Jennifer Douglas, SBN 172770
jdouglas@dpf-law.com
Angela A. Nelson, SBN 324445
anelson@dpf-law.com
DICKENSON, PEATMAN & FOGARTY PC
520 Third Street, Suite 260
Santa Rosa, CA 95401
Telephone: (707) 524-7000
Facsimile: (707) 340-7239

Attorneys for Defendant LA TORTILLA FACTORY, INC.

NICHOLAS & TOMASEVIC, LLP
Craig M. Nicholas (SBN 178444)
Shaun Markley (SBN 291785)
Jordan Belcastro (SBN 339570)
225 Broadway, 19th Floor
San Diego, California 92101
Tel: (619) 325-0492
Fax: (619) 325-0496
Email: cnicholas@nicholaslaw.org
Email: smarkley@nicholaslaw.org
Email: jbelcastro@nicholaslaw.org

Attorneys for Plaintiff COLEMAN WELLS

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SAN DIEGO

COLEMAN WELLS, an individual, on behalf of himself and all others similarly situated,

Plaintiff,

vs.

LA TORTILLA FACTORY, INC.; CREO CAPITAL PARTNERS; INSIGNIA INTERNATIONAL; BONNIE NEUFELD; JASON PARASCO; CHASE ROBINSON; and DOES 6 through 100, inclusive,

Defendants.

Case No. 37-2024-00020358-CU-OE-CTL

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

Hon. James A. Mangione

Complaint Filed: May 1, 2024

FAC Filed: December 12, 2024

Trial Date: Not Yet Assigned

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

This Joint Stipulation of Class and PAGA Settlement is made and entered into by and between Plaintiff Coleman Wells ("Wells" or "Plaintiff") individually and on behalf of the members of the Class (as defined below) and PAGA Group, and Defendants THE LA TORTILLA FACTORY, INC., CREO CAPITAL PARTNERS, and INSIGNIA INTERNATIONAL (collectively, "Defendants"), by and through counsel of record, subject to the approval of the Court, as set forth below. This Joint Stipulation of Settlement is intended by Plaintiff and Defendants to fully, finally, and forever resolve, discharge, and settle the Released Claims (as defined below), upon and subject to the terms and conditions hereof.

1. DEFINITIONS. As used herein, for the purposes of this Joint Stipulation of Settlement only, the following terms shall be defined as set forth below:

1.1. The **"Action"** refers to the present class and representative action filed in Superior Court of California, County of San Diego, on May 1, 2024, which is entitled *Coleman Wells v. LA TORTILLA FACTORY, INC., et al.,* Case No. 37-2024-00020358-CU-OE-CTL.

1.2. The **"Class"** or **"Class Members"** or **"Class Member"** refers to all former individuals or owners of LLC's or other entities who entered into DSD Distributor Agreements with Defendant La Tortilla Factory, Inc. in California at any time from May 1, 2020 through October 11, 2025.

1.3. **"Class Counsel"** refers to Craig M. Nicholas, Shaun Markley, and Jordan Belcastro of NICHOLAS & TOMASEVIC, LLP, the attorneys of record for Class Representative in the Action.

1.4. **"Class Notice"** refers to the form of direct-mail and email notice to Class Members, substantially in the form attached hereto as "**Exhibit A**," as may be modified by the Court, which explains the terms of the Settlement, the procedure for making a Request for Exclusion, the procedure for making an Objection, setting forth the total number of Class Work Months worked by the Class Member, the estimated Individual Class Settlement Payment, as well as the estimated number of PAGA Work Months and Individual PAGA Payment to eligible PAGA Aggrieved Employees, if applicable, and the procedure for disputing the stated amount of work months for each Settlement Class Member during the Class Period pursuant to Paragraph 8.9 below.

1.5. "Class Payment" shall be defined as the aggregate of the Individual Settlement Payments to be paid to each of the Settlement Class Members in accordance with the procedures set forth herein and as ordered by the Court.

1.6. "Class Period" refers to the time period for which Class Members may receive an Individual Settlement Payment, as defined below. The Class Period shall be the time period of May 1, 2020 through the Preliminary Approval Order Date.

1.7. "Class Release Period" refers to the effective dates of the release of all Released Claims by Settlement Class Members against Released Parties, which shall be the time period of May 1, 2020 through October 11, 2025.

1.8. "Class Representative" refers to Plaintiff Coleman Wells.

1.9. "Class Representative Enhancement" refers to the payment made to Class Representative pursuant to Paragraph 5.2 in consideration for his individual release and waiver of Section 1542 of California Civil Code pursuant to Paragraph 7.4 and his service as named plaintiff in the Action.

1.10. "Class DSD Distributor Months" refers to the number of months each Class Member operated as a DSD Distributor in California for Defendants during the Class Period as set forth in Paragraph 4.3.

1.11. "Complaint" refers to the First Amended Complaint filed in the Action together with the DOE Defendant Amendments filed on January 16, 2026.

1.12. "Court" refers to the SUPERIOR COURT OF CALIFORNIA, SAN DIEGO.

1.13. "**Defendants**" refers to Defendants LA TORTILLA FACTORY, INC., CREO CAPITAL PARTNERS, and INSIGNIA INTERNATIONAL.

1.14. **"Defendants' Counsel"** refers to Defendants' counsel of record in the Action, Jennifer Douglas and Angela A. Nelson with DICKENSON, PEATMAN & FOGARTY PC.

1.15. **"Effective Date"** means the date when all of the following events have occurred: (1) the Joint Stipulation of Settlement has been executed by all Parties, Class Counsel, and Defendants' Counsel; (2) the Court has granted preliminary approval to the Joint Stipulation of Settlement; (3) the Class Notice has been mailed to the Class, providing them with an opportunity to object to or opt out of the Joint Stipulation of Settlement; (4) the Court has held a Final Approval Hearing and entered a Final Approval Order and Judgment; (5) sixty (60) calendar days have passed since the Court has entered the Final Approval Order and Judgment; and (6) in the event there are written objections filed prior to the Final Approval Hearing that are not later withdrawn or denied, the later of the following events: (a) five (5) business days after the period for filing any appeal, writ, or other appellate proceeding in connection with the Final Approval Order and Judgment has elapsed without any appeal, writ, or other appellate proceeding having been filed; or (b) if any appeal, writ, or other appellate proceeding in connection with the Final Approval Order and Judgment has been filed, five (5) business days after any appeal, writ, or other appellate proceedings in connection with the Final Approval Order and Judgment has been finally and conclusively dismissed with no right to pursue further remedies or relief.

1.16. **"Final Fairness Hearing"** refers to the hearing at which the Court will make a final determination whether the terms of the Joint Stipulation of Settlement are fair, reasonable, and adequate for the Class and meet all applicable requirements for approval, and, if the terms of the Joint Stipulation of Settlement are so approved, whether a judgment should be entered thereon, whether the Class Representative's application for Class Representative Enhancements should be granted, and whether an application by Class Counsel for an award of reasonable attorneys' fees and reimbursement of their reasonable costs and expenses should be granted.

1.17. "Final Approval Order" refers to the final order by the Court approving the Joint Stipulation of Settlement and entering Judgment following the Final Fairness Hearing.

1.18. "Final Funding Date" refers to the date on which Defendants shall provide the Gross Settlement Amount to the Settlement Administrator for distribution, which shall be thirty (30) days after the Effective Date or February 1, 2027, whichever is later.

1.19. "Gross Class Settlement Amount" refers to the non-reversionary negotiated dollar amount of this Joint Stipulation of Settlement, which is equal to One Million Two Hundred Forty Thousand Dollars and Zero Cents ($1,240,000.00). The Gross Settlement Amount includes the Net Settlement Amount, all Individual Settlement Payments to the Class, all Settlement Administration Costs, all Class Counsel attorneys' fees, all Class Counsel litigation costs, the Class Representative Enhancement, and all PAGA Payments. Under no circumstances will the Gross Settlement Amount exceed $1,240,000.

1.20. "Individual Class Settlement Payment" refers to the payment made to Settlement Class Members of the amount that shall be payable from the Net Settlement Amount to each Settlement Class Member as determined in accordance with the provisions of Paragraphs 4.2 through 4.3.

1.21. "Individual PAGA Payment" refers to the payment made to PAGA Aggrieved DSD Distributors for their *pro rata* share of the twenty-five percent (25%) of the PAGA Payment to be distributed to PAGA Aggrieved DSD Distributors in accordance with the provisions of Paragraph 5.3 through 5.4.

1.22. "Joint Stipulation of Settlement" refers to this Joint Stipulation and Agreement of Compromise and Class Settlement, including any permitted and executed amendments hereto.

1.23. "Judgment" refers to the final judgment by the Court approving this Joint Stipulation of Settlement and adjudicating the Action.

1.24. "LWDA" refers to the California Labor & Workforce Development Agency.

1.25. "Net Settlement Amount" shall be defined as the Gross Settlement Amount, less the amounts awarded by the Court for attorneys' fees, litigation costs, Settlement Administration Costs, the Class Representative Enhancement, and PAGA Payments.

1.26. "Notice Date" refers to the date ordered by the Court for the dissemination of the Class Notice, a date that is expected to be less than thirty (30) calendar days after the Preliminary Approval Order Date.

1.27. "Objection" refers to the process by which Class Members may object to the terms and conditions of this Joint Stipulation of Settlement by the Response Deadline, as set forth in Paragraphs 8.7 through 8.10. However, Class Members may not object to the settlement of the PAGA Claim.

1.28. "PAGA Claim" refers to civil penalties brought by Plaintiff on behalf of PAGA Aggrieved DSD Distributors pursuant to the California Private Attorneys' General Act, Labor Code section 2698 *et seq.* during the PAGA Period as set forth in the PAGA Notice and Complaint.

1.29. "**PAGA Aggrieved DSD Distributors"** refers to any Class Member who was a DSD Distributor in California with Defendants during the PAGA Period.

