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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

EDWIN MEJIA, individually, and on
behalf of other members of the general
public similarly situated,

Plaintiff,

vs.

COPART, INC., a Delaware corporation;
COPART CATASTROPHE
RESPONSE FLEET LLC, a Delaware
limited liability company;
COPARTDALLAS, LLC, a California
limited liability company;
COPARTHOUSTON, LLC, a California
limited liability company and DOES 1
through 10, inclusive,

Defendants.

Case No.: 2:24-cv-01705-SPG-JC

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

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

This Joint Stipulation of Class Action and PAGA Settlement and Release (“Settlement” or “Settlement Agreement”) is made and entered into by and between Plaintiff Edwin Mejia (“Plaintiff” or “Class Representative”), as an individual and on behalf of all others similarly situated, and Defendants Copart, Inc., Copart Catastrophe Response Fleet LLC, Copart-Dallas, LLC, and Copart-Houston, LLC¹ (“Defendants”) (collectively with Plaintiff, the “Parties”).

DEFINITIONS

The following definitions are applicable to this Settlement Agreement.

Definitions contained elsewhere in this Settlement Agreement will also be effective:

1. “Attorneys’ Fees and Costs” means attorneys’ fees agreed upon by the Parties and approved by the Court for Class Counsel’s litigation and resolution of the Action, and all out-of-pocket costs incurred and to be incurred by Class Counsel in the Action, including but not limited to expert/consultant fees, investigation costs, and costs associated with documenting the Settlement, providing any notices required as part of the Settlement or Court order, securing the Court’s approval of the Settlement, administering the Settlement, and obtaining entry of a Judgment terminating the Action. Class Counsel will request attorneys’ fees not in excess of one-third (1/3) of the Gross Settlement Amount, or Four Hundred Twenty Three Thousand Three Hundred Thirty Three Dollars and Thirty-Three Cents (\$423,333.33). The Attorneys’ Fees and Costs will also mean and include the additional reimbursement of any costs and expenses associated with Class Counsel’s litigation and settlement of the Action, up to Fifteen Thousand Dollars (\$15,000), subject to the Court’s approval. Defendants have agreed not to oppose Class Counsel’s request for fees and reimbursement of costs as set forth

¹ Defendants maintain that Copart-Dallas, LLC and Copart-Houston, LLC do not employ any individuals in California.

above.

2. “Class Counsel” means Capstone Law APC.

3. “Class List” means a complete list of all Class Members that Defendants will diligently and in good faith compile from their records and provide to the Settlement Administrator and Class Counsel within thirty (30) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in Microsoft Office Excel and will include each Class Member’s full name; most recent mailing address and telephone number (if available); Social Security Number; the number of Workweeks that each Class Member worked during the Class Period; the number of Pay Periods worked by each PAGA Member during the PAGA Period; and any other relevant information needed to calculate settlement payments.

4. “Class Member(s)” or “Settlement Class” means all persons who worked for Defendants as non-exempt, hourly paid employees in California at any time during the Class Period.

5. “Class Notice” means the Notice of Class Action Settlement, substantially in the form attached as Exhibit A.

6. “Class Period” means the period from January 29, 2020 to November 28, 2024.

7. “Court” means the United States District Court, Central District of California.

8. “Defendants” means Defendants Copart, Inc., Copart Catastrophe Response Fleet LLC, Copart-Dallas, LLC, and Copart-Houston, LLC.

9. “Effective Date” means the later of: (a) if no timely objections are filed, or are withdrawn prior to Final Approval, then the date of Final Approval; or (b) if a Class Member files an objection to the Settlement, the Effective Date shall be the thirty-first (31st) calendar day after the date of Final Approval, provided no appeal is initiated by an objector; or (c) if a timely appeal is initiated by an objector, then the Effective Date will be the date of final resolution of that appeal (including any requests for rehearing and/or

petitions for certiorari), resulting in final judicial approval of the Settlement.

10. “Enhancement Payment” means the amount to be paid to Plaintiff in recognition of his effort and work in prosecuting the Action on behalf of Class Members. Subject to the Court granting final approval of this Settlement Agreement and subject to the exhaustion of any and all appeals, Plaintiff will request Court approval of an Enhancement Payment of up to Five Thousand Dollars (\$5,000).

11. “Final Approval” means the date on which the Court enters an order granting final approval of the Settlement Agreement and entering judgment.

12. “General Release Payment” means the amount to be paid to Plaintiff for a general release of all claims arising out of his employment with Defendants. Subject to the Court granting final approval of this Settlement Agreement and subject to the exhaustion of any and all appeals, Plaintiff will request Court approval of a General Release Payment of up to Ten Thousand Dollars (\$10,000).

13. “Gross Settlement Amount” means the Gross Settlement Amount of One Million Two Hundred Seventy Thousand Dollars (\$1,270,000), to be paid by Defendants in full satisfaction of all Released Class Claims and Released PAGA Claims, which includes all Individual Settlement Payments, Attorneys’ Fees and Costs, the Enhancement Payment, the General Release Payment, the PAGA Settlement Amount, and Settlement Administration Costs. In no event will Defendants be liable for more than the Gross Settlement Amount except as otherwise explicitly set forth herein. There will be no reversion of the Gross Settlement Amount to Defendants. Defendants will be separately responsible for any employer payroll taxes required by law, including the employer FICA, FUTA, and SDI contributions, which shall not be paid from the Gross Settlement Amount.

14. “Individual Settlement Payment” means each Participating Class Member’s share of the Net Settlement Fund.

15. “Lawsuit” means *Mejia v. Copart, Inc.*, No. 2:24-cv-01705-SPG-JC (United States District Court, Central District of California).

1 16. “Net Settlement Fund” means the portion of the Gross Settlement Amount
2 remaining after deducting the Attorneys’ Fees and Costs, the Enhancement Payment, the
3 General Release Payment, the PAGA Settlement Amount, and the Settlement
4 Administration Costs. The Net Settlement Fund will be distributed to Participating Class
5 Members. There will be no reversion of the Net Settlement Fund to Defendants.

6 17. “Notice of Objection” means a Class Member’s valid and timely written
7 objection to the Settlement Agreement. For the Notice of Objection to be valid, it must
8 include: (a) the objector’s full name, signature, address, and telephone number, (b) a
9 written statement of all grounds for the objection accompanied by any legal support for
10 such objection; (c) copies of any papers, briefs, or other documents upon which the
11 objection is based; and (d) a statement whether the objector intends to appear at the final
12 fairness hearing.

13 18. “PAGA Members” means all persons who worked for Defendants as non-
14 exempt, hourly paid employees in California at any time during the PAGA Period.

15 19. “PAGA Member Payment” means each PAGA Member’s share of the
16 PAGA Fund.

17 20. “PAGA Period” means the period from February 27, 2023 through
18 November 28, 2024.

19 21. “PAGA Settlement Amount” means the amount that the Parties have
20 agreed to pay to the Labor and Workforce Development Agency (“LWDA”) and PAGA
21 Members in connection with Plaintiff’s claim under the Labor Code Private Attorneys
22 General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”) (“PAGA Settlement”).
23 The Parties have agreed that One Hundred Thousand Dollars (\$100,000) of the Gross
24 Settlement Amount will be allocated to the PAGA Settlement. Pursuant to PAGA,
25 Seventy-Five Percent (75%), or Seventy Five Thousand Dollars (\$75,000), of the PAGA
26 Settlement Amount will be paid to the California Labor and Workforce Development
27 Agency (“Labor and Workforce Development Agency Payment”), and Twenty-Five
28 Percent (25%), or Twenty Five Thousand Dollars (\$25,000) (“PAGA Fund”), of the

PAGA Settlement will be disbursed to all PAGA Members, regardless of whether they request to be excluded from the Settlement Class.

