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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

JESUS MORAN MARTINEZ, JR., individually, and on behalf of all others similarly situated, Plaintiff, vs. BREWERY X, LLC, a Delaware limited liability company; and DOES 1 through 10, inclusive, Defendants.	Case No. 30-2023-01370101-CU-OE-CXC *Assigned for all purposes to: Hon. Melissa R. McCormick, Dept. CX104* **CLASS ACTION AND PAGA SETTLEMENT AGREEMENT**

This Class Action and PAGA Settlement Agreement ("Agreement," "Settlement," or "Settlement Agreement") is made by and between Plaintiffs Jesus Moran Martinez, Jr., Aaron Mendoza, and Francisco Varela, Jr., (collectively, "Plaintiffs"), on behalf of all others similarly situated and the State of California with respect to aggrieved employees pursuant to the Private Attorneys General Act, and Defendant Brewery X, LLC ("Defendant"). The Agreement refers to Plaintiffs and Defendant collectively as "Parties," or individually as "Party."

This Settlement Agreement shall be binding on Plaintiffs, Settlement Class Members (as defined herein), the State of California as to the employment of Aggrieved Employees (as defined herein), Aggrieved Employees, and on Defendant, subject to the terms and conditions hereof and the approval of the Court.

1. **<u>DEFINITIONS.</u>**

1.1 "Actions" means Plaintiff Jesus Moran Martinez, Jr.'s lawsuit alleging class action wage and hour violations against Defendant captioned *Jesus Moran Martinez Jr. v. Brewery X, LLC*, Orange County Superior Court, Case No. 30-2023-01370101-CU-OE-CXC, filed on December 28, 2023 ("Class Action") and Plaintiffs Jesus Moran Martinez, Jr., Aaron Mendoza, and Francisco Varela, Jr.'s lawsuit alleging a claim under the PAGA captioned *Jesus Moran Martinez Jr., Aaron Mendoza, and Francisco Varela Jr. v. Brewery X, LLC; and DOES 1 through 10 inclusive*, Orange County Superior Court, Case No. 30-2024-01399146-CU-OE-CXC, filed May 10, 2024 ("PAGA Action").

1.2 "Administrator" means ILYM Group, Inc. ("ILYM"), the neutral third-party settlement administrator the Parties agreed upon to administer the Settlement.

1.3 "Administration Costs" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses, absent approval of the Court for a different amount.

1.4 "Aggrieved Employee" means all non-exempt hourly employees employed by Defendant Brewery X, LLC within the State of California at any time during the PAGA Period.

1.5 "Agreement" or "Settlement Agreement" refers to this Settlement Agreement.

1.6 "Class" means all non-exempt hourly employees employed by Defendant Brewery X, LLC within the State of California at any time during the Class Period.

1.7 "Class Counsel" means John G. Yslas, Samanta A. Smith, Jeffrey C. Bils, Aram Boyadjian and Andrew Sandoval of Wilshire Law Firm, PLC.

1.8 "Class Counsel Fees Payment" means an award of attorneys' fees granted to Class Counsel and paid from the Gross Settlement Amount ("GSA"), as defined herein. The Parties have agreed Plaintiffs will request approval from the Court of up to one-third (1/3) of the GSA, which is $287,000.00.

1.9 "Class Counsel Litigation Expenses Payment" means the amount allocated to Class Counsel for reimbursement of reasonable expenses and costs incurred to prosecute the Actions and paid from the Gross Settlement Amount.

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

1.11 "Class Member" or "Settlement Class Member" means all hourly, non-exempt employees employed by Defendant within the State of California at any time during the Class Period.

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

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

1.14 "Class Period" or "Class Settlement Period" means the period from June 3, 2019 through December 11, 2024 ("Settlement Class Period").

1.15 “Class and PAGA Representative(s)” means the named Plaintiffs Jesus Moran Martinez, Jr., Aaron Mendoza, and Francisco Varela, Jr. in the Actions.

1.16 “Class Representative Service Payment(s)” or “Enhancement Award(s)” means the payment to the Class and PAGA Representatives for initiating the Actions and providing services in support of the Action.

1.17 “Court” means the Superior Court of California, County of Orange.

1.18 “Defendant” means named Defendant Brewery X, LLC.

1.19 “Defense Counsel” means Greg S. Labate and Bianca A. Valencia of Sheppard, Mullin, Richter, & Hampton, LLP.

1.20 “Effective Date” means the last to occur of the following: (a) the 61st day after service of notice of entry of the order granting final approval of the Settlement; or (b) if an appeal, review or writ is sought from the order, the day after the order is affirmed or the appeal, review or writ is dismissed or denied, and the order is no longer subject to further judicial review. Prior to the Effective Date of the Settlement, Defendant will not be required to fund the Settlement, in whole or in part, through the settlement administrator or any third party.

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

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

1.23 “Final Judgment” means the Judgment entered by the Court upon granting Final Approval of the Settlement, resolving the Action in its entirety.

1.24 “Gross Settlement Amount” or “GSA” means $861,000.00, which is the total amount Defendant agrees to pay under the Settlement, except as provided in Paragraph 9 below. The Settlement Amount includes any and all interest accruals and no additional interest shall be due under any circumstances.

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

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

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

1.28 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

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

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

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

1.32 “Operative Class Complaint” means the operative class action complaint filed in the Class Action.

1.33 “Operative PAGA Complaint” means the operative PAGA complaint filed in the PAGA Action.

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

1.35 “PAGA Period” means the period from March 6, 2023 to December 11, 2024.

