsuit under the PAGA.

3. On March 18, 2024, Plaintiff filed an Action for civil penalties under the PAGA.

4. The Parties have engaged in efforts to resolve Plaintiff's PAGA claims by exchanging information informally. In connection with such efforts, Defendants provided Plaintiff's Counsel with information and documents pertaining to Plaintiff and other Aggrieved Employees in order for Plaintiff's Counsel to investigate Plaintiff's allegations and value the claims prior to reaching a settlement.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Non-Admission**. Nothing in this Settlement Agreement shall be construed to be an admission by Plaintiff that her claims do not have merit, or an admission by Defendants of any liability or wrongdoing as to Plaintiff, the Aggrieved Employees or any other person. Defendants specifically disclaim and deny any such liability or wrongdoing. The Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant

inconvenience, expenses, and risks. This Settlement Agreement and any related court documents or orders are not and may not be cited or admitted as evidence of liability.

2. **Gross Settlement Amount.** The Parties agree to settle the Action for the non-reversionary Gross Settlement Amount ("GSA") of $125,000.00 (subject to the Escalator Provision below). From the GSA, Plaintiff will seek, and Defendants shall not oppose: (a) attorneys' fees of one-third of the GSA; (b) attorneys' litigation costs and expenses related to the Action of up to $5,000.00; and (c) enhancement payment to Plaintiff in the amount of $6,000. After the amounts for attorneys' fees, costs, administration costs, and enhancement payment are deducted from the GSA, the remaining amount shall be known as the "Net Settlement Amount" or "NSA." Defendants shall deposit the full settlement amount of $125,000.00 with the Settlement Administrator within thirty (30) calendar days of a Court order approving this settlement.

3. **Escalator Clause.** Defendants represent that the Aggrieved Employees worked approximately 69,818 PAGA Pay Periods. Plaintiff will provide Defendants within ten (10) days' notice of their intent to file a Motion for Approval of the PAGA Settlement or Stipulation and Order Requesting Approval of the PAGA Settlement. If more than 6,982 (10%) PAGA Pay Periods are identified up to the date that Plaintiff seeks Court approval of the PAGA Settlement, the Gross Settlement Amount will be increased on a pro rata basis according to the number of additional PAGA Pay Periods worked by all Aggrieved Employees in excess of 76,800 with respect to the total number of PAGA Pay Periods worked by all of the Aggrieved Employees. In the event that the total number of PAGA Pay Periods exceeds 76,800, Defendants shall have the option, exercisable within ten (10) days of receiving written notice of such increase, either (a) to void this Agreement in its entirety, or (b) to modify the PAGA Period of the Agreement to a date mutually agreed upon by the Parties to allow for renegotiation of settlement terms.

4. **Net Settlement Amount**. The Parties agree that the following amounts should be subtracted from the Gross Settlement Amount, if approved by the Court, resulting in a Net Settlement Amount to distribute to the LWDA and Aggrieved Employees:

a. Plaintiff's Attorneys' Fees and Costs. Defendants will not oppose Plaintiff's request for attorneys' fees in the amount up to one third of the Gross Settlement Amount (currently estimated to be $41,625) and costs up to $6,000.00 incurred in prosecuting this Action. In the event the Court approves less than these amounts, the difference will be added to the Net Settlement Amount (although Plaintiff may appeal an order granting less than the full amount sought for attorneys' fees and costs). Defendants, via the Settlement Administrator, will report these payments on IRS Form 1099 issued to Plaintiff's Counsel.

b. Plaintiff's Enhancement Payment. Defendants will not oppose Plaintiff's request for an enhancement payment of up to $6,000.00, for serving as the representative Plaintiff in this Action. In the event the Court approves a payment of less than the requested amount, the difference will be added to the Net Settlement Amount.

c. Administration Costs. Defendants will not oppose the Settlement Administrator's costs in the amount up to $10,000 for administering the settlement. In the event the Court approves a payment of less than this amount, the difference will be added to the Net Settlement Amount. Defendants, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to the Settlement Administrator.

