

John G. Yslas (SBN 187324)
john.yslas@wilshirelawfirm.com
Diego Aviles (SBN 315533)
diego.aviles@wilshirelawfirm.com
Harry Erganyan (SBN 333091)
harry.erganyan@wilshirelawfirm.com
Mariam Nazaretyan (SBN 334154)
mariam.nazaretyan@wilshirelawfirm.com
Emily Borman (SBN 303180)
emily.borman@wilshirelawfirm.com
Lisa B. Iturriaga (SBN 339678)
lisa.iturriaga@wilshirelawfirm.com

WILSHIRE LAW FIRM

660 S. Figueroa St., Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

Attorneys for Plaintiffs William Moreno,
Lizbeth Velasquez, Sarah Sandoval, individually, and
on behalf of all others similarly situated

Robert L. Shipley, CA State Bar No. 109420
rshipley@shipleylaw.com
Brandon S. Gray, CA State Bar No. 279881
bgray@shipleylaw.com
ROBERT L. SHIPLEY, APLC
2784 Gateway Road, Suite 104
Carlsbad, CA 92009
Telephone: +1 760 438 5199

Attorneys for Defendant

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

WILLIAM MORENO and LIZBETH
GONZALEZ VELASQUEZ, individually, on
behalf of all others similarly situated,

Plaintiff,

vs.

ABC PHONES OF NORTH CAROLINA,
INC. DBA VICTRA, a North Carolina
Corporation; and DOES 1 through 10,
inclusive,

Defendants.

Case No. 23STCV31717
Related Case No.: 24STCV09415

*Assigned for All Purposes To:
Hon. Elihu M. Berle, Dept. 6*

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT**

BOKHOUR LAW GROUP, P.C.

Mehrdad Bokhour, Esq., CA Bar No. 285256
mehrdad@bokhourlaw.com
1901 Avenue of the Stars, Suite 520
Los Angeles, California 90067
Tel: (310) 975-1493; Fax: (310) 675-0861

FALAKASSA LAW, P.C.

Joshua S. Falakassa, CA Bar No. 295045
josh@falakassalaw.com
1901 Avenue of the Stars, Suite 520
Los Angeles, California 90067
Tel: (818) 456-6168; Fax: (888) 505-0868

Attorneys for Plaintiff MUSTAFA ALKARKHI

Joseph Lavi, Esq. (SBN 209776)
Vincent C. Granberry, Esq. (SBN 276483)
Jovahn Wiggins, Esq. (SBN 349903)
LAVI & EBRAHIMIAN, LLP
8889 W. Olympic Boulevard, Suite 200
Beverly Hills, California 90211
Telephone: (310) 432-0000
Facsimile: (310) 432-0001
Email: jlavi@lelawfirm.com
vgranberry@lelawfirm.com
jwiggins@lelawfirm.com

Attorneys for Plaintiff RALPH HERNANDEZ

MESSRELIAN LAW INC.

Harout Messrelian, Esq. (272020)
500 N. Central Ave., Suite 840
Glendale, California 91203
Telephone: (818) 484-6531
Facsimile: (818) 956-1983

Attorneys for Plaintiff JACOB TERRY

1 This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between
2 Plaintiffs, William Moreno, Lizbeth Gonzalez Velasquez, Sarah Sandoval, Jacob Terry, Mustafa
3 Alkarkhi, and Ralph Hernandez (“Plaintiffs”) and Defendant ABC Phones of North Carolina, Inc.
4 dba Victra (“Defendant”). The Agreement refers to Plaintiffs and Defendant collectively as
5 “Parties,” or individually as “Party.”

6 1. **DEFINITIONS.**

7 1.1 “Actions” means Plaintiffs’ lawsuit alleging class and representative action wage and
8 hour violations against Defendant captioned *William Moreno, et al. v. ABC Phones of North*
9 *Carolina, Inc. dba Victra*, Case Nos. 23STCV31717 and 24STCV09415 (Los Angeles County
10 Superior Court); *Mustafa Alkarkhi v. ABC Phones of North Carolina, Inc.*, Case Nos.
11 CVRI2400933 and CVRI2402256 (Riverside County Superior Court); *Ralph Hernandez v. ABC*
12 *Phones of North Carolina, Inc.*, Case Nos. CVRI2403148 and CVPS2405007 (Riverside County
13 Superior Court), and *Jacob Terry v. ABC Phones of North Carolina, Inc.*, Case No.
14 24STCV12066 (Los Angeles County Superior Court).

15 1.2 “Administrator” means Phoenix Settlement Administrators, Inc., the neutral entity the
16 Parties have agreed to appoint to administer the Settlement.

17 1.3 “Administration Costs” means the amount the Administrator will be paid from the Gross
18 Settlement Amount to reimburse its reasonable fees and expenses in accordance with the
19 Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary
20 Approval of the Settlement.

21 1.4 “Aggrieved Employee” means all persons who worked for Defendant in California as an
22 hourly-paid or non-exempt employee at any time during the PAGA Period.

23 1.5 “Class” means all persons who worked for Defendant in California as an hourly-paid or
24 non-exempt employee at any time during the Class Period.

25 1.6 “Class Counsel” means Wilshire Law Firm, PLC, Bokhour Law Group, P.C., Falakassa
26 Law, PC, Lavi & Ebrahimian, LLP, and Messrelian Law, Inc.

27 1.7 “Class Counsel Fees Payment” means an award of attorneys’ fees granted to Class
28 Counsel and paid from the Gross Settlement Amount. The Parties have agreed that Plaintiffs will

request approval from the Court of up to one third (1/3) of the GSA (currently \$1,466,666.67, one million four hundred sixty-six thousand six hundred sixty-six dollars and sixty-seven cents). Distribution of the approved attorneys' fees shall be made pursuant to Class Counsel's Joint Prosecution Agreement and in accordance with the amounts disclosed to and approved by the Court pursuant to the California Rules of Court.

1.8 "Class Counsel Litigation Expenses Payment" means the amount allocated to Class Counsel for reimbursement of reasonable expenses and costs incurred to prosecute the Action, not to exceed \$75,000.00 (seventy-five thousand dollars and zero cents) and paid from the Gross Settlement Amount.

1.9 "Class Data" means Class Member identifying information in Defendant's possession including the Class Member's name, last-known mailing address, Social Security number, and number of Workweeks and PAGA Pay Periods.

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

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

1.12 "Class Notice" means the Court-approved Notice of Settlement and hearing date for Final Approval, to be mailed to Class Members in English with a Spanish translation in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.13 "Class Period" or "Class Settlement Period" means the period from December 29, 2019 through the date of April 14, 2026 ("Settlement Class Period").

1.14 "Class Representatives" means the named Plaintiffs William Moreno, Lizbeth Gonzalez Velasquez, Sarah Sandoval, Jacob Terry, Mustafa Alkarkhi, and Ralph Hernandez in the Actions.

1.15 “Class Representative Service Payment” or “Enhancement Award” means the payment to the Class Representative for initiating the Actions and providing services in support of the Action.

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

1.17 “Defendant” means named Defendant ABC Phones of North Carolina, Inc. dba Victra.

1.18 “Defense Counsel” means Robert L. Shipley and Brandon S. Gray of Robert L. Shipley, APLC.

1.19 “Effective Date” means the date by which both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

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

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

1.22 “Final Judgment” means the Judgment entered by the Court upon granting Final Approval of the Settlement.

1.23 “Gross Settlement Amount” or “GSA” means four million four hundred thousand dollars and zero cents (\$4,400,000.00), which is the total amount Defendant agrees to pay under the Settlement, except as provided in Paragraph 8 below.

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

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

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

1.27 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699.

1.28 “LWDA PAGA Payment” means 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, *former* subd. (i).

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

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

1.31 “Operative Complaint” means the operative First Amended Class Action Complaint filed in the instant action consolidating all plaintiffs and claims into one action.