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

1.37 “PAGA Notice” means Plaintiffs’ March 6, 2024 letter (LWDA-CM-1015064-24) to the LWDA and providing Defendant notice pursuant to Labor Code section 2699.3, subd.(a).

1.38 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount ($25,000.00), allocated 25% to the Aggrieved Employees ($6,250.00) and 75% to LWDA ($18,750.00) in settlement of PAGA claims.

1.39 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.40 “Plaintiffs” means Jesus Moran Martinez, Jr., Aaron Mendoza, and Francisco Varela, Jr., the named plaintiffs in the Actions.

1.41 “Preliminary Approval Order” means the Court’s Order Granting Preliminary Approval of the Settlement.

1.42 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

1.43 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.

1.44 “Released Parties” means Defendant and all of its past, present and future agents, employees, servants, officers, directors, partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, joint employers, affiliates, alter-egos, and affiliated organizations, and all of their respective past, present and future employees, directors, officers, agents, attorneys, stockholders, fiduciaries, parents, subsidiaries, and assigns.

1.45 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.46 "Response Deadline" means forty-five (45) days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline to postmark a Request for Exclusion, objection, or dispute regarding Workweeks or PAGA Pay Periods to the Administrator ("Extended Response Deadline").

1.47 "Settlement" means the disposition of the Actions effected by this Agreement and the Judgment.

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

2. **RECITALS.**

2.1 On December 28, 2023, Plaintiff Jesus Moran Martinez Jr. filed a class action complaint against Defendant in the Superior Court of California for the County of Orange, thereby commencing the action entitled *Jesus Moran Martinez Jr. v. Brewery X, LLC,* Case No. 30-2023-01370101-CU-OE-CXC, alleging nine (9) causes of action against Defendant for: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; (8) failure to produce requested employment records; and (9) violation of California's Unfair Competition Law, California Business and Professions Code section 17200, *et seq*.

2.2 On March 6, 2024, pursuant to Labor Code §2699.3, subd.(a), Plaintiffs Jesus Moran Martinez Jr., Aaron Mendoza, and Francisco Varela Jr. gave notice to the LWDA and Defendant that Plaintiffs intended to proceed with a representative action under PAGA, LWDA Case No. LWDA-CM-948664-23.

2.3 On May 10, 2024, after the 65-day statutory period passed, Plaintiffs filed a PAGA complaint in the Superior Court of California for the County of Orange, alleging claims for penalties pursuant to Labor Code § 2699, *et seq*, thereby commencing the action entitled *Jesus Moran Martinez Jr., Aaron Mendoza, and Francisco Varela Jr. v. Brewery X, LLC; and DOES 1 through 10 inclusive,* Case No. 30-2024-01399146-CU-OE-CXC.

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

2.5 On September 11, 2024, the Parties participated in an all-day mediation presided over by mediator Monique Ngo-Bonnici. With the help of Ms. Ngo-Bonnici, the Parties were able to reach an agreement on general settlement terms at mediation and executed a Memorandum of Understanding on November 22, 2024.

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

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

2.8 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

2.9 This Agreement is intended to and does effectuate the full, final, and complete resolution of the Action.

2.10 The Parties believe that continued litigation would be protracted, expensive, and uncertain, and that this Settlement is in the best interests of the Class Members, Aggrieved Employees, and Defendant. In light of these realities, the Parties believe that this Settlement is the best way to resolve the disputes between them.

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3. **MONETARY TERMS.**

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant will pay $861,000.00 to fully settle, resolve, and extinguish all claims asserted in the Actions, including without limitation all claims asserted in the PAGA Notice. The Gross Settlement Amount is non-reversionary and does not include employer payroll taxes owed on the wage portions of the Individual Class Payments, which Defendant will pay separately. It is expressly understood that if the Court awards less than the total amounts requested to be awarded for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, PAGA Penalties payment, Administration Costs, and Class Representative Service Payment to Plaintiffs, or as otherwise provided herein, the difference in any such amounts will be added to the Net Settlement Amount.

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

3.2.1 To Plaintiffs: A payment for the Class Representative Service Payments to Plaintiffs of not more than $5,000.00 each in addition to any Individual Class Payment and any Individual PAGA Payment the Class and PAGA Representatives are entitled to receive as Participating Class Members. Defendant will not oppose Plaintiffs' request for Class Representative Service Payments that do not exceed this amount and so long as it is consistent with the provisions of this Agreement. As part of the motion for the Class Counsel Fees and Litigation Expenses Payments, Plaintiffs will seek Court approval for any Class Representative Service Payment no later than 16 (sixteen) court days prior to the Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members. Plaintiffs are solely responsible for providing a completed IRS W-9 form to the Administrator prior to distribution. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service

Payments and shall hold harmless the Released Parties from any claim or liability for taxes, penalties or interest arising as a result of the payment.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third (1/3) of the GSA, which is currently estimated to be $287,000.00 and a Class Counsel Litigation Expenses Payment for reasonable costs and expenses incurred, not to exceed $20,000.00. The amounts set forth above for Attorneys' Fees and Litigation Costs and Expenses will cover all work performed and all fees and costs incurred by Class Counsel to date, and all work to be performed and all fees to be incurred in connection with the litigation of the Actions, seeking preliminary and final approval by the Court of this Settlement and Agreement, the administration of the Settlement, seeking and obtaining a Preliminary Approval Order and Final Approval Order, and obtaining Final Judgment. Defendant will not oppose requests for these payments. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees and Litigation Expenses Payment no later than 16 (sixteen) court days prior to the Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the difference between the lesser amount and the remainder to the Net Settlement Amount for distribution to Participating Class Members. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' counsel arising from any claim to any portion of Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. Class Counsel is solely responsible for providing completed IRS W-9 forms to the Administrator prior to distribution. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments. Defendant's payment of the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment awarded to Class Counsel shall constitute full satisfaction of the obligation to pay any amounts to any person, attorney, or law firm for attorneys' fees, costs, or expenses in the Actions incurred by any attorney on behalf of the Plaintiffs, the Class Members, and the Aggrieved Employees, and shall relieve Defendant, the Administrator, and Defense Counsel of any other claims or liability to any other attorney or law firm for any attorneys' fees, costs, and expenses to which any of them may claim to be entitled on behalf of Plaintiffs and/or the Class Members and Aggrieved Employees.