5. **Allocation of Net Settlement Amount**. One hundred percent (100%) of the Net Settlement Amount shall be designated as "civil penalties" and shall be distributed 75% to the LWDA and 25% to Aggrieved Employees, pursuant to Labor Code section 2699(i). The 25% portion to be paid to Aggrieved Employees shall be paid to all Aggrieved Employees pro rata, based on the number of pay periods worked by each Aggrieved Employee during the PAGA Period.

a. The parties agree that should the Court deny approval of the Settlement based on the allocation of the Gross Settlement Amount or the Net Settlement Amount, the parties agree to re-negotiate in good faith in an effort to obtain approval of the Settlement.

6. **PAGA Released Claims**. Upon entry of an Order approving the Settlement and judgment entered thereon, and upon the Settlement being fully funded, Plaintiff, on behalf of the State of California, will release the PAGA Released Claims against Defendants that arose during the PAGA Period. Upon entry of the Order approving the settlement and judgment entered thereon and the Settlement being fully funded, Plaintiff and all Aggrieved Employees will be forever barred from pursuing any and all of the PAGA Released Claims that arose during the PAGA Period against Defendants.

7. **Covenants and Representations by Plaintiff and Plaintiff's Counsel**.

a. Plaintiff represents and warrants that she has not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Settlement Agreement.

b. Plaintiff acknowledges that she has read this Settlement Agreement, that they fully understand their rights, privileges and duties under the Settlement Agreement, and enter into this Settlement Agreement freely and voluntarily. Plaintiff further acknowledges that she has had the opportunity to consult with her attorney to explain the terms of this Settlement Agreement and the consequences of signing this Settlement Agreement.

8. **Confidentiality**. Except as provided below to the extent necessary to effectuate the settlement or as required by court or legal process, Plaintiff and Plaintiff's Counsel will keep the terms of this Settlement Agreement confidential. Neither Plaintiff nor Plaintiff's Counsel shall issue a press release, hold a press conference, publish information about the settlement on any website or through any social media or otherwise publicize the settlement or communicate its terms in public or in private, unless ordered by the Court. However, for the limited purpose of establishing adequacy of counsel in future actions, Plaintiff's counsel may reference the Action by name and case number in a declaration establishing adequacy as class or representative counsel.

To permit judicial review and approval of the Settlement, as required by Labor Code sections 2698, *et seq.*, Plaintiff's Counsel will file the Settlement Agreement with the Court and submit the Settlement to the LWDA as part of the parties' seeking Court approval of the Settlement, per Labor Code § 2699(l)(2).

9. **Motion for Approval of PAGA Settlement by Plaintiff's Counsel**. Plaintiff's Counsel shall be responsible for promptly preparing and filing the Motion for Approval of the PAGA Settlement.

10. **Termination of Settlement Agreement**. If the Court does not approve the settlement, if the Court does not enter judgment as provided for in this Settlement Agreement, or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or if one or more of the material terms of the Settlement Agreement is not approved or is materially modified or reversed or found to be invalid, then either of the Parties shall have the right within 10 days of written notice thereof to elect to terminate the Settlement Agreement, in which case the Settlement Agreement shall have no force or effect, and the Parties shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement Agreement.

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

11. **Judgment**. As part of the Motion to approve the Settlement, Plaintiff shall submit a proposed judgment which enters judgment in the Action in accordance with the terms of the Settlement, retains jurisdiction over the Action under Cal. Code Civ. Proc. section 664.6 for the purpose of enforcing the terms of the Settlement following approval of the Settlement, and enjoins the prosecution of any of the PAGA Released Claims against any of the Released Parties upon the judgment being entered and the Settlement being fully funded. This Settlement Agreement is expressly conditioned upon the Court entering judgment as set forth herein. The judgment will not release or bar any claims other than the PAGA Released Claims as to Plaintiff and the Aggrieved Employees.

