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CARLOS GARCIA and EDGAR IXEN

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

CARLOS GARCIA, as an individual and on
behalf of all others similarly situated,

Plaintiff,

vs.

POVAC INVESTMENTS, INC., a California
corporation; and DOES 1 through 100,
inclusive,

Defendants.

Case No.: 24STCV03101

*[Assigned for all purposes to the Hon. Theresa M.
Traber, Dept. 1]*

**DECLARATION OF MILAN MOORE
IN SUPPORT OF PLAINTIFFS'
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT [Vol. 1]**

Date: September 22, 2026

Time: 10:30 a.m.

Dept.: SSC-1

1 I, MILAN MOORE, declare as follows:

2 1. I am a Partner at Lidman Law, APC, counsel for named Plaintiffs Carlos Garcia and Edgar
3 Ixen (“Plaintiffs”) and the proposed Settlement Class in the above-captioned matter. I am a member in
4 good standing of the bar of the State of California and am admitted to practice in this Court. I have
5 personal knowledge of the facts stated in this declaration and could testify competently to them if called
6 upon to do so.

7 2. I am a 2015 graduate of UConn School of Law. I was admitted to the California State Bar
8 in December 2015 after passing the bar exam on my first attempt. Since that time, I have practiced
9 exclusively in the area of employment litigation. Prior to joining Lidman Law, APC, I worked for an
10 employment litigation boutique, where I successfully represented employees in discrimination,
11 harassment, retaliation and wrongful termination cases in both state and federal court. While non-
12 exhaustive, the type of work I performed included: conducting client intakes, performing pre-filing
13 research and analysis, drafting complaints, attending court hearings, corresponding with opposing
14 counsel, drafting and responding to written discovery, preparing for and taking and defending
15 depositions, drafting and opposing motions for remand, demurrers and motions to strike, motions to
16 compel, drafting mediation briefs, and attending mediations.

17 3. Since June 11, 2018, I have worked as an associate at my current firm, Lidman Law, APC.
18 I am currently staffed on approximately seventy (70) active wage and hour class action lawsuits in both
19 state and federal court.

20 4. I have been appointed Class Counsel in *Hanke v. C&W Facility Services, Inc.*, Case No.
21 CIVDS1814412, California Superior Court, County of San Bernardino, Honorable Judge David Cohn
22 presiding; *Molina v. Mader News, Inc.*, Case No. BC685960, California Superior Court, County of Los
23 Angeles, Honorable Judge Yvette M. Palazuelos presiding; *Alvarez v. Salamander Fire Protection, Inc.*,
24 Case No. BC688326, California Superior Court, County of Los Angeles, Honorable Judge William F.
25 Highberger presiding; *Fregoso v. Amerigas Propane, Inc.*, Case No. BC697973, California Superior
26 Court, County of Los Angeles, Honorable Rafael A. Ongkeko presiding; *Teran v. Western Plastics, Inc.*,
27 Case No. RIC1722619, California Superior Court, County of Riverside, Honorable Judge Sunshine Sykes
28

1 presiding; *Villegas de Torres v. El Monte Superstore Inc.*, Case No. BC688477, California Superior
2 Court, County of Los Angeles, Honorable Judge Daniel J. Buckley presiding; *Guzman v. Century Blinds*,
3 Case No. RIC1723654, California Superior Court, County of Riverside, Honorable Judge Sunshine S.
4 Sykes presiding; *George v. Convergence Marketing*, Case No. CIVDS1901039, California Superior
5 Court, County of San Bernardino, Honorable Judge David S. Cohn presiding; *Romero v. Fillmore*
6 *Hospitality, LLC*, Case No. BC705667, California Superior Court, County of Los Angeles, Honorable
7 Judge Maren E. Nelson presiding; *Davis v. WeDriveU*, Case No. 18CV322578, California Superior
8 Court, County of Santa Clara, Honorable Judge Brian C. Walsh presiding; *Acuna v. Canton Food Co.*,
9 *Inc.*, Case No. BC685001, California Superior Court, County of Los Angeles, Honorable Judge David S.
10 Cunningham presiding; and *Contreras v. Worldwide Flight Services, Inc.*, Case No. 2:18-cv-06036-PSG-
11 SS, United States District Court for the Central District of California, the Honorable Judge Philip S.
12 Gutierrez presiding.

13 5. In 2023 and 2024, Thomson Reuters and Los Angeles Magazine recognized me as a Top
14 Young Attorney in Southern California in the annual Rising Star Edition of Super Lawyer. This is an
15 honor awarded to no more than two and a half percent of attorneys under the age of forty in Southern
16 California each year.

17 6. As co-lead counsel for Plaintiffs and the proposed Settlement Class, I have been intimately
18 involved in every aspect of this case from its inception through the present, and I believe that the proposed
19 Settlement is a favorable result for the Settlement Class Members under the circumstances presented.

20 7. On February 6, 2024, Plaintiff Garcia commenced this Action by filing a Complaint
21 alleging causes of action against Defendant for (i) failure to pay all overtime wages owed; (ii) failure to
22 pay all minimum wages owed; (iii) failure to provide meal periods; (iv) failure to authorize and permit
23 rest periods; (v) failure to provide accurate, itemized wage statements; (vi) failure to indemnify all
24 necessary business expenditures; (vii) failure to pay all wages owed upon termination; and (viii) unfair
25 competition. Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff Garcia gave timely
26 written notice to Defendant and the LWDA by sending the PAGA Notice. On April 12, 2024, Plaintiff
27 Garcia filed a First Amended Complaint adding a cause of action for civil penalties under the PAGA. On
28

1 April 1, 2025, Plaintiff Garcia filed a Second Amended Complaint adding Edgar Ixen as a named
2 plaintiff. The primary allegations are that Defendant: (1) failed to pay all minimum wages owed; (2)
3 failed to pay all overtime wages owed; (3) failed to provide meal periods; (4) failed to authorize and
4 permit rest periods; (5) failed to provide accurate, itemized wage statements; (6) failed to indemnify all
5 necessary business expenditures; (7) failed to pay all final wages owed upon termination; (8) engaged in
6 unfair competition; and (9) is liable for civil penalties under the Private Attorneys General Act of 2004
7 (“PAGA”). A true and correct copy of Plaintiff’s LWDA letter is attached hereto as **Exhibit 1**.

8 8. After agreeing to participate in private mediation, Defendant informally produced
9 timekeeping and payroll data for a sampling of the class, as well as its wage and hour policies and other
10 relevant documents and information relevant to the claims alleged. After a detailed review of the time
11 and payroll records for the putative class and other documents and policies produced by Defendant,
12 Class Counsel drew on their extensive experience in similar cases to assess the strengths and weaknesses
13 of Plaintiffs’ case. *Id.* This informal discovery allowed the parties to assess the merits and value of
14 Plaintiffs’ claims and Defendant’s defenses thereto, if a settlement could not be reached.