3.2.3 To the Administrator: An Administrator Costs Payment for actual costs, not to exceed $8,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Costs are less or the Court approves payment of less than requested, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members. The Administrator shall have the authority to mail the Class Notice; establish a qualified settlement fund account and administer the Settlement Amount; and disburse funds from the Settlement Amount in accordance with this Agreement. The Administrator shall calculate the Individual Class Payments to be paid to the Participating Class Members in accordance with the terms and provisions of this Agreement; calculate the Individual PAGA Payments to be paid to Aggrieved Employees in accordance with the terms and provisions of this Agreement; distribute the Class Notice; determine eligibility for payment to a Class Member or Aggrieved Employee; resolve any disputes regarding the Workweeks and/or PAGA Pay Periods credited to each Class Member and/or Aggrieved Employee; keep track of those Class Members requesting to be excluded from the Settlement, and provide information regarding objections and Requests for Exclusion to the Parties' counsel; mail the Individual Class Payment checks to Participating Class Members and Individual PAGA Payment checks to Aggrieved Employee; undertake require tax withholdings and reporting; and perform such other tasks necessary to effectuate the terms of this Agreement or as the Parties mutually agree or the Court orders the Parties to perform. The Administrator shall regularly report to the Parties, in written form, the substance of the work performed. The Administrator will submit to the Court, in conjunction with the motion for final approval, a declaration providing, among other things, the number of Class Notices it mailed to the Class Members, the number of Class Notices that it re-mailed, the number of Class Notices that were ultimately undeliverable, the number of Requests for Exclusion and objections that it received, the number of defective Requests for Exclusion and objections that it received, the total of its charges for services rendered, and the anticipated future charges contemplated in order to bring the administration of the Settlement and distribution of payments to completion. Any disputes relating to the Administrator's ability and need to perform its duties shall be referred to the Court.

3.2.4 To Each Participating Class Member: An Individual Class Payment will be determined as follows: Defendant will provide Administrator with the number of Workweeks credited to each Participating Class Member during the Class Period, as indicated in the Class Data. The Administrator will then calculate the total number of Workweeks worked by all Participating Class Members during the Class Period ("Total Workweeks"). The Individual Class Settlement Payment for each Participating Class Member, will be calculated by the Administrator by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period, and (b) multiplying the resulting figure by each individual Participating Class Member's Workweeks. The Individual Class Payment will be reduced by any required legal deductions for each Participating Class Member, provided that such legal deductions will not include the employer's share of any payroll taxes, as set forth in this Agreement. Any residual amounts of the Settlement Amount that are not distributed in full as contemplated by this Agreement shall be distributed pro rata to Participating Class Members.

3.2.4.1 Tax Allocation of Individual Class Payments. Twenty-five percent (25%) of each Participating Class Member's Individual Class Payment will be allocated to the Settlement of wage claims (the "Wage Portion"). The Wage Portion is subject to tax withholding and will be reported on an IRS W-2 Form. The remaining seventy-five percent (75%) of each Participating Class Member's Individual Class Payment will be allocated to the settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment. The Parties make no representations about the tax consequences to the portion of the Individual Settlement Payments representing interest and penalties.

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

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of $25,000.00 (twenty-five thousand dollars) to be paid from the Gross Settlement Amount, with 75% ($18,750.00) allocated to the LWDA PAGA Payment and 25% ($6,250.00) allocated to the Individual PAGA Payments.

3.2.5.1 The portion of the PAGA Payment distributed to Aggrieved Employees (i.e. $6,250.00) shall be calculated and distributed on a pro rata basis based on Aggrieved Employees' respective number of PAGA Pay Periods during the PAGA Period. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties ($6,250.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each individual Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

3.2.5.3 In the event that the Court finds the Parties' allocation of proceeds from the Settlement Amount to PAGA to be insufficient, the Parties expressly reserve the right to amend this Agreement to increase the allocated amount to a level that satisfies the Court's discretion, but provided that such increase does not increase the Settlement Amount.

4. **SETTLEMENT FUNDING AND PAYMENTS.**

4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records, Defendant represents there are 442 Class Members who collectively worked a total of

28,700 workweeks during the Class Period, and 252 Aggrieved Employees who worked approximately 5,796 PAGA Pay Periods during the PAGA Period.

4.2 Class Data. Not later than thirty (30) calendar days following notice by Plaintiff or the Court of the Preliminary Approval Order of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. The Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data. In no event will Class Data ever be shared with or provided to Class Counsel.

4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount and the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than 30 (thirty) days after the Effective Date. Prior to the Effective Date of the Settlement, Defendant will not be required to fund the Settlement, in whole or in part, through the Administrator or any third party.

4.4 Payments from the Gross Settlement Amount. Within seven (7) days after Defendant fully funds the GSA, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Costs Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail. The face of each check shall prominently state the date (180 days after the date of mailing) when the check will be voided ("Void Date"). The Administrator will cancel all checks not cashed by the Void Date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom the Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the National Change of Address Database.