1.30. "PAGA Notice" refers to the letters sent on behalf of Plaintiff and his predecessor Angel Gonzalez to the LWDA on March 20, 2024 and October 8, 2024, providing notice of intent to file the PAGA Claim pursuant to Labor Code section 2699.3, alleging failure to reimburse expenses, unlawful deductions from wages, failure to provide accurate wage statements, failure to pay overtime, failure to provide meal periods, failure to provide rest breaks, failure to pay wages, and seeking civil penalties pursuant to California Labor Code sections 558 and 2699(a),(f) for alleged violations of applicable IWC

Wage Orders and Labor Code sections 201, 202, 203, 210, 216, 221, 223, 224, 225.5, 226, 226.2, 226.3, 226.7, 510, 512, 558, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802, 2698, *et seq*.

1.31. “PAGA DSD Distributor Months” refers to the number of months a Class Member operated as a DSD Distributor in California with Defendants during the PAGA Period, as calculated in accordance with Paragraph 5.3.

1.32. “PAGA Payment” refers to all payments made to satisfy the settlement of the PAGA Claim as set forth in Paragraph 5.3, which shall be in the total amount of Thirty Thousand Dollars and Zero Cents ($30,000.00). The PAGA Payment shall be made in the following allocation: seventy-five percent (75%), or Twenty-Two Thousand and Five-Hundred Dollars and Zero Cents ($$22,500), to be paid to the LWDA and twenty-five percent (25%), or Seven Thousand and Five-Hundred Dollars and Zero Cents ($7,500) to be distributed to all PAGA Aggrieved DSD Distributors as Individual PAGA Payments on a *pro rata* basis based upon their PAGA Pay Periods. PAGA Aggrieved DSD Distributors shall be prohibited from submitting a Request for Exclusion with respect to claims under PAGA and thus shall receive their portion of the PAGA Payment regardless of any Request for Exclusion from the Settlement Class.

1.33. “PAGA Period” or **“PAGA Release Period”** refer to the time period of March 20, 2023 through October 11, 2025.

1.1. “PAGA Release” refers to a release Defendants and all of their subsidiaries, affiliates, current and former shareholders, owners, members, agents, employees, predecessors, successors, assigns, PEO’s, and insureds, including all named individual defendants (the “Released Parties”) from any and all claims arising during the Class Period and alleged in the operative Complaint in the Class Case and in the LWDA PAGA Letter and all claims based on the facts alleged in the operative Complaint, including the claims for misclassification, failure to provide accurate wage statement, failure to pay all compensation due (overtime and regular), failure to provide meal and rest breaks, failure to pay timely wages, unlawful deductions from wages, failure to reimburse business expenses, and unfair business practice claims based on the foregoing, as well as all claims for civil penalties alleged in Plaintiff's LWDA PAGA Letter and based on the Labor Code claims alleged in the operative Complaint in the Case (the "Released Claims"). The Release Period for the Class claims shall be the Class Period, and the Release Period for the PAGA Release shall be the PAGA Covered Period.

1.2. **"Parties"** or **"Party"** refers to Plaintiff and Defendants, or each of them.

1.3. **"Preliminary Approval Order"** refers to the order by the Court granting preliminary approval to the Joint Stipulation of Settlement and directing the Parties to disseminate Class Notice to the Class.

1.4. **"Preliminary Approval Order Date"** refers to the date on which the Court enters the Preliminary Approval Order.

1.5. **"Class Released Claims"** refers to a release Defendants and all of their subsidiaries, affiliates, current and former shareholders, owners, members, agents, employees, predecessors, successors, assigns, PEO's, and insureds, including all named individual defendants (the "Released Parties") from any and all claims arising during the Class Period and alleged in the operative Complaint in the Class Case and in the LWDA PAGA Letter and all claims based on the facts alleged in the operative Complaint, including the claims for misclassification, failure to provide accurate wage statement, failure to pay all compensation due (overtime and regular), failure to provide meal and rest breaks, failure to pay timely wages, unlawful deductions from wages, failure to reimburse business expenses, and unfair business practice claims based on the foregoing, as well as all claims for civil penalties alleged in Plaintiff's LWDA PAGA Letter and based on the Labor Code claims alleged in the operative Complaint in the Case (the "Released Claims"). The Release Period for the Class claims shall be the Class Period, and the Release Period for the PAGA Release shall be the PAGA Covered Period.

1.6. "Released Parties" refers to Defendants, named defendants BONNIE NEUFELD; JASON PARASCO; and CHASE ROBINSON and all Defendants' present and former parent companies, subsidiaries, affiliates, owners, members, predecessors, PEO's, insureds, current and former shareholders, officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors, and assigns that could be liable to any member of the Class for any Released Claims as set forth in Paragraph 7.1.

1.7. "Request for Exclusion" refers to a request that a Class Member timely submits to the Settlement Administrator requesting to be excluded from the Class and this Joint Stipulation of Settlement. However, given the nature of PAGA, Class Members may not submit a Request for Exclusion with respect to the PAGA Claim and, thus, a PAGA Aggrieved DSD Distributor shall receive an Individual PAGA Payment and be bound by the release of the PAGA Claim regardless of whether they submit a Request for Exclusion from the Class.

1.8. "Response Deadline" refers to the date by which Class Members must submit a valid Request for Exclusion or Objection to the Joint Stipulation of Settlement, pursuant to the terms below, which shall be the date that is thirty (30) calendar days after the Notice Date and as such date may be modified by the Court. However, no Class Member is entitled to submit a Request for Exclusion or Objection to the settlement of the PAGA Claim.

1.9. "Settlement Administrator" refers to CPT Group, an independent third-party that will be engaged by Class Counsel and paid out of the Gross Settlement Amount, with the approval of Defendants, to perform the notice, administration, and distribution functions further described in this Joint Stipulation of Settlement in Section 8.

1.10. "Settlement Administration Cost" refers to the amount for which Class Counsel shall petition this Court for compensation of the Settlement Administrator pursuant to Paragraph 5.6 for services in administrating this settlement pursuant to Section 8 of this Joint Stipulation of Settlement. The Settlement Administration Cost shall be paid from the Gross Settlement Amount.

1.11. "Settlement Class" or **"Settlement Class Member"** or **"Settlement Class Members"** as used herein means all Class Members, or each of them, who do not timely submit a valid Request for Exclusion.

1.12. "Terminating Event(s)" refers to any occurrence set forth in Paragraph 14.2 below, or each of them, which cause this Joint Stipulation of Settlement to become null and void, namely: (a) Defendants exercise their right to rescission under Paragraph 14.1 (subject to the terms and conditions set forth therein); (b) the Court declines to enter a Preliminary Approval Order or declines to enter the Final Approval Order or Judgment or any part thereof as provided for herein, or the Parties fail to consent to the entry of alternative forms of Judgment, in lieu thereof, or after such consent the Court declines to enter such alternate form of Judgment; (c) the Court declines to approve the settlement of the PAGA Claim; or (d) the Court approves this Joint Stipulation of Settlement, including any amendments hereto, but any such Judgment and Final Approval Order is finally reversed on appeal.

2. RECITALS

2.1. The Litigation. The Action commenced on May 1, 2024 and was filed in San Diego Superior Court. The original named Plaintiff, Angel Gonzalez brought the following claims: (1) Failure to Reimburse Expenses under Labor Code section 2802; (2) Unlawful Deductions from Wages under Labor Code sections 221-223; (3) Failure to Provide Accurate Wage Statements under Labor Code section 226; (4) Failure to Pay Overtime under Labor Code section 510; (5) Failure to Provide Meal Periods under Labor Code section 226.7; (6) Failure to Provide Rest Breaks under Labor Code section 226.7; and (7) Violations of Business and Professions Code §§ 17200, *et seq*. Defendants timely answered on June 18, 2024.

2.2. On March 20, 2024, former Plaintiff Gonzalez submitted his PAGA Notice to the LWDA. On October 8, 2024, Plaintiff submitted an amended PAGA Notice to the LWDA.

2.3. On December 12, 2024, the FAC was filed in the Action adding Plaintiff Wells and a PAGA claim to the case.

2.4. On August 21, 2025, Plaintiff Gonzalez dismissed his individual claims with prejudice and exited the case.

2.5. After engaging in extensive written discovery over many months, the Parties agreed to attend mediation. They stipulated and the Court agreed to stay the matter from October 2025 through March 2026 (or upon earlier notice of an unsuccessful mediation) to allow the parties to focus on mediation rather than the class certification date.

2.6. The Parties attended mediation on January 7, 2026 with Craig Ackermann, a well versed employment mediator. In connection with the mediation, Defendants shared additional Class Member data informally so the parties could fully understand the potential claims and damages periods at issue. Plaintiff shared his mediation brief with Defendants to facilitate discussion of the strengths and weakness of each Parties' case and the potential exposure at issue. The case did not settle at mediation, but the mediator made a mediator's proposal in the weeks that followed that both parties accepted and executed on January 27, 2026.

2.7. The settlement discussions were conducted at arm's-length, and this Joint Stipulation of Settlement is the result of an informed and detailed analysis of Defendants' potential liability of total exposure in relation to the costs and risks associated with continued litigation. Based on the documents produced, as well as Class Counsel's own independent investigation and evaluation, and the efforts of Mediator Ackermann, Class Counsel believes that this Joint Stipulation of Settlement with Defendants for the consideration and on the terms set forth in this Joint Stipulation of Settlement is fair, reasonable, and adequate and is in the best interest of the Class Members in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation and various defenses asserted by Defendants.

2.8. Claims Disputed. Defendants deny all material allegations set forth in the Action and have asserted numerous affirmative defenses. Notwithstanding, in the interest of avoiding further litigation, Defendants desire to fully and finally settle the Action and obtain the releases set forth in Paragraph 7.1.

2.9. No Admissions. This Joint Stipulation of Settlement is made and entered into by and between Plaintiff, individually, and on behalf of all others similarly situated, and Defendants, and is subject to the terms and conditions hereof, and to the Court's approval. The Parties expressly acknowledge that this Joint Stipulation of Settlement is entered into solely for the purpose of compromising significantly disputed claims and that nothing herein is an admission of liability or wrongdoing by Defendants or any of the other Released Parties. If, for any reason, the Joint Stipulation of Settlement is not approved, it will be of no force or effect, and the Parties shall be returned to their original respective positions prior to entering this Joint Stipulation of Settlement.