IV. ADMINISTRATION OF SETTLEMENT

1. **Settlement Administrator**. The Parties agree to engage Phoenix Settlement Administrators to handle the administration of this settlement.

2. **Provision of Information for Aggrieved Employees**. Within thirty (30) calendar days after entry of an order approving the settlement, Defendants shall provide the Settlement Administrator with information for Aggrieved Employees. Defendants will in good faith compile from its records a list of Aggrieved Employees that will be in a computer-readable format, such as a Microsoft Excel spreadsheet, and shall include each Aggrieved Employee's full name, last known mailing address, number of pay periods worked during the PAGA Period, and Social Security numbers to the extent available from Defendants' records. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and access shall be limited to those with a need to use the list as part of the administration of the Settlement. Within 7 calendar days of receiving the Aggrieved Employees' information from Defendants, the Settlement Administrator will circulate to counsel for both Parties an anonymized spreadsheet containing the Individual PAGA Payments to each Aggrieved Employee and the data used to calculate said payments. The Settlement Administrator shall obtain approval from all counsel of the calculations before mailing Individual PAGA Payments.

3. **Explanatory Letter and Individual PAGA Payments**. Upon receipt of the information for Aggrieved Employees, the Settlement Administrator will perform a search on the National Change of Address database to update the Aggrieved Employees' addresses. Within fourteen (14) calendar days after the Settlement has been fully funded and after receiving approval from Plaintiff's Counsel and Defendants' counsel of the payment calculations as provided above, the Settlement Administrator shall mail copies of the explanatory letter, which has been mutually approved by the Parties and is attached hereto as **Exhibit A**, in English and Spanish, along with Individual PAGA Payments to all Aggrieved Employees via regular First-Class U.S. Mail.

The Settlement Administrator will calculate the amount to be received by each Aggrieved Employee, which will be based on the formula set forth in Section III.5., *supra*. The Settlement Administrator will send each Aggrieved Employee a check for his or her Individual PAGA Payment along with the explanatory letter. Checks will remain negotiable for 180 days. Each Individual PAGA Payment shall be deemed penalties and reported using IRS Form 1099, with no withholdings taken.

4. **Undeliverable Notices**. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Aggrieved Employee. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Aggrieved Employee.

Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace or other reputable search method using the name, address, or Social Security number of the Aggrieved Employee involved, and will perform up to a single re-mailing if a new address is located.

Funds represented by checks returned as undeliverable after a re-mailing, checks for whom the Settlement Administrator could not locate an updated address after performing a skip trace, and funds represented by checks remaining uncashed more than 180 days after issuance (collectively, "Uncashed Checks"), will be distributed to the LWDA which is consistent with the State of California's interests in implementing PAGA.

5. **Distribution of Payments**. Within fourteen (14) calendar days of the Settlement being fully funded, the Settlement Administrator shall issue payments to (1) Aggrieved Employees; (2) the LWDA; (3) Plaintiff's Counsel for Plaintiff's Counsel's Court-approved attorneys' fees and litigation costs and expenses; (4) Plaintiff for the Court-approved enhancement payments and (5) the Settlement Administrator for Court-approved Settlement administration costs incurred in connection with the Settlement. Payments made by Defendant pursuant to this Settlement shall be held by the Settlement Administrator in an interest-bearing account until they are disbursed, with any accrued interest inuring to the benefit of the Aggrieved Employees in the form of pro rata increases to Aggrieved Employees' Individual PAGA Payments.

6. **Accounting**. Within 45 days after all payments have been made under the Settlement, the Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid from the settlement.

7. **Tax Consequences**. Neither Plaintiff nor Defendants, nor counsel for either of the Parties, makes any representations or warranties with respect to tax consequences of any payment under this Settlement Agreement.

V. MISCELLANEOUS PROVISIONS

1. **Drafting**. The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that neither Party shall be considered the "drafter" of this Settlement Agreement for purposes of having terms construed against that Party.