15 9. On December 3, 2025, after extensive research and analysis, a mediation was held with
16 Michael Ludwig, a well-respected wage and hour class action mediator. During mediation, the parties
17 vigorously debated their opposing legal positions, the likelihood of certification of Plaintiffs’ claims,
18 and the legal basis for the claims and defenses. Ultimately, after continued direct negotiations, the
19 parties agreed in principle on a class-wide resolution. In the weeks that followed, the parties finalized
20 the terms of settlement and executed the Class Action and PAGA Settlement Agreement (“Settlement”).
21 A true and correct copy of the Settlement is attached hereto as **Exhibit 2**. The proposed Notice of Class
22 Action and Proposed Settlement is attached as Exhibit A to the Settlement.

23 10. If the Court approves this Settlement, Defendant will pay a Gross Settlement Amount
24 (“GSA”) of \$397,500.00. Significantly, this Settlement is **non-reversionary**, and no Settlement Class
25 member will have to submit a claim form to receive a Settlement Award. Each Settlement Class member
26 will automatically receive a Settlement Award unless he or she affirmatively opts out of the Settlement.
27 The monetary terms of the Settlement are summarized below:
28

Gross Settlement Amount (“GSA”): **\$397,500.00**

Minus Court-approved attorneys’ fees (35% of GSA): \$139,125.00

Minus Court-approved, verified costs (up to \$25,000.00): \$25,000.00

Minus Court-approved Class Representative Service Awards: \$15,000.00

Minus Settlement Administration Costs: \$9,250.00

Minus PAGA civil penalties to LWDA and PAGA Employees: \$20,000.00

Net Settlement Amount (“NSA”): **\$189,125.00**

Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant’s share of payroll taxes by transmitting the funds to the Administrator no later than 14 days after the Effective Date.¹

Net Settlement Amount” (“NSA”) means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: (a) the Individual PAGA Payments, (b) the LWDA PAGA Payment, (c) the Class Representative Service Payments, (d) the Class Counsel Fees Payment, (e) the Class Counsel Litigation Expenses Payment, and (f) the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments. Settlement, ¶ 1.29. The Settlement requires Defendant to pay a NSA of at least \$189,125.00 to all Settlement Class members who do not timely opt out.

11. According to Defendant, there are approximately 354 total Settlement Class Members defined as:

All individuals who worked as non-exempt employees of Defendant Povac Investments, Inc. in California at any time during the Class Period.

The Class Period is the period from May 16, 2021 to the date the Court grants Preliminary Approval, unless Defendant elects to select an earlier end date for release pursuant to the escalator provision within this Agreement.

¹ “Effective Date” means the date by when both of the following have occurred:

(a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. 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; or (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 if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur. Settlement 1.18.

1 Thus, the average Individual Settlement Payment is projected to be approximately **\$534.25**,
2 **which is exclusive of the PAGA Amount.** Moore Decl., ¶ 10. According to Defendant, there are
3 approximately 19,110 workweeks, which means the net value per workweek is approximately \$9.90
4 (\$189,125 / 19,110 Workweeks).

5 12. According to Defendant, there are approximately 187 total Aggrieved Employees defined
6 as:

7 All individuals who worked as non-exempt employees of Defendant Povac Investments,
8 Inc. in California at any time during the PAGA Period.” For purposes of this Settlement
9 Agreement, the “PAGA Period” means the period from February 6, 2023 to the date the
10 Court grants Preliminary Approval, unless Defendant elects to select an earlier end date
11 for the release pursuant to the escalator provision within this Agreement.

12 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of
13 the Aggrieved Employees’ 25% share of PAGA Penalties, Five Thousand Dollars (\$5,000.00) by the
14 total number of PAGA Period Pay Periods worked by all Aggrieved Employees, and (b) multiplying the
15 result by each Aggrieved Employee’s PAGA Period Pay Periods. Settlement, ¶ 3.2.4.2. There are
16 approximately 187 Aggrieved Employees and thus the average PAGA Penalties payment to Aggrieved
17 Employees is **\$26.74**. *Id.* The Aggrieved Employees collectively worked a total of approximately 4,995
18 Pay Periods, making the net value per Pay Period \$1.00 (\$5,000 / 4,995 Pay Periods). Each Aggrieved
19 Employee assumes full responsibility and liability for any taxes owed on his or her Individual PAGA
20 Payment.

21 13. Settlement Class Members’ claims arise from Defendant’s common, uniform policies and
22 practices that applied to Settlement Class members during the class period. Specifically, Plaintiffs
23 alleged that Defendant’s common and uniform policies and practices resulted in the following violations,
24 involving common questions of law and fact: (1) failure to pay all minimum wages owed; (2) failure to
25 pay all overtime wages owed; (3) failure to provide all meal periods; (4) failure to authorize and permit
26 rest periods; (5) failure to provide accurate, itemized wage statements; (6) failure to indemnify all
27 necessary business expenditures; (7) failure to pay all wages owed upon termination; (8) engagement in
28 unfair competition; and (9) liability for civil penalties under PAGA.

1 14. Plaintiffs allege that they and Settlement Class Members were not fully compensated for
2 all of their time worked. Specifically, Plaintiffs allege Defendant had a policy and practice of rounding
3 their work time such that they were not fully compensated for all their time worked, including all
4 minimum and/or overtime wages.

5 15. However, Defendant contends that it compensated Settlement Class Members for all of
6 their time worked. Defendant also contends that it did not round its employees' work time during the
7 relevant time period. Indeed, based on the records produced by Defendant, it is confirmed that no
8 rounding took place during the relevant time period. Accordingly, Plaintiffs valued this claim at zero
9 (0).

10 16. Plaintiffs allege that they and Settlement Class members were not provided with all
11 legally-compliant first meal periods beginning before the end of the fifth hour of work. Specifically, due
12 to Defendant's policies and/or practices, Plaintiffs allege that the meal periods were either late or
13 otherwise unlawful. Based on Plaintiff's review of the time data produced in connection with mediation,
14 Defendant's violation rate for first meal period violations was approximately one percent or
15 approximately 23.7% of the meal enabling shifts. Therefore, Plaintiff calculated Defendant's maximum
16 exposure on the alleged meal period violations at approximately \$651,808, inclusive of interest.

17 17. Defendant counters that it has always provided non-exempt employees with an
18 opportunity to take legally compliant meal periods, and any non-compliant meal periods reflected in
19 employee timekeeping records were solely the result of employee choice, rather than any policy or
20 practice of Defendant. Defendant also points out that under *Brinker Restaurant Corp. v. Superior Court*
21 (2012) 53 Cal. 4th 1004, it is only required to "provide" the opportunity to take meal periods, not "ensure"
22 meal periods are taken, and that they have always done so. Defendant also contends individual inquiries
23 would be required to assess which employees took non-compliant meal periods, how many meal periods
24 were non-compliant or missed, and the reasons why a particular employee took a non-compliant meal
25 period or missed a meal period during a particular shift. Further, Defendant contends that many of the
26 Settlement Class Members signed valid arbitration agreements with class action waivers. Accordingly,
27 Plaintiffs discounted the maximum exposure by 50% for the risk of non-certification, and an additional
28

45% to account for Defendant's defenses on the merits to arrive at an estimated exposure of \$179,247.20.