NOW, THEREFORE, in consideration of these Recitals, which are incorporated into the Joint Stipulation of Settlement, and the mutual covenants, promises, and warranties set forth herein, the Parties agree, subject to the Court's approval, as follows:

3. IDENTIFICATION OF CLASS MEMBERS

3.1. Defendants' DSD Distributor Records. Defendants' DSD Distributor records are presumed to be accurate, unless a Class Member timely and properly submits valid contradicting documentation pursuant to Paragraph 8.9 which is granted.

4. COMPENSATION TO SETTLEMENT CLASS MEMBERS.

4.1. Funding. Provided all conditions to this Joint Stipulation of Settlement are satisfied and no Terminating Event has occurred, Defendants agree to pay the Gross Settlement Amount. This amount is non-reversionary. Under no circumstances will Defendants be required to pay more than the Gross Settlement Amount in connection with this Joint Stipulation of Settlement. Defendants shall provide the Gross Settlement Amount to the Settlement Administrator on or before the Final Funding Date. The Net Settlement Amount shall be distributed to the Settlement Class according to the "Settlement Class Payment Formula," as set forth below.

4.2. Settlement Class Payment Formula. The Net Settlement Amount shall be divided among Settlement Class Members based on the Settlement Class Members' number of Class DSD Distributor Months as a DSD Distributor in California with Defendants during the Class Period. The Settlement Administrator will calculate each Settlement Class Member's *pro rata* share of the Net Settlement Amount by dividing the total number of Class DSD Distributor Months for all Settlement Class Members during the Class Period into the Net Settlement Amount (*i.e.*, the "DSD Distributor Month Value"), and then multiplying the DSD Distributor Month Value by the number of Class DSD Distributor Months in which the Settlement Class operated as a DSD Distributor in California with Defendants during the Class Period.

4.3. Calculation of Settlement Class DSD Distributor Months. Defendants shall provide the Settlement Administrator with the start and ending dates during which each Class Member operated as a DSD Distributor in California with Defendants within the Class Period. Based on this history data provided to the Settlement Administrator by Defendants, the Settlement Administrator will calculate each member of the Class's DSD Distributor Work Months by calculating the total months a Class Member operated as a DSD Distributor in California for Defendants during the Class Period. Partial DSD Distributor Months will be rounded up to the nearest full DSD Distributor Month. Defendants' data will be presumed to be correct, unless a particular Class Member proves otherwise to the Settlement Administrator by providing written documentation or the electronic equivalent to support the correction. All DSD Distributor Month disputes will be resolved and decided by the Settlement Administrator, and the Settlement Administrator's decision on all DSD Distributor month disputes will be final and non-appealable.

4.4. Maximum Payment. Under no circumstances shall the aggregate of Individual Settlement Payments paid to Class Members exceed the Net Settlement Amount. If the total value of Individual Class Settlement Payments exceeds the Net Settlement Amount, each Class Member's recovery shall be reduced on a *pro rata* basis so that the total amount of Individual Class Settlement Payments does not exceed the Net Settlement Amount. This *pro rata* decrease shall be made until the total Class payment is equal to the Net Settlement Amount.

4.5. Individual Class Settlement Payment Distribution. The Settlement Administrator shall attempt to deliver each Settlement Class Member's Individual Class Settlement Payment to the Settlement Class Member's last known address as indicated in Defendants' records, or to a more recent address using reasonable efforts to locate a Class Member, as set forth more fully in Paragraph 8.2, within fifteen (15) days of the Final Funding Date. The Settlement Administrator shall also provide notice to Settlement Class Members that the payments have gone out in the mail via email (where available). Any Individual Class Settlement Payment that is undeliverable due to an inaccurate or non-current address of a Class Member, following reasonable efforts by the Settlement Administrator to locate the Class Member or delivered to a Settlement Class Member but uncashed at the time the checks expire according to Paragraph 8.12, will be distributed to California's Unclaimed Property Fund in the name of the Class Member.

4.6. Individual Class Settlement Payment Check. The Settlement Administrator shall mail each Settlement Class Member one check that shall constitute the Settlement Class Member's Individual Class Settlement Payment. The checks shall include writing indicating that they shall expire one hundred eighty (180) days from the date of issuance, as set forth below in Paragraph 8.12.

5. AWARD OF FEES, COSTS, AND CLASS REPRESENTATIVE ENHANCEMENTS

5.1. **Attorneys' Fees and Litigation Costs**. Any attorneys' fees and litigation costs awarded to Class Counsel will be paid out of the Gross Settlement Amount. Class Counsel shall apply to the Court for approval of an award of attorneys' fees in an amount that will not exceed thirty-three percent (33%) of the Gross Settlement Amount, *i.e.* up to Four-Hundred and Thirteen Thousand Three Hundred and Thirty-Three Dollars and Thirty-Three Cents $413,333.33), which shall be paid out of the Gross Settlement Amount. Class Counsel shall not apply to the Court for an award of attorneys' fees that is greater than the amounts set forth in this Joint Stipulation of Settlement. Class Counsel shall also apply to the Court for approval of an award of litigation costs in an amount not to exceed not exceed Twenty Thousand Dollars and Zero Cents ($20,000) conditioned upon the Joint Stipulation of Settlement reaching its Effective Date. Any reduction by the Court in attorneys' fees or litigation costs awarded to Class Counsel will be added to the Net Settlement Amount and distributed to Settlement Class Members on a *pro rata* basis, in accordance with Paragraph 4.2. Payment shall be made by the Settlement Administrator from the Gross Settlement Amount to Class Counsel as they direct, within fifteen (15) days of the Final Funding Date. Class Counsel may elect to allocate a portion of awarded attorneys' fees and litigation costs to a Qualified Settlement Fund. Defendants shall not be liable, and Class Counsel agrees to indemnify and hold Defendants harmless, for any tax implications as a result of any such election.

5.2. **Class Representative Enhancement**. Class Counsel will petition the Court for Class Representative Enhancement for the Class Representative to compensate him for his time and energy spent in serving as the Class Representative and as consideration for the individual release and waiver of Section 1542 of the California Civil Code as set forth in Paragraph 7.4. Class Counsel's application for Class Representative Enhancement for the Class Representative will not exceed a total of Ten Thousand Dollars and Zero Cents ($10,000.00). Class Representative will be provided an IRS Form 1099 for all amounts paid as to them as Class Representative Enhancement. The Class Representative

Enhancement shall be independent of any other benefits to which Class Representative may be entitled as a Class Member pursuant to this Joint Stipulation of Settlement and plan of allocation. The Class Representative Enhancement paid to the Class Representative will be paid by the Settlement Administrator from the Gross Settlement Amount within fifteen (15) days of the Final Funding Date. Any reduction by the Court in the Class Representative Enhancement awarded to Class Representative will be distributed to all Settlement Class Members on a *pro rata* basis proportionate to the amounts due to each Settlement Class Member under this Joint Stipulation of Settlement, in accordance with Paragraph 4.2. Enhancement is paid in part in consideration for the general release of all claims and waiver of California Civil Code section 1542, and the execution of this Joint Stipulation of Settlement and the accompanying general release and Section 1542 waiver set forth in Paragraph 7.4. below is a condition precedent to payment of the Class Representative Enhancement. Class Representative Enhancement shall be deemed to be paid to the Class Representative solely in the year in which such payments actually are received by Class Representative. It is expressly understood and agreed that the receipt of such payments will not entitle Class Representative to additional compensation or benefits under any company bonus, contest, or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle Class Representative to any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits. It is the intent of this Joint Stipulation of Settlement that Class Representative is not entitled to any new or additional compensation or benefits outside of this Joint Stipulation of Settlement as a result of having received the individual Class Representative Enhancement.

5.3. PAGA Payment. Thirty Thousand Dollars and Zero Cents ($30,000.00) shall be paid from the Gross Settlement Amount as PAGA Payment. The Settlement Administrator shall pay Twenty-Two Thousand Five Dollars and Zero Cents ($22,500.00) from that amount directly to the LWDA. The remaining Seven Thousand Five Hundred Dollars and Zero Cents ($7,500.00) shall be distributed to all PAGA Aggrieved DSD Distributors on a *pro rata* basis as their Individual PAGA

Payment based upon the number of PAGA DSD Distributor Months by each PAGA Aggrieved DSD Distributor during the PAGA Period. Individual PAGA Payments shall be distributed to PAGA Aggrieved DSD Distributors in the same manner as Individual Class Settlement Payments as set forth in Paragraphs 4.5 and 8.2. If a PAGA Aggrieved DSD Distributor is also a Settlement Class Member, the PAGA Aggrieved DSD Distributor's Individual Class Settlement Payment and Individual PAGA Payment may be combined into a single check pursuant to Paragraph 4.6.

5.4. Calculation of PAGA DSD Distributor Months. Defendants shall provide the Settlement Administrator with the start and ending dates during which each PAGA Aggrieved DSD Distributor operated as a DSD Distributor in California with Defendants within the PAGA Period. This will be the PAGA Aggrieved DSD Distributor's number of PAGA DSD Distributor Months. Based on this data, the Settlement Administrator will calculate each PAGA Aggrieved DSD Distributor's PAGA DSD Distributor Months and the total amount of DSD Distributor Months for the PAGA Aggrieved DSD Distributors in order to arrive at each Aggrieved DSD Distributor's proportional share of the Individual PAGA Payment. Partial PAGA DSD Distributor Months will be rounded up to the nearest whole PAGA DSD Distributor Months. Defendants' history data will be presumed to be correct, unless a particular PAGA Aggrieved DSD Distributor proves otherwise to the Settlement Administrator by providing written documentation to support the correction. All disputes will be resolved and decided by the Settlement Administrator, and the Settlement Administrator's decision on all disputes will be final and non-appealable.