22. “Parties” means Plaintiff and Defendants collectively.

23. “Participating Class Members” means all Class Members who do not submit timely and valid Requests for Exclusion.

24. “Pay Period” means a pay period where a PAGA Member performed work. All PAGA Members will be deemed to have worked during at least one Pay Period.

25. “Plaintiff” means Plaintiff Edwin Mejia.

26. “Preliminary Approval” means the date on which the Court enters an order granting preliminary approval of the Settlement Agreement.

27. “Released Class Claims” has the meaning ascribed to it in Paragraph 59 below.

28. “Released PAGA Claims” has the meaning ascribed to it in Paragraph 60 below.

29. “Released Parties” means Defendants, their past or present officers, directors, shareholders, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys, if any.

30. “Request for Exclusion” means a timely letter submitted by a Class Member indicating a request to be excluded from the Settlement Class. The Request for Exclusion must: (a) set forth the name, address, telephone number and last four digits of the Social Security Number of the Class Member requesting exclusion; (b) be signed by the Class Member; (c) be returned to the Settlement Administrator; (d) clearly state that the Class Member does not wish to be included in the Settlement; and (e) be faxed or postmarked on or before the Response Deadline.

31. “Response Deadline” means the deadline by which Class Members must postmark or fax to the Settlement Administrator Requests for Exclusion, postmark or fax

1 disputes concerning the calculation of Individual Settlement Payments, or postmark
2 Notices of Objection to the Settlement Administrator. The Response Deadline will be
3 forty-five (45) calendar days from the initial mailing of the Class Notice by the
4 Settlement Administrator, unless the forty-fifth (45th) calendar day falls on a Sunday or
5 State holiday, in which case the Response Deadline will be extended to the next day on
6 which the U.S. Postal Service is open.

7 32. "Settlement Administration Costs" means the costs payable from the Gross
8 Settlement Amount to the Settlement Administrator for administering this Settlement,
9 including, but not limited to, printing, distributing, and tracking documents for this
10 Settlement, tax reporting, distributing the Gross Settlement Amount, and providing
11 necessary reports and declarations, as requested by the Parties. The Settlement
12 Administration Costs will be paid from the Gross Settlement Amount, including, if
13 necessary, any such costs in excess of the amount represented by the Settlement
14 Administrator as being the maximum costs necessary to administer the Settlement.
15 Based on an estimated Settlement Class of approximately 1,500 Class Members, the
16 Settlement Administration Costs are currently estimated to be Fifteen Thousand Five
17 Hundred Dollars (\$15,500).

18 33. "Settlement Administrator" means CPT Group, Inc., or any other third-
19 party class action settlement administrator agreed to by the Parties and approved by the
20 Court for the purposes of administering this Settlement. The Parties each represent that
21 they do not have any financial interest in the Settlement Administrator or otherwise have
22 a relationship with the Settlement Administrator that could create a conflict of interest.

23 34. "Workweek" means any week where a Class Member performed work.
24 All Class Members will be deemed to have worked at least one Workweek during the
25 Class Period.

26 TERMS OF AGREEMENT

27 The Plaintiff, on behalf of himself and the Settlement Class, and Defendants agree
28 as follows:

1 35. Funding of the Gross Settlement Amount. Defendants will make a one-
2 time deposit of the Gross Settlement Amount of One Million Two Hundred Seventy
3 Thousand Dollars (\$1,270,000) into a Qualified Settlement Account to be established by
4 the Settlement Administrator. Defendants will pay the employer's share of payroll taxes
5 separately. After the Effective Date, the Gross Settlement Amount will be used for: (a)
6 Individual Settlement Payments; (b) the PAGA Settlement Amount; (c) the
7 Enhancement Payment and General Release Payment; (d) Attorneys' Fees and Costs;
8 and (e) Settlement Administration Costs. Defendants will deposit the Gross Settlement
9 Amount and the employer's share of payroll taxes within thirty (30) calendar days of the
10 Effective Date ("Funding Date").

11 36. Tax Treatment of the Gross Settlement Amount. The Parties agree that the
12 Gross Settlement Amount will qualify as a settlement fund pursuant to the requirements
13 of section 468(B)(g) of the Internal Revenue Code of 1986, as amended, and section
14 1.468B-1 *et seq.* of the income tax regulations. Furthermore, the Settlement
15 Administrator is hereby designated as the "Administrator" of the qualified settlement
16 funds for purposes of section 1.46B-2(k) of the income tax regulations. As such, all taxes
17 imposed on the gross income of the Gross Settlement Amount and any tax-related
18 expenses arising from any income tax return or other reporting document that may be
19 required by the Internal Revenue Service or any state or local taxing body will be paid
20 from the Gross Settlement Amount.

21 37. Attorneys' Fees and Costs. Defendants agree not to oppose or impede any
22 application or motion for attorneys' fees and costs by Class Counsel for Attorneys' Fees
23 and Costs of not more than Four Hundred Twenty Three Thousand Three Hundred
24 Thirty Three Dollars (\$423,333), plus the reimbursement of all out-of-pocket costs and
25 expenses associated with Class Counsel's litigation and settlement of the Action
26 (including expert/consultant fees, investigations costs, etc.), not to exceed Fifteen
27 Thousand Dollars (\$15,000), both of which will be paid from the Gross Settlement
28 Amount. Plaintiff and Plaintiff's counsel understand and agree that this Settlement

1 Agreement shall remain in full force and effect even if the full amount of Attorneys'
2 Fees and Costs sought by Plaintiff is not ultimately awarded by the Court. In the event
3 the Court does not approve the entirety of the application for the Attorney Fee Award
4 and/or Cost Award, the Settlement Administrator shall pay whatever amount the Court
5 awards, and neither Defendants nor the Settlement Administrator shall be responsible for
6 paying the difference between the amount requested and the amount awarded. If the
7 amount awarded is less than the amount requested by Plaintiffs' Counsel for the
8 Attorney Fee Award and/or Cost Award, the difference shall become part of the Net
9 Settlement Fund and be available for distribution to the Class Members.

10 38. Enhancement Payment. In recognition of his effort and work in
11 prosecuting the Action on behalf of Class Members, Defendants agree not to oppose or
12 impede any application or motion for a Class Representative Enhancement Payment of
13 up to Five Thousand Dollars (\$5,000). The Class Representative Enhancement Payment
14 will be paid from the Gross Settlement Amount and will be in addition to Plaintiff's
15 Individual Settlement Payment and General Release Payment paid pursuant to the
16 Settlement. Plaintiff will be solely and legally responsible to pay any and all applicable
17 taxes on the Class Representative Enhancement Payment. Plaintiff understands and
18 agrees that this Settlement Agreement shall remain in full force and effect even if the full
19 amount of Class Representative Enhancement Payment sought by Plaintiff is not
20 ultimately awarded by the Court.

21 39. General Release Payment. In exchange for a general release of all claims
22 arising out of his employment with Defendants, Defendants agree not to oppose or
23 impede any application or motion for a General Release Payment of up to Ten Thousand
24 Dollars (\$10,000). The General Release Payment will be paid from the Gross Settlement
25 Amount and will be in addition to Plaintiff's Individual Settlement Payment and Class
26 Representative Enhancement Payment paid pursuant to the Settlement. Plaintiff will be
27 solely and legally responsible to pay any and all applicable taxes on the General Release
28 Payment. Plaintiff understands and agrees that this Settlement Agreement shall remain in

1 full force and effect even if the full amount of General Release Payment sought by
2 Plaintiff is not ultimately awarded by the Court.