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

1.33 “PAGA Period” means the period from February 9, 2023, through the date of April 14, 2026.

1.34 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698 et seq.).

1.35 “PAGA Notice” means Plaintiffs’ Moreno’s and Gonzalez’s February 9, 2024, letters to the LWDA and Defendant providing notice pursuant to Labor Code section 2699.3, subd.(a), and those filed by Jacob Terry, Mustafa Alkarkhi, and Ralph Hernandez. Plaintiffs William Moreno and Lizbeth Gonzalez’s PAGA case number is LWDA-CM-1010121-24. Plaintiff Mustafa Alkarkhi’s PAGA case number is LWDA-CM-1012047-24. Plaintiff Jacob Terry’s PAGA case number is LWDA-CM-1011427-24. Plaintiff Ralph Hernandez’s PAGA case number is LWDA-CM-1032323-24.

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1 1.36 "PAGA Penalties" means the total amount of \$240,000 in PAGA civil penalties to be
2 paid from the Gross Settlement Amount, allocated 25% (\$60,000.00) to the Aggrieved Employees
3 and 75% (\$180,000) to the LWDA in settlement of PAGA claims.

4 1.37 "Participating Class Member" means a Class Member who does not submit a valid and
5 timely Request for Exclusion from the Settlement.

6 1.38 "Plaintiffs" means William Moreno, Lizbeth Gonzalez Velasquez, Sarah Sandoval,
7 Jacob Terry, Mustafa Alkarkhi, and Ralph Hernandez, the named plaintiffs in the Action.

8 1.39 "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the
9 Settlement.

10 1.40 "Released Class Claims" means the claims being released as described in Paragraph 5.2
11 below.

12 1.41 "Released PAGA Claims" means the claims being released as described in Paragraph
13 5.3 below.

14 1.42 "Released Parties" means Defendant.

15 1.43 "Request for Exclusion" means a Class Member's submission of a written request to be
16 excluded from the Class Settlement signed by the Class Member.

17 1.44 "Response Deadline" means forty-five (45) days after the Administrator mails Notice to
18 Class Members and Aggrieved Employees and shall be the last date on which Class Members
19 may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail
20 his or her Objection to the Settlement. Class Members to whom Notice packets are resent after
21 having been returned undeliverable to the Administrator shall have an additional fourteen (14)
22 calendar days beyond the Response Deadline has expired.

23 1.45 "Settlement" means the disposition of the Action effected by this Agreement and the
24 Judgment.

25 1.46 "Workweek" means any week during which a Class Member worked for Defendant for
26 at least one day, during the Class Period.

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1 2. **RECITALS.**

2 2.1 On December 28, 2023, Plaintiffs Moreno and Gonzalez filed a Class Action Complaint
3 alleging causes of action against Defendant for (1) Failure to Pay Minimum and Straight Time
4 Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to
5 Authorize and Permit Rest Periods; (5) Failure to Timely Pay Final Wages at Termination; (6)
6 Failure to Provide Accurate Itemized Wage Statements; (7) Failure to Indemnify Employees for
7 Expenditures; (8) Failure to Produce Requested Employment Records; and (9) Unfair Business
8 Practices.

9 2.2 On February 9, 2024 pursuant to Labor Code §2699.3, subd.(a), Plaintiffs Moreno and
10 Gonzalez gave notice to the LWDA and Defendant that Plaintiffs intended to proceed with a
11 representative action under PAGA (LWDA-CM-1010121-24). On April 15, 2024, after the 65-
12 day statutory period passed, Plaintiffs Moreno and Gonzalez filed a separate complaint for
13 penalties pursuant to Labor Code § 2699, *et seq.*

14 2.3 Mustafa Alkarkhi filed a separate class action complaint on February 20, 2024, and a
15 separate PAGA complaint on April 25, 2025, thereby commencing the actions entitled, *Mustafa*
16 *Alkarkhi v. ABC Phones of North Carolina, Inc.*, Riverside County Superior Court, Case Nos.
17 CVRI2400933 and CVRI2402256.

18 2.4 Jacob Terry filed a separate PAGA complaint on May 14, 2024, thereby commencing
19 the action entitled, *Jacob Terry v. ABC Phones of North Carolina*, Los Angeles County Superior
20 Court, Case No. 24STCV12066 (“Terry Action”).

21 2.5 Ralph Hernandez filed a separate class action complaint on June 5, 2024, and a separate
22 PAGA complaint on August 12, 2024, thereby commencing the actions entitled, *Ralph Hernandez*
23 *v. ABC Phones of North Carolina, Inc.*, Riverside County Superior Court, Case Nos.
24 CVRI2403148 and CVPS2405007.

25 2.6 On August 26, 2024, the Court found the *Moreno* Class and PAGA Actions related with
26 the *Terry* Action as related within the meaning of California Rules of Court.

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1 2.7 Defendant denies the allegations in the Actions, denies any failure to comply with the
2 laws identified in the Actions, and denies any and all liability for the causes of action alleged in
3 the Actions.

4 2.8 On April 1, 2025, the Parties participated in an all-day mediation presided over by
5 mediator Gig Kyriacou. The Parties accepted a mediator's proposal on May 14, 2025, and agreed
6 on general settlement terms, which still required further negotiations. The Parties memorialized
7 their agreement in a Memorandum of Understanding on October 17, 2025. For purposes of
8 settlement, the Parties intend to file a consolidated complaint that includes all of the named
9 Plaintiffs and claims in an Operative First Amended Complaint.

10 2.9 In advance of mediation, Class Counsel conducted a thorough investigation into the facts
11 of, and applicable law to, the Actions. Prior to mediation, Plaintiffs obtained and analyzed a
12 representative sampling of time and payroll data for Class Members and the necessary policy
13 documents through informal discovery to properly evaluate the strengths and weakness of the
14 claims and engage in meaningful settlement discussions. Plaintiffs' investigation was sufficient
15 to satisfy the criteria for court approval set forth in *Dunk v. Ford Motor Co.*, 48 Cal.App.4th 1794,
16 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 129-130 (2008)
17 ("*Dunk/Kullar*").

18 2.10 The Court has not granted class certification because the Parties engaged in
19 mediation before any class certification.

20 2.11 The Parties, Class Counsel and Defense Counsel represent that they are not aware
21 of any other pending matters or actions asserting claims that will be extinguished or affected by
22 the Settlement.

23 3. **MONETARY TERMS.**

24 3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below,
25 Defendant will pay four million four hundred thousand dollars and zero cents (\$4,400,000.00) to
26 fully settle, resolve, and extinguish all claims asserted in the Action, including, without limitation,
27 all claims asserted in the PAGA Notices. The Gross Settlement Amount is non-reversionary and
28 unless ordered by the Court, includes Plaintiffs' Service Payments, Class Counsel's Fees and

Costs, Settlement Administrator's costs, PAGA Penalties settlement amount, payments in settlement of wage claims, including any employee and employer taxes, including the employer FICA, FUTA, and SDI contributions.

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

3.2.1 To Plaintiffs: A Class Representative Service Payment to each Plaintiff of not more than \$10,000.00 (ten thousand dollars and zero cents) in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member. Defendant will not oppose Plaintiffs' request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for the Class Counsel Fees and Litigation Expenses Payments, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than sixteen (16) court days prior to the Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be \$1,466,666.67 (one million four hundred sixty-six thousand six hundred sixty-six dollars and sixty-seven cents) and a Class Counsel Litigation Expenses Payment for actual costs, not to exceed \$75,000.00 (seventy-five thousand dollars with zero cents). Defendant will not oppose requests for these payments. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees and Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the

1 remainder to the Net Settlement Amount for distribution to Participating Class Members.
2 Released Parties shall have no liability to Class Counsel or any other Plaintiff's counsel arising
3 from any claim to any portion of Class Counsel Fee Payment and/or Class Counsel Litigation
4 Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class
5 Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full
6 responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class
7 Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant,
8 from any dispute or controversy regarding any division or sharing of any of these Payments.
9 Distribution of the approved attorneys' fees shall be made pursuant to Class Counsel's Joint
10 Prosecution Agreement and in accordance with the amounts disclosed to and approved by the
11 Court pursuant to the California Rules of Court.