5.5. Individual PAGA Payment Formula. The Settlement Administrator shall calculate individual PAGA Aggrieved DSD Distributors' Individual PAGA Payments by: (a) first, calculating the total number of PAGA DSD Distributor Months applicable to all PAGA Aggrieved DSD Distributors; (b) second, dividing the twenty-five percent (25%) of the PAGA Payment to be distributed to PAGA Aggrieved DSD Distributors as set forth in Paragraph 5.3 (i.e. $7,500) by the total number of

PAGA DSD Distributor Months applicable to all PAGA Aggrieved DSD Distributors; and (c) third, multiplying the quotient of the calculation in step (b) by each PAGA Aggrieved DSD Distributors' individual number of PAGA DSD Distributor Months. PAGA Aggrieved DSD Distributors are not permitted to object to or submit a Request for Exclusion from the settlement of the PAGA Claim, and all PAGA Aggrieved DSD Distributors will receive an Individual PAGA Payment whether or not they submit a timely Request for Exclusion.

5.6. Settlement Administration Costs. Class Counsel shall apply to the Court for approval of an award of Settlement Administration Costs not to exceed Ten Thousand Dollars and Zero Cents ($10,000.00) in order to compensate the Settlement Administrator in its efforts in administering this settlement in accordance with Section 8 of this Joint Stipulation of Settlement. Defendants shall not oppose any request for Settlement Administration Costs not exceeding Ten Thousand Dollars and Zero Cents ($10,000.00). Any award of Settlement Administration Costs shall be paid from the Gross Settlement Amount. Defendants shall not be responsible for any amounts charged by the Settlement Administrator in excess of the amount awarded by the Court. Expenses were not negotiated until a settlement was reached as to all major issues pertaining to the claims of the Class.

5.7. Limitation on Costs and Fees. Except as provided in this Joint Stipulation of Settlement, Defendants shall not be required to pay any other expenses, costs, damages, or fees incurred by Plaintiff, by any Class Member, or by any of their attorneys, experts, advisors, agents, or representatives. Any award of attorneys' fees, costs, and expenses payable hereunder to Class Counsel shall be in complete satisfaction of any and all claims for such attorneys' fees, costs, and expenses, under state or federal law, which Class Representatives, other Class Members, Class Counsel, or any other counsel have or may have against Defendants arising out of or in connection with the Action and this Joint Stipulation of Settlement, including, but not limited to, any claims for attorneys' fees, costs, and expenses involved in litigating the Action and in negotiating and implementing this Joint Stipulation of Settlement, including attorneys' fees, costs, and expenses incurred through and after the final disposition and termination of the Action and including any and all appeals. Defendants shall not be responsible for distributing or apportioning any award of attorneys' fees and expenses among Class Counsel.

5.8. Time for Distribution. After Defendants fund the Gross Settlement Amount, as provided in Paragraph 4.1, the distribution of payments shall commence as soon as practicable thereafter, but no more than fifteen (15) calendar days after the Final Funding Date.

6. TAXES.

6.1. The Settlement Administrator shall issue a Form 1099, under the terms set forth in this Joint Stipulation of Settlement, to Class Members receiving an Individual Settlement Payment.

6.2. For all purposes, Individual Class Settlement Payments and/or Individual PAGA Payments shall be deemed to be paid to Class Members solely in the year in which payment of such Individual Class Settlement Payments and/or Individual PAGA Payments are actually received by the Class Members. It is expressly understood and agreed that the receipt of such Individual Class Settlement Payments and Individual PAGA Payments will not entitle any Class Member to additional compensation or benefits under any company bonus, contest, or other compensation, or benefit plan or agreement in place during the Class Period, nor will it entitle any Class Member to any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits. It is the intent of this Joint Stipulation of Settlement that Individual Class Settlement Payments and Individual PAGA Payments are the sole payments to be made by Defendants to Class Members as it relates to the Action, and that Class Members are not entitled to any new or additional compensation or benefits as a result of having received the Individual Class Settlement Payments and/or Individual PAGA Payments.

6.3. Tax Liability. Defendants make no representation as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiff and Class Members are not relying on any statement, representation, or calculation by Defendants or by the Settlement Administrator in this regard.

Class Members and Class Counsel understand and agree that Class Members shall be responsible for the payment of all of their taxes and penalties assessed on the payments specified herein, and shall hold the Parties, Class Counsel, and Defendants' Counsel free and harmless from and against any claims resulting from their treatment of such payments as non-taxable.

6.4. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT ACKNOWLEDGES AND AGREES THAT: (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

7. RELEASE. In exchange for the consideration set forth in this Joint Stipulation of Settlement, Plaintiff and the Settlement Class Members agree to release all claims alleged in the Action, as set forth below.

7.1. Released Claims by Settlement Class. Subject to Defendants funding the Settlement, upon the Effective Date following Final Approval of this Joint Stipulation of Settlement, each Class Member who has not timely and appropriately opted out of this Joint Stipulation of Settlement by way of submitting a Request for Exclusion (*i.e.* the Settlement Class), will release the Released Parties from any and all claims arising during the Class Period and alleged in the operative Complaint in the Class Case and in the LWDA PAGA Letter and all claims based on the facts alleged in the operative Complaint, including the claims for misclassification, failure to provide accurate wage statement, failure to pay all compensation due (overtime and regular), failure to provide meal and rest breaks, failure to pay timely wages, unlawful deductions from wages, failure to reimburse business expenses, and unfair business practice claims based on the foregoing, as well as all claims for civil penalties alleged in Plaintiff's LWDA PAGA Letter and based on the Labor Code claims alleged in the operative Complaint in the Case (the "Released Claims"). The Release Period for the Class claims shall be the Class Period, and the Release Period for the PAGA Release shall be the PAGA Covered Period.

7.2. Effective Dates of Class Release. The Release set forth in paragraph 7.1 shall cover all claims held by the Releasing Parties during the Class Period.

7.3. Additional Release by All PAGA Aggrieved DSD Distributors. Subject to Defendants funding the Settlement, in addition to the release of Released Class Claims against the Released Parties made by all Settlement Class Members, all PAGA Aggrieved DSD Distributors shall be deemed to have released their respective Released PAGA Claims against the Released Parties over the PAGA Period. The Parties agree that there is no statutory right for any PAGA Aggrieved DSD Distributor to opt out, object, or otherwise exclude himself or herself from the PAGA Payment and the associated release of claims and rights under PAGA.

7.1. Additional Release and Waiver of Claims by Plaintiff. In addition to the release of the Released Class Claims against the Released Parties made by all Participating Class Members and the release of the Released PAGA Claims against the Released Parties made by all PAGA Aggrieved DSD Distributors, as set forth above, Plaintiff further agrees that in exchange in part for Defendants' payment to Class Representative of the Court-approved Class Representative Enhancement , Plaintiff releases the Released Parties from any and all claims, known and unknown, under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, arising as of the date of execution of this Agreement, including, but not limited to, claims arising from or related to its agreement with Defendants and its compensation while a DSD Distributor ("Class Representative's Released Claims"). Class Representative's Released Claims include, but are not limited to, all of the Released Claims and any other claims arising under the California Labor Code; any claim arising out of the California common law of contract; the Fair Labor Standards Act, 29 U.S.C. section 201 *et seq.*, and federal common law; all claims for lost wages and benefits, emotional distress, retaliation, punitive damages, and attorneys' fees and costs arising under federal, state, or local laws for discrimination, harassment, and wrongful termination, including, but not limited to, 42 U.S.C. section 1981, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the California Fair Employment and Housing Act, the California Labor Code, and the law of contract and tort. This release excludes the release of claims not permitted by law including, without limitation, any claims for workers' compensation benefits.

Plaintiff's Released Claims include all claims, whether known or unknown. Even if Class Representative discovers facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of Class Representative's Released Claims, those claims will remain released and forever barred. To affect a full and complete general release as described above, Class Representative expressly waives and relinquishes all rights and benefits of Section 1542 of the Civil Code of the State of California, and do so understanding and acknowledging the significance and consequence of specifically waiving Section 1542. Section 1542 of the Civil Code of the State of California states as follows:

> **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.**

Thus, notwithstanding the provisions of Section 1542, and to implement a full and complete release and discharge of Released Parties, Class Representative expressly acknowledges this Stipulation of Settlement is intended to include in its effect, without limitation, all claims Class Representative does not know or suspect to exist in Class Representative's favor at the time of signing this Stipulation of Settlement, and that this Stipulation of Settlement contemplates the extinguishment of any such claims. Class Representative warrants that Class Representative has read this Stipulation of Settlement, including this waiver of California Civil Code section 1542, and that Class Representative has consulted with or had the opportunity to consult with counsel of Class Representative's choosing regarding this Stipulation of Settlement and specifically about the waiver of Section 1542, and that Class Representative understands this Stipulation of Settlement and the Section 1542 waiver, and so Class Representative freely and knowingly enter into this Stipulation of Settlement. Class Representative further acknowledges that Class Representative later may discover facts different from or in addition to those Class Representative now know or believe to be true regarding the matters released or described in this Stipulation of Settlement, and even so Class Representative agrees that the releases and agreements contained in this Stipulation of

Settlement shall remain effective in all respects notwithstanding any later discovery of any different or additional facts. Class Representative expressly assumes any and all risk of any mistake in connection with the true facts involved in the matters, disputes, or controversies released or described in this Stipulation of Settlement or with regard to any facts now unknown to Class Representative relating thereto.

7.2. All Members Of The Settlement Class Are Settling Parties. All Settlement Class Members shall be bound by the terms and conditions of this Joint Stipulation of Settlement, including all orders issued pursuant thereto, and shall be deemed to have waived all unstated objections and opposition to the fairness, reasonableness, and adequacy of this Joint Stipulation of Settlement, and any of its terms.

7.3. Effect of Joint Stipulation of Settlement. If the Joint Stipulation of Settlement is given final approval and reaches the Effective Date, it shall operate as a full, complete, and final release of all the Released Claims of the Class Representative, all the Released Claims of the Settlement Class Members, and all Releasing Parties. Additionally, this Joint Stipulation of Settlement shall operate as a full, complete, and final release of the PAGA Claim of all PAGA Aggrieved DSD Distributors during the PAGA Period, regardless of whether any such PAGA Aggrieved DSD Distributor submitted a timely, valid Request for Exclusion from the Joint Stipulation of Settlement.