2. **Successors**. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators and successors.

3. **Costs and Fees**. The Parties shall each bear their own costs and attorneys' fees incurred in connection with this Settlement Agreement, the Action and Plaintiff's claims, except as otherwise set forth specifically herein.

4. **Governing Law**. This Settlement Agreement shall be construed under and governed by the laws of the State of California. This Settlement Agreement shall be deemed to have been entered into in the State of California, and all questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the Parties to this Settlement Agreement shall be governed by California law. If any legal or equitable action is necessary to enforce the terms of this Settlement Agreement, it shall be brought in the State of California, County of Santa Clara.

5. **Complete Agreement**. The Parties each acknowledge and represent that no promise or representation not contained in this Settlement Agreement has been made to them with respect to the subject matter of this Settlement Agreement, and acknowledge and represent that this Settlement Agreement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the PAGA claim in the Action.

6. **Nullification of Settlement Agreement**. In the event that: (i) the Court does not approve the settlement as provided herein and the class claims are not dismissed; or (ii) the settlement does not become final for any other reason, then this Settlement Agreement and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their respective positions before the Settlement was executed.

7. **Judgment and Continued Jurisdiction**. As noted above, after approval of this settlement, the Court will have continuing jurisdiction under Cal. Code Civ. Proc. section 664.6 for purposes of addressing: (i) the interpretation and enforcement of the terms of the settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

8. **Amendment or Modification**. This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest, or by counsel for all Parties.

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

10. **Execution and Counterparts**. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

11. **Acknowledgement that the Settlement is Fair and Reasonable**. The Parties believe this Settlement Agreement is a fair, adequate and reasonable settlement of the Action, and have arrived at this settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this settlement.

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

13. **Severability**. If any term or provision of this Settlement Agreement is held to be invalid or unenforceable, the remaining portions of this Settlement Agreement will continue to be valid and will be performed, construed and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Agreement, to the extent necessary to permit the Gross enforceability or validation of the term or provision.

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

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

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

17. **Representation by Counsel**. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

18. **Cooperation and Execution of Necessary Documents**. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

19. **Binding Agreement**. The Parties warrant that they understand and have full authority to enter into this settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms.

IN WITNESS THEREOF, the Parties each acknowledge that she/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement and hereby executes it voluntarily and with full understanding of its consequences.

Dated: 12-30, 2025

Gleysa Martinez, Plaintiff

Universal Packaging Systems, Inc.

Dated: 12/23, 2025

By: Jeffery Morlando
Its: CFO Support

Quality Staffing Services, Inc.

Dated: ________, 2025

By:
Its:

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IN WITNESS THEREOF, the Parties each acknowledge that she/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement and hereby executes it voluntarily and with full understanding of its consequences.

Dated: __________, 2025

____
Gleysa Martinez, Plaintiff

Universal Packaging Systems, Inc.

Dated: 12/23, 2025

____
By: Jeffery Morlando
Its: CFO Support

Quality Staffing Services, Inc.

Dated: 12/29, 2025

____
By: Lisa Delgado
Its: CEO

APPROVED AS TO FORM:

Dated: 12/31, 2025

THE WHEELER LAW FIRM, APC

By: ______________________
Scott E. Wheeler

Attorneys for Plaintiff

Dated: December 31, 2025

GORDON & REES SCULLY MANSUKHANI, LLP

By: Eric R. Deitz
Eric R. Deitz

Attorneys for Defendant, Quality Staffing Services, Inc.

Dated: December 23, 2025

LITTLER MENDELSON, P.C.

By: ______________________
Karimah J. Lamar
Warsame Y. Hassan

Attorneys for Defendant, Universal Packaging Systems, Inc.

EXHIBIT A

Gleysa Martinez, on behalf of the State of California v. Universal Packing Systems, Inc., and Quality Staffing Services, Inc.