12 3.2.3 To the Administrator: An Administrator Costs Payment not to exceed \$35,750.00
13 (thirty-five thousand seven hundred fifty dollars and zero cents) except for a showing of good
14 cause and as approved by the Court. To the extent the Administration Costs are less or the Court
15 approves payment of less than \$35,750.00, the Administrator will retain the remainder in the Net
16 Settlement Amount to be distributed to Participating Class Members.

17 3.2.4 To Each Participating Class Member: An Individual Class Payment is calculated by
18 (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all
19 Participating Class Members during the Class Period, and (b) multiplying the result by each
20 individual Participating Class Member's Workweeks.

21 3.2.4.1 Tax Allocation of Individual Class Payments. Twenty percent (20%) of
22 each Participating Class Member's Individual Class Payment will be allocated to the Settlement
23 of wage claims (the "Wage Portion"). The Wage Portion is subject to tax withholding and will be
24 reported on an IRS W-2 Form. The remaining eighty percent (80%) of each Participating Class
25 Member's Individual Class Payment will be allocated to the settlement of claims for interest,
26 reimbursement, and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject
27 to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members
28

1 assume full responsibility and liability for any employee taxes owed on their Individual Class
2 Payment.

3 3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual
4 Class Payments. Non-Participating Class Members will not receive any Individual Class
5 Payments. The Administrator will retain amounts equal to their Individual Class Payments in the
6 Net Settlement Amount for distribution to Participating Class Members on a pro-rata basis.

7 3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of two
8 hundred forty thousand dollars and zero cents (\$240,000.00) to be paid from the Gross Settlement
9 Amount, with 75% (\$180,000.00) allocated to the LWDA PAGA Payment and 25% (\$60,000.00)
10 allocated to the Individual PAGA Payments.

11 3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a)
12 dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties of \$60,000.00
13 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the
14 PAGA Period, and (b) multiplying the result by each individual Aggrieved Employee's PAGA
15 Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on
16 their Individual PAGA Payment.

17 3.2.5.2 If the Court approves PAGA Penalties of less than the amount requested,
18 the Administrator will allocate the remainder to the Net Settlement Amount to be distributed to
19 Participating Class Members. The Administrator will report the Individual PAGA Payments on
20 IRS 1099 Forms.

21 4. **SETTLEMENT FUNDING AND PAYMENTS.**

22 4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its
23 records, Defendant estimated that as of April 1, 2025, there were 5,638 Class Members who
24 collectively worked a total of 321,116 workweeks during the Class Period, and a total of 67,099
25 PAGA Pay Periods during the PAGA Period.

26 4.2 Class Data. Not later than ten (10) days after the Court grants Preliminary Approval of
27 the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a
28 Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must

maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than fourteen (14) days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within ten (10) days after Defendant fully funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Costs Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail. The face of each check shall prominently state the date (180 days after the date of mailing) when the check will be voided ("Void Date"). The Administrator will cancel all checks not cashed by the Void Date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom the Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator

1 may send Participating Class Members a single check combining the Individual Class Payment
2 and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator
3 must update the recipients' mailing addresses using the National Change of Address Database.

4 4.4.2 The Administrator must conduct a Class Member Address Search for all other Class
5 Members whose checks are returned undelivered without USPS forwarding address. Within seven
6 (7) days of receiving a returned check, the Administrator must re-mail checks to the USPS
7 forwarding address provided or to an address ascertained through the Class Member Address
8 Search. The Administrator need not take further steps to deliver checks to Class Members whose
9 re-mailed checks are returned as undelivered. The Administrator shall promptly send a
10 replacement check to any Class Member whose original check was lost or misplaced, requested
11 by the Class Member prior to the Void Date.

12 4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA
13 Payment check is uncashed and canceled after the Void Date, the Administrator shall transmit the
14 funds represented by such checks to the California Controller's Unclaimed Property Fund in the
15 name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of
16 California Code of Civil Procedure Section 384, subd. (b).

17 4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall
18 not obligate Defendant to confer any additional benefits or make any additional payments to Class
19 Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

20 5. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the Gross
21 Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual
22 Class Payments (if any), Plaintiffs, Class Members, and Class Counsel will release claims against
23 all Released Parties as follows:

24 5.1 **Plaintiffs' Release.** Plaintiffs discharge Released Parties from all claims,
25 transactions, or occurrences, that occurred during the Class Period, including all claims that were,
26 or reasonably could have been, alleged, based on the facts contained in the Operative Complaint;
27 and claims under the Fair Employment and Housing Act, Americans with Disabilities Act, Title
28 VII of the Civil Rights Act of 1964, the California Labor Code, and all equivalent claims under

1 federal law (“Plaintiffs’ Release”). Plaintiffs’ Release does not extend to any claims or actions to
2 enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability
3 benefits, social security benefits, workers’ compensation benefits that arose at any time, or based
4 on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts
5 or law different from, or in addition to, the facts or law that Plaintiffs now know or believes to be
6 true but agree, nonetheless, that Plaintiffs’ Release shall be and remain effective in all respects,
7 notwithstanding such different or additional facts or Plaintiffs’ discovery of them.

8 5.1.1 Plaintiffs’ Waiver of Rights Under California Civil Code Section 1542. For
9 purposes of Plaintiffs’ Release, Plaintiffs expressly waive and relinquish the provisions, rights,
10 and benefits, if any, of section 1542 of the California Civil Code, which reads:

11 A general release does not extend to claims that the creditor or releasing party does
12 not know or suspect to exist in his or her favor at the time of executing the release,
13 and that if known by him or her would have materially affected his or her settlement
14 with the debtor or Released Party.

15 5.2 Released Class Claims: All Participating Class Members will release all claims, rights,
16 demands, liabilities, and causes of action, alleged or which could have reasonably been alleged
17 based on the facts alleged in the Operative Complaint, including: (1) failure to pay minimum and
18 straight time wages (pursuant to Cal. Labor Code §§ 204, 1194, 1194.2, 1197 and 1197.1); (2)
19 failure to pay overtime wages (pursuant to Cal. Labor Code §§ 510, 1194, and 1198); (3) failure
20 to provide meal periods (pursuant to Cal. Labor Code §§ 226.7 and 512); (4) failure to authorize
21 and permit rest periods (pursuant to Cal. Labor Code §§ 226.7); (5) failure to timely pay final
22 wages at termination (pursuant to Cal. Labor Code §§ 201-203); (6) failure to provide accurate
23 itemized wage statements (pursuant to Cal. Labor Code §§ 226); (7) failure to indemnify
24 employees for expenditures (pursuant to Cal. Labor Code §§ 2802); (8) failure to produce
25 requested employment records (pursuant to Cal. Labor Code §§ 226, 432, and 1198.5); and (9)
26 unfair business practices (pursuant to Cal. Bus. & Prof. Code §§ 17200, *et seq.*). The enumeration
27 of these specific claims shall neither enlarge nor narrow the scope of *res judicata* based on the
28 claims that were asserted in the Action or could have been asserted in the Action based on the

1 facts and circumstances alleged in the Complaint. The Released Class Claims are those that
2 accrued during the Class Period.