18. Plaintiffs allege that they and Settlement Class members were also not authorized and permitted to take all required rest periods due to Defendant's rest period policies and practices that fail to authorize and permit all rest periods for every four hours worked, *or major fraction thereof*. Specifically, Plaintiffs allege that due to the work demands, they were not authorized and permitted to take rest periods. Based on the data, 90,143 shifts worked were in excess of 3.5 hours or approximately 98.6% of the shifts. *Id.* Accordingly, Plaintiffs calculated Defendant's maximum exposure for rest period violations at \$2,813,300.00, inclusive of interest.

19. Defendant contends it has always maintained and enforced lawful rest period policies and practices, and that Settlement Class Members were authorized and permitted to take all off-duty rest periods in compliance with California law. Further, Defendant argues that the maximum exposure incorrectly assumes a 100% rest period violation rate and Plaintiffs' rest period claim is inherently unsuited for class treatment as it requires an individualized inquiry into whether each Settlement Class Member was in fact authorized and permitted to take a compliant rest period, which would devolve into an unmanageable series of mini-trials. Further, Defendant contends that many of the Settlement Class Members signed valid arbitration agreements with class action waivers. Accordingly, Plaintiffs discounted the maximum exposure by 70% for the risk of non-certification, and an additional 65% to account for Defendant defenses on the merits to arrive at an estimated exposure of \$295,396.50.

20. Plaintiffs allege that Defendant failed to reimburse the, and Settlement Class members for necessary business expenditures, including the use of their personal cellular phones for work activities, as required under Labor Code section 2802 and by *Cochran v. Schwan's Home Service, Inc.* (2014) 228 Cal.App.4th 1137. Plaintiffs contends that Defendant required its non-exempt employees to use their personal cellular phones for work-related purposes, but Defendant did not reimburse the putative class members for the cell phones and/or the data usage. Plaintiff estimates employees should have been reimbursed approximately \$5.00 per workweek for reasonable cellular phone related expenses. Accordingly, Plaintiffs calculate Defendant's maximum exposure for this claim at approximately \$56,780.00, including interest.

1 21. Defendant contends that it prohibits employees from using their cell phones while
2 working. Defendant further contends it had previously reimbursed Plaintiffs and the Settlement Class
3 members for their use of their cellular phones for business purposes. Further, Defendant argues that any
4 expenses incurred were minimal given the affordability of cellular usage plans. Defendant also argues
5 that this claim is not suitable for class treatment because it would require individualized determinations
6 as to whether each employee used a personal cellular phone for business purposes and how often.
7 Accordingly, Plaintiffs discounted the maximum exposure by 80% for the risk of non-certification, and
8 an additional 55% to account for Defendant's defenses on the merits, to arrive at an estimated exposure
9 of \$5,110.20.

10 22. Plaintiffs further allege that Defendant issued inaccurate wage statements in violation of
11 Labor Code § 226 as a result of the alleged unpaid minimum wages, overtime wages, and meal and rest
12 period premium wages described above. Specifically, Plaintiffs contend that this conduct violated Labor
13 Code § 226(a) because the wage statements issued to Settlement Class Members did not include all hours
14 worked and the rate at which they were being paid. Plaintiffs' data analysis reflected that there were
15 approximately 4,995 wage statements issued during the relevant time period. Therefore, Plaintiffs
16 calculated Defendant's maximum exposure for wage statement violations based on and applying \$50 for
17 the first violation and \$100 for each subsequent violation, Defendant's exposure is \$350,450.00.

18 23. Defendant argues that meal and rest period claims cannot support a claim for wage
19 statement penalties. Defendant further argues that its alleged wage statement violations could not be
20 shown to be "knowing and intentional," and that Plaintiffs cannot show that they or any other employee
21 "suffer[ed] injury" as a result of the alleged wage statement violations, as required by Lab. Code § 226(e)
22 for imposition of penalties. As such, Plaintiffs discounted the calculated exposure by 65% for a risk of
23 non-certification and an additional 70% for a risk of being unsuccessful on the merits, to arrive at an
24 estimated total of \$36,797.25.

25 24. Plaintiffs allege that Defendant is also liable for waiting time penalties under Labor Code
26 section 203 as a result of its failure to timely pay all wages upon separation. There are approximately 278
27 Settlement Class Members who have separated their employment with Defendant during the relevant
28

1 time period who could be entitled to waiting time penalties. Therefore, Plaintiffs calculated Defendant's
2 maximum exposure for waiting time penalties at approximately \$1,782,243.00.

3 25. Defendant asserts it has strong defenses to the waiting time claim because there exist
4 good-faith disputes as to Plaintiffs' underlying claims, precluding imposition of penalties. Accordingly,
5 Plaintiffs discounted the maximum exposure by 70% for the risk of non-certification, and an additional
6 70% to account for Defendant's defenses on the merits, to arrive at an estimated exposure of \$160,401.87.

7 26. Plaintiffs also seek civil penalties under the PAGA as a result of the foregoing alleged
8 Labor Code violations. Using the \$100 initial violation rate, Plaintiffs calculated Defendant's maximum
9 exposure at \$499,500.00.

10 27. Defendant argues that Plaintiffs' PAGA claim will fail for the same reasons that their
11 underlying claims will fail. Defendant also maintains that, given its good faith defenses, this Court would
12 exercise its discretion to substantially reduce any PAGA penalties if it were to find Defendant liable for
13 any of Plaintiffs' claims. Therefore, Plaintiffs discounted the maximum exposure figure by 50% for a
14 risk of being unsuccessful on the merits, and an additional 50% to account for the possibility of this Court
15 reducing penalties, to arrive at an estimated exposure of \$124,875.00.

16 28. Using these estimated figures for each of the claims described above, Plaintiffs predicted
17 the realistic total recovery for the Settlement Class would be approximately \$801,828.02. The proposed
18 settlement of \$397,500.00 therefore represents approximately 49.6% of the reasonably forecasted
19 recovery for the Settlement Class. Preliminary approval is appropriate as the settlement will provide
20 tangible monetary relief to Settlement Class members, and will still provide an average recovery to
21 Settlement Class members of over \$500.00.

22 29. Here, Class Counsel will apply for an attorneys' fees award of 35% of the GSA, which is
23 estimated to be \$139,125.00, and up to \$25,000.00 in verified costs reimbursement. Plaintiffs submits
24 the requested fee is fair compensation for undertaking complex, risky, expensive, and time-consuming
25 litigation on a purely contingent fee basis. Further, Plaintiff has provided written approval of the split of
26 attorneys' fees in this action. Class Counsel has incurred substantial attorney fees conducting pre-filing
27 investigation, analyzing Plaintiffs' claims, conducting legal research, analyzing Settlement Class
28

1 members' timekeeping data and payroll records, preparing for and attending mediation, engaging in
2 weeks long direct settlement negotiations, negotiating and revising the long-form settlement agreement,
3 preparing this Motion, and otherwise litigating the case. *Id.* Class Counsel expect to expend additional
4 attorney time in attending the hearing on this Motion, overseeing the Notice process and fielding
5 questions from Settlement Class members, preparing the final approval papers and attending the Final
6 Approval hearing.