3 40. Settlement Administration Costs. The Settlement Administrator will be
4 paid for the reasonable costs of administration of the Settlement and distribution of
5 payments from the Gross Settlement Amount, which is currently estimated to be Fifteen
6 Thousand Five Hundred Dollars (\$15,500). These costs, which will be paid from the
7 Gross Settlement Amount, will include, *inter alia*, the required tax reporting on the
8 Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, distributing
9 Class Notices, calculating and distributing the Gross Settlement Amount, and providing
10 necessary reports and declarations.

11 41. PAGA Settlement Amount. Subject to Court approval, the Parties agree
12 that the amount of One Hundred Thousand Dollars (\$100,000) from the Gross
13 Settlement Amount will be designated for satisfaction of Plaintiff's PAGA claim.
14 Pursuant to PAGA, Seventy-Five Percent (75%), or Seventy Five Thousand Dollars
15 (\$75,000), of this sum will be paid to the LWDA and Twenty-Five Percent (25%), or
16 Twenty Five Thousand Dollars (\$25,000), will be paid to PAGA Members in proportion
17 to the number of Pay Periods worked during the PAGA Period.

18 42. No Right to Exclusion or Objections to the PAGA Settlement. Because
19 this settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting
20 as a proxy and as a Private Attorney General of, and for, the State of California and the
21 LWDA, the Parties agree that no PAGA Member has the right to exclude himself or
22 herself from the release of the Released PAGA Claims, and all PAGA Members will
23 receive their PAGA Member Payments. The Parties also agree that no PAGA Member
24 has the right to object to the PAGA Settlement Amount.

25 43. Net Settlement Fund. The entire Net Settlement Fund will be distributed to
26 Participating Class Members. No portion of the Net Settlement Fund will revert to or be
27 retained by Defendants.

28 44. PAGA Fund. The entire PAGA Fund will be distributed to all PAGA

Members. No portion of the PAGA Fund will revert to or be retained by Defendants.

45. Individual Settlement Payment Calculations. Individual Settlement Payments will be calculated and apportioned from the Net Settlement Fund based on the number of Workweeks a Class Member worked during the Class Period. Specific calculations of Individual Settlement Payments will be made as follows:

45(a) Payments from the Net Settlement Fund. Defendants will calculate the total number of Workweeks worked by each Class Member during the Class Period and the aggregate total number of Workweeks worked by all Class Members during the Class Period. To determine each Class Member's estimated "Individual Settlement Payment" from the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks during the Class Period, resulting in the "Workweek Value." Each Class Member's "Individual Settlement Payment" will be calculated by multiplying each individual Class Member's total number of Workweeks by the Workweek Value. The Individual Settlement Payment will be reduced by any required deductions for each Participating Class Member as specifically set forth herein, including employee-side tax withholdings or deductions. The entire Net Settlement Fund will be disbursed to all Class Members who do not submit timely and valid Requests for Exclusion. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase the Individual Settlement Payment for each Participating Class Member according to the number of Workweeks worked by all Participating Class Members, so that the amount actually distributed to the Settlement Class equals

1 100% of the Net Settlement Fund.

2 46. PAGA Member Payment Calculations. PAGA Member Payments will be
3 calculated and apportioned from the PAGA Fund based on the number of Pay Periods a
4 PAGA Member worked during the PAGA Period. Specific calculations of PAGA
5 Member Payments will be made as follows:

6 46(a) Payments from the PAGA Fund. Defendants will calculate the
7 total number of Pay Periods worked by each PAGA Member
8 during the PAGA Period and the aggregate total number of Pay
9 Periods worked by all PAGA Members during the PAGA
10 Period. To determine each PAGA Member's estimated "PAGA
11 Member Payment," the Settlement Administrator will use the
12 following formula: The PAGA Fund will be divided by the
13 aggregate total number of Pay Periods during the PAGA Period,
14 resulting in the "PAGA Pay Period Value." Each PAGA
15 Member's "PAGA Member Payment" will be calculated by
16 multiplying each individual PAGA Member's total number of
17 Pay Periods by the PAGA Pay Period Value. The entire PAGA
18 Fund will be disbursed to all PAGA Members.

19 47. No Credit Toward Benefit Plans. The Individual Settlement Payments
20 made to Participating Class Members under this Settlement and PAGA Member
21 Payments made to PAGA Members, as well as any other payments made pursuant to
22 this Settlement, will not be utilized to calculate any additional benefits under any benefit
23 plans to which any Class Members may be eligible, including, but not limited to profit-
24 sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave
25 plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this
26 Settlement Agreement will not affect any rights, contributions, or amounts to which
27 Plaintiff or any Class Members or PAGA Members may be entitled under any benefit
28 plans.

48. Administration Process. The Parties agree to cooperate in the administration of the settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in administration of the Settlement.

49. Delivery of the Class List. Within thirty (30) calendar days of Preliminary Approval, Defendants will provide the Class List to the Settlement Administrator.

50. Notice by First-Class U.S. Mail. Within ten (10) calendar days after receiving the Class List from Defendants, the Settlement Administrator will mail a Class Notice to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

51. Confirmation of Updated Contact Information in the Class Lists. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any Class Notices returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will, within five (5) business days of receipt, be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address and/or Social Security Number of the Class Member involved, and will then perform a single re-mailing. Those Class Members who receive a re-mailed Class Notice, whether by skip-trace or by request, will have either (a) an additional fifteen (15) calendar days or (b) until the Response Deadline, whichever is later, to submit a Request for Exclusion or an objection to the Settlement.

52. Class Notices. All Class Members will be mailed a Class Notice. Each Class Notice will provide: (a) information regarding the nature of the Action; (b) a summary of the Settlement's principal terms; (c) the Settlement Class and PAGA Member definitions; (d) the total number of Workweeks each respective Class Member

1 worked during the Class Period and the total number of Pay Periods each respective
2 PAGA Member worked during the PAGA Period; (e) each Class Member's and PAGA
3 Member's estimated Individual Settlement Payment and PAGA Member Payment and
4 the formula for calculating each payment; (f) the dates which comprise the Class Period
5 and PAGA Period; (g) instructions on how to submit Requests for Exclusion or Notices
6 of Objection; (h) the deadlines by which the Class Member must postmark or fax
7 Request for Exclusions, or postmark Notices of Objection to the Settlement; and (i) the
8 claims to be released.

9 53. Disputed Information on Class Notices. Class Members will have an
10 opportunity to dispute the information provided in their Class Notices. To the extent
11 Class Members dispute their employment dates or the number of Workweeks on record,
12 Class Members may produce evidence to the Settlement Administrator showing that
13 such information is inaccurate. Defendants' records will be presumed correct, but the
14 Settlement Administrator shall contact the Parties regarding the dispute and the Parties
15 will work in good faith to resolve it. All disputes must be submitted by the Response
16 Deadline, and will be decided within ten (10) business days after the Response Deadline.

17 54. Request for Exclusion Procedures. Any Class Member wishing to opt-out
18 from the Settlement Agreement must sign and fax or postmark a written Request for
19 Exclusion to the Settlement Administrator within the Response Deadline. In the case of
20 Requests for Exclusion that are mailed to the Settlement Administrator, the postmark
21 date will be the exclusive means to determine whether a Request for Exclusion has been
22 timely submitted.

23 55. Defendant's Right to Withdraw. If the number of valid Requests for
24 Exclusion exceed ten percent (10%) of the Settlement Class, Defendants may, but are
25 not obligated, elect to withdraw from the Settlement. The Parties agree that, if
26 Defendants withdraw, the Settlement shall be void ab initio, have no force or effect
27 whatsoever, and that neither Party will have any further obligation to perform under this
28 Agreement. Defendants will remain responsible for paying all Settlement Administration

Costs incurred to that point. Defendants must notify Class Counsel and the Court of their election to withdraw no later than fourteen (14) calendar days after the expiration of the Response Deadline. Late elections will have no effect.