3 5.3 Released PAGA Claims: Plaintiffs, Aggrieved Employees, and the LWDA will release
4 all claims for PAGA civil penalties that are alleged or reasonably could have been alleged based
5 on the facts alleged in the Operative Complaint and in Plaintiff Moreno's and Velasquez's
6 February 2, 2024 PAGA Notice and those filed by Plaintiffs Terry, Alkharki, and Hernandez,
7 including: (1) failure to pay minimum and straight time wages (pursuant to Cal. Labor Code §§
8 204, 210, 510, 1194, 1194.2, 1197 and 1197.1); (2) failure to pay overtime wages (pursuant to
9 Cal. Labor Code §§ 510, 1194 and 1198); (3) failure to provide meal periods (pursuant to Cal.
10 Labor Code §§ 210, 226.7 and 512); (4) failure to authorize and permit rest periods (pursuant to
11 Cal. Labor Code §§ 210 and 226.7); (5) failure to timely pay final wages at termination (pursuant
12 to Cal. Labor Code §§ 201 – 203 and 213(d)); (6) failure to provide accurate itemized wage
13 statements (pursuant to Cal. Labor Code §§ 226 and 226.3); (7) failure to indemnify employees
14 for expenditures (pursuant to Cal. Labor Code § 2802); (8) failure to produce requested
15 employment records (pursuant to Cal. Labor Code §§ 226, 432, and 1198.5); (9) failure to pay all
16 earned wages twice per month and unlawfully withholding accrued wages (pursuant to Cal. Labor
17 Code §§ 204, 210 and 216); (10) failure to maintain accurate records of hours worked and meal
18 periods (pursuant to Cal. Labor Code §§ 1174, and 1174.5); (11) recordkeeping requirement
19 violations (pursuant to Cal. Labor Code §§ 226.6, 558.1, 1174, 1174.5, 1198 and 1199); (12)
20 willful misclassification (pursuant to Cal. Labor Code § 226.8); (13) retaliation (pursuant to Cal.
21 Labor Code § 1102.5); and (14) civil penalties for wage and hour violations (pursuant to Cal.
22 Labor Code § 558). The Released PAGA Claims are those that accrued during the PAGA Period.

23 5.4 Exclusion for Claims lodged by Jacob Terry ("Terry"): Plaintiff Terry and Defendant
24 agree that the releases set out above shall not act as a bar or defense to claims lodged in a pending
25 arbitration entitled *Jacob Terry v ABC Phones*, Signature Resolution Arbitration Case No.
26 QWYYW ("Terry Arbitration"). Only those claims lodged in the Terry Arbitration are excluded
27 from the releases contained in this Agreement, and with the exception of this exclusion, the
28 releases contained in this Agreement shall remain in full force and effect as to Terry.

6. **MOTION FOR PRELIMINARY APPROVAL**. Plaintiffs will prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”).

6.1 **Plaintiffs’ Responsibilities**. Plaintiffs will prepare all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (vi) all facts relevant to any actual or potential conflict of interest with Class Members, and/or the Administrator. In their Declarations, Plaintiffs and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 **Responsibilities of Counsel**. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing the Motion for Preliminary Approval. Class Counsel will obtain a prompt hearing date for the Motion for Preliminary Approval, file the Motion for Preliminary Approval no later than sixteen (16) court days before the hearing, unless otherwise ordered by the Court, and deliver the Court’s Preliminary Approval Order to the Administrator.

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

the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators, Inc. to serve as the Administrator and verified that, as a condition of appointment, the Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Costs. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

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

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1 for the funding of the GSA. Any interest that accrues on the GSA sums paid into the QSF prior to distribution by the Administrator will become part of the NSA for distribution to Participating Class Members.

7.4 Notice to Class Members.

7.4.1 No later than five (5) calendar days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 (fourteen) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice with Spanish translation substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and

the number of Workweeks and PAGA Pay Periods used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 Not later than five (5) calendar days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

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

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

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion

1 is a letter from a Class Member or his/her representative that reasonably communicates the Class
2 Member's election to be excluded from the Settlement and includes the Class Member's name,
3 address and email address or telephone number. To be valid, a Request for Exclusion must be
4 timely faxed, emailed, or postmarked by the Response Deadline.

5 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails
6 to contain all the information specified in the Class Notice. The Administrator shall accept any
7 Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the
8 person as a Class Member and the Class Member's desire to be excluded. The Administrator's
9 determination shall be final and not appealable or otherwise susceptible to challenge. If the
10 Administrator has reason to question the authenticity of a Request for Exclusion, the
11 Administrator may demand additional proof of the Class Member's identity. The Administrator's
12 determination of authenticity shall be final and not appealable or otherwise susceptible to
13 challenge.

14 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion
15 is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and
16 bound by all terms and conditions of the Settlement, including the Participating Class Members'
17 Release under paragraph 5.2 of this Agreement, regardless of whether the Participating Class
18 Member actually receives the Class Notice or objects to the Settlement.

19 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a
20 Non-Participating Class Member and shall not receive an Individual Class Payment or have the
21 right to object to the class action components of the Settlement. Because future PAGA claims are
22 subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who
23 are Aggrieved Employees are deemed to release the Released PAGA Claims identified in
24 Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

25 7.6 Challenges to Calculation of Workweeks. Each Class Member shall have forty-five (45)
26 days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for
27 Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks
28 and PAGA Pay Periods allocated to the Class Member in the Class Notice. The Class Member

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

10 7.7 Objections to Settlement.

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

15 7.7.2 Participating Class Members may send written objections to the Administrator, by
16 fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire
17 an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A
18 Participating Class Member who elects to send a written objection to the Administrator must do
19 so not later than forty-five (45) days after the Administrator's mailing of the Class Notice (plus
20 an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).

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

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

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

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

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

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

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

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

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

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

15 8. **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.** Based on its records,
16 Defendant estimated there were 5,638 Class Members who collectively worked a total of 321,116
17 Workweeks as of April 1, 2025 and a total of 67,099 PAGA Pay Periods. However, Plaintiffs and
18 Defendant recognize that Workweeks will continue to accrue from April 1, 2025 until Preliminary
19 Approval of the Settlement by the Court. If, on final calculation, the total number of Workweeks
20 is greater than 10% higher than 321,116 Workweeks (i.e. greater than 353,228 Workweeks), then
21 the Gross Settlement Amount will be proportionally increased by the Workweeks worked in
22 excess of this 10% buffer (e.g., if the final number of total workweeks for the entire Settlement
23 Class Period increases by 15% over 321,116 Workweeks, the GSA will increase by 5%). If this
24 provision is triggered so as to increase the Gross Settlement Amount, the Parties agree that the
25 portion of the Gross Settlement Amount allocated to attorneys' fees will increase proportionally
26 such that the total amount of attorneys' fees remains one-third (1/3) of the Gross Settlement
27 Amount after the upward adjustment required by this provision is implemented.

1 9. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the
2 calendared Final Approval Hearing, unless otherwise scheduled by the Court, Plaintiffs will file
3 in Court, a Motion for Final Approval of the Settlement that includes a request for approval of
4 the PAGA settlement under Labor Code section 2699, *former* subd. (i); a Proposed Final Approval
5 Order; and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiffs shall
6 provide drafts of these documents to Defense Counsel prior to filing the Motion for Final
7 Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or
8 by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final
9 Approval.

10 9.1 **Response to Objections.** Each Party retains the right to respond to any objection raised
11 by a Participating Class Member, including the right to file responsive documents in Court no
12 later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or
13 accepted by the Court.

14 9.2 **Duty to Cooperate.** If the Court does not grant Final Approval or conditions Final
15 Approval on any material change to the Settlement (including, but not limited to, the scope of
16 release to be granted by Class Members), the Parties will expeditiously work together in good
17 faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final
18 Approval. The Court’s decision to award less than the amounts requested for the Class
19 Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation
20 Expenses Payment, and/or Administrator Costs Payment shall not constitute a material
21 modification to the Agreement within the meaning of this paragraph.

22 9.3 **Continuing Jurisdiction of the Court.** The Parties agree that, after entry of Judgment, the
23 Court will retain jurisdiction over the Parties, the Actions, and the Settlement solely for purposes
24 of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration
25 matters, and (iii) addressing such post-Judgment matters as are permitted by law.