7 30. Plaintiffs will seek service awards of \$7,500.00 each at the time of seeking final approval,
8 and I believe this is reasonable. As will be fully briefed at the time of final approval, Plaintiffs' requested
9 service awards are intended to recognize the time and effort Plaintiffs expended on behalf of the
10 Settlement Class, including providing substantial factual information and documents to Class Counsel,
11 multiple conferences with Class Counsel to discuss the claims and theories at issue in the litigation, the
12 significant risks Plaintiffs undertook by agreeing to serve as a named plaintiff in this case, as well as a
13 general release and waiver of rights under Civil Code § 1542.

14 31. There are no apparent conflicts of interest between Plaintiffs and the Settlement Class he
15 seeks to represent. There are no apparent conflicts of interest between Class Counsel and the Settlement
16 Class.

17 32. Although the Parties engaged in informal discovery throughout this action, the Parties still
18 had significant discovery to complete in formal litigation had the matter not settled. Moreover, Plaintiffs
19 still had to file for class certification and faced the prospect of appeals in the wake of a disputed class
20 certification ruling for Plaintiff and/or an adverse summary judgment ruling. Even if the classes sought
21 to be certified by Plaintiffs were in fact certified, the Parties would incur considerably more attorneys'
22 fees and costs through a possible decertification motion, trial, and possible appeal.

23 33. I have directed my office to submit a copy of the instant Motion for Preliminary Approval
24 and all supporting documents via the LWDA's website on the same date concurrently herewith and will
25 have a supplemental declaration filed after the Motion for Preliminary Approval and all supporting
26 documents are submitted to the LWDA.

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

Executed on May 8, 2026, at El Segundo, California.



Milan Moore

EXHIBIT 1

EXHIBIT 1

LIDMAN LAW

2155 CAMPUS DRIVE, SUITE 150, EL SEGUNDO, CA 90245

OFFICE: (424) 322-4772

FAX: (424) 322-4775

February 6, 2024

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612

**VIA U.S. CERTIFIED MAIL – RETURN
RECEIPT REQUESTED**

Povac Investments, Inc.
c/o Patrick Chraghchian
388 Cordova Street #280
Pasadena, CA 91101

Re: *Carlos Garcia v. Povac Investments, Inc.*

To Whom It May Concern:

Please be advised that this law firm represents Carlos Garcia (“Mr. Garcia”) in claims arising from his employment with Povac Investments, Inc. (“Defendant”). Mr. Garcia is an “aggrieved employee” as defined by Labor Code sections 2699, *et seq.* due to Defendant’s numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code section 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, an “aggrieved employee” should be considered to include all current and former hourly, non-exempt employees working for Defendant in California during the one year immediately preceding the date of this letter through the present date, and continuing through a civil judgment if the LWDA takes no action and Mr. Garcia files a civil lawsuit seeking civil penalties.

Defendant does business in the construction industry. Mr. Garcia, a former employee, was employed by Defendant as a non-exempt employee from approximately 2021 through approximately May 2023. During his employment with Defendant, Mr. Garcia was a cleaner.

Mr. Garcia was generally scheduled to work six days a week, Monday – Saturday, 7:00 a.m. to 3:30 p.m. or 5:00 p.m. Mr. Garcia would swipe his badge on the timeclock to clock in and out. Mr. Garcia and other hourly, non-exempt employees would often work more than 8 hours in a workday and/or 40 hours in a workweek.

During his employment with Defendant, Defendant did not compensate Mr. Garcia and other hourly, non-exempt employees for all hours worked. Specifically, Defendant would at times require Mr. Garcia to begin working at 6:00 a.m. However, Defendant would not allow Mr. Garcia to clock in until his scheduled start time at 7:00 a.m. Therefore, despite being under Defendant’s direction and control, Defendant failed to pay them for all minimum wages owed. Further, Mr. Garcia and other non-

exempt employees often worked over eight hours in a day and/or forty hours in a workweek, and Defendant's policy and practice of failing to compensate them for all hours worked also deprived them of all overtime wages owed.

Throughout Mr. Garcia's employment with Defendant, Mr. Garcia and other hourly, non-exempt employees were not provided all legally required meal periods due to Defendant's meal period policies and practices. Due to the work demands imposed by Defendant, Mr. Garcia and other hourly, non-exempt employees were often provided with a meal period that was late, short, missed, and/or otherwise unlawful. Specifically, Defendant had a policy/practice of notifying Mr. Garcia and other hourly, non-exempt employees of the time to take a 30-minute meal period via their supervisor. After receiving notification, Mr. Garcia and other hourly, non-exempt employees would have to walk from other floors to the first floor to clock out and given the long lines, would take up to 15 minutes to clock out. Therefore, Defendant provided short or otherwise unlawful meal periods to Mr. Garcia and its hourly, non-exempt employees because they would be required to cut their 30 minutes short in order to be back at their workstations ready to commence work. Therefore, Defendant failed to provide Mr. Garcia and other hourly, non-exempt employees with meal periods that were at least a net thirty (30) minutes in duration, resulting in short meal periods.

Additionally, Defendant's meal period policies and practices fail to provide Mr. Garcia and the other hourly, non-exempt employees a second meal period for shifts over 10.0 hours. As a result, when Mr. Garcia and other hourly, non-exempt employees worked in excess of 10.0 hours, they were not provided with a second 30-minute meal period in violation of California law.

Although Mr. Garcia and other hourly, non-exempt employees were not provided with all legally-compliant meal periods to which they were entitled, Defendant failed to compensate Mr. Garcia and other hourly, non-exempt employees with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7.

In addition, throughout Mr. Garcia's employment with Defendant, Mr. Garcia and other hourly non-exempt employees were not authorized and permitted to take legally required rest periods due to Defendant's unlawful rest period policies and practices. Defendant's rest period policies and practices fail to authorize and permit paid rest periods for every four hours worked, *or major fraction thereof*. Specifically, due to the work demands imposed by Defendant, Mr. Garcia and other non-exempt employees were often not authorized and permitted to take a rest period. Further, Mr. Garcia and other non-exempt employees were not authorized and permitted to take rest breaks of at least net ten minutes in violation of California law. Additionally, Mr. Garcia and other hourly, non-exempt employees were not authorized and permitted to take a third rest period when they worked shifts in excess of 10.0 hours.

On those occasions when Mr. Garcia and other hourly, non-exempt employees were not authorized and permitted to take all legally-compliant rest periods to which they were entitled, Defendant failed to compensate Mr. Garcia and other hourly, non-exempt employees with the required rest period premium for each workday in which he experienced a rest period violation as mandated by Labor Code § 226.7.

During Mr. Garcia's employment with Defendant, he and other hourly, non-exempt employees were required to use their personal cellular phone to discharge their duties. Specifically, Mr. Garcia and other non-exempt employees were required to use their personal cellular phone for a variety of required work activities, including, but not limited to communicating with other team

members. Defendant knew or should have known that Mr. Garcia was necessarily incurring expenses due to the use of their personal cellular phones and/or purchase tools in the direct discharge of his duties. Yet, despite the necessity of Mr. Garcia and other non-exempt employees using their personal cellular phone and/or purchase tools for work activities and Defendants knowing or should have knowing about same, they were not reimbursed for a reasonable portion of their cellular phone expenses by Defendant, as mandated by *Cochran v. Schwan's Home Service, Inc.* (2014) 228 Cal.App.4th 1137. Mr. Garcia would also have to buy tools to discharge his duties.