This Notice relates to the settlement of a lawsuit filed by Plaintiff Gleysa Martinez ("Plaintiff") and Defendants, Universal Packing Systems, Inc., and Quality Staffing Services, Inc. ("Defendants") in San Bernadino County Superior Court, entitled *Martinez v. Universal Packing Systems, Inc.*, Case No. CIVSB2408885 (the "Action"). Plaintiff and Defendants have settled the Action as a representative action under California's Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq*.) ("PAGA") on behalf of the State of California and all persons who are or were employed by Defendant as hourly paid, non-exempt employees in the State of California at any time from January 13, 2023, through December 31, 2025 (the "PAGA Period"). A PAGA action is a lawsuit for civil penalties in which the State of California (the LWDA) receives 75% of any net settlement, and 25% of the net settlement is distributed amongst the employees.

The lawsuit alleges Defendants violated the California Labor Code and Wage Orders for failure to: (a) pay overtime compensation, (b) pay minimum wages, (c) provide meal periods or pay meal premiums, (d) provide rest periods or pay rest premiums, (e) provide accurate and complete wage statements, (f) maintain accurate payroll records, (g) maintain accurate time records, (h) timely pay all wages during employment, (i) timely pay wages upon termination, (j) provide employees with written notice of information material to their employment, (k) provide Notice of COVID-19 exposure, (l) provide suitable seating, (m) maintain reasonable temperatures in the workplace, (n) reimburse necessary business expenses, and (o) provide all documents signed or obtained during employment.

The lawsuit seeks PAGA civil penalties for the alleged violations. Defendants deny these allegations or that any penalties are due and further contend that Defendants have complied with all applicable wage and hour laws governing Plaintiff and all other employees.

The Court has made no determination on the merits of Plaintiff's claims, but the Parties have decided to resolve the case through settlement, with the approval of the Court.

A Judgment has been entered by the Court. You have released Defendants and their present and former parent companies, subsidiaries, divisions, concepts, related or affiliated companies, and its shareholders, owners, partners, managers, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any other individual or entity related to Defendants that could be liable for any of the Released Claims during the PAGA Period. The Released Claims are defined as follows:

"PAGA Released Claims" mean all PAGA claims that were pled in the Action, or which could have been pled in the Action, or which could have been pled under the PAGA based on the factual allegations in the Action, that arose during the PAGA Period. The release of the PAGA Released Claims shall extend for the duration of the PAGA Period.

You will not be deemed to have released any private rights of action and individual wage and hour claims for any alleged violations of the Labor Code or California Wage Orders by virtue of this Settlement (only the named Plaintiff has released private rights of action and individual wage and hour claims).

You have received this notice because Defendants' records indicate that you may be one of the employees affected by the allegations made by Plaintiff and were a non-exempt (hourly) employee of Defendants at any time between January 13, 2023, through December 31, 2025.

The Court has authorized a third-party settlement administrator to send you this Notice, and they have agreed to keep your contact information confidential.

The enclosed check represents your portion of the settlement payment, which is a pro-rata distribution based on the number of pay periods you worked during the applicable time period noted above. You may deposit or cash the check without any further obligation on your part and there is no need for you to contact the settlement administrator, the Parties, or the Court. The entirety of PAGA civil penalties paid to you is considered miscellaneous income and not subject to withholdings. The settlement administrator will provide an appropriate IRS Form 1099 to you.

If you have questions about this notice, please contact the Settlement Administrator, [[____]] at [administrator phone number], or contact Plaintiff's counsel below:

The Wheeler Law Firm, APC
Scott Ernest Wheeler
Justin A. Wheeler
250 West First Street, Ste 216
Claremont, California 91711
Telephone: (909) 621-4988

THIS NOTICE IS NOT AN EXPRESSION OF ANY OPINION BY THE COURT AS TO THE MERITS OF THE CLAIMS OR DEFENSES BY EITHER SIDE IN THIS PROCEEDING.

PLEASE DO NOT CONTACT THE COURT REGARDING THIS CASE.