7.4. No Other Liability. The Joint Stipulation of Settlement shall be in full settlement, compromise, release and discharge of the Released Claims and each of them, and the Released Claims by the Class Representative, and the Released Parties shall have no further or other liability or obligation to any member of the Settlement Class, the Class Representative, or any other Releasing Party with respect to the Released Claims, except as expressly provided herein.

8. SETTLEMENT ADMINISTRATION

8.1. Engagement of Settlement Administrator. The Parties have agreed to retain CPT Group as the Settlement Administrator to perform the Class Notice and other claims administration functions necessary for the Parties to fulfill their settlement obligations.

(a) The Settlement Administrator shall perform the customary duties of a Settlement Administrator including, but not limited to, the following:

(i) Preparing, printing, and disseminating the Class Notice to Class Members;

(ii) Promptly furnishing to Class Counsel and Defendants' Counsel copies of all Objections and Requests for Exclusion received;

(iii) Promptly furnishing to Defendants' Counsel copies and information regarding, and verifying the information contained within, all disputes submitted by Class Members regarding the Class DSD Distributor Months and PAGA DSD Distributor Months stated the Class Notice;

and

(v) Distributing all monies called for under this Joint Stipulation of Settlement including Individual Class Settlement Payments or Individual PAGA Payments to all Settlement Class Members and PAGA Aggrieved DSD Distributors. Additionally, the Settlement Administrator will handle all tax document preparation and filing, including state and federal tax forms, if any.

(b) Also, on a weekly basis after the Notice Date, the Settlement Administrator shall provide Defendants' Counsel and Class Counsel with a summary report, including the total number of Class Notices that were returned as undeliverable, and the total number of Workweek Disputes, Requests for Exclusion, and Objections received. The Settlement Administrator shall maintain records of its work, which shall be available for inspection upon request by Defendants' Counsel or Class Counsel.

8.2. Identification of Class Members. Defendants will complete a review of its records to identify the Class Members. Within thirty (14) calendar days of the entry of the Preliminary Approval Order, Defendants shall provide the Settlement Administrator with "Class Data List," which shall consist of the following information:

(a) The names, last known addresses, email addresses (where available), and social security numbers of each Class Member;

(b) The dates during which a DSD Distributor operated as a DSD Distributor in California for Defendants during the Class Period; and

(c) Such other information that the Settlement Administrator requires to identify Class Members.

Upon its receipt of the Class Data List, and no later than seven (7) days thereafter, the Settlement Administrator shall access the National Change of Address ("NCOA") Database, and update the addresses maintained by Defendants before mailing the Class Notice.

8.3. Privacy of Class Information. Any production of information to Class Counsel from the Class Data List must be made in redacted form so that only the name and Individual Class Settlement Payment or Individual PAGA Payment will be provided. Other private information, including address, phone number, social security number, or other identifying information shall not be provided to Class Counsel.

8.4. Modification of Class Data List. If Defendants, Class Counsel, and the Settlement Administrator determine, based upon further review of available data, that a person previously identified as being a Class Member should not be so included or identify a person who should have been included as a Class Member but was not so included, Defendants and the Settlement Administrator shall promptly delete or add such person as appropriate and notify Class Counsel prior to such deletions or additions (and the reasons therefore). The time periods and methodologies set forth herein reflect Defendants' best current belief as to its ability to make such identifications and it is understood that Defendants, in undertaking the tasks set forth herein, shall use reasonable efforts to identify all Class Members and to determine their last known addresses and social security numbers, as provided above, and to do so within the stated time periods. Other than the obligations set forth in this Joint Stipulation of Settlement, Defendants shall have no additional obligation to identify or locate any Class Member.

8.5. Class Notice For Persons Identified As Class Members. On or before the Notice Date (*i.e.,* within thirty (30) calendar days of the entry of the Preliminary Approval Order), the Settlement Administrator shall send the Class Notice by bulk first class mail, forwarding requested, to the Class Members at the addresses identified through the process described above. Where email addresses are available, the same notice will be sent via email. The Class Notice shall state the total number of Class DSD Distributor Months worked during the Class Period to whom it is being sent, and the total number of PAGA DSD Distributor Months worked during the PAGA Period (if applicable) and that Defendants shall make available to the Class Member an Individual Class Settlement Payment as set forth in this Joint Stipulation of Settlement, subject to the limitations set forth herein. The number of Class DSD Distributor Months for each Class Member and the number of PAGA DSD Distributor Months for each PAGA Aggrieved DSD Distributor shall be determined according to Defendant's records.

8.6. Notice Deemed Effective. Unless the Settlement Administrator receives a Class Notice returned from the United States Postal Service for reasons discussed below in this Paragraph, that Class Notice shall be deemed mailed and received by the Class Member on the date it was sent. In the event that subsequent to the first mailing of a Class Notice and prior to the Response Deadline, Class Notice is returned to the Settlement Administrator by the United States Postal Service because the address of the recipient is no longer valid or the envelope is marked "Return to Sender," the Settlement

Administrator shall undertake another attempt to ascertain the current address of the particular Class Member as provided in Paragraph 8.2 and by conducting a skip trace and, if such an address is ascertained, the Settlement Administrator will re-send the Class Notice within three (3) business days of receipt of the returned Class Notice. In either event, the Class Notice shall be deemed received once it is mailed for the second time. In the event that subsequent to the first mailing of a Class Notice and on or after the Response Deadline, that Class Notice is returned to the Settlement Administrator by the United States Postal Service because the address of the recipient is no longer valid or the envelope is marked "Return to Sender," the Settlement Administrator shall be required to take no further action with Class Notice to that Class Member, and Class Notice shall be deemed to have been delivered to that Class Member. In the event that subsequent to the first mailing of a Class Notice and prior to the Response Deadline, or up to fifteen (15) calendar days after the Response Deadline, the Class Notice sent to that Class Member is returned to the Settlement Administrator by the United States Postal Service with a forwarding address for the recipient, the Settlement Administrator shall re-mail the notice to that address within three (3) business days of receipt of the returned Class Notice, the Class Notice will be deemed mailed and received by that Class Member at that time, and the forwarding address shall be deemed the updated address for that Class Member. In any event, if the Settlement Administrator does not receive notice from the United States Postal Service that Class Notice to a particular Class Member is undeliverable, or should be sent to a forwarding address, at least ten (10) calendar days prior to the deadline for the Settlement Administrator to provide the Declaration of Compliance pursuant to Paragraph 8.13 below, the notice procedures in this Paragraph will be deemed to have been effectuated as to that Class Member and no further action need be taken by the Settlement Administrator with regard to Class Notice to that Class Member, unless directed to by the Court.

8.7. Time to Request Exclusion, or To Object. Class Members will have until the Response Deadline (*i.e.*, thirty (30) days after the Notice Date), to submit any Objections or postmark and mail a Request for Exclusion. PAGA Aggrieved DSD Distributors shall not be permitted to submit and Objection or Request from Exclusion from the settlement of the PAGA Claim.

8.8. Extension For Response Due To Re-Mailing of Class Notice. In the event the Settlement Administrator must re-mail any Class Notice due to being returned for an invalid address, the Response Deadline shall be extended for those re-mailings to no later than ten (10) calendar days from the date of the re-mailing of the Class Notice. The Settlement Administrator shall include a cover letter with any re-mailing informing the Class Member of the re-mailing of the Class Notice and specify the actual calendar date by which the Class Member must postmark any response, even if postmarked after the original Response Deadline. The new Response Deadline for that Class Member shall be calculated by taking the date of mailing and adding ten (10) calendar days. Compliance with the procedures described in this Paragraph shall constitute due and sufficient notice to Class Members of this Joint Stipulation of Settlement and of the Final Fairness Hearing, and shall satisfy the requirements of due process. Nothing additional shall be required of or done by the Settling Parties, Class Counsel, Defendants' Counsel, or the Settlement Administrator to provide notice of this Joint Stipulation of Settlement and the Final Fairness Hearing, unless the Court orders otherwise.

8.9. Disputes Regarding DSD Distributor Months. The Class Notice shall state each Class Member's number of DSD Distributor Months for which the Class Member is entitled to recovery, and if necessary, the number of PAGA DSD Distributor Months for which the PAGA Aggrieved DSD Distributor is entitled to recovery. The Class Notice shall also state that, if the Class Member disagrees with the information set forth thereon regarding the number of DSD Distributor Months worked during the Class Period, or the number of PAGA DSD Distributor Months worked during the PAGA Period, the Class Member must submit to the Settlement Administrator the information that he or she believes is correct, explain the basis for such belief, and submit written documentation to support his or her challenge. Failure to submit written documentation to the Settlement Administrator by the Response Deadline to support such challenge will cause Defendant's information to be deemed controlling, without the need for a curative letter from the Settlement Administrator.

8.10. Objections to the Settlement. Any member of the Class may object to the proposed Joint Stipulation of Settlement, or any portion thereof, by mailing a written objection, and supporting papers, if any, to the Settlement Administrator at the address that is set forth in the Class Notice. To be timely, all objections should be postmarked no later than the Response Deadline (*i.e.*, thirty (30) days after the Notice Date), subject to the extensions stated above. A written objection should contain the objecting person's full name, current address, last four digits of his or her social security number, and include all objections and the reasons therefore, and include any and all supporting papers (including, without limitation, all briefs, written evidence, and declarations). The objection should also be dated and signed by the Class Member. The Settlement Administrator shall send all objections by .pdf to Defendants' Counsel and Class Counsel. Any objecting Class Member may also appear at the Final Fairness Hearing and present his or her objection to the Court orally. Any Class Member who files an objection remains a part of the Settlement Class, eligible to receive monetary compensation from the Settlement. Neither Defendants nor the Class shall be responsible for fees, costs, or expenses related to any Class Members who submit objections to the Joint Stipulation of Settlement or any appeal by an objector arising from the Action for attorneys' fees, costs, or expenses of any kind. Notwithstanding the above, no Class Member shall be permitted to object to the settlement of the PAGA Claim.