56. Class Member Personally Identifiable Information (“PII”). The Settlement Administrator (along with any of its agents) shall represent and warrant that it will: (1) provide reasonable and appropriate administrative, physical and technical safeguards, including a reasonable security protocol, for any personally identifiable information (“PII”), which it receives from Defendants’ Counsel and/or Class Counsel; (2) not disclose the PII to third parties, including agents or subcontractors, without Defendants’ consent; (3) not disclose or otherwise use the PII other than to carry out its duties as set forth herein; and (4) promptly provide Defendants with notice if PII is subject to unauthorized access, use, disclosure, modification, or destruction. The Settlement Administrator may provide notice to all Parties if the PII is subject to unauthorized access, use, disclosure, modification or destruction; however, all additional communications from the Settlement Administrator regarding the scope, circumstances, and substance shall be communicated solely to Defendants.

57. Escalator. This Settlement is entered based on Defendants’ representation that there are 120,000 Workweeks at issue as of the mediation on August 28, 2024. If the number of Workweeks worked during the Class Period is greater than 132,000 (10%), Defendants will have the option to either: (a) increase the Gross Settlement Amount on a pro-rata basis equal to the percentage increase in the number of Workweeks worked by the Class Members above 10% (for example, if the number of Workweeks increases by 11%, the Gross Settlement Amount will increase by 1%) or (ii) advance the end date of the Class Period and PAGA Period to correspond to the earlier date at which only the represented number of Workweeks plus 10% are covered by the Class Period.

58. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member who does not affirmatively opt-out of the Settlement Agreement by submitting a timely and valid Request for Exclusion will be bound by all of its terms,

including those pertaining to the Released Class Claims, as well as any Judgment that may be entered by the Court if it grants final approval to the Settlement.

59. Released Class Claims. Upon the Funding Date, the Participating Class Members will release and discharge Defendants and the Released Parties from the claims asserted in the Operative Complaint predicated on the factual allegations of the Operative Complaint during the Class Period. Upon the Funding Date, the claims released by the Participating Class Members (the “Released Class Claims”) will include:

59(a) The claims alleged in the Lawsuit and set forth in the Operative Complaint, including, but not limited to: (1) Failure to pay wages including minimum wages and overtime; (2) Failure to provide meal periods or provide premiums in lieu thereof; (3) Failure to authorize and permit rest periods or provide premiums in lieu thereof; (4) Failure to pay timely wages during and at the end of employment; (5) Failure to provide accurate itemized wage statements and maintain payroll records; (6) Failure to reimburse for necessary business expenses; (7) Failure to Provide Safety Devices and Safeguards; and (8) Violation of Business and Professions Code § 17200, *et seq.*, and those claims predicated on the same or similar facts and/or claims alleged in the Lawsuit as well as any claims that could have been pled which arise from the same or similar facts concerning the Plaintiff or the putative class, and claims for interest, penalties (including but not limited to waiting time penalties), as well as any claims under the California Labor Code and California Industrial Welfare Commission Wage Orders (specifically for violations of Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 516, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197 *et seq.*, 1197.1, 1198,

2802, 2698 *et seq.*, 6401, 6403, and applicable IWC Wage Orders, and California Code of Regulations, Title 8, section 11000 *et seq.*); or which could have been alleged under the same or similar facts, allegations and/or claims pleaded in the Lawsuit and/or Operative Complaint;

59(b) Any claims for injunctive relief, declaratory relief, restitution, alleged or which could have been alleged under the facts, allegations and/or claims pleaded in the complaints filed as part of the Lawsuit; and

59(c) Any and all other claims under California common law, the federal law, and the California Business and Professions Code alleged in or that could have been alleged under the same or similar facts, allegations and/or claims pleaded in the Lawsuit and based on the alleged Labor Code violations.

60. Released PAGA Claims. Upon the Funding Date, Plaintiff and the PAGA Members hereby do and shall be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged any and all of the Released Parties of and from any and all claims for violations of the California Private Attorneys General Act of 2004 (Labor Code § 2698 *et seq.*) (the “Released PAGA Claims”), as alleged in the Operative Complaint, which includes those alleged in the PAGA Notice sent to the LWDA by Plaintiff that arose at any time during the PAGA Period, including, but not limited to: (1) Failure to pay wages including minimum wages and overtime; (2) Failure to provide meal periods or provide premiums in lieu thereof; (3) Failure to authorize and permit rest periods or provide premiums in lieu thereof; (4) Failure to pay timely wages during and at the end of employment; (5) Failure to provide accurate itemized wage statements and maintain payroll records; (6) Failure to reimburse for necessary business expenses; and (7) Failure to Provide Safety Devices and Safeguards, and those claims predicated on the same or similar facts any PAGA letter sent to the LWDA by Plaintiff

1 in or prior to the Lawsuit, including Plaintiff's February 27, 2024 LWDA Letter and
2 February 28, 2024 Amended LWDA Letter submitted in Case Number LWDA-CM-
3 1013551-24, as well as any claims that could have been pled which arise from the same
4 or similar facts concerning the Plaintiff or the PAGA Members, and those claims
5 predicated on the same or similar facts in the PAGA notices, as well as any claims that
6 could have been pled which arise from the same or similar facts concerning the Plaintiff
7 or the PAGA Members (specifically for violations of Labor Code sections 201, 202,
8 203, 204, 210, 226, 226.3, 226.7, 510, 512, 516, 558, 1174, 1174.5, 1182.12, 1194,
9 1194.2, 1197 *et seq.*, 1197.1, 1198, 2802, 2698 *et seq.*, 2699, 2699.3, 2699.5, 6401,
10 6403, and applicable IWC Wage Orders, and California Code of Regulations, Title 8,
11 section 11000 *et seq.*). The PAGA Members will be issued a check for their share of the
12 PAGA Fund and will not have the opportunity to opt out of, or object to, the PAGA
13 Member Payment and release of the PAGA claims set forth in this Paragraph. The
14 PAGA Members are bound by the release of the PAGA claims regardless of whether
15 they cash or deposit their PAGA Member Payment.

16 61. Objection Procedures. To object to the Settlement Agreement, a Class
17 Member may either postmark a valid Notice of Objection to the Settlement
18 Administrator on or before the Response Deadline, or appear in person at the Final
19 Approval Hearing. Class Members who fail to object either by submitting a valid Notice
20 of Objection or appearing in person at the Final Approval Hearing will be deemed to
21 have waived all objections to the Settlement and will be foreclosed from making any
22 objections, whether by appeal or otherwise, to the Settlement Agreement. At no time
23 will any of the Parties or their counsel seek to solicit or otherwise encourage Class
24 Members to submit written objections to the Settlement Agreement or appeal from the
25 final approval order and judgment. Class Counsel will not represent any Class Members
26 with respect to any such objections to this Settlement. If a Class Member timely submits
27 both a Notice of Objection and a Request for Exclusion, the Request for Exclusion will
28 be given effect and considered valid, the Notice of Objection shall be rejected, and the

1 Class Member shall not participate in or be bound by the Settlement.

2 62. Certification Reports Regarding Individual Settlement Payment
3 Calculations. The Settlement Administrator will provide Defendants' counsel and Class
4 Counsel a weekly report that certifies the number of Class Members who have submitted
5 valid Requests for Exclusion or objections to the Settlement, and whether any Class
6 Member has submitted a challenge to any information contained in their Class Notice,
7 including those received after the Response Deadline. Additionally, the Settlement
8 Administrator will provide to counsel for both Parties any updated reports regarding the
9 administration of the Settlement Agreement as needed or requested.