As a result of Defendant's failure to pay all minimum and overtime wages, as well as meal and rest period premium wages, Defendant maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Garcia and other hourly, non-exempt employees.

As a further result of Defendant's failure to pay all overtime and/or minimum wages owed, and failure to pay all meal and rest period premium wages, Defendant failed to provide pay Mr. Garcia and other former, hourly, non-exempt employees all wages owed upon their separation of employment with Defendant.

As described above, Defendant committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 16 ("Wage Order 16"):

Minimum Wage Violations

Defendant was required to pay Mr. Garcia and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1194; 1194.2, 1197, 1197.1; The Wage Order 16, § 4. Mr. Garcia and other aggrieved employees were not paid for all hours worked due to Defendant's unlawful practices and procedures. As alleged above, Defendant's unlawful policies and procedures were to pay pursuant to the scheduled hours, even though Defendant knowingly permitted and required Mr. Garcia and other aggrieved employees to be under their direction and control prior to clocking in. These practices by Defendant resulted in Defendant not paying Mr. Garcia and other aggrieved employees for all wages owed for the work they performed, including failing to pay them all required minimum wages.

Overtime Violations

Defendant was required to pay Mr. Garcia and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; the Wage Order 16, § 3. According to Labor Code § 510(a), "Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee." This Section further provides, "Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee." As alleged above, Defendant's unlawful policies and procedures were to pay pursuant to the scheduled hours, even though Defendant knowingly permitted and required Mr. Garcia and other aggrieved employees to be under their direction and control prior to clocking in. As a result of Defendant's policies and/or practices that fail to compensate for all hours worked, Mr. Garcia and other aggrieved employees were deprived all required overtime wages earned.

Meal Period Violations

As alleged above, Defendant failed to provide the aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 16, § 11. As described above, Due to the work demands, walking down multiple floors and standing in line to clock out, Defendant failed to provide Mr. Garcia and other aggrieved employees with all legally compliant meal periods. In addition, Defendant failed to provide Mr. Garcia or other aggrieved employees with second meal periods on shifts over 10.0 hours. Therefore, the aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 (“If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest or recovery period is not provided.”). Although Mr. Garcia and other aggrieved employees were not provided with all legally-compliant meal periods to which they were entitled, Defendant failed to compensate them with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7.

Rest Period Violations

Defendant also failed to authorize and permit their aggrieved employees to take all required rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 16, § 12. Specifically, Mr. Garcia and other aggrieved employees were not authorized and permitted to take all required rest periods due to Defendant’s rest period policies/practices, which upon information and belief, fail to authorize and permit all rest periods for every four hours worked, or *major fraction thereof*. Additionally, Defendant has often failed to authorize and permit a third rest period when Mr. Garcia worked a shift in excess of 10.0 hours. As a result, Mr. Garcia and the aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 (“If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest period is not provided.”)

Failure to Reimburse Business Expenses

Defendants failed to reimburse Mr. Garcia and other Aggrieved Employees for necessary work expenses, including, but not limited to, expenses incurred for the reasonable portion of cellular phone expenses and/or purchasing tools incurred in the direct discharge of the job duties of such employees. Defendants’ policy of not providing reimbursement for necessary work-related expenses is in violation of Wage Order 16, § 9, and Labor Code § 2802 (“An employer shall indemnify his or her employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer.”) Mr. Garcia and other Aggrieved Employees are therefore entitled to reimbursement of such unpaid work expenses with interest.

Wage Statement Violations

Defendant knowingly and intentionally, as a matter of uniform practice and policy, failed to furnish Mr. Garcia and other aggrieved employees with accurate and complete, itemized wage

statements that included, among other requirements, all minimum and/or overtime wages earned, meal and rest period premiums, total gross wages earned, and total net wages earned, in violation of Labor Code § 226 *et seq.* Defendant's failure to furnish Mr. Garcia and other aggrieved employees with complete and accurate, itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all minimum and/or overtime wages earned and meal and rest period premiums, and deprived them of the information necessary to identify discrepancies in Defendant's reported data.

Waiting Time Penalties

Labor Code §§ 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. Defendant failed to timely pay Mr. Garcia and other aggrieved employees all of their final wages at the time of separation, which included, among other things, unpaid minimum and/or overtime wages, and meal and rest period premium wages.

As an "aggrieved employee," Mr. Garcia will initiate a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Garcia's own investigation, and on information and belief, Defendant committed the following Labor Code violations:

- a) Defendant violated Labor Code §§ 1194, 1194.2, and 1197 by failing to pay Mr. Garcia and other aggrieved employees the statutory minimum wage for all hours worked;
- b) Defendant violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Mr. Garcia and other aggrieved employees all overtime compensation earned;
- c) Defendant violated Labor Code §§ 226.7, 512, and 558 by failing to provide all legally required meal periods and failing to pay meal period premiums to Mr. Garcia and the aggrieved employees;
- d) Defendant violated Labor Code §§ 226.7, 516, and 558 by failing to provide all legally required rest periods and failing to pay rest period premiums to Mr. Garcia and the aggrieved employees;
- e) Defendants violated Labor Code § 2802 by failing to reimburse Mr. Garcia and other Aggrieved Employees for necessary work expenditures;
- f) Defendant violated Labor Code § 226 by failing to furnish Mr. Garcia and other aggrieved employees with accurate and compliant itemized wage statements;
- g) Defendant violated Labor Code §§ 204 and 210 by failing to pay Mr. Garcia and other aggrieved employees all earned wages at least twice during each calendar month;
- h) Defendant violated Labor Code §§ 201, 202 and 203 by failing to timely pay all final wages due to Mr. Garcia and other aggrieved employees; and

- i) Defendant violated Labor Code § 1174 by failing to maintain accurate records on behalf of Mr. Garcia and other aggrieved employees.

Pursuant to Labor Code section 2699.3(a)(2)(A), please notify us and Defendant if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
LIDMAN LAW, APC

Scott M. Lidman

EXHIBIT 2

EXHIBIT 2

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiffs Carlos Garcia and Edgar Ixen (“Plaintiffs”) and defendant Povac Investments, Inc. (“POVAC”). The Agreement refers to Plaintiffs and POVAC collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1 “Action” means the Plaintiffs’ lawsuit alleging wage and hour violations against Defendant captioned Carlos Garcia v. Povac Investments, Inc., initiated on February 6, 2024, and pending in Superior Court of the State of California, County of Los Angeles.
- 1.2 “Administrator” means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4 “Aggrieved Employee” means all individuals who worked as non-exempt employees of Defendant Povac Investments, Inc. in California at any time during the PAGA Period.
- 1.5 “Class” means all individuals who worked as non-exempt employees of Defendant Povac Investments, Inc. in California at any time during the Class Period.
- 1.6 “Class Counsel” means Scott M. Lidman, Milan Moore, and Tiara Gose-Hardy of Lidman Law, APC and Paul Haines of Haines Law Group, APC.
- 1.7 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8 “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, employee identification number, last-known mailing address, Social Security number, and number of Class Period Workweeks and number of PAGA Pay Periods.
- 1.9 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of

Address database, skip traces, and direct contact by the Administrator with Class Members.