26 9.4 **Waiver of Right to Appeal.** Provided the Judgment is consistent with the terms and
27 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
28 Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their respective

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

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

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

11. **ADDITIONAL PROVISIONS.**

11.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint has merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Actions have merit. The Parties agree that class

1 certification and representative treatment is for purposes of this Settlement only. If, for any
2 reason, the Court does grant Preliminary Approval, Final Approval, or enter Judgment, Defendant
3 reserves the right to contest certification of any class for any reason, Defendant reserves all
4 available defenses to the claims in the Actions, and Plaintiffs reserve the right to move for class
5 certification on any grounds available and to contest Defendant's defenses. The Settlement, this
6 Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be
7 admissible in connection with, any litigation (except for proceedings to enforce or effectuate the
8 Settlement and this Agreement).

9 11.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant, and
10 Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement
11 is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit
12 another person to disclose, disseminate or publicize, any of the terms of the Agreement directly
13 or indirectly, specifically or generally, to any person, corporation, association, government
14 agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom
15 will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the
16 extent necessary to report income to appropriate taxing authorities; (4) in response to a court order
17 or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government
18 agency. Each Party agrees to immediately notify the other Party of any judicial or agency order,
19 inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant, and Defense
20 Counsel separately agree not to, directly or indirectly, initiate any conversation or other
21 communication, before the filing of the Motion for Preliminary Approval, with any third party
22 regarding this Agreement or the matters giving rise to this Agreement except to respond only that
23 "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's
24 communications with Class Members in accordance with Class Counsel's ethical obligations
25 owed to Class Members.

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

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

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

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

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

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

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

27 / / /

28 / / /

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

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

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

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

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

15 11.14 Headings. The descriptive heading of any section or paragraph of this Agreement is
16 inserted for convenience of reference only and does not constitute a part of this Agreement.

17 11.15 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement
18 shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a
19 weekend or federal legal holiday, such date or deadline shall be on the first business day
20 thereafter.

21 11.16 Notice. All notices, demands, or other communications between the Parties in
22 connection with this Agreement will be in writing and deemed to have been duly given as of the
23 third business day after mailing by United States mail, or the day sent by email or messenger,
24 addressed as follows:
25
26
27
28

To Plaintiff:

John G. Yslas
john.yslas@wilshirelawfirm.com
Diego Aviles (SBN 315533)
diego.aviles@wilshirelawfirm.com
Harry Erganyan (SBN 333091)
harry.erganyan@wilshirelawfirm.com
Mariam Nazaretyan (SBN 334154)
mariam.nazaretyan@wilshirelawfirm.com
Lisa B. Iturriaga (SBN 339678)
lisa.iturriaga@wilshirelawfirm.com
WILSHIRE LAW FIRM
660 S. Figueroa St., Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

To Defendant:

Robert L. Shipley, CA State Bar No. 109420
rshipley@shipleylaw.com
Brandon S. Gray, CA State Bar No. 279881
bgray@shipleylaw.com
ROBERT L. SHIPLEY, APLC
2784 Gateway Road, Suite 104
Carlsbad, CA 92009
Telephone: +1 760 438 5199

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

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

11.19 Binding Agreement. The Parties intend that this Agreement shall be fully enforceable and binding upon all Parties within the provisions of Cal. Civil Proc. § 664.6, and that it shall be

admissible and subject to disclosure in any proceeding to enforce its terms pursuant to Cal. Evid. Code §§ 1122(a)(1) and 1123(b), notwithstanding the confidentiality provisions that otherwise might apply under federal or state law. The Parties further agree and intend that the Los Angeles County Superior Court may enforce this Agreement pursuant to Code of Civil Procedure § 664.6.

IT IS SO AGREED.

By the Parties:

DATED: 2/20/2026

Signed by:



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Plaintiff William Moreno

DATED: 2/20/2026

DocuSigned by:



A9D47ED05A0E4DB...

Plaintiff Lizbeth Gonzalez

DATED: 2/20/2026

Signed by:



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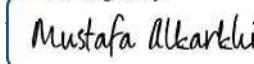
Plaintiff Sarah Sandoval

DATED:

Plaintiff Jacob Terry

DATED: 2/20/2026

DocuSigned by:



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Plaintiff Mustafa Alkarkhi

DATED: 02/24/2026

Ralph Hernandez

Plaintiff Ralph Hernandez

DATED: 2/20/2026 | 1:52 PM EST *Elizabeth Martin-Quinn*

Defendant ABC Phones of North Carolina, Inc. dba Victra

By: Elizabeth Martin-Quinn
Position: Chief Financial Officer

admissible and subject to disclosure in any proceeding to enforce its terms pursuant to Cal. Evid. Code §§ 1122(a)(1) and 1123(b), notwithstanding the confidentiality provisions that otherwise might apply under federal or state law. The Parties further agree and intend that the Los Angeles County Superior Court may enforce this Agreement pursuant to Code of Civil Procedure § 664.6.

IT IS SO AGREED.

By the Parties:

DATED: _____

Plaintiff William Moreno

DATED: _____

Plaintiff Lizbeth Gonzalez

DATED: _____

Plaintiff Sarah Sandoval

DATED: 2/23/2026

917
ID F4IUbb5zFZC8Us7UJE27yPr

Plaintiff Jacob Terry

DATED: _____

Plaintiff Mustafa Alkarkhi

DATED: _____

Plaintiff Ralph Hernandez

DATED: 2/20/2026 | 1:52 PM EST *Elizabeth Martin-Quinn*

Defendant ABC Phones of North Carolina, Inc. dba Victra

By: Elizabeth Martin-Quinn

Position: Chief Financial Officer

Approved by counsel as to form only:

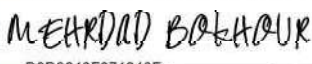
DATED: 2/20/2026

WILSHIRE LAW FIRM

BY: 
John G. Yslas
Diego Aviles
Counsel for Plaintiffs William Moreno, Lizbeth
Gonzalez, and Sarah Sandoval

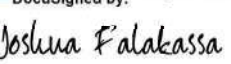
DATED: 2/20/2026

BOKHOUR LAW GROUP, P.C.

BY: 
Mehrdad Bokhour
Attorneys for Plaintiff Mustafa Alkarkhi

DATED: 2/20/2026

FALAKASSA LAW, P.C.

BY: 
Joshua Falakassa
Attorneys for Plaintiff Mustafa Alkarkhi

DATED: 02/24/2026

LAVI & EBRAHIMIAN, LLP

BY: 
Joseph Lavi
Vincent C. Granberry
Attorneys for Plaintiff Ralph Hernandez

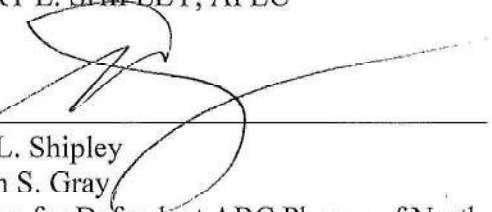
DATED:

MESSRELIAN LAW INC.

BY: _____
Harout Messrelian
Attorneys for Plaintiff Jacob Terry

DATED: 2-20-2026

ROBERT L. SHIPLEY, APLC

BY: 
Robert L. Shipley
Brandon S. Gray
Attorneys for Defendant ABC Phones of North
Carolina, Inc. dba Victra

1 Approved by counsel as to form only:

2 DATED: _____

WILSHIRE LAW FIRM

3
4 BY: _____
5 John G. Yslas
6 Diego Aviles
7 Counsel for Plaintiffs William Moreno, Lizbeth
8 Gonzalez, and Sarah Sandoval

9 DATED: _____

BOKHOUR LAW GROUP, P.C.