8.11. Request For Exclusion. In order for a Class Member to validly and effectively Request for Exclusion from, and opt out of, this Joint Stipulation of Settlement, the Class Member must submit a valid, fully-executed Request for Exclusion to the Settlement Administrator, which must be postmarked no later than the Response Deadline (*i.e.*, thirty (30) calendar days after the Notice Date), subject to the extensions stated above. Late Requests for Exclusion will not be accepted. In the Request for Exclusion, the Class Member must provide his or her full name, last four digits of the Class Member's social security number, and sign and date the Request for Exclusion to validly and effectively opt out of this Settlement. Any Class Member who is validly excluded from this Joint Stipulation of Settlement as provided in this Paragraph shall not receive any payment from this Settlement, unless the Class Member is a PAGA Aggrieved DSD Distributor entitled to a portion of the Individual PAGA Payment, shall have no right to object to this Joint Stipulation of Settlement, and shall not be bound by any Release provided for in this Joint Stipulation of Settlement. Notwithstanding the above, no PAGA Aggrieved DSD Distributor shall be permitted to opt-out of the settlement of the PAGA Claim, and, as a result, any qualifying PAGA Aggrieved DSD Distributor shall receive an Individual PAGA Payment and shall be bound by the release of the PAGA Claim despite the submission of a Request for Exclusion.

8.12. Discharge of Obligations. Defendants shall fully discharge its obligations under this Joint Stipulation of Settlement once the Gross Settlement Amount is provided to the Settlement Administrator. The Settlement Administrator shall fully discharge its obligations to those Class Members to whom it will provide payment of an Individual Class Settlement Payment and/or Individual PAGA Payment through the mailing of a check as set forth in Paragraphs 4.5 and 5.3, above, regardless of whether such checks are actually received or negotiated by Class Members. Any check that is not negotiated within one hundred eighty (180) days of mailing to a Class Member shall not be re-issued and those funds shall be distributed to Legal Aid of Sonoma County as the *cy pres* beneficiary designated by the Parties. Any checks that were delivered to a Class Member but remain uncashed at the time the checks expire as set forth above will similarly be distributed to Legal Aid of Sonoma County as the *cy pres* beneficiary designated by the Parties. The Gross Settlement Amount represents Defendants' complete and total financial obligation with respect to the Joint Stipulation of Settlement and shall be funded to the Settlement Administrator via wire transfer or electronic funds transfer on or before the Final Funding Date. Upon provision of the Gross Settlement Amount by Defendants to the Settlement Administrator, all of Defendants' payment obligations under this Joint Stipulation of Settlement shall be deemed complete.

8.13. Settlement Administrator Declaration of Compliance. No later than fifteen (15) calendar days after the Response Deadline, the Settlement Administrator shall provide Class Counsel and Defendants' Counsel with a declaration attesting to completion of the notice process, including any attempts to obtain updated addresses for, and the re-sending of, any returned Class Notices, including the steps set forth in Paragraphs 8.2 through 8.11 above ("Declaration of Compliance"), which shall be filed with the Court by Class Counsel.

9. APPLICATION FOR PRELIMINARY APPROVAL ORDER. Class Representative will file a Motion for Preliminary Approval of the proposed Joint Stipulation of Settlement. In connection with the Motion, the Parties shall apply for a Preliminary Approval Order that contains the following provisions:

(a) Appointing Class Counsel;

(b) Appointing Plaintiff as Class Representatives;

(c) Preliminarily approving the Joint Stipulation of Settlement under the legal standards relating to the preliminary approval of class action settlements;

(d) Approving the form of the Class Notice and finding that the proposed method of disseminating the Class Notice meets the requirements of Federal Rule of Civil Procedure 23 and due process, and is the best notice practicable under the circumstances;

(e) Approving the settlement of the PAGA Claim and the PAGA Payment;

(f) Approving CPT Group as the Settlement Administrator;

(g) Establishing the procedures and the deadline by which Class Members may assert Objections to or submit Requests for Exclusion from the Joint Stipulation of Settlement;

(h) Directing the mailing of the Class Notice by first class mail and email (where available) to the Class;

(i) Setting a date for the Final Fairness Hearing including Plaintiff's Motion for Attorneys fees and costs.

10. FINAL FAIRNESS HEARING. Class Representative shall file a Motion for Final Approval of this Settlement in advance of the Final Fairness Hearing, as ordered by the Court in its Preliminary Approval Order. At the Final Fairness Hearing, the Parties shall use their best efforts to urge the Court to grant final approval of the Joint Stipulation of Settlement in its entirety (including any modification made thereto with the consent of the Settling Parties as provided herein), and to enter a Final Approval Order and Judgment as set forth in Paragraphs 11.1 and 11.2.

11. FINAL APPROVAL ORDER AND JUDGMENT. If the Joint Stipulation of Settlement (including any modification made thereto with the consent of the Settling Parties as provided herein) is finally approved by the Court following the Final Fairness Hearing, the Settling Parties hereto shall jointly request that the Court enter a Final Approval Order and Judgment as follows:

11.1. Final Approval Order. The Final Approval Order shall include the following provisions:

(a) Finding that the dissemination of the Class Notice in the form and manner ordered by the Court was accomplished as directed, met the requirements of due process, was the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons entitled thereto;

(b) Finding that the Class Representative and Class Counsel herein have fairly and adequately represented and protected the interests of the Class at all times in the Action;

(c) Finally approving the Joint Stipulation of Settlement as fair, reasonable, and adequate, and directing consummation of the Joint Stipulation of Settlement in accordance with its terms and provisions;

(d) Finally approving the settlement of the PAGA Claim; and

(e) Entering judgment as set forth in Paragraph 11.2.

11.2. Judgment. The Judgment shall include the following provisions:

(a) Definition of the Class;

(b) Direction to the Settling Parties to implement the terms of the Joint Stipulation of Settlement, including, without limitation, the provisions regarding the payment of the Individual Class Settlement Payments to each member of the Settlement Class, Individual PAGA Payments to PAGA Aggrieved DSD Distributors, and the portion of the PAGA Payment to the LWDA, as set forth in this Joint Stipulation of Settlement;

(c) Entering judgment including the Release provisions set forth in this Joint Stipulation of Settlement and permanently barring and enjoining all qualifying Class Members from prosecuting any future PAGA Claim released by this Joint Stipulation of Settlement and permanently barring and enjoining all Settlement Class Members from prosecuting against any of the Released Parties, any individual, class, or collective claims based on any of the Released Claims within the Released Period released herein;

(d) Awarding reasonable attorneys' fees, costs, and expenses to Class Counsel and the Settlement Administrator as provided in Paragraphs 5.1 and 5.6, and subject to the limitations set forth in Paragraphs 5.3 and 5.7, or reserving jurisdiction with respect thereto;

(e) Awarding enhancements to the Class Representative as provided in Paragraph 5.2, and subject to the limitations set forth therein, or reserving jurisdiction with respect thereto; and

(f) Reserving continuing and exclusive jurisdiction over all matters related to the administration and consummation of the terms of this Joint Stipulation of Settlement, over the enforcement, construction and interpretation of this Joint Stipulation of Settlement, over the enforcement, construction, and interpretation of the Judgment, including, but not limited to, the provisions therein enjoining any further litigation of Released Claims, and over Plaintiff and all Class Members (and their attorneys and law firms) in connection therewith.

12. DEFENDANTS' COMMENT ON SETTLEMENT APPROVAL MOTION PAPERS. Class Representative will provide Defendants with the opportunity to review and comment upon the drafts of all pleadings to be filed in connection with their Motion for Preliminary Approval and Motion for Final Approval (*e.g.,* notice of motion, memorandum of points and authorities, and declarations) within five (5) days of filing of these respective motions with the Court.

13. FINALITY; EFFECT OF THE JOINT STIPULATION OF SETTLEMENT NOT BEING FINAL.

13.1. Finality. The approval of the Joint Stipulation of Settlement shall be considered final on the Effective Date. Except as expressly stated herein, none of the obligations of Defendants pursuant to the Joint Stipulation of Settlement shall become effective until the Joint Stipulation of Settlement becomes final, but Defendants may waive this condition in writing.

13.2. Settlement Not Final. In the event that the Joint Stipulation of Settlement does not become final, or does not become effective for any reason other than the failure of any Party to perform such Party's obligations hereunder (except as to the Joint Stipulation of Settlement not becoming final because of any appeal, which circumstance can be waived by Defendants), then the Joint Stipulation of Settlement shall become null and void and of no further force and effect, and all negotiations, proceedings, and statements relating thereto shall be without prejudice as to the rights of any and all Parties hereto and their respective predecessors and successors, and all Parties and their respective predecessors and successors shall be deemed to have reverted to their respective positions in the Action as of the date and time immediately prior to the execution of this Joint Stipulation of Settlement, and except as otherwise expressly provided, the effect shall be the same as if the Joint Stipulation of Settlement was terminated pursuant to Paragraphs 14.2 and 14.3. The Parties' will use their best efforts to engage in good faith negotiations to attempt to amend or modify any terms that prevented the Joint Stipulation of Settlement from becoming final.

14. TERMINATION OF SETTLEMENT

14.1. Right of Rescission. In the event that more than 7 Class Members elect to exclude themselves from this Joint Stipulation of Settlement, Defendants will have the unilateral right to void this Joint Stipulation of Settlement within seven (7) calendar days of the Response Deadline.

14.2. Terminating Events. This Joint Stipulation of Settlement shall be void and the Preliminary Approval Order shall be vacated upon application to the Court in the event that: (a) Defendants' Counsel exercises its rights under Paragraph 14.1 (subject to the terms and conditions set forth therein); (b) the Court declines to enter Preliminary Approval of this Joint Stipulation of Settlement or declines to enter the Final Approval Order or Judgment or any part thereof as provided for herein, or the Parties hereto fail to consent to the entry of alternative forms of Judgment, in lieu thereof, or after such consent the Court declines to enter such alternate form of Judgment; or (c) the Court approves this Joint Stipulation of Settlement, including any amendments hereto, but any such Judgment and Final Approval Order is finally reversed on appeal.

14.3. Plaintiff's Right of Rescission. If the actual workweeks as calculated by the Settlement Administrator are more than 10% higher than the numbers represented by Defendants at mediation, Plaintiff has the right to void this agreement unless Defendants agree to a proportional increase in the Gross Settlement Amount. At mediation, Defendants represent that the Class consists of 75 individuals, and the Class Period includes 4,189 workweeks in the Class Period and 3,940 workweeks in the PAGA Covered Period.