- 1.11 “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English [with a Spanish translation] in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12 “Class Period” means the period from May 16, 2021, to the date the Court grants Preliminary Approval, unless Defendant elects to select an earlier end date for the release pursuant to the escalator provision within this Agreement.
- 1.13 “Class Representatives” means Carlos Garcia and Edgar Ixen, the named Plaintiffs in the operative complaint in the Action seeking Court approval to serve as a Class Representatives.
- 1.14 “Class Representatives Service Payments” means the payment to the Class Representatives for initiating the Action and providing services in support of the Action.
- 1.15 “Court” means the Superior Court of California, County of Los Angeles.
- 1.16 “Defendant” means named Defendant Povac Investments, Inc.
- 1.17 “Defense Counsel” means Joshua D. Carlon of Atkinson, Andelson, Loya, Ruud & Romo.
- 1.18 “Effective Date” means the date by when both of the following have occurred:
(a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and
(b) the Judgment is final. 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; or (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 if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.19 “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21 “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22 “Gross Settlement Amount” means Three Hundred Ninety-Seven Thousand Five Hundred Dollars and Zero Cents \$397,500.00. The Gross Settlement Amount which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments,

Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representatives Service Payments and the Administrator's Expenses.

- 1.23 "Individual Class Payment" means the Participating Class Member's share of the Net Settlement Amount calculated pursuant to Paragraph 3.2.4 below.
- 1.24 "Individual PAGA Payment" means each Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.25 "Judgment" means the judgment entered by the Court based upon the Final Approval.
- 1.26 "LWDA" means the California Labor and Workforce Development Agency, the agency entitled to monitor Labor Code compliance, under Labor Code section 2699, subdivision (i).
- 1.27 "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).
- 1.28 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representatives Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29 "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30 "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.31 "PAGA Period" means the period from February 6, 2023 to the date the Court grants Preliminary Approval, unless Defendant elects to select an earlier end date for the release pursuant to the escalator provision within this Agreement
- 1.32 "PAGA" means the Private Attorneys General Act (Lab. Code, § 2698 et seq.).
- 1.33 "PAGA Notice" means Plaintiff's February 6, 2024 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).
- 1.34 "PAGA Penalties" means the total amount of PAGA civil penalties (\$20,000.00) to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$5,000.00) and the 75% to LWDA (\$15,000.00) in settlement of PAGA claims.
- 1.35 "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

- 1.36 “Plaintiffs” means Carlos Garcia and Edgar Ixen, the named plaintiffs in the Action.
- 1.37 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.38 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.40 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.41 “Released Parties” means Defendant and all of its present and former parent companies, subsidiaries, affiliates and joint ventures, and all of their owners, officers, managers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any persons acting by through, under or in concert with any of them.
- 1.42 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.43 “Response Deadline” means 60 days after the Administrator mails Notice to Class Members and the Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email or mail Requests for Exclusion from the Settlement, or (b) fax, email or mail his, her, or their Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.44 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.45 “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. RECITALS.

- 2.1 On February 6, 2024, Plaintiff Garcia commenced this Action by filing a Complaint alleging causes of action against Defendant for (i) failure to pay all overtime wages owed; (ii) failure to pay all minimum wages owed; (iii) failure to provide meal periods; (iv) failure to authorize and permit rest periods; (v) failure to provide accurate, itemized wage statements; (vi) failure to indemnify all necessary business expenditures; (vii) failure to pay all wages owed upon termination; and (viii) unfair competition.
- 2.2 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff Garcia gave timely written notice to Defendant and the LWDA by sending the PAGA Notice. On April 12, 2024, Plaintiff Garcia filed a First Amended Complaint adding a cause of action

for civil penalties under the PAGA. On April 1, 2025, Plaintiff Garcia filed a Second Amended Complaint adding Edgar Ixen as a named plaintiff.

- 2.3 On December 3, 2025 the Parties participated in an all-day mediation presided over by Michael Ludwig which through further direct negotiations led to this Agreement to settle the Action.
- 2.4 Prior to mediation, through informal discovery, Defendant produced to Plaintiffs a representative sampling of time records and payroll data for the settlement class members for the relevant time period. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").
- 2.5 To date, the Court has not ruled on nor granted class certification.
- 2.6 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay \$397,500.00 and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement.^v The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
- 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:

To Plaintiffs: Class Representative Service Payments to the Class Representatives of not more than \$7,500.00 each (or a total of \$15,000.00) (in addition to any Individual Class Payments and any Individual PAGA Payments the Class Representatives are entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiffs' request for a Class Representatives Service Payments that do not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representatives Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representatives Service Payments less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representatives Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representatives Service Payments.

- 3.2.1 To Class Counsel: A Class Counsel Fees Payment of not more than 35% of the Gross Settlement Amount which is currently estimated to be \$139,125.00, and a Class Counsel Litigation Expenses Payment of not more than \$ 25,000.00. Defendant will not oppose requests for these payments provided that do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. 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 remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.2.2 To the Administrator: An Administrator Expenses Payment not to exceed \$9,250.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.3 To Each Participating Class Member: The Net Settlement Amount shall be divided by the total number of workweeks worked during the Class Period in order to establish the workweek amount. The workweek amount will then be multiplied by the number of workweeks attributable to each Participating Class Member in order to determine the correct amount to be payable to each Participating Class Member.
- 3.2.4.1 Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.
- 3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.
- 3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$20,000.00 to be paid from the Gross Settlement Amount, with 75%

(\$15,000.00) allocated to the LWDA PAGA Payment and 25% (\$5,000.00) allocated to the Individual PAGA Payments.

3.2.4.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$5,000.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.4.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms. All PAGA penalties shall be designated as penalties and reported on an IRS Form 1099.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 354 Class Members who collectively worked a total of 19,110 Workweeks, and 187 Aggrieved Employees who worked a total 4,995 of PAGA Pay Periods.

4.2 Class Data. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. 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, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than 14 days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within 14 days after Defendant 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 Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representatives Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representatives Service Payments 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, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. 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 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 may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

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

4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks 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 Code of Civil Procedure section 384, subdivision (b).

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

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

5.1 Plaintiffs' Release. Plaintiffs release and discharge Released Parties from all claims, transactions or occurrences that occurred during the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiff Garcia's PAGA Notice. ("Plaintiff's Release.") Plaintiffs' Release does not extend to any

claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

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

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

5.2 Release by Participating Class Members:

All Participating Class Members, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint, and/or ascertained in the course of the Action and which occurred during the Class Period. The claims released include, without limitation: (i) failure to pay all overtime wages owed; (ii) failure to pay all minimum wages owed; (iii) failure to provide meal periods; (iv) failure to authorize and permit rest periods; (v) failure to provide accurate, itemized wage statements; (vi) failure to indemnify all necessary business expenditures; (vii) failure to pay all wages owed upon termination; and (viii) unfair competition. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation or claims based on facts occurring outside the Class Period.