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

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

4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall be deemed not to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee benefits or make any additional payments to Class Members (such as 401(k) contributions, bonuses, vacations, holiday pay, retirement plans, sick leave plan, PTO plans, etc.) beyond those specified in this Agreement. Such payments do not represent any modification of Plaintiff's, Participating Class Members', or Aggrieved Employees' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendant. Further, any Individual Class Payment, Individual PAGA Payment, or Class Representative Service Payment shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored by Defendant.

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

5.1 Plaintiffs' Release. As of the Effective Date, Plaintiffs fully and finally release 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, including but not limited to claims arising from or related to their employment with Defendant and their compensation while an employee of Defendant ("Plaintiffs' Released Claims"). Plaintiffs' Released Claims include all claims alleged or could have been alleged in the Operative Complaint and/or LWDA Notice, including but not limited to state and/or federal wage and hour claims, failure to pay all wages due, including minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; failure to provide meal periods and/or rest periods; failure to pay proper meal and/or rest period penalties; failure to pay overtime compensation, double-time compensation, meal and rest period premiums, and sick pay, at the regular rate of pay; payment for all hours worked, including off-the-clock work; failure to provide accurate itemized wage statements; failure to reimburse business expenses; failure to timely pay all wages during employment, including failure to pay all earned wages twice per month; failure to timely pay all wages due at separation of employment; failure to pay all accrued vacation wages at termination; failure to maintain accurate records, including payroll records and records of hours worked and meal periods; failure to produce requested employment records; failure to provide written notice at the time of hiring under California Labor Code Section 2810.5;

misclassification; unfair business practices; declaratory relief; penalties, including but not limited to recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; interest; and attorneys' fees and costs. Plaintiffs' Released Claims also expressly include all claims arising under the California Labor Code (including but not limited to Sections 200, 201, 201.1, 201.3, 201.5, 202, 203, 204, 205.5, 206, 210, 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225, 225.5, 226, 226.2, 226.3, 226.7, 226.8, 227.3, 256, 450, 510, 511, 512, 516, , 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198, 2800, 2802, 2698 et seq., and 2699 et seq.); the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004 ("PAGA"); California Business and Professions Code Section 17200, et seq.; the California Civil Code, including but not limited to Sections 3287, 3336, and 3294; 8 CCR Sections 11040; California Code of Civil Procedure, including but not limited to Section 1021.5; the California common law of contract; the FLSA, 29 U.S.C. Section 201, et seq.; federal common law; and the Employee Retirement Income Security Act, 29 U.S.C. Section 1001, et seq. ("ERISA"). Plaintiffs' Released Claims also include all claims for lost wages and benefits. This release excludes the release of claims not permitted by law. Plaintiffs' Released Claims include all claims, whether known or unknown.

5.1.1 <u>Plaintiffs' Waiver of Rights Under California Civil Code Section 1542</u>. Even if Plaintiffs discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of Plaintiffs' Released Claims, those claims will remain released and forever barred. Thus, for purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

5.2 <u>Release and Waiver of Claims by Participating Class Members</u>: As of the Effective Date, Participating Class Members and Plaintiffs, on behalf of themselves and their respective past, present, and future representatives, agents, attorneys, heirs, administrators, successors, and assigns, and each and all of them, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties from all claims, debts, liabilities, demands, actions, or causes of action under state, federal or local law, whether statutory, common law or administrative, that were asserted or that could have been asserted in the Operative Class Complaint and/or LWDA Notice, and all claims, debts, liabilities, demands, actions, or causes of action arising from or reasonably related to the facts and/or claims alleged in the Operative Class Complaint and/or LWDA Notice during the Class Period (the "Released Class Claims"). The Released Class Claims include all claims alleged or could have been alleged in the Operative Complaint and/or LWDA Notice, including but not limited to all state and/or federal wage and hour claims, failure to pay all wages due, including minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; failure to provide meal periods and/or rest periods; failure to pay proper meal and/or rest period penalties; failure to pay overtime compensation, double-time compensation, meal and rest period premiums, sick pay, at the regular rate of pay; payment for all hours worked, including off-the-clock work; failure to provide accurate itemized wage statements; failure to reimburse business expenses; failure to timely pay all wages during employment, including failure to pay all earned wages twice per month; failure to timely pay all wages due at separation of employment; failure to pay all accrued vacation wages at termination; failure to maintain accurate records, including payroll records and records of hours worked and meal periods; failure to produce requested employment records; failure to provide written notice at the time of hiring under California Labor Code Section 2810.5; unfair business practices; penalties, including but not limited to recordkeeping penalties, wage statement penalties, minimum wage penalties, and waiting-time penalties; interest; attorneys' fees and costs; and including and not limited to, all claims arising under the California Labor Code (including but not limited to Sections 200-204, 206, 210, 218, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 256, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802, 2810.5); the Wage Orders of the California Industrial Welfare Commission; California Business and Professions Code

Section 17200, et seq.; the California Civil Code, including but not limited to Sections 3287, 3336, and 3294; 8 CCR Sections 11010 and 11040; California Code of Civil Procedure, including but not limited to Section 1021.5; and the Fair Labor Standards Act, 29 U.S.C. Section 201, et seq. This release excludes the release of claims not permitted by law.