10 63. Distribution Timing of Individual Settlement Payments. Within ten (10)
11 calendar days of the Funding Date, the Settlement Administrator will issue payments to:
12 (a) Participating Class Members and PAGA Members; (b) the Labor and Workforce
13 Development Agency; (c) Plaintiff; and (d) Class Counsel. The Settlement
14 Administrator will also issue a payment to itself for Court-approved services performed
15 in connection with the Settlement.

16 64. Un-cashed Settlement Checks. Participating Class Members and PAGA
17 Members must cash or deposit their Individual Settlement Payments and PAGA
18 Member Payments within one hundred eighty (180) days from the date of issuance of
19 the check. All funds associated with the Individual Settlement Payment checks and
20 PAGA Member Payment checks returned as undeliverable and funds associated with
21 those checks remaining uncashed, shall be delivered to the State of California's State
22 Controller Unclaimed Property Fund with an identification of the amount of unclaimed
23 funds attributable to each Settlement Classes Member and PAGA Member.

24 65. Certification of Completion. Upon completion of administration of the
25 Settlement, the Settlement Administrator will provide a written declaration under oath to
26 certify such completion to the Court and counsel for all Parties.

27 66. Treatment of Individual Settlement Payments and PAGA Member
28 Payments. All Individual Settlement Payments will be allocated as follows: (a) Twenty

1 Percent (20%) of each Individual Settlement Payment will be allocated as wages for
2 which IRS Forms W-2 will be issued; and (b) Eighty Percent (80%) will be allocated as
3 non-wages for which IRS Forms 1099-MISC will be issued. All PAGA Member
4 Payments will be treated as non-wages for which IRS Forms 1099-MISC will be issued.

5 67. Administration of Taxes by the Settlement Administrator. The Settlement
6 Administrator will be responsible for issuing to Plaintiff, Participating Class Members,
7 PAGA Members, and Class Counsel any W-2, 1099, or other tax forms as may be
8 required by law for all amounts paid pursuant to this Settlement. The Settlement
9 Administrator will also be responsible for forwarding all payroll taxes and penalties to
10 the appropriate government authorities.

11 68. Tax Liability. Plaintiff and Class Counsel acknowledge and agree that they
12 are and will be responsible for the payment of any and all Federal, State, and Local taxes
13 or penalties associated with their respective allocated portions of the payments described
14 herein, and agree to indemnify, defend, and hold the Released Parties harmless from any
15 and all claims by any Federal, State, or Local taxing authority that Plaintiff or Class
16 Counsel failed to pay or underpaid their or her or his share of taxes associated with the
17 payments set forth in this Settlement. The Parties acknowledge and agree that Class
18 Counsel is not responsible for the payment of any Federal, State, and Local taxes or
19 penalties associated with payments to Plaintiff and Class Members.

20 69. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR
21 PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH
22 PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING
23 PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO
24 PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION
25 OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR
26 ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR
27 WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE
28 CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE

1 MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230
2 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY
3 (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN,
4 INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
5 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT
6 ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION
7 OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER
8 PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION
9 OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY
10 TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
11 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY
12 OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE
13 CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX
14 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY
15 BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE
16 TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION,
17 INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

18 70. No Prior Assignments. The Parties and their counsel represent, covenant,
19 and warrant that they have not directly or indirectly assigned, transferred, encumbered,
20 or purported to assign, transfer, or encumber to any person or entity any portion of any
21 liability, claim, demand, action, cause of action or right herein released and discharged.

22 71. Voiding of Settlement Agreement. In the event that the Court declines to
23 enter the preliminary approval order, the final approval order, or judgment in
24 substantially the form submitted by the Parties, or if the Settlement as agreed does not
25 become final because of appellate court action, either Plaintiff or Defendants may
26 terminate this Settlement. The terminating Party shall give to the other Party (through
27 counsel) written notice of its decision to terminate no later than fourteen (14) calendar
28 days after receiving notice that one of the enumerated events has occurred. Termination

shall have the following effects:

- 71(a) The Settlement Agreement shall be terminated and shall have no force or effect, and no Party shall be bound by any of its terms.
- 71(b) In the event the Settlement Agreement is terminated, Defendants shall have no obligation to make any payments to any Party, Class Member, PAGA Member or attorney.
- 71(c) The preliminary approval order, final approval order, and/or judgment shall be vacated.
- 71(d) The Settlement and all negotiations, statements and proceedings relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective positions prior to the Settlement.
- 71(e) Except as otherwise discoverable, neither this Settlement Agreement nor any ancillary documents, actions, statements or filings in furtherance of settlement (including all matters associated with the mediation) shall be admissible or offered into evidence in the Lawsuit or any other action for any purpose whatsoever, except that Plaintiff may reveal information that Defendants may have marked as confidential under the mediation privilege including the data, documents, and sampling exchanged for mediation purposes for the purpose of presenting the Court with information supporting the fairness, reasonableness or adequacy of the Settlement.

72. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to request the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval Order for: (a) conditional certification of the Settlement Class for settlement purposes only, (b) preliminary approval of the proposed Settlement Agreement and accompanying Class Notice, (c) setting a date for a final fairness

1 hearing. The Preliminary Approval Order will provide for the Class Notice to be sent to
2 all Class Members as specified herein. In conjunction with the Preliminary Approval
3 hearing, Plaintiff will submit this Settlement Agreement, which sets forth the terms of
4 this Settlement, and will include the proposed Notice of Class Action Settlement,
5 attached as Exhibit A, to the LWDA. Class Counsel will be responsible for drafting all
6 documents necessary to obtain preliminary. A draft of the Motion for Preliminary
7 Approval will be provided to Defendants' Counsel no later than five (5) business days
8 prior to the filing deadline. Class Counsel and Defendants' Counsel will expeditiously
9 meet and confer in good faith to resolve any disagreements concerning the Motion for
10 Preliminary Approval.

11 73. Final Settlement Approval Hearing and Entry of Judgment. Upon
12 expiration of the deadlines to postmark Requests for Exclusion or objections to the
13 Settlement Agreement, and with the Court's permission, a final fairness hearing will be
14 conducted to determine the Final Approval of the Settlement Agreement along with the
15 amounts properly payable for: (a) Attorneys' Fees and Costs; (b) the Enhancement
16 Payment and General Release Payment; (c) Individual Settlement Payments; (d) the
17 PAGA Settlement Amount; and (e) all Settlement Administration Costs. Class Counsel
18 will be responsible for drafting all documents necessary to obtain final approval. A draft
19 of the Motion for Final Approval will be provided to Defendants' Counsel no later than
20 five (5) business days prior to the filing deadline. Class Counsel and Defendants'
21 Counsel will expeditiously meet and confer in good faith to resolve any disagreements
22 concerning the Motion for Final Approval. Class Counsel will also be responsible for
23 drafting the attorneys' fees and costs application to be heard at the final approval
24 hearing.

25 74. Judgment and Continued Jurisdiction. Upon final approval of the
26 Settlement by the Court or after the final fairness hearing, the Parties will present the
27 Judgment to the Court for its approval. After entry of the Judgment, the Court will have
28 continuing jurisdiction solely for purposes of addressing: (a) the interpretation and

1 enforcement of the terms of the Settlement, (b) Settlement administration matters, and
2 (c) such post-Judgment matters as may be appropriate under court rules or as set forth in
3 this Settlement Agreement. A copy of the Judgment will be posted to the Settlement
4 Administrator's website.