5.3 Release by Aggrieved Employees: All Aggrieved Employees release the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice and/or ascertained in the course of the Action and which occurred during the PAGA Period. The claims released include, without limitation: (i) failure to pay all overtime wages owed; (ii) failure to pay all minimum wages owed; (iii) failure to provide meal periods; (iv) failure to authorize and permit rest periods; (v) failure to provide accurate, itemized wage statements; (vi) failure to indemnify all necessary business expenditures; (vii) failure to pay all wages owed upon termination; (viii) failure to pay all earned wages at least twice during each calendar month; and (ix) failure to maintain accurate records.

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

6.1 Defendant's Declaration in Support of Preliminary Approval. Within 10 days of the full execution of this Agreement, Defendant will prepare and deliver to Class Counsel a

signed Declaration from Defendant and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and Defendant 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.

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

6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 90 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

6.3 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 to serve as the Administrator and verified that, as a condition of appointment, it agrees to be bound by this Agreement and to perform, as a fiduciary, all

duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they 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.
- 7.4 Notice to Class Members.
- 7.4.1 No later than three (3) business 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 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class 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 (if applicable) 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 3 business 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 14 days beyond the 60 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 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever 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 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her/their representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

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

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

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

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting

documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7 Objections to Settlement.

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

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present oral objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

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

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

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

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

- 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- 7.8.4 Administrator’s Declaration. Not later than 7 days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.
- 7.8.5 Final Report by Settlement Administrator. Within 10] days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator’s declaration in Court.

CLASS SIZE ESTIMATES and ESCALATOR CLAUSE. Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, (1) there are 354 Class Members and 19,110 Total Workweeks during the Class period and (2) there were 187 Aggrieved Employees who worked 4,955 Pay Periods during the PAGA Period. If the number of workweeks during the Class Period increases by more than 10% above 19,110 (*i.e.*, if there are 21,022 or more workweeks during the Class Period), Defendant agrees to increase the Gross Settlement Amount on a proportional percentage basis (*i.e.*, if there was a 11% increase in the number workweeks during the Class Period, Defendant would agree to increase the Gross Settlement Amount by 11%), or alternative alter the end date of the Class Period and PAGA Period to a date before which the number of workweeks exceeds 19,110.

- 8. MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subdivision (l), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than seven days prior to filing the Motion for Final Approval. Class Counsel and Defense

Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

- 8.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 8.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representatives Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 8.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters and (iii) addressing such post-Judgment matters as are permitted by law.
- 8.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their respective counsel and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
- 8.5 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 Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

9. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil

Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

10. ADDITIONAL PROVISIONS.

- 10.1 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 have 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 Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
- 10.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency or other entity except: (1) to the Parties' attorneys, accountants or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 10.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 10.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants or inducements made to or by any Party.

- 10.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 10.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 10.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action or right released and discharged by the Party in this Settlement.
- 10.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 10.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed or waived only by an express written instrument signed by all Parties or their representatives and approved by the Court.
- 10.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 10.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the State of California, without regard to conflict of law principles.
- 10.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 10.13 Confidentiality. To the extent permitted by law, all agreements made and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 10.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Povac in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other

purpose, and may not be used in any way that violates any existing contractual agreement, statute or California Rules of Court rule. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy all paper and electronic versions of Class Data received from Povac unless, prior to the Court's discharge of the Administrator's obligation, Povac makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.

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

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

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

To Plaintiffs:

LIDMAN LAW, APC

Scott M. Lidman (SBN 199433)

slidman@lidmanlaw.com

Milan Moore (SBN 308095)

mmoore@lidmanlaw.com

Tiara Gose-Hardy (SBN 323823)

tgose@lidmanlaw.com

2155 Campus Drive, Suite 150

El Segundo, California 90245

Tel: (424) 322-4772

Fax: (424) 322-4775

HAINES LAW GROUP, APC

Paul K. Haines (SBN 248226)

phaines@haineslawgroup.com

2155 Campus Drive, Suite 180

El Segundo, California 90245

Tel: (424) 292-2350

Fax: (424) 292-2355

To Defendant:

Joshua D. Carlon (SBN 263838)

Joshua.carlon@aalrr.com
ATKINSON, ANDELSON, LOYA, RUUD & ROMO
251 South Lake Avenue, Suite 360
Pasadena, CA 91101
Telephone: (626) 583-8600
Facsimile: (626) 583-8610

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

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

DATED:

DEFENDANT POVAC INVESTMENTS, INC.

By: _____
Its: _____

DATED: April 14, 2026

PLAINTIFF CARLOS GARCIA

Carlos Garcia Garcia

By: _____

Plaintiff and Settlement Class Representative

DATED:

PLAINTIFF EDGAR IXEN

By: _____

Plaintiff and Settlement Class Representative

Joshua.carlon@aalrr.com
ATKINSON, ANDELSON, LOYA, RUUD & ROMO
251 South Lake Avenue, Suite 360
Pasadena, CA 91101
Telephone: (626) 583-8600
Facsimile: (626) 583-8610

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DATED:

DEFENDANT POVAC INVESTMENTS, INC.

By: _____
Its: _____

DATED:

PLAINTIFF CARLOS GARCIA

By: _____

Plaintiff and Settlement Class Representative

DATED: Apr 13, 2026

PLAINTIFF EDGAR IXEN

By: 
Edgar Cornelio Ixen cum (Apr 13, 2026 16:05:46 PDT)

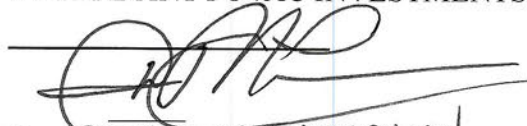
Plaintiff and Settlement Class Representative

Joshua.carlon@aalrr.com
ATKINSON, ANDELSON, LOYA, RUUD & ROMO
251 South Lake Avenue, Suite 360
Pasadena, CA 91101
Telephone: (626) 583-8600
Facsimile: (626) 583-8610

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DATED: 4/17/26

DEFENDANT POVAC INVESTMENTS, INC.


By: PATRICK CHRAGHCHIAN
Its: PRESIDENT

DATED:

PLAINTIFF CARLOS GARCIA

By: _____

Plaintiff and Settlement Class Representative

DATED:

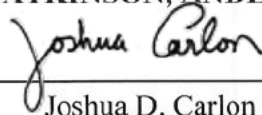
PLAINTIFF EDGAR IXEN

By: _____
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: 4/17/26

ATKINSON, ANDELSON, LOYA, RUDD & ROMO



Joshua D. Carlon
Attorneys for Defendant

DATED:

HAINES LAW GROUP, APC

By: _____
Paul K. Haines
Attorneys for Plaintiffs

DATED:

LIDMAN LAW, APC

By: _____
Scott M. Lidman
Attorneys for Plaintiffs

APPROVED AS TO FORM:

DATED:

ATKINSON, ANDELSON, LOYA, RUDD & ROMO

Joshua D. Carlon
Attorneys for Defendant

DATED: April 13, 2026

HAINES LAW GROUP, APC

By: 
Paul K. Haines
Attorneys for Plaintiffs

DATED: April 13, 2026

LIDMAN LAW, APC

By: 
Scott M. Lidman
Attorneys for Plaintiffs

EXHIBIT A

EXHIBIT A

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

Carlos Garcia v. Povac Investments, Inc., Case No. 24STCV03101

*The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement or solicitation by a lawyer. You are not being sued.*

If you worked for Povac Investments, Inc. in California as a non-exempt, hourly employee between May 16, 2021, and [date of preliminary approval], then you may get money from a class action and PAGA settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is 	If you do not want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by 	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.