5.3 Released PAGA Claims: Aggrieved Employees, Plaintiffs, and the State of California with respect to all Aggrieved Employees, on behalf of themselves and their respective past, present, and future representatives, agents, attorneys, heirs, administrators, successors, and assigns, and each and all of them, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties from all claims, actions, and causes of action for civil penalties, attorneys' fees, costs or interest arising under the Private Attorneys General Act, California Labor Code Section 2698, et seq. that were alleged or that reasonably could have been alleged in the Operative PAGA Complaint and/or the LWDA Notice based on the factual allegations and legal theories contained in the Operative Complaint and/or the LWDA Notice, including but not limited to all claims for penalties recoverable under PAGA concerning failure to pay all wages due, including minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; failure to provide meal periods and/or rest periods; failure to pay proper meal and/or rest period penalties; failure to pay overtime compensation, double-time compensation, meal and rest period premiums, sick pay, at the regular rate of pay; payment for all hours worked, including off-the-clock work; failure to provide accurate itemized wage statements; failure to reimburse business expenses; failure to timely pay all wages during employment, including failure to pay all earned wages twice per month; failure to timely pay all wages due at separation of employment; failure to pay all accrued vacation wages at termination; failure to maintain accurate records, including payroll records and records of hours worked and meal periods; failure to provide written notice at the time of hiring under California Labor Code Section 2810.5; waiting time penalties; and including without limitation any and all potential claims for penalties recoverable under PAGA predicated upon California Labor Code sections 201-203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802, 2810.5; any duplicative or similar provisions arising under the Wage Orders of the California Industrial Welfare Commission, including, without limitation, Wage Orders 1-2001, 4-2001; and any other PAGA penalty claims whatsoever alleged in the Operative PAGA Complaint or LWDA Notice, whether known or unknown, during the PAGA Period. The Parties agree that no later than ten (10) days after signing this Agreement, as a condition of the Settlement, Plaintiffs will amend their LWDA Notice to include all claims set forth in the Released PAGA Claims, to the extent they are not already included. Thereafter, Plaintiffs will file with the Court a first amended complaint which includes all claims set forth in the Released PAGA Claims and Released Class Claims, to the extent they are not already included.

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

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

6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing the Motion for Preliminary Approval. Class Counsel will obtain a prompt hearing date for the Motion for Preliminary Approval, file the Motion for Preliminary

Approval no later than 16 (sixteen) court days before the hearing, unless otherwise ordered by the Court, and deliver the Court's Preliminary Approval Order to the Administrator.

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

7. **<u>SETTLEMENT ADMINISTRATION</u>.**

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

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

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

7.4 <u>Notice to Class Members</u>.

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

7.4.2 The Parties submit a Notice of Class Action Settlement ("Class Notice"), in the form attached hereto as Exhibit A to the Court for approval. The Class Notice includes, nonexclusively, information regarding the nature of the Actions; a summary of the substance of the Settlement; the definition of the Class; the formula used to determine the Individual Class Payment for each of the Class Members and the Individual PAGA Payment for each of the Aggrieved Employees; the number of Workweeks and PAGA Pay Periods credited to each Class Member and Aggrieved Employee, respectively; the estimated Individual Class Payment and/or Individual PAGA Payment; the procedures and deadlines for objecting to the Settlement, seeking exclusion from the Settlement (except PAGA Members shall have no right to exclude themselves from the PAGA portion of the Settlement), and/or disputing the number of Workweeks or PAGA Pay Periods credited to them; and the date for the Final Approval Hearing.

7.4.3 Using best efforts to perform as soon as possible, and in no event later than 14 (fourteen) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice with Spanish translation substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.4 If, within thirty (30) calendar days of the Initial Mailing, a Class Notice is returned with a forwarding address, then not later than five (5) calendar days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If a Class Notice is returned within thirty (30) calendar days of the Initial Mailing as undeliverable without a forwarding address, then within five (5) calendar days of receiving the undeliverable Class Notice, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.5 The deadlines for Class Members' written objections, challenges to Workweeks and/or Pay Periods, and/or Requests for Exclusion will have an additional fourteen days (14) days beyond the forty-five (45) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed to postmark a Request for Exclusion, objection, or dispute regarding Workweeks or PAGA Pay Periods to the Administrator ("Extended Response Deadline"). The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

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

7.4.7 In the event that the procedures in this Section are followed and the intended recipient of a Class Notice still does not receive the Class Notice, the intended recipient shall be bound by all terms of the Settlement and any Final Approval Order and Final Judgment entered by the Court if the Settlement is approved by the Court. In the event the procedures in this Section are followed and a Class Member does not ultimately return a Request for Exclusion and/or the Request for Exclusion is rejected by the Administrator, the Class Member shall be deemed a Participating Class Member and will be bound by all terms of the Settlement and any Final

Approval Order and Final Judgment entered by the Court if the Settlement is approved by the Court.

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 45 (forty-five) days after the Administrator mails the Class Notice (plus an additional 14 (fourteen) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline. The date of the postmark will be the exclusive means for determining whether a Request for Exclusion has been timely submitted.

7.5.2 A Request for Exclusion must be in writing which contains: (1) the Class Member's full name, current address, last four digits of his/her Social Security number; (2) the case name and number; (3) a clear statement that the Class Member wishes to be excluded from the Settlement; and (4) the Class Member's signature and the date of signature.