14.4. Effect of Termination. Upon any such occurrence set forth above in Paragraph 14.2: (a) this Joint Stipulation of Settlement (with the exception of Paragraphs 13.2 and 15) shall be terminated and become void and of no effect, except for the obligation of the Settling Parties to pay, on an equal basis (except that Defendants will be responsible for the Settlement Administrator's fees if Defendants exercise their right to rescind the Settlement pursuant to Paragraph 14.1), for any and all expenses incurred in connection with the notice and administration of the Joint Stipulation of Settlement on or before the date on which the Joint Stipulation of Settlement is terminated; (b) any actions taken or to be taken in connection with this Joint Stipulation of Settlement and the Joint Stipulation of Settlement shall become null and void and of no effect; (c) this Joint Stipulation of Settlement and any hearings or proceedings thereunder shall not be referred to or used as evidence for or against any Party or Class Member in this or any other action or proceeding; and (d) all pretrial proceedings, including remaining discovery (if any), shall resume thirty (30) calendar days thereafter as if this Joint Stipulation of Settlement had not been submitted for approval of the Court.

15. NO ADMISSIONS. The Settling Parties understand and agree that this Joint Stipulation of Settlement is the result of a good faith compromise settlement of disputed claims, and Defendants are entering into this Joint Stipulation of Settlement solely to resolve disputed matters. No part of this Joint Stipulation of Settlement or any conduct or written or oral statements made in connection with this Joint Stipulation of Settlement, whether or not the Joint Stipulation of Settlement is finally approved or consummated, may be offered as or construed to be an admission or concession of any kind by Defendants or any of the other Released Parties, or anyone else. In particular, but without limiting the generality of the foregoing, nothing about this Joint Stipulation of Settlement shall be offered or construed as an admission that Defendants have failed to pay any Class Member in accordance with its obligations set forth in the California Labor Code or the Fair Labor Standards Act, or of liability in general, or any wrongdoing, impropriety, responsibility, or fault whatsoever on the part of Defendants or any other of the Released Parties, as alleged in the Complaint, which shall be the operative complaint in this Action. Similarly, nothing about this Joint Stipulation of Settlement shall be construed as or deemed to be evidence of, or an admission or concession that, the Class Representative or any Class Member has suffered any damage. In addition, this Joint Stipulation of Settlement shall not be offered or be admissible in evidence against Defendants or any Released Party, except in any action or proceeding brought by or against Plaintiff, the Class, Class Members, or Defendants to enforce its terms, or by Defendants in defense of any claims brought by Plaintiff, the Class Members, or any member of the general public, including any and all individuals who opted out of the Class. The provisions of this Paragraph shall become effective when this Joint Stipulation of Settlement is signed and shall be binding on the Settling Parties and their counsel regardless of whether the Joint Stipulation of Settlement is preliminarily and/or finally approved or terminated for any reason or rendered null and void.

16. EXTENSIONS OF TIME. Without further order of the Court, the Parties hereto may agree in writing to reasonable extensions of time to carry out any of the provisions of this Joint Stipulation of Settlement.

17. CONSTRUCTION. This Joint Stipulation of Settlement was entered into after substantial good faith, arms-length negotiations between the Parties' counsel. This Joint Stipulation of Settlement is entered into freely and voluntarily only after each Party had carefully read and reviewed it with counsel, and it reflects the conclusion of each Party that this Joint Stipulation of Settlement and the Judgment and the Releases, waivers, and covenants contemplated hereby are in the best interest of said Party. This Joint Stipulation of Settlement has been entered into without any coercion and under no duress. The Settling Parties acknowledge and agree that all Settling Parties had an equal hand in drafting this Joint Stipulation of Settlement so that it shall not be deemed to have been prepared or drafted by one Party or another. All Settling Parties waive the provisions of California Civil Code section 1654, which provides, in pertinent part, that "the language of a contract should be interpreted most strongly against the Party who causes the uncertainty to exist." Except as expressly provided herein, this Joint Stipulation of Settlement is not intended to confer any rights or remedies upon any person other than the Settling Parties.

18. LIMITED CONFIDENTIALITY. This Joint Stipulation of Settlement shall remain confidential to the extent permitted by law. The Parties agree not to publicize the Settlement except as required by the operation of law.

19. ENTIRE AGREEMENT. This Joint Stipulation of Settlement (including all Exhibits annexed hereto) sets forth the entire agreement of the Settling Parties with respect to its subject matter and supersedes any and all other prior agreements and all negotiations leading up to the execution of this Joint Stipulation of Settlement, whether oral or written, regarding the subjects covered herein. The Settling Parties acknowledge that no representations, inducements, warranties, promises, or statements relating to the subjects covered herein, oral or otherwise, have been made by any of the Settling Parties or by anyone acting on behalf of the Settling Parties that are not embodied or incorporated by reference herein, and further agree that no other agreement, covenant, representation, inducement, promise, or statement relating to the subjects covered herein not set forth in writing in this Joint Stipulation of Settlement, shall be valid or binding.

20. MODIFICATION OR AMENDMENT. This Joint Stipulation of Settlement may not be modified or amended except in a writing signed by all signatories hereto or their successors in interest.

21. DEADLINES FALLING ON WEEKENDS OR HOLIDAYS. To the extent that any deadline set forth in this Joint Stipulation of Settlement falls on a Saturday, Sunday, or legal holiday in the State of California, that deadline shall be continued until the following business day.

22. SUCCESSORS. This Joint Stipulation of Settlement shall be binding upon and inure to the benefit of the Settling Parties hereto (including Class Members) and their respective heirs, executors, administrators, successors, and assigns, and upon any corporation, partnership, or other entity into or with which any Settling Party hereto may merge, combine, or consolidate.

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

24. COUNTERPARTS. This Joint Stipulation of Settlement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Facsimile transmission of the signatures of the Parties or their representatives shall be binding on the Parties.

25. WAIVERS. The waiver by any Party of any breach of this Joint Stipulation of Settlement shall not be deemed or construed as a waiver of any other breach, whether prior, subsequent, or contemporaneous, of this Joint Stipulation of Settlement.

26. GOVERNING LAW. This Joint Stipulation of Settlement shall be governed by and construed, enforced, and administered in accordance with the laws of the State of California, without regard for the law of the State regarding conflicts of laws or choice of law. Any orders or judgments entered by the Court in conjunction with the proceedings relating to or arising out of this Joint Stipulation of Settlement shall be construed and enforced under, and all issues relating to the preclusive effect of such orders or judgments shall be determined by, the California Code of Civil Procedure and the common law of the State of California, relating to the construction, enforcement, and preclusive effect of orders and judgments entered by this Court.

27. CONTINUING JURISDICTION. Except as otherwise specifically provided for herein, the Court will have continuing jurisdiction over the Action for the purpose of implementing the Joint Stipulation of Settlement, the Final Approval of the Settlement, entry of Judgment, and post-judgment issues, until all related matters are fully resolved. Except as provided in Paragraph 8.9, any dispute regarding the Parties' obligations pursuant to this Joint Stipulation of Settlement or interpretation of the terms of this Joint Stipulation of Settlement will be presented by written motion to, and be resolved by, the Court.

28. REGULATION. In the event that any provision in this Joint Stipulation of Settlement shall be affected by any rule, regulation, ordinance, order, directive, or statute by any unit of government, whether state, federal, or local, such rule, regulation, ordinance, order, directive, or statute shall supersede and take precedence over any such provision of this Joint Stipulation of Settlement to the contrary, and in no event shall Defendants be in violation of this Joint Stipulation of Settlement nor shall this Joint Stipulation of Settlement be in any way affected should Defendants take any action or change any of its business practices to comply with such state, federal, or local rules, regulations, ordinances, or statutes currently in force or enacted in the future.

29. HEADINGS. The headings contained in this Joint Stipulation of Settlement are for convenience and reference purposes only and shall not be given weight in its construction.

30. NOTICES. Any notices, requests, demands, or other communications required or permitted to be given pursuant to this Joint Stipulation of Settlement, other than Class Notice, shall be in writing and, except as provided elsewhere in this Joint Stipulation of Settlement or in any communication to the Class, shall be delivered personally, via overnight delivery or via postage pre-paid first class mail, as follows: (1) to Class Representatives, the Class, and Class Counsel to the attention of Craig M. Nicholas and Shaun Markley of Nicholas & Tomasevic, LLP, 225 Broadway, Suite 1900, San Diego, California 92101; and (2) to Defendants and Defendants' Counsel to the attention of Adam Y. Siegel of Jackson Lewis P.C., 725 South Figueroa St., Suite 2500, Los Angeles, California 90017, and Eric T. Angel and Jessica M. Ewert of Jackson Lewis P.C., 200 spectrum Center, Suite 500, Irvine, California 92618. By written notice given in accordance herewith, each Party may modify or change the addressee or address of any person identified above or pursuant hereto as the person or persons to whom all future notices shall be sent.

31. SIGNATURES OF PARTIES AND COUNSEL FOR THE SETTLING PARTIES. Parties and counsel for the Settling Parties indicate by signing below their approval of the form of this Joint Stipulation of Settlement (and exhibits thereto), and, in the case of Class Counsel and the Class, their representation and warranty of authority to bind the Class as certified and the Class described herein (subject to the final approval of the Court) and their acceptance of the provisions regarding attorneys' fees.

32. DISPUTES. All disputes arising out of or related to this Joint Stipulation of Settlement (except disputes as to Claims of Class Members, which are governed by the provisions of Paragraph 8.9) shall be resolved by the Court, as set forth in Paragraph 28 above.

SO STIPULATED.