10 BY: _____
11 Mehrdad Bokhour
12 Attorneys for Plaintiff Mustafa Alkarkhi

13 DATED: _____

FALAKASSA LAW, P.C.

14 BY: _____
15 Joshua Falakassa
16 Attorneys for Plaintiff Mustafa Alkarkhi

17 DATED: _____

LAVI & EBRAHIMIAN, LLP

18 BY: _____
19 Joseph Lavi
20 Vincent C. Granberry
21 Attorneys for Plaintiff Ralph Hernandez

22 DATED: 2/23/2026

MESSRELIAN LAW INC.

23 BY: 
24 ID TdMjQAefZpWFZGNXyCCyJ913
25 Harout Messrelian
26 Attorneys for Plaintiff Jacob Terry

27 DATED: 2-20-2026

ROBERT L. SHIPLEY, APLC

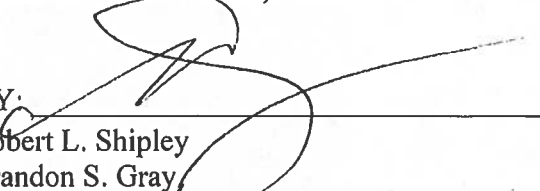
28 BY: 
Robert L. Shipley
Brandon S. Gray
Attorneys for Defendant ABC Phones of North
Carolina, Inc. dba Victra

EXHIBIT A

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

William Moreno, et al. v. ABC Phones of North Carolina, Inc. dba Victra
Case No. 23STCV31717 (Los Angeles County Superior Court)

***The Los Angeles County Superior Court authorized this notice.
It is not junk mail, spam, an advertisement, or solicitation by a lawyer.
Please read it carefully! You are not being sued.***

You may be eligible to receive money from an employee class and a representative action lawsuit (“Action”) against ABC Phones of North Carolina, Inc. dba Victra (“Defendant”) for alleged wage and hour violations. The Actions were filed by former employees, William Moreno, Lizbeth Gonzalez Velasquez, Sarah Sandoval, Jacob Terry, Mustafa Alkarkhi, and Ralph Hernandez, and seek payment of back wages and other relief for a class of all persons currently or formerly employed by Defendant as hourly-paid, non-exempt employees in the State of California (“Class Members”) who worked for Defendant during the Class Period (January 29, 2019 through the date of April 14, 2026); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all Class Members who worked for Defendant during the PAGA Period (February 9, 2023 through the date of April 14, 2026) (“Aggrieved Employees”)

The proposed Settlement has two main parts: (1) a Class settlement requiring Defendant to fund Individual Class Payments, and (2) a PAGA settlement requiring Defendant to fund Individual PAGA Payments and pay PAGA Penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendant’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ [REDACTED] (less withholding) and your Individual PAGA Payment is estimated to be \$ [REDACTED]**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendant’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on Defendant’s records showing that **you worked [REDACTED] Workweeks during the Class Period and you worked [REDACTED] Pay Periods during the PAGA Period**. If you believe that you worked more during either period, you can submit a challenge by the deadline date.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval of the Settlement. Your legal rights are affected whether you act or not act. READ THIS NOTICE CAREFULLY. You will be deemed to have read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	Receive money. Give up rights to sue Defendant for claims released in the Settlement.
EXCLUDE YOURSELF	Receive no money from the Class settlement. You will retain the right to pursue your own legal claims against Defendant. However, even if you exclude yourself from the Class settlement, you will still receive a portion of the PAGA settlement and be bound by it if you worked during the PAGA Period.
OBJECT	Write to the Court about why you object to the Settlement. If the Settlement receives Final Approval, you will receive money and give up rights to sue Defendant for claims released in the Settlement.
CHALLENGE YOUR NUMBER OF WORKWEEKS AND/OR PAY PERIODS	Challenge your number of Workweeks or Pay Periods listed in this Notice and provide supporting evidence. If you challenge your workweeks or pay periods, you will still be part of the Settlement and will give up rights to sue Defendant for claims released in the Settlement.

BASIC INFORMATION

1. WHY AM I RECEIVING THIS NOTICE?

Defendant's records indicate that you worked for Defendant at some point(s) between January 29, 2019 through April 14, 2026, and are therefore a member of the Class for purposes of this Settlement.

You received this Notice because you have a right to know about a proposed Settlement of the Action, and about all of your options, before the Court decides whether to finally approve the Settlement. The Settlement will resolve all Class Members' claims, which are described below, during the Class Period. The Settlement will also resolve claims for civil penalties brought under the California Private Attorneys' General Act ("PAGA"). If you are a Class Member, you are also an "Aggrieved Employee" if you worked for Defendant during the "PAGA Period," which is February 9, 2023 through April 14, 2026.

If the Court grants Final Approval to the Settlement, a settlement Administrator appointed by the Court will issue the payments provided for by the Settlement to Class Members. You are encouraged to always keep your address up to date with the Administrator (the Administrator's contact information can be found in Section 12, below).

This Notice package explains the allegations and background regarding the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to receive those benefits.

The Court in charge of the Action is the Los Angeles County Superior Court, and the case is titled, *William Moreno, et al. v. ABC Phones of North Carolina, Inc. dba Victra*, Case No. 23STCV31717. The persons who sued, William Moreno, Lizbeth Gonzalez Velasquez, Sarah Sandoval, Jacob Terry, Mustafa Alkarkhi, and Ralph Hernandez, are the Plaintiffs, and the company sued, ABC Phones of North Carolina, Inc. dba Victra, is the Defendant.

QUESTIONS? CALL **1-800-XXX-XXXX** TOLL FREE

2. WHAT IS THE LAWSUIT ABOUT?

The Plaintiffs in the lawsuit allege wage and hour violations against Defendant for: (1) Failure to Pay Minimum and Straight Time Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest Periods; (5) Failure to Timely Pay Final Wages at Termination; (6) Failure to Provide Accurate Itemized Wage Statements; (7) Failure to Indemnify Employees for Expenditures; (8) Failure to Produce Requested Employment Records; and (9) Unfair Business Practices. In addition, Plaintiffs are seeking to recover civil penalties pursuant to PAGA (“PAGA Penalties”) based on the alleged violations of the California Labor Code listed above. Defendant denies Plaintiffs’ claims and denies any wrongdoing.

3. WHY IS THIS A CLASS ACTION?

In an employment class action, one or more people called “Class Representatives” (in this case, the Plaintiff) sue on behalf of all workers who they contend have similar claims. All of these workers are a Class or Class Members. Bringing one lawsuit, as opposed to many small ones, saves money, time and court resources. The court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

4. WHY IS THERE A SETTLEMENT?

The Court has not decided in favor of the Plaintiff or Defendant on the merits of the claims alleged in the lawsuit. Plaintiff believes Plaintiff would win at trial. Defendant thinks that Plaintiff’s lawsuit would not proceed to a trial and/or that Plaintiff would not win at trial. However, there has been no trial. Instead, in acknowledgement of the risk that both Parties face should the case proceed, the Parties have agreed to a negotiated settlement. This way, all Parties avoid the cost of preparing for and conducting a trial, the risk of losing the right to a trial, and the workers affected by the alleged violations receive compensation. The Settlement represents a compromise and settlement of highly disputed claims. The Plaintiff, as well as Plaintiff’s lawyers (called “Class Counsel”), believes the Settlement is fair and reasonable and in the best interests of all Class Members.

WHO IS INCLUDED IN THE SETTLEMENT?

5. WHO IS INCLUDED IN THE SETTLEMENT?

If you received this Notice, you are a Class Member for settlement purposes. The Class includes: All employees of Defendant who were classified as non-exempt and worked within the State of California at any time from January 29, 2019 through April 14, 2026.

6. ARE THERE EXCEPTIONS TO BEING INCLUDED?

You are not a Class Member if you already have resolved the claims asserted in this lawsuit, whether by settlement or a separate legal proceeding (i.e., another lawsuit).