7.5.3 The Parties agree that the Administrator shall not disclose the last four digits of any Class Member's Social Security number to anyone but the Parties, that such information will be securely held, and that the disclosure of those last four digits to the Parties shall not be used for any purpose except to ascertain the identity of the individual who wishes to exclude himself or herself from the Settlement for administration of this Settlement. The name and last four digits of the Social Security number provided by the Class Member on the Request for Exclusion must match Defendant's records as provided to the Administrator, or match Defendant's records for that particular Class Member. The name and Social Security number provided by the Class Member will be deemed to match Defendant's records only if: (1) both the first name and the last name and the last four digits of the Social Security number provided by the Class Member match Defendant's records; (2) the first name and the last four digits of the Social Security number provided by the Class Member match Defendant's records and it appears the last name has been changed as a result of a change in marital status or is a shortened or lengthened version of the name that appears in Defendant's records; or (3) the last four digits of the Social Security number and last name match Defendant's records and the first name provided is either a nickname or a shortened or lengthened version of the name that appears in Defendant's records. Each Class Member who does not submit a Request for Exclusion in compliance with this paragraph will be deemed to be a Participating Class Member. Participating Class Members will be bound by all terms of the Settlement Agreement and the Final Approval Order and Final Judgment. Any Class Member who submits a timely, valid Request for Exclusion will not be a Participating Class Member, will not be entitled to receive any Individual Settlement Payment, and will not be bound by this Agreement or have any right to object, appeal, or comment thereon.

7.5.4 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator will evaluate the Request for Exclusion submitted by the Class Member and make a recommendation to the Parties. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. If the Parties disagree with the Administrator's recommendation, the dispute will be presented to the Court for determination.

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

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

7.5.7 Notwithstanding the foregoing, the Parties agree there is no statutory or other right for any Class Member to opt out or otherwise exclude himself or herself from the PAGA portion of the Settlement. A Class Member who submits a valid and timely Request for Exclusion and who is also a PAGA Member shall still receive his or her proportionate share of the PAGA Payment and shall be bound by the release of the PAGA claims during the PAGA Period.

7.5.8 No later than thirty (30) calendar days before the Final Approval Hearing, the Administrator shall provide counsel for the Parties with a complete list of all Class Members who have submitted a valid and timely Request for Exclusion.

7.5.9 If a Class Member submits both a Request for Exclusion and written objection to the Administrator prior to the Response Deadline, the Administrator will first attempt to contact the Class Member(s) to determine if they intended to submit only the Request for Exclusion or written objection. If the Administrator is unable to contact the Class Member(s) within ten (10) calendar days of receiving both the Request for Exclusion and written objection or if the Class Member(s) fails to respond to the Administrator within ten (10) calendar days of being contacted, then only the Request for Exclusion will be deemed valid. The Class Member(s)' written objection will be invalid, and the Class Member will no longer be considered a Participating Class Member, will not receive his or her Individual Settlement Payment, and will not be bound by the Released Claims (but will still have fully and finally released and discharged the Released Parties of all Released Claims arising during the PAGA Period that may be asserted under PAGA).

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 45 (forty-five) days after the Administrator mails the Class Notice (plus an additional 14 (fourteen) days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail, explaining the basis for the dispute and including any supporting documentation showing that the

Workweeks and/or PAGA Pay Periods credited to him or her is inaccurate. The Administrator must encourage the challenging Class Member to submit supporting documentation. Defendant's records will be presumed determinative, absent credible evidence to rebut the accuracy of the Workweeks and/or PAGA Workweeks credited to a Class Member based thereon. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator will evaluate the evidence submitted by the Class Member and make a recommendation to the Parties as to which figures should be applied. The Administrator shall promptly provide copies of all challenges to the calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's recommendation of the challenges. If the Parties disagree with the Administrator's recommendation, the dispute will be presented to the Court for determination.

7.7 <u>Objections to Settlement</u>.

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

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 (forty-five) days after the Administrator's mailing of the Class Notice (plus an additional 14 (fourteen) days for Class Members whose Class Notice was re-mailed). The date of the postmark will be the exclusive means for determining whether an objection has been timely submitted.

7.7.3 All objections must be in writing, which includes: (1) the objector's full name, address, last four digits of his or her Social Security number, and signature; (2) the case name and number; (3) the factual and legal basis, with supporting documents, if any, on which the objection is based; (4) whether the objector is represented by an attorney and providing the contact information of any such attorney; and (5) whether the objector plans to appear at the Final Approval Hearing.

7.7.4 The Parties agree that the Administrator shall not disclose the last four digits of any Class Member's Social Security number to anyone but the Parties, that such information will be securely held, and that the disclosure of those last four digits to the Parties shall not be used for any purpose except to ascertain the identity of the objector for administration of this Settlement. Any person who fails to timely submit their written objections in the manner specified above may still appear and object at the Final Approval Hearing. Participating Class Members who fail to object in the manners specified above shall be deemed to have waived any objections and shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement. If a Participating Class Member objects to this Settlement, the Participating Class Member will remain a member of the Class, and if the Court grants final approval of the Settlement, he or she will be bound by the terms of the Settlement and any Final Approval Order and Final Judgment. Within three (3) business days of receipt of an objection, the Administrator shall provide counsel for the Parties with a copy of the objection. No later than thirty (30) calendar days before the Final Approval Hearing, the Administrator shall provide counsel for the Parties with a complete list of Participating Class Members who have submitted an objection. Prior to the Final Approval Hearing, the Administrator shall submit copies of the objections that it has received, to the Court by way of declaration.

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

7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

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

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

7.8.3 Administrator's Declaration. Not later than 14 (fourteen) days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

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

8. **<u>CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.</u>** Based on its records, Defendant represents there are 442 Class Members who collectively worked a total of 28,700 Workweeks during the Class Period. Should the Workweeks increase beyond 10% (i.e. exceeds 31,570 Workweeks), workweeks), Defendant, at its sole discretion, shall have the option of either (a) agreeing to increase the Gross Settlement Amount on a pro rata basis according to the number of additional workweeks over the 10% cap or (b) agreeing to close the Class Period just before the date the workweeks exceeds this 10% cap. If this provision is triggered so as to increase the GSA, the Parties agree that the portion of the GSA allocated to attorneys' fees will increase proportionally such that the total amount of attorneys' fees remains one-third of the GSA after the upward adjustment required by this provision is implemented.