5 75. Release by Plaintiff. Upon the Funding Date, in addition to the claims
6 being released by all Participating Class Members and PAGA Members, Plaintiff will
7 release and forever discharge the Released Parties, to the fullest extent permitted by law,
8 of and from any and all claims, known and unknown, asserted and not asserted, which
9 Plaintiff has or may have against the Released Parties as of the date of execution of this
10 Settlement Agreement. To the extent the foregoing release is a release to which Section
11 1542 of the California Civil Code or similar provisions of other applicable law may
12 apply, Plaintiff expressly waives any and all rights and benefits conferred upon him by
13 the provisions of Section 1542 of the California Civil Code or similar provisions of
14 applicable law which are as follows:

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

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

27 76. Exhibits Incorporated by Reference. The terms of this Settlement
28 Agreement include the terms set forth in any attached Exhibits, which are incorporated

1 by this reference as though fully set forth herein. Any Exhibits to this Settlement
2 Agreement are an integral part of the Settlement.

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

6 78. Amendment or Modification. No amendment, change, or modification to
7 this Settlement Agreement will be valid unless in writing and signed, either by the
8 Parties or their counsel, and approved by the Court.

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

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

23 81. California Law Governs. All terms of this Settlement Agreement and
24 Exhibits hereto will be governed by and interpreted according to the laws of the State of
25 California.

26 82. Execution and Counterparts. This Settlement Agreement is subject only to
27 the execution of all Parties. However, the Settlement Agreement may be executed in one
28 or more counterparts. All executed counterparts and each of them, including electronic

(e.g., DocuSign), facsimile, and scanned copies of the signature page, will be deemed to be one and the same instrument.

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

84. 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.

85. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class certification for purposes of this Settlement only; except, however, that Plaintiff or Class Counsel may appeal any reduction to the Attorneys' Fees and Costs below the amount they request from the Court, and either party may appeal any court order that materially alters the Settlement Agreement's terms.

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

87. Non-Admission of Liability. The Parties enter into this Settlement to

1 resolve the dispute that has arisen between them and to avoid the burden, expense and
2 risk of continued litigation. In entering into this Settlement, Defendants do not admit,
3 and specifically deny, that they violated any federal, state, or local law; violated any
4 regulations or guidelines promulgated pursuant to any statute or any other applicable
5 laws, regulations or legal requirements; breached any contract; violated or breached any
6 duty; engaged in any misrepresentation or deception; or engaged in any other unlawful
7 conduct with respect to their employees. Neither this Settlement Agreement, nor any of
8 its terms or provisions, nor any of the negotiations connected with it, will be construed as
9 an admission or concession by Defendants of any such violations or failures to comply
10 with any applicable law. Except as necessary in a proceeding to enforce the terms of this
11 Settlement, this Settlement Agreement and its terms and provisions will not be offered or
12 received as evidence in any action or proceeding to establish any liability or admission
13 on the part of Defendants or to establish the existence of any condition constituting a
14 violation of, or a non-compliance with, federal, state, local or other applicable law.

15 88. No Public Comment: Plaintiff and Class Counsel will not make any public
16 disclosure of the Settlement until after the filing of the Motion for Preliminary Approval
17 of the Settlement. Plaintiff and his counsel represent that they have not made any such
18 disclosure. Plaintiff, Defendants, Defendants' Counsel and Class Counsel shall not
19 encourage Class Members to opt-out. Class Counsel will take all steps necessary to
20 ensure that Plaintiff is aware of, and will encourage him to adhere to, the restriction
21 against any public disclosure of the Settlement until after the Settlement is preliminarily
22 approved by the Court. Thereafter, Class Counsel and Plaintiff agree not to publicize the
23 terms of this Settlement with the media, including but not limited to, any newspaper,
24 journal, magazine, website and/or online reporter of settlements or on any website. For
25 the limited purpose of allowing Class Counsel to prove adequacy of counsel in other
26 actions, or for purposes of seeking court approval of comparable wage and hour
27 settlements, Class Counsel may disclose all information available in the public venue
28 about the Lawsuit and Settlement.

1 89. Class Member and PAGA Member Signatories. It is agreed that because
2 the Class Members and PAGA Members are so numerous, it is impossible or
3 impractical to have each individual execute this Settlement. The Class Notice, Exhibit
4 “A” hereto, will advise the Class Members and PAGA Members of the binding nature of
5 the release, and the release shall have the same force and effect as if this Settlement were
6 executed by each individual.

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

11 91. Enforcement Actions. In the event of a breach of this Settlement, the
12 nonbreaching Party shall provide notice to the breaching party and request that the
13 breaching party cure any alleged breach. If the breach is not cured within thirty (30) days
14 of said notice, the nonbreaching party may pursue legal action or other proceeding
15 against any other breaching party or parties to enforce the provisions of this Settlement
16 or to declare rights or obligations under this Settlement. In the event of such enforcement
17 actions, the successful party or parties shall be entitled to recover from the unsuccessful
18 party or parties reasonable attorneys’ fees and costs, including expert witness fees
19 incurred in connection with any enforcement actions. All such disputes shall be resolved
20 by the Court.

21 92. Mutual Preparation. The Parties have had a full opportunity to negotiate
22 the terms and conditions of this Settlement Agreement. Accordingly, this Settlement
23 Agreement will not be construed more strictly against one party than another merely by
24 virtue of the fact that it may have been prepared by counsel for one of the Parties, it
25 being recognized that, because of the arms’-length negotiations between the Parties, all
26 Parties have contributed to the preparation of this Settlement Agreement.

27 93. Representation By Counsel. The Parties acknowledge that they have been
28 represented by counsel throughout all negotiations that preceded the execution of this

Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

94. Notices. Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing both electronically and by United States registered or certified mail, return receipt requested, and addressed as follows:

To Plaintiff, the Class Members, the PAGA Members, and Class Counsel:

Melissa Grant
Melissa.Grant@CapstoneLawyers.com
Robert Drexler
Robert.Drexler@CapstoneLawyers.com
Jonathan Lee)
Jonathan.Lee@CapstoneLawyers.com
Capstone Law APC
1875 Century Park East, Suite 1000
Los Angeles, California 90067
Telephone: (310) 556-4811
Facsimile: (310) 943-0396

To Defendants and Defendants' Counsel:

Bradley E. Schwan
bschwan@littler.com
Jannine E. Kranz
jkranz@littler.com
James E. Payer
jpayer@littler.com
LITTLER MENDELSON, P.C.
2049 Century Park East, 6th Floor
Los Angeles, CA 90067
Tel.: 310.553.0308; Fax: 310.553.5583

95. All Terms Subject to Final Court Approval. All amounts and procedures described in this Settlement Agreement herein will be subject to final Court approval.

96. 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.

97. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement Agreement, 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, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

98. Severability. In the event that one or more of the provisions contained in this Settlement Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way affect any other provision if Defendants' counsel and Class Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: 4/12/2025

Signed by:

Edwin Mejia

Edwin Mejia

**DEFENDANTS COPART, INC.,
COPART CATASTROPHE RESPONSE
FLEET LLC, COPART-DALLAS, LLC,
AND COPART-HOUSTON, LLC**

Dated: 5/2/25

Paul Kirkpatrick

Please Print Name of Authorized Signatory

Paul Kirkpatrick

APPROVED AS TO FORM

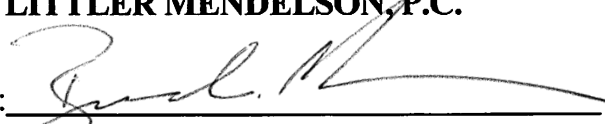
CAPSTONE LAW APC

Dated: 04/04/2025

By: 
Raul Perez
Attorneys for Plaintiff Edwin Mejia

LITTLER MENDELSON, P.C.