You Can Participate in the [redacted] Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [redacted]. You do not have to attend but you do have the right to appear (or hire an attorney at your own cost to appear on your behalf), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by [redacted]	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendant's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [redacted]. See Section 4 of this Notice.

You may be eligible to receive money from an employee class action lawsuit ("Action") against Defendant Povac Investments, Inc. ("Defendant" is used herein as a placeholder) for alleged wage and hour violations. The Action was filed by a former employees of Defendant Carlos Garcia and Edgar Ixen ("Plaintiffs") and seeks payment of (1) unpaid minimum and/or overtime wages, meal and rest period premiums, unreimbursed business expenses, wage statement penalties, waiting time penalties, and restitution under California Business and Professions Code section 17200 for a class of individuals classified as non-exempt hourly employees ("Class Members") who worked for Defendant during the Class Period May 16, 2021 to [date of preliminary approval]; and (2) civil penalties under the California Private Attorney General Act ("PAGA") for all individuals classified as non-exempt employees ("Aggrieved Employees") who worked for Defendant during the period of time starting on February 6, 2023 and ending on [date of preliminary approval] ("PAGA Period").

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 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 \$____(less withholding) and your Individual PAGA Payment is estimated to be \$_____**. 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 ____ workweeks** during the Class Period and **you worked _____workweeks** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this

Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully 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 Plaintiffs and Plaintiffs' 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.

If you worked for Defendant during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendant.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting a written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendant, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendant will not retaliate against you for any actions you take with respect to the proposed Settlement.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former non-exempt employees of Defendant. The Action accuses Defendant of violating California labor laws by failing to pay all minimum and overtime wages, failing to provide all meal periods, failing to authorize all rest periods, failing to provide accurate wages statements, failing to reimburse business expenses, failing to pay all wages owed upon termination, and unfair competition. [Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Lab. Code, § 2698, et seq.) ("PAGA"). Plaintiffs are represented by attorneys in the Action: Scott M. Lidman, Milan Moore, and Tiara Gose-Hardy of Lidman Law, APC and Paul Haines of Haines Law Group, APC ("Class Counsel.") Defendant strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Defendant or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendant hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an agreement to settle the case rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and Defendant have negotiated a proposed Settlement that is subject to the Court's Final Approval.

Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims.

Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendant Will Pay \$397,500.00 as the Gross Settlement Amount (Gross Settlement). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representatives Service Payments, Class Counsel's attorneys' fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA").

The Gross Settlement Amount is estimated to be fully funded in [insert date]. Checks are estimated to be disbursed in [insert date].

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$139,125 [35% of the Gross Settlement] to Class Counsel for attorneys' fees and up to \$25,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$7,500.00 each or total of \$15,000.00 as Class Representatives Service Payments for filing the Action, working with Class Counsel and representing the Class. Class Representatives Service Payments will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$9,250.00 to the Administrator for services administering the Settlement.
 - D. Up to \$20,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in

amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks. The calculation is explained more fully below in Section 4.

4. Taxes Owed on Payments to Class Members. Plaintiffs and Defendant are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages (“Wage Portion”) and 80% to [e.g., interest, etc.] (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. [Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiffs and Defendant have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller’s Unclaimed Property Fund in your name.

If the monies represented by your check is sent to the Controller’s Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her/their representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendant.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendant based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal.

Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.

8. Administrator. The Court has appointed a neutral company, Phoenix Settlement Administrators (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
9. Participating Class Members’ Release. After the Judgment is final and Defendant has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue or be part of any other lawsuit against Defendant or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint, and/or ascertained in the course of the Action and which occurred during the Class Period. The claims released include, without limitation: (i) failure to pay all overtime wages owed; (ii) failure to pay all minimum wages owed; (iii) failure to provide meal periods; (iv) failure to authorize and permit rest periods; (v) failure to provide accurate, itemized wage statements; (vi) failure to indemnify all necessary business expenditures; (vii) failure to pay all wages owed upon termination; and (viii) unfair competition. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation or claims based on facts occurring outside the Class Period.

Released Parties are defined as Defendant and all of its present and former parent companies, subsidiaries, affiliates and joint ventures, and all of their owners, officers, managers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any persons acting by through, under or in concert with any of them.

10. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and Defendant has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue or participate in any other PAGA claim against Defendant or its related entities based on the PAGA Period facts

alleged in the Action and resolved by this Settlement.

The Aggrieved Employees' Releases are as follows: Defendant and all of its present and former parent companies, subsidiaries, affiliates and joint ventures, and all of their owners, officers, managers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any persons acting by through, under or in concert with any of them.

All Aggrieved Employees release the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice and/or ascertained in the course of the Action and which occurred during the PAGA Period. The claims released include, without limitation: (i) failure to pay all overtime wages owed; (ii) failure to pay all minimum wages owed; (iii) failure to provide meal periods; (iv) failure to authorize and permit rest periods; (v) failure to provide accurate, itemized wage statements; (vi) failure to indemnify all necessary business expenditures; (vii) failure to pay all wages owed upon termination; (viii) failure to pay all earned wages at least twice during each calendar month; and (ix) failure to maintain accurate records.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments as follows: The Net Settlement Amount shall be divided by the total number of workweeks worked during Class Period in order to establish the workweek amount. The workweek amount will then be multiplied by the number of workweeks attributable to each Participating Class Member in order to determine the correct amount to be payable to each Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$5,000.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until _____ to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Workweeks and/or Pay Periods based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendant's Counsel. The Administrator's decision is final. You can't appeal or

otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Aggrieved Employees. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee even if the Aggrieved Employee opts out of the Class Settlement.

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as "Carlos Garcia v. Povac Investments, Inc., and include your identifying information (full name, address, telephone number, approximate dates of employment and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by _____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Defendant are asking the Court to approve. At least 16 court days before the _____ Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Class Representatives Service Payments stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as a Class Representatives Service Payments. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website

_____ (url) _____ or the Court's website _____ (url) _____.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Class Representatives Service Payments may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The**

deadline for sending written objections to the Administrator is ____. Be sure to tell the Administrator what you object to, why you object and any facts that support your objection. Make sure you identify the Action Carlos Garcia v. Povac Investments, Inc. and include your name, current address, telephone number and approximate dates of employment for Defendant and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost to object) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but do not have to, attend the Final Approval Hearing on _____ at ____ (time) in Department 1 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via online conference (<https://my.lacourt.org/laccwelcome>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website _____ beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to ____ (specify entity) website at _____ (url) _____. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) **[confirm]** and entering the Case Number for the Action, Case No. 24STCV03101. You can also make an appointment to personally review court documents in the courthouse at the **Civil Complex Center** by calling **(657) 622-6878**.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

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phaines@haineslawgroup.com
2155 Campus Drive, Suite 180

Settlement Administrator:

Name of Company:

Email Address:

Mailing Address:

Telephone:

Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void

you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds



11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.