9. **<u>DEFENDANT'S RIGHT TO WITHDRAW</u>.** If either (i) 10% or more of the Class Members, or (ii) a number of Class Members whose Individual Class Payments in the aggregate total are 10% or more of the Settlement Amount, Defendant may, but is not obligated, to elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be *void ab initio*, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Costs incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than 30 calendar days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect. If Defendant exercises this right of recession, it must do so in writing, that is sent to Class Counsel.

10. **<u>MOTION FOR FINAL APPROVAL</u>.** Not later than 16 (sixteen) court days before the calendared Final Approval Hearing, unless otherwise scheduled by the Court, Plaintiffs will file in Court, a Motion for Final Approval of the Settlement that includes a request for approval of

the PAGA settlement under Labor Code section 2699, subd. (l); a Proposed Final Approval Order; and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide drafts of these documents to Defense Counsel prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval. If the Court does not grant preliminary approval and/or final approval of the Settlement, or if the Court's Final Approval Order and Final Judgement are reversed or materially modified on appeal, then this Settlement will become null and void. In the event the Court declines to enter the Final Approval Order and Final Judgment, this Agreement shall be null and void and any order or judgment entered by the Court in furtherance of this Agreement shall be treated as void. In such a case, the Parties and any funds to be awarded under this Settlement shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Agreement, and the Parties shall proceed in all respects as if this Agreement had not been executed, except that any fees and expenses already reasonably incurred by the Administrator shall be paid by Defendant.

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

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

10.3 Jurisdiction, Enforcement, and Interpretation. The Court has jurisdiction over the Parties and the subject matter of the Actions. The Actions include claims that, while Defendant denies them in their entirety, would, if proven, authorize the Court to grant relief pursuant to the California laws cited therein. If the Settlement is approved, the Court will retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, pursuant to California Rules of Court Rule 3.769, et seq. and California Code of Civil Procedure Section 664.6, and the Parties hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments entered in connection therewith. The Parties and their counsel agree that a court, upon motion, may enter judgment pursuant to the Agreement and California Code of Civil Procedure Section 664.6 and the Agreement is admissible in evidence for purposes of enforcement pursuant to California Evidence Code Section 1123. The Agreement will be interpreted and enforced under the laws of the State of California without regard to its conflict of laws provisions. Any dispute arising out of or relating to the Agreement, or the subject matter hereof, will be resolved solely and exclusively in the Court, and the Parties hereby consent to the jurisdiction of the Court over them solely in connection therewith. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, the Actions, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

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

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

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

12. **ADDITIONAL PROVISIONS.**

12.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Class Complaint and Operative PAGA Complaint has merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Actions have merit. Defendant denies each of Plaintiffs' allegations in their entirety, and alleges that Plaintiffs and all other Class Members and Aggrieved Employees were provided compensation and treated in all respects in accordance with California law with regard to the claims and facts alleged in the Actions. Nothing in this Agreement, nor any action taken or made in implementation thereof, including, without limitation, any statements, discussions, communications, or any materials prepared, exchanged, issued, or used during the course of the negotiations leading up to the

Agreement, is intended by the Parties to or will constitute, be introduced, or be submitted in any way in the Action or any other judicial, arbitral, administrative, investigative or other forum or proceeding as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule, or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, the Agreement may be used in any proceeding in the Court that has as its purpose the interpretation, implementation, or enforcement of the Agreement or any orders or judgments of the Court entered into in connection therewith. Additionally, insofar as any of the foregoing material is required to be filed by any Court by Court order, the Parties will comply with such order but will notify the other Party of such an order at least ten (10) days prior to filing of the documents. The Parties agree that Plaintiff's forthcoming motion for preliminary approval of the Settlement, which will, among other things, seek class certification, is for purposes of this Settlement only. If, for any reason, the Court does grant Preliminary Approval, Final Approval, or enter Judgment, the stipulation to certification will have no force or effect, Defendant reserves all available defenses to the claims in the Actions, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendant's defenses. The Parties agree that certification for purposes of the Settlement is in no way an admission that class certification is proper under the standard applied to contested certification motions and that this Agreement will not be submitted in this or any other proceeding as evidence that (i) the Class should be certified, or (ii) Defendant is liable to Plaintiff or any of the Class Members. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement). Further, neither this Agreement nor the Court's actions with regard to this Agreement will be submitted in any court or other tribunal regarding the propriety of class certification or collective treatment for purposes other than the settlement of the Action. In the event that this Agreement is not approved by the Court or any appellate court, is terminated, or otherwise fails to be enforceable, Defendant will not be deemed to have waived, limited, or affected in any way, any of its objections or defenses in the Action, including, but not limited to, its defenses in opposition to class certification.

12.2 Class Certification. For the purposes of this Agreement only, the Parties agree to the certification of the Class. As set forth above, Defendant expressly reserves its right to oppose class certification should the Court decide to not approve this Settlement.

12.3 No Effect on Regular Rate or Overtime Compensation. Participating Class Members and Aggrieved Employees will receive payment under the Settlement, as determined by the Administrator in accordance with this Agreement. The Parties agree that this payment is not viewed as additional compensation for purposes of calculating a "regular rate" of pay under California or federal law for the period during which it is received, and no additional overtime compensation is required as a result of such payment; further, any claim to entitlement to any additional overtime compensation is expressly waived under the terms of this Agreement. No person or entity shall have any claim against Defendant, Defense Counsel, Plaintiffs, any Class Members or Aggrieved Employees, Class Counsel, or the Administrator based upon distributions and payments made in accordance with this Agreement.