Dated: 5/2/2025

By: 
Jannine Kranz
Bradley Schwan
Attorneys for Defendants Copart, Inc., Copart
Catastrophe Response Fleet LLC, Copart-
Dallas, LLC, and Copart-Houston, LLC

4938-9968-9480.2 / 029813-1140

Exhibit A

Mejia v. Copart, Inc., No. 2:24-cv-01705-SPG-JC
UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
NOTICE OF CLASS ACTION SETTLEMENT

You are not being sued. This notice affects your rights. Please read it carefully

Si desea una traducción al Español de este Aviso, por favor llame al administrador al ***--*******

To: All persons who worked for Defendants Defendants Copart, Inc., Copart Catastrophe Response Fleet LLC, Copart-Dallas, LLC, and Copart-Houston, LLC (“Defendants”) as non-exempt, hourly paid employees in California at any time during the period from January 29, 2020 to through November 28, 2024 (“Class Members”).

All persons who worked for Defendants as non-exempt, hourly paid employees in California at any time during the period from February 27, 2023 through November 28, 2024 (“PAGA Members”).

On _____, the Honorable Sherilyn Peace Garnett of the United States District Court, Central District of California granted preliminary approval of this class action and PAGA settlement and ordered the litigants to notify all Class Members of the settlement. **You have received this notice because Defendants’ records indicate that you are a Class Member, and therefore entitled to a payment from the settlement.**

Unless you choose to opt out of the settlement by following the procedures described below, you will be deemed a Class Member and, if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement fund. The Final Fairness Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at __:00 __m. on _____, 2025 in Courtroom 5C of the United States District Court, Central District of California located at 350 West 1st Street, Los Angeles, California 90012.

Please also note that the Final Fairness Hearing may be rescheduled by the Court to another date and/or time. Please visit [settlement website] for any scheduling changes.

If you move, you must send the Settlement Administrator your new address; otherwise, you may never receive your settlement payment. It is your responsibility to keep a current address on file with the Settlement Administrator.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don’t Have to Do Anything to Participate in the Settlement	If you do nothing, you will be deemed a “Participating Class Member,” and will be eligible for a payment from the Net Settlement Fund and, if you are also a PAGA Member, the PAGA Fund. In exchange, you will be bound by the terms of the proposed Settlement and give up your right to assert wage and hour claims against Defendants based on the same facts alleged in the Action during the Class Period.
You Can Opt-out of the Class Settlement but not the PAGA Settlement	If you don’t want to participate in the proposed class settlement, you can opt-out of the class settlement by sending the Settlement Administrator a written Request for Exclusion. Once excluded, you will no longer be eligible for a payment from the Net Settlement Fund and will not be bound by the terms of the proposed class settlement.
The Opt-out Deadline is [DATE]	You cannot opt-out of the PAGA portion of the proposed Settlement. PAGA Members remain eligible to receive a payment from the PAGA Fund and must give up their rights to pursue PAGA penalty claims against Defendants based on the facts alleged in the Action during the PAGA Period.

Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [DATE]	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed class settlement, but not the PAGA settlement.
You Can Participate in the [DATE] Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on [DATE] in Courtroom 5C of the United States District Court, Central District of California located at 350 West 1st Street, Los Angeles, California 90012. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. If the Court grants final approval of the Settlement despite your objection, you will receive a payment from the Net Settlement Fund and you will be bound by the terms of the Settlement and Release.

Summary of the Litigation

Plaintiff Edwin Mejia, on his behalf and on behalf of other current and former non-exempt employees, alleges that Defendants violated California state labor laws as a result of their alleged failure to, among other things: (1) pay minimum and overtime wages to employees for all hours worked; (2) provide employees with meal and rest breaks; (3) timely pay all wages owed to employees during each pay period and upon termination of their employment; (4) reimburse employees for necessary business expenses; and (5) provide employees with accurate, itemized wage statements.

After the exchange of relevant information and evidence, the parties agreed to enter into settlement negotiations in an attempt to informally resolve the claims in the case. On August 28, 2024, the parties participated in a mediation with Daniel Turner, Esq., an experienced and well-respected class action mediator. With Mr. Turner’s guidance, the parties were able to negotiate a complete settlement of Plaintiff’s claims.

Counsel for Plaintiff, and the attorneys appointed by the Court to represent the class, Capstone Law APC (“Class Counsel”), have investigated and researched the facts and circumstances underlying the issues raised in the case and the applicable law. While Class Counsel believe that the claims alleged in this lawsuit have merit, Class Counsel also recognize that the risk and expense of continued litigation justify settlement. Based on the foregoing, Class Counsel believe the proposed settlement is fair, adequate, reasonable, and in the best interests of Class Members.

Defendants have denied, and continue to deny the factual and legal allegations in the case and believe that they have valid defenses to Plaintiff’s claims. By agreeing to settle, Defendants are not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action. Defendants have agreed to settle the case as part of a compromise with Plaintiff.

Summary of The Proposed Settlement Terms

Plaintiff and Defendants have agreed to settle the underlying class claims in exchange for a Gross Settlement Amount of \$1,270,000. This amount is inclusive of: (1) individual settlement payments to all Participating Class Members; (2) an Enhancement Payment of \$5,000 to Edwin Mejia for his services on behalf of the class, and a General Release Payment of \$10,000 for a release of all claims arising out of his employment with Defendants; (3) \$423,333 in attorneys’ fees and up to \$15,000 in litigation costs and expenses; (4) a \$100,000 settlement of claims under the Labor Code Private Attorneys General Act of 2004 (“PAGA”), inclusive of a \$75,000 payment to the California Labor and Workforce

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

Development Agency (“LWDA”) in connection with the PAGA, and a \$25,000 payment (“PAGA Fund”) to all PAGA Members; and (5) reasonable Settlement Administrator’s fees and expenses currently estimated at \$15,500. After deducting the above payments, a total of approximately \$701,167 will be allocated to Class Members who do not opt out of the Settlement Class (“Net Settlement Fund”). Additionally, all PAGA Members will receive a proportional share of the \$25,000 PAGA Fund, regardless whether they opt out of the Settlement Class.

Payments from Net Settlement Fund. Defendants will calculate the total number of Workweeks worked by each Class Member from January 29, 2020 through November 28, 2024 (“Class Period”) and the aggregate total number of Workweeks worked by all Class Members during the Class Period. To determine each Class Member’s estimated share of the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks during the Class Period, resulting in the “Workweek Value.” Each Class Member’s share of the Net Settlement Fund will be calculated by multiplying each individual Class Member’s total number of Workweeks by the Workweek Value. The Individual Settlement Payment will be reduced by any required deductions for each Class Members as specifically set forth herein, including employee-side tax withholdings or deductions. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase each Participating Class Member’s share of the Net Settlement Fund according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Fund.

According to Defendants’ records, you worked during the Class Period in a non-exempt position for a total of ____ Workweeks. Accordingly, your estimated payment from the Net Settlement Fund is approximately \$ ____.

Payments from PAGA Fund. Defendants will calculate the total number of Pay Periods worked by each PAGA Member from February 27, 2023 through November 28, 2024 (“PAGA Period”) and the aggregate total number of Pay Periods worked by all PAGA Members during the PAGA Period. To determine each PAGA Member’s estimated share of the PAGA Fund, the Settlement Administrator will use the following formula: The PAGA Fund will be divided by the aggregate total number of Pay Periods during the PAGA Period, resulting in the “PAGA Pay Period Value.” Each PAGA Member’s share of the PAGA Fund will be calculated by multiplying each individual PAGA Member’s total number of Pay Periods by the PAGA Pay Period Value. A Request for Exclusion does not exclude a PAGA Member from the release of claims under California Labor Code §§ 2698, *et seq.* and the PAGA Member will receive their portion of the PAGA fund even if he/she/they submits a valid Request for Exclusion.