THE SETTLEMENT BENEFITS—WHAT YOU GET

QUESTIONS? CALL **1-800-XXX-XXXX** TOLL FREE

7. WHAT DOES THE SETTLEMENT PROVIDE?

Defendant has agreed to pay a Gross Settlement Amount (“GSA”) of \$4,400,000.00 (Four Million Four Hundred Million Dollars and Zero Cents) to settle the lawsuit. From the GSA, Class Counsel will apply to the Court for attorneys’ fees of up to one-third of the GSA, currently \$1,466,666.67 and up to \$75,000.00 in costs; a Class Representative Service Payment of \$10,000.00 to each Plaintiff (for Plaintiffs’ work and efforts prosecuting this case); a PAGA Penalties payment of \$240,000.00 to resolve the PAGA claims; and Settlement Administration Costs to Phoenix Settlement Administrators, Inc., not to exceed \$35,750.00. The exact amount of the Class Counsel’s Fees and Litigation Expenses, Class Representative Service Payment, and Administration Costs will be determined by the Court at the Final Approval hearing. The remaining portion of the Settlement amount, the “Net Settlement Amount” or the “NSA,” is currently estimated to be approximately \$XXXXXXX. The NSA will be apportioned and paid out as Individual Class Payments to the Settlement Class Members, who are the Class Members that do not request to be excluded (“opt out”) of the Settlement.

PAGA Penalties payment: As part of the PAGA portion of the Settlement, the Parties will ask the Court to approve a \$240,000.00 PAGA Penalties payment in settlement of claims for civil penalties under PAGA. As required under PAGA, 75% of the PAGA Penalties payment, or \$180,000.00, will be paid to the California Labor and Workforce Development Agency. The remaining 25% of the PAGA Penalties payment, or \$60,000.00, will be distributed to the Aggrieved Employees as Individual PAGA Payments.

8. HOW MUCH WILL MY PAYMENT BE?

An approximation of your Individual Class Payment appears on the first page of this Notice. If you are also an Aggrieved Employee, an approximation of your Individual PAGA Payment will also appear on the first page of this Notice.

Individual Class Payment: Your Individual Class Payment is based on the number Workweeks you worked, as represented in Defendant’s records, in comparison to the total number of Workweeks worked by all Class Members during the Class Period (January 29, 2019 through April 14, 2026). Eighty percent (80%) of each Class Member’s Individual Class Payment will be treated as a payment in settlement of the alleged claims for penalties and interest and will be reported on a Form 1099 by the Settlement Administrator, and twenty percent (20%) of each Class Member’s Individual Class Payment will be treated as a payment in settlement of alleged claims for unpaid wages. The 20% allocated as unpaid wages will be reduced by applicable payroll tax withholdings and deductions and reported on a Form W-2.

Individual PAGA Payment: If you worked for Defendant from [February 9, 2023 through April 14, 2026] (“PAGA Period”), you are also an “Aggrieved Employee” and will receive an Individual PAGA Payment in addition to your Individual Class Payment. The Individual PAGA Payments are based on the number of PAGA Pay Periods worked by each Aggrieved Employee in comparison to the total amount of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period. One hundred percent (100%) of each Aggrieved Employees’ Individual PAGA Payment will be characterized as penalties and will not be reduced by payroll tax withholdings and deductions. The Individual PAGA Payment will be reported on a Form 1099 by the Settlement Administrator. An approximation of your anticipated Individual PAGA Payment appears on the first page of this Notice.

For the Class Members who are also Aggrieved Employees, their Individual Class Payment will be combined with their Individual PAGA Payment, and they will receive a single check for the combined payments. If a Class Member chooses to opt-out of the Settlement, they will still receive an Individual PAGA Payment, as Aggrieved Employees cannot opt-out of the PAGA portion of the Settlement under California law.

HOW YOU GET A PAYMENT

9. HOW DO I RECEIVE A PAYMENT?

You do not need to do anything to receive a payment. However, if you believe that the number of Workweeks or PAGA Pay Periods you worked is incorrect, please correct it and provide any supporting evidence to the settlement Administrator, whose contact information is listed in Section 12 below.

10. WHEN WOULD I GET MY PAYMENT?

The Court will hold a Final Fairness Hearing on [REDACTED], to decide whether to approve the Settlement. If the Judge approves the Settlement, and anyone objects, there may be appeals. It is always uncertain when these objections and appeals can be resolved and resolving them can take time. If there is no objection, the Effective Date of the Settlement will be the date of entry of the Court's Order granting final approval.

Following the Effective Date, Individual Class Payments and Individual PAGA Payments will be mailed to Participating Class Members and Aggrieved Employees approximately 30 days after the Court's approval of the Settlement becomes final so long as there are no appeals.

Settlement checks should be cashed promptly upon receipt. Proceeds of checks which remain uncashed after 180 days from the date of issuance will be forwarded to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b). If your settlement check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

For an update on the status of payments, please contact the Settlement Administrator (see Section 12).

11. WHAT AM I GIVING UP TO GET A PAYMENT?

If the Court approves this Settlement and unless you exclude yourself, you will become a Participating Class Member, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against Defendant concerning the legal claims being resolved in this Settlement. Specifically, you will be giving up or "releasing" the Released Class Claims described below against Defendant and all of Defendant's subsidiaries, affiliates, shareholders, members, agents, predecessors, successors, owners, and assigns ("Released Parties"). The releases become effective once the GSA is fully funded by Defendant.

Released Class Claims: The "Released Class Claims" are all claims, rights, demands, liabilities, and causes of action, alleged or which could have reasonably been alleged based on the facts alleged in the Operative Complaint, including: (1) failure to pay minimum and straight time wages (pursuant to Cal.

Labor Code §§ 204, 1194, 1194.2, 1197 and 1197.1); (2) failure to pay overtime wages (pursuant to Cal. Labor Code §§ 510, 1194, and 1198); (3) failure to provide meal periods (pursuant to Cal. Labor Code §§ 226.7 and 512); (4) failure to authorize and permit rest periods (pursuant to Cal. Labor Code §§ 226.7); (5) failure to timely pay final wages at termination (pursuant to Cal. Labor Code §§ 201-203); (6) failure to provide accurate itemized wage statements (pursuant to Cal. Labor Code §§ 226); (7) failure to indemnify employees for expenditures (pursuant to Cal. Labor Code §§ 2802); (8) failure to produce requested employment records (pursuant to Cal. Labor Code §§ 226, 432, and 1198.5); and (9) unfair business practices (pursuant to Cal. Bus. & Prof. Code §§ 17200, *et seq.*). The enumeration of these specific claims shall neither enlarge nor narrow the scope of *res judicata* based on the claims that were asserted in the Action or could have been asserted in the Action based on the facts and circumstances alleged in the Complaint. The Released Class Claims are those that accrued during the Class Period

Released PAGA Claims: If you an Aggrieved Employee (i.e. if you worked for Defendant during the PAGA Period), you will also release all claims for PAGA civil penalties that are alleged or reasonably could have been alleged based on the facts alleged in the Operative Complaint and in Plaintiff Moreno's and Velasquez's February 2, 2024 PAGA Notice and those filed by Plaintiffs Terry, Alkharki, and Hernandez, including: (1) failure to pay minimum and straight time wages (pursuant to Cal. Labor Code §§ 204, 210, 510, 1194, 1194.2, 1197 and 1197.1); (2) failure to pay overtime wages (pursuant to Cal. Labor Code §§ 510, 1194 and 1198); (3) failure to provide meal periods (pursuant to Cal. Labor Code §§ 210, 226.7 and 512); (4) failure to authorize and permit rest periods (pursuant to Cal. Labor Code §§ 210 and 226.7); (5) failure to timely pay final wages at termination (pursuant to Cal. Labor Code §§ 201 – 203 and 213(d)); (6) failure to provide accurate itemized wage statements (pursuant to Cal. Labor Code §§ 226 and 226.3); (7) failure to indemnify employees for expenditures (pursuant to Cal. Labor Code § 2802); (8) failure to produce requested employment records (pursuant to Cal. Labor Code §§ 226, 432, and 1198.5); (9) failure to pay all earned wages twice per month and unlawfully withholding accrued wages (pursuant to Cal. Labor Code §§ 204, 210 and 216); (10) failure to maintain accurate records of hours worked and meal periods (pursuant to Cal. Labor Code §§ 1174, and 1174.5); (11) recordkeeping requirement violations (pursuant to Cal. Labor Code §§ 226.6, 558.1, 1174, 1174.5, 1198 and 1199); (12) willful misclassification (pursuant to Cal. Labor Code § 226.8); (13) retaliation (pursuant to Cal. Labor Code § 1102.5); and (14) civil penalties for wage and hour violations (pursuant to Cal. Labor Code § 558). The Released PAGA Claims are those that accrued during the PAGA Period.