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

12.5 <u>No Solicitation</u>. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, submit Requests for Exclusion, or appeal from or seek review of the Court's Preliminary Approval Order, Final Approval Order, or Final Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Defense Counsel's and Class Counsel's ethical obligations and Class Counsel's fiduciary duties owed to Class Members.

12.6 <u>Integrated Agreement</u>. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party. Plaintiffs, on behalf of themselves and on behalf of the Class Members, Aggrieved Employees, and LWDA, and Defendant enter into this Agreement based solely upon its terms and not in reliance upon any representations or promises other than those contained in this Agreement.

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

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

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

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

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

12.12 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors or assigns of each of the Parties hereto, as previously defined.

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

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

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

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

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

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

To Plaintiffs:

John G. Yslas
john.yslas@wilshirelawifrm.com
Samantha A. Smith
Samantha.smith@wilshirelawfirm.com
Jeffrey C. Bils (SBN 301629)
jbils@wilshirelawfirm.com
Aram Boyadjian (SBN 334009)
aboyadjian@wilshirelawfirm.com
Andrew Sandoval (SBN 346996)
andrew.sandoval@wilshirelawfirm.com
WILSHIRE LAW FIRM
3055 Wilshire Blvd., 12th Floor
Los Angeles, California 90010
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

To Defendant:

Greg S. Labate, Cal Bar No. 149918
glabate@sheppardmullin.com
Bianca A. Valencia, Cal Bar No. 331104
bvalencia@sheppardmullin.com
SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
650 Town Center Drive, 10th Floor
Costa Mesa, California 92626-1993
Telephone: 714.513.5100
Facsimile: 714.513.5130

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

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

12.21 Fair, Adequate, and Reasonable Settlement. The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arm's-length negotiations, considering all relevant factors, current and potential.

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

12.23 Plaintiffs' Waiver of Right to Be Excluded. By signing this Agreement, Plaintiffs are bound by the terms herein stated and further agree not to submit a Request for Exclusion from the Settlement. Any such Request for Exclusion shall therefore be void and of no force or effect. Plaintiffs also agree to not disparage the Settlement to Class Members or Aggrieved Employees or encourage, in any way, Class Members to submit or not to submit a Request for Exclusion. In addition, neither Plaintiff nor Class Counsel will initiate any contact with Class Members or Aggrieved Employees about the amount or terms of the Settlement.

12.24 Publicity. Plaintiffs and Class Counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry or have any communication with the press about the amount or terms of the Settlement. Class Counsel may respond to press inquiries by stating the matter has been resolved and refer the press to court filings. In addition, Plaintiffs and Class Counsel agree that they will not engage in any advertising or distribute any marketing materials specifying any material terms relating to the Settlement of the Actions, including but not limited to any postings on any websites maintained by Class Counsel and including but not limited to the identity of Defendant and/or any information that identifies Defendant. The Administrator shall not create nor maintain any website regarding this Settlement at any time. Any communication about the Settlement to Class Members prior to the Court-approved mailing will be limited to a statement that a settlement has been reached and the details will be communicated in a forthcoming Court-approved notice. Plaintiffs are prohibited from discussing the terms or the fact of the Settlement with third parties other than (1) their immediate family members, and/or (2) their accountants or lawyers as necessary for tax purposes.

12.25 Defense. To the extent permitted by law, this Settlement may be plead as a full and complete defense to, and may be used as the basis for an injunction against, any action, suit, or other proceeding that may be instituted, prosecuted, or attempted with respect to the Released Class Claims and Released PAGA Claims against the Released Parties in breach of or contrary to the Settlement.

IT IS SO AGREED.

By the Parties:

DATED: 3/13/2025

DocuSigned by:
D64759BEAA96437...

Plaintiff Jesus Moran Martinez, Jr.

DATED: 3/15/2025

Signed by:
FD503AEABA99490...

Plaintiff Aaron Mendoza

DATED: 3/12/2025

Signed by: Francisco Varela Jr
EA3F38FEA0DD4C1...

Plaintiff Francisco Varela, Jr.

DATED: ____________

____

Defendant Brewery X, LLC

By: ______________________________

Position: ____________________________

will be communicated in a forthcoming Court-approved notice. Plaintiffs are prohibited from discussing the terms or the fact of the Settlement with third parties other than (1) their immediate family members, and/or (2) their accountants or lawyers as necessary for tax purposes.

12.25 Defense. To the extent permitted by law, this Settlement may be plead as a full and complete defense to, and may be used as the basis for an injunction against, any action, suit, or other proceeding that may be instituted, prosecuted, or attempted with respect to the Released Class Claims and Released PAGA Claims against the Released Parties in breach of or contrary to the Settlement.

IT IS SO AGREED.

By the Parties:

DATED: ____________ ________________________________

Plaintiff Jesus Moran Martinez, Jr.

DATED: ____________ ________________________________

Plaintiff Aaron Mendoza

DATED: ____________ ________________________________

Plaintiff Francisco Varela, Jr.

Signed by:

DATED: 3/20/2025

9783DF35A0B24A5...

Defendant Brewery X, LLC

By: Clayton Wellbank

Position: CEO

Approved by counsel:

DATED: March 17, 2025

WILSHIRE LAW FIRM

BY: ___________________________________

John G. Yslas
Counsel for Plaintiffs Jesus Moran Martinez, Jr., Aaron Mendoza, and Francisco Varela, Jr.

DATED: March __, 2025

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

BY: ___________________________________

Greg S. Labate
Bianca A. Valencia
Counsel for Brewery X, LLC