According to Defendants’ records, you worked during the PAGA Period in a non-exempt position for a total of ____ Pay Periods. Accordingly, your estimated payment from the PAGA Fund is approximately \$ ____.

Your Estimated Payment: Based on the above, your estimated payment from the settlement is approximately \$ _____. If you believe the Workweek/Pay Period information provided above is incorrect, please contact the Settlement Administrator to dispute the calculation. You must attach all documentation in support of your dispute (such as check stubs, W2s, or letters from HR). All disputes must be postmarked or faxed on or before [insert date of Response Deadline] and must be sent to:

Settlement Administrator

c/o _____

Fax No. _____

If you dispute the information stated above, Defendants’ records will control unless you are able to provide documentation that establishes otherwise.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

Taxes on Settlement Payments. IRS Forms W-2 and 1099 will be distributed to participating Class Members and the appropriate taxing authorities reflecting the payments they receive under the settlement. Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this settlement, 20% of each settlement payment will be allocated as wages for which IRS Forms W-2 will be issued, and 80% will be allocated as non-wages for which IRS Forms 1099-MISC will be issued. Payments issued to PAGA Members from the PAGA Fund will be treated as non-wages for which IRS Forms 1099-MISC will be issued.

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

If you want to receive your payment from the settlement, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1**, and if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement funds. In addition, on the date on which Defendants fully fund the Gross Settlement Amount, you will be deemed to have released or waived the Released Class Claims, and if you are also a PAGA Member, the Released PAGA Claims:

Released Class Claims: All claims alleged in the Lawsuit and set forth in the Operative Complaint, including, but not limited to: (1) Failure to pay wages including minimum wages and overtime; (2) Failure to provide meal periods or provide premiums in lieu thereof; (3) Failure to authorize and permit rest periods or provide premiums in lieu thereof; (4) Failure to pay timely wages during and at the end of employment; (5) Failure to provide accurate itemized wage statements and maintain payroll records; (6) Failure to reimburse for necessary business expenses; (7) Failure to Provide Safety Devices and Safeguards; and (8) Violation of Business and Professions Code § 17200, *et seq.*, and those claims predicated on the same or similar facts and/or claims alleged in the Lawsuit as well as any claims that could have been pled which arise from the same or similar facts concerning the Plaintiff or the putative class, and claims for interest, penalties (including but not limited to waiting time penalties), as well as any claims under the California Labor Code and California Industrial Welfare Commission Wage Orders (specifically for violations of Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 516, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197 *et seq.*, 1197.1, 1198, 2802, 2698 *et seq.*, 6401, 6403, and applicable IWC Wage Orders, and California Code of Regulations, Title 8, section 11000 *et seq.*); or which could have been alleged under the same or similar facts, allegations and/or claims pleaded in the Lawsuit and/or Operative Complaint; any claims for injunctive relief, declaratory relief, restitution, alleged or which could have been alleged under the facts, allegations and/or claims pleaded in the complaints filed as part of the Lawsuit; and any and all other claims under California common law, the federal law, and the California Business and Professions Code alleged in or that could have been alleged under the same or similar facts, allegations and/or claims pleaded in the Lawsuit and based on the alleged Labor Code violations.

Released PAGA Claims: All claims for violations of the California Private Attorneys General Act of 2004 (Labor Code § 2698 *et seq.*), as alleged in the Operative Complaint, which includes those alleged in the PAGA Notice sent to the LWDA by Plaintiff that arose at any time during the PAGA Period, including, but not limited to: (1) Failure to pay wages including minimum wages and overtime; (2) Failure to provide meal periods or provide premiums in lieu thereof; (3) Failure to authorize and permit rest periods or provide premiums in lieu thereof; (4) Failure to pay timely wages during and at the end of employment; (5) Failure to provide accurate itemized wage statements and maintain payroll records; (6) Failure to reimburse for necessary business expenses; and (7) Failure to Provide Safety Devices and Safeguards, and those claims predicated on the same or similar facts any PAGA letter sent to the LWDA by Plaintiff in or prior to the Lawsuit, including Plaintiff's February 27, 2024 LWDA Letter and February 28, 2024 Amended LWDA Letter submitted in Case Number LWDA-CM-1013551-24, as well as any claims that could have been pled which arise from the same or similar facts

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

concerning the Plaintiff or the PAGA Members, and those claims predicated on the same or similar facts in the PAGA notices, as well as any claims that could have been pled which arise from the same or similar facts concerning the Plaintiff or the PAGA Members (specifically for violations of Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 516, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197 *et seq.*, 1197.1, 1198, 2802, 2698 *et seq.*, 2699, 2699.3, 2699.5, 6401, 6403, and applicable IWC Wage Orders, and California Code of Regulations, Title 8, section 11000 *et seq.*).

Option 2 – Opt Out of the Settlement

If you do not wish to participate in the settlement, you may exclude yourself from participating by submitting a written request to the Settlement Administrator expressly and clearly indicating that you have received this Notice of Class Action Settlement, decided not to participate in the settlement, and desire to be excluded from the settlement. The written request for exclusion must include your name, signature, address, telephone number, and last four digits of your Social Security Number. Sign, date, and mail the request for exclusion by First Class U.S. Mail or equivalent, to the address below.

Settlement Administrator

c/o _____

The Request for Exclusion must be postmarked or faxed not later than _____, 2025. If you submit a Request for Exclusion which is not postmarked or faxed by _____, 2025, your Request for Exclusion will be rejected, and you will be included in the settlement class.

If you choose **Option 2**, you will no longer be a Class Member, and you will:

- Not Receive a Payment from the Net Settlement Fund.
- Not release the Released Class Claims.
- If you are a PAGA Member, you will still release the Released PAGA Claims, and will receive a payment from the PAGA Fund.

Option 3 – Object to the Settlement

If you decide to object to the settlement because you find it unfair or unreasonable, you may submit a written objection stating why you object to the settlement, or you may instead appear at the Final Fairness Hearing to object to the Settlement. Written objections must provide: (1) your full name, signature, address, and telephone number, (2) a written statement of all grounds for the objection accompanied by any legal support for such objection; (3) copies of any papers, briefs, or other documents upon which the objection is based; and (4) a statement about whether you intend to appear at the Fairness Hearing. The objection must be mailed to the administrator at [administrator's address].

All written objections must be received by the administrator by not later than _____ 2025. By submitting an objection, you are not excluding yourself from the settlement. To exclude yourself from the settlement, you must follow the directions described above. Please note that you cannot both object to the settlement and exclude yourself. You must choose one option only.

You may also, if you wish, appear at the Final Fairness Hearing set for _____ at _____ a.m./p.m. in the Superior Court of the State of California, for the County of United States District Court, Central District of California and discuss your objection with the Court and the Parties at your own expense. You may also retain an attorney to represent you at the hearing.

If you choose **Option 3**, you will still be entitled to the money from the settlement. If the Court overrules your objection, you will be deemed to have released the Released Class Claims and Released PAGA Claims.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

Additional Information

This Notice of Class Action Settlement is only a summary of the case and the settlement. For a more detailed statement of the matters involved in the case and the settlement, you may refer to the pleadings, the settlement agreement, and other papers filed in the case. All inquiries by Class Members regarding this Class Notice and/or the settlement should be directed to the Settlement Administrator or Class Counsel.

Raul Perez
Capstone Law APC
1875 Century Park E., Suite 1000
Los Angeles, CA 90067
Phone: Number

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, DEFENDANTS' ATTORNEYS WITH INQUIRIES.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******