DATED: 03/26/26

THE LA TORTILLA FACTORY, INC.
By:Jameson Westerman

DATED: 03/26/26

CREO CAPITAL PARTNERS
By:Jameson Westerman

DATED: 03/26/26

INSIGNIA INTERNATIONAL
By:Jameson Westerman

DATED: 03/20/26

Coleman Wells (Mar 20, 2026 13:54:56 PDT)
Coleman Wells

APPROVED AS TO FORM:

DATED: March 16, 2026

NICHOLAS & TOMASEVIC, LLP

By:

Craig M. Nicholas
Shaun Markley
Attorneys for Plaintiff
Coleman Wells, and the Class

DATED: 03/26/2026

DICKENSON, PEATMAN & FOGARTY PC

By:

Jennifer Douglas, SBN 172770
Angela A. Nelson, SBN 324445
Attorneys for Defendants

Exhibit A

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

COLEMAN WELLS V. LA TORTILLA FACTORY, INC., ET AL.
Case No. 37-2024-00020358-CU-OE-CTL

The Superior Court of California for the County of San Diego authorized this Notice. Read it carefully as it may effect your legal rights! It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from a class action lawsuit ("Action") against La Tortilla Factory, Inc. ("LTF") for alleged wage and hour violations. The Action was filed by LTF DSD Distributor Coleman Wells ("Plaintiff") and seeks payment of (1) wages for a class of DSD Distributors who entered DSD Distributor Agreements with LTF in California at any time during the Class Period (May 1, 2020 through October 11, 2025) ("Class Members"); and (2) penalties under the California Private Attorney General Act ("PAGA") for any Class Member who was a DSD Distributor in California with LTF during the PAGA Period (March 20, 2023 through October 11, 2025) ("PAGA Aggrieved DSD Distributors").

The proposed Settlement has two main parts: (1) a Class Settlement requiring LTF to fund Individual Class Settlement Payments, and (2) a PAGA Settlement requiring LTF to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency ("LWDA").

Based on LTF's records, and the Parties' current assumptions, **your Individual Class Settlement Payment is estimated to be $[#] 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 LTF'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 LTF's records showing that **you were a DSD Distributor in California for [#] months** during the Class Period and **you were a DSD Distributor in California for[#] months** during the PAGA Period. If you believe that you **were a DSD Distributor in California** for more weeks 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 Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires LTF to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against LTF.

If you **were a DSD Distributor in California** for LTF during the Class 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 LTF.

(2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the 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 Settlement Payment. You will, however, preserve your right to personally pursue wage claims against LTF 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.

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS 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 Settlement Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against LTF 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 [DATE]**	If you don't 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 Settlement 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. LTF 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 **Written Objections Must be Submitted by [DATE]**	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement except the PAGA portion. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, 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 Plaintiff if you think they are unreasonable. See Section **7** of this Notice.
You Can Participate in the [DATE] Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [DATE]. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section **8** of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods **Written Challenges Must be Submitted by [DATE]**	The amount of your Individual Class Settlement Payment and PAGA Payment (if any) depend on how many months you **were a DSD Distributor in California** at least one day during the Class Period or PAGA Period, respectively. The number of Class DSD Distributor Months and number of PAGA DSD Distributor Months you worked according to LTF's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [DATE]. See Section **4** of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is an LTF DSD Distributor. This Action accuses LTF of violating California labor laws by failing to pay wages, overtime, and reimbursable expenses and failing to provide meal periods, rest breaks, and accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, *et seq.*) ("PAGA"). Plaintiff is represented by attorneys in the Action: Craig M. Nicholas, Shaun Markley, and Jordan Belcastro of Nicholas & Tomasevic, LLP ("Class Counsel").

LTF 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 LTF or Plaintiff is correct on the merits.

In the meantime, Plaintiff and LTF hired an experienced, neutral mediator in an effort to resolve the Action by negotiating to end the case by agreement (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, Plaintiff and LTF 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, LTF does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) LTF 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. <u>LTF will Pay $1,240,000.00 as the Gross Settlement Amount ("Gross Settlement")</u>. LTF 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 Settlement Payments, Individual PAGA Payments, Class Representative Enhancement, 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"). Assuming the Court grants Final Approval, LTF will fund the Gross Settlement after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff 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. $413,333.33 (33% of the Gross Settlement) to Class Counsel for attorneys' fees and up to $20,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment or guarantee of any compensation for their time and expense incurred.

   B. $10,000.00 to Plaintiff as a Class Representative Award for filing the Action, working with Class Counsel, and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Settlement Payment and any Individual PAGA Payment.

   C. Up to $30,000.00 to the Administrator for services administering the Settlement.

   D. $30,000.00 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 Settlement Payments to Participating Class Members based on their Class Period Workweeks.

4. Payments to Class Members. The Administrator will report the Individual Class Settlement Payment and Individual PAGA Payments in IRS 1099 Forms.

   No one 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 is issued for Individual Class Settlement 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 irrevocably lost to you because they will be paid to a non-profit organization or foundation ("Cy Pres").

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 [DATE], that you wish to opt-out. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, last four digits of social security 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 LTF.

   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 LTF 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 decide to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and LTF have agreed that in either case, the Settlement will be void: LTF will not pay any money and Class Members will not release any claims against LTF. In such a case, the parties will try to rework their settlement to obtain approval or defeat any appeals.

8. Administrator. The Court has appointed a neutral company, CPT Group (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 LTF has fully funded the Gross Settlement, 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 LTF or related entities for wages during 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 release the Released Parties from any and all claims under state, federal, or local law, whether statutory, common law or administrative law, arising out of or related to allegations set forth in the operative Complaint or PAGA Notice to the LWDA, including but not limited to: failure to pay overtime wages; rest period violations; meal period violations; itemized wage statement violations; waiting time penalties; unfair competition; declaratory relief; and claims for violation of the California Private Attorneys General Act; including, but not limited to, injunctive relief; punitive damages; liquidated damages, penalties of any nature; interest; fees; costs; and all other claims and allegations made or which could have been made in the Action during the Class Period.

10. PAGA Release. After the Court's judgment is final, and LTF has paid the Gross Settlement, all PAGA Aggrieved DSD Distributors release any civil penalty claims under the Private Attorneys' General Act, Labor Code section 2698 et seq. predicated on the allegations in the PAGA Notice and First Amended Complaint, including: (1) Failure to Reimburse Expenses under Labor Code section 2802; (2) Unlawful Deductions from Wages under Labor Code sections 221-223; (3) Failure to Provide Accurate Wage Statements under Labor Code section 226; (4) Failure to Pay Overtime under Labor Code section 510; (5) Failure to Provide Meal Periods under Labor Code section 226.7; (6) Failure to Provide Rest Breaks under Labor Code section 226.7; (7) Unfair Business Practices under Bus. and Prof. Code section 17200 et seq.; and (8) any other claims for civil penalties under PAGA that were or could have been brought by Plaintiff in the Action based on the facts alleged in the PAGA Notice and Complaint, including, but not limited to, alleged violations of Labor Code sections 201, 202, 203, 210, 216, 221, 223, 224, 225.5, 226, 226.2, 226.3, 226.7, 510, 512, 558, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802, 2698, et seq.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Settlement Payments. The Administrator will calculate Individual Class Settlement Payments by (a) dividing the total number of Class DSD Distributor Months for all Settlement Class Members during the Class Period into the Net Settlement Amount (i.e., the "DSD Distributor Month Value"), and (b) then multiplying the DSD Distributor Month Value by the number of Class DSD Distributor Months in which the Settlement Class operated as a DSD Distributor in California with Defendant during the Class Period.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) first, calculating the total number of PAGA DSD Distributor Months applicable to all PAGA Aggrieved DSD Distributors; (b) second, dividing the twenty-five percent (25%) of the PAGA Payment to be distributed to PAGA Aggrieved DSD Distributors ($7,500) by the total number of PAGA DSD Distributor Months applicable to all PAGA Aggrieved DSD Distributors; and (c) third, multiplying the quotient of the calculation in step (b) by each PAGA Aggrieved DSD Distributors' individual number of PAGA DSD Distributor Months.

3. DSD Distributor Month Challenges. The number of months you as a DSD Distributor in California during the Class Period and PAGA Period, as recorded in LTF's records, are stated in the first page of this Notice. You have until [DATE] to challenge the number of months 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.

5. HOW WILL I GET PAID?

1. Class Members. The Administrator will send, by U.S. mail, a single check to every Class Member who doesn't opt-out including those who also qualify as PAGA Aggrieved DSD

Distributors. The single check will combine the Individual Class Settlement Payment and the Individual PAGA Payment.

2. Class Members Who Opt Out. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every PAGA Aggrieved DSD Distributor who 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, last four digits of your social security 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 *Coleman Wells v. La Tortilla Factory, Inc., et al.*, Case No. 37-2024-00020358-CU-OE-CTL, and include your identifying information. You must make the request yourself or through an authorized representative. **The Administrator must be sent your request to be excluded by [DATE], or it will be invalid.** Section **9** of the Notice has the Administrator's contact information. Remember, you are not permitted to opt-out of the PAGA portion of the settlement.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Class Members who do not opt out have the right to object to the Settlement. A Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high. **The deadline for sending written objections to the Administrator is [DATE].** 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 *Coleman Wells v. La Tortilla Factory, Inc., et al.*, Case No. 37-2024-00020358-CU-OE-CTL and include your contact information. Section **9** of this Notice has the Administrator's contact information.

Alternatively, a Class Member can object (or personally retain a lawyer to object at your own cost) 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. Remember, you are not permitted to object to the PAGA portion of the settlement.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [DATE] at [TIME] in Courtroom C-75 of the Superior Court of California for the County of San Diego, located at 330 Broadway, San Diego, CA 92101. 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.

9. HOW CAN I GET MORE INFORMATION?

You can email or call Class Counsel or the Administrator using the contact information listed below.

DO NOT TELEPHONE THE DISTRICT COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT

Class Counsel:
Name of Attorney: Shaun Markley
Email Address: smarkley@nicholaslaw.org
Name of Firm: Nicholas & Tomasevic, LLP
Mailing Address: 225 Broadway, 19th Floor, San Diego, California 92101
Telephone: (619) 325-0492

Settlement Administrator:
Name of Company: CPT Group
Email Address: info@cptgroup.com
Mailing Address: 50 Corporate Park, Irvine, CA 92606
Telephone: 1(800) 542-0900
Fax Number: 1(800) 419-3446

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 will have no way to recover the money.

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.