EXCLUDING YOURSELF FROM THE SETTLEMENT

12. HOW DO I EXCLUDE MYSELF FROM THE SETTLEMENT?

To exclude yourself from the Settlement, you must send the Settlement Administrator a written and signed request for exclusion which must be postmarked no later than 45 days after Class Notice is Mailed. Be sure to include your name, address, and telephone number, and any other information you think would be helpful to the settlement Administrator to identify you. You can send your request for exclusion to the settlement Administrator at:

[ADMINISTRATOR]

William Moreno, et al. v. ABC Phones of North Carolina, Inc. dba Victra

XXXXX

City, State, XXXXX

Email:

QUESTIONS? CALL **1-800-XXX-XXXX** TOLL FREE

If you ask to be excluded from the Settlement, you will not be legally bound by anything that happens in the Action, except as it relates to settlement of the PAGA claim. If you ask to be excluded from the Settlement you will not be able to object to the Settlement and you will not receive an Individual Class Payment, but you will still receive an Individual PAGA Payment if you worked for Defendant during the PAGA Period (February 9, 2023 through April 14, 2026). If you ask to be excluded, you may be able to sue (or continue to sue) Defendant in the future.

13. IF I DON'T EXCLUDE MYSELF, CAN I SUE DEFENDANT FOR THE SAME THING LATER?

No. Unless you exclude yourself, you give up any right to sue Defendant for the claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from this Class to continue your own lawsuit. Remember, the exclusion deadline is 45 days after Class Notice is Mailed.

14. IF I EXCLUDE MYSELF, CAN I GET MONEY FROM THIS SETTLEMENT?

No. If you exclude yourself, you will not receive any money from this Settlement. However, if you timely exclude yourself from the Settlement, you will retain the right to pursue your own legal action against Defendant, if you desire.

THE LAWYERS REPRESENTING YOU IN THIS LAWSUIT

15. DO I HAVE A LAWYER IN THIS CASE?

The Court has determined that Wilshire Law Firm, is qualified to represent you and the Class Members in the lawsuit. These lawyers are called Class Counsel and their contact information is listed below. If you want to be represented by your own lawyer, you may hire one at your own expense.

John G. Yslas
john.yslas@wilshirelawfirm.com
Diego Aviles
diego.aviles@wilshirelawfirm.com
Harry Erganyan
harry.erganyan@wilshirelawfirm.com
Mariam Nazaretyan
mariam.nazaretyan@wilshirelawfirm.com
Lisa B. Iturriaga
lisa.iturriaga@wilshirelawfirm.com
WILSHIRE LAW FIRM
660 S. Figueroa St., Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

16. HOW WILL THE LAWYERS BE PAID?

Class Counsel will ask the Court to approve up to 1/3rd of the GSA (currently \$1,466,666.67) for attorneys' fees incurred in investigating the facts, litigating the case, and negotiating the Settlement. Class QUESTIONS? CALL [1-800-XXX-XXXX](tel:1-800-XXX-XXXX) TOLL FREE

Counsel will also seek Court-approval of up to \$75,000.00 in litigation expenses incurred in this matter. The Court may award Class Counsel less than what they request. Class Counsel will also ask the Court to approve payment to Plaintiffs in the amount of \$10,000.00 each in addition to Plaintiffs' Individual Class Payment and Individual PAGA Payment for the initiative, risk, and time and energy Plaintiffs have spent in service to the Class as the Class Representative. The Court may award the Class Representative less than what is requested.

OBJECTING TO THE SETTLEMENT

You can and have the right to tell the Court you do not agree with the Settlement or some part of it.

17. HOW DO I TELL THE COURT THAT I OBJECT TO THE SETTLEMENT?

If you don't think the Settlement is fair, you can object to some or all of the Settlement. You can either object to the Settlement in person at the Final Approval Hearing or you can submit a written objection. Written objections and notices of intent to appear at the Final Approval Hearing must be mailed to the Settlement Administrator and postmarked on or before [REDACTED], at the following address:

[ADMINISTRATOR]

William Moreno, et al. v. ABC Phones of North Carolina, Inc. dba Victra

XXXXX

City, State, XXXXX

Email:

The written objection should state your name and address and describe all legal and factual reasons that you object to the terms of the Settlement. You should also include or attach any documents upon which your objection is based. If the Court overrules the objection at the Final Approval hearing, the Settlement Agreement will be approved, and you will receive your payment. If you do not submit a written objection, you may still appear at the Final Approval hearing to voice your objection or to otherwise observe the proceedings.

18. WHAT'S THE DIFFERENCE BETWEEN OBJECTING AND REQUESTING EXCLUSION?

Objecting is simply telling the Court that you do not agree with something about the Settlement. You can object only if you stay in the Class.

Requesting exclusion is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you, and you do not get any money from this Settlement. If you submit both an objection and a request to be excluded from the settlement, the request to be excluded will control and you will not get any money from this settlement.

THE COURT'S FAIRNESS HEARING

The Court will hold a Final Approval Hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you don't have to.

19. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

The Court will hold a Final Approval Hearing at [REDACTED] on [REDACTED] in Department 6 of the Los Angeles County Superior Court located at 312 N. Spring Street, Los Angeles, CA 90012 to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. If there are objections, the Court will consider them at that time. The Court will also be asked to approve the requests for the Class Representative Service Payment and the Class Counsel Fees and Litigation Expenses Payments.

20. DO I HAVE TO COME TO THE HEARING?

No. Class Counsel will answer questions the Court may have. However, you are welcome to attend. If you send an objection, you do not have to come to the Court to talk about it. As long as you mailed your written objection to the settlement administrator on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

IF YOU DO NOTHING

21. WHAT IF I DO NOTHING AT ALL?

If you do nothing, you will receive a Settlement payment, and you will be bound by the terms of Settlement, which means that you will not be able to start a lawsuit, continue a lawsuit, or be a part of any other lawsuit against the Defendant about the legal issues in the Action.

GETTING MORE INFORMATION

22. HOW DO I GET MORE INFORMATION?

You may contact Class Counsel at the contact information listed above in Section 15 if you have any questions about the Settlement. You may also contact the Court-appointed Settlement Administrator, Phoenix Settlement Administrators, Inc., by calling toll free 1-800-[REDACTED], or you can write to the Administrator at the following address:

[ADMINISTRATOR]

William Moreno, et al. v. ABC Phones of North Carolina, Inc. dba Victra

[REDACTED]

City, State, [REDACTED]

Email: [REDACTED]

PLEASE DO NOT TELEPHONE THE COURT OR ABC PHONES OF NORTH CAROLINA, INC. DBA VICTRA'S COUNSEL FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS. YOU MAY, HOWEVER, CALL CLASS COUNSEL OR THE SETTLEMENT ADMINISTRATOR, LISTED ABOVE.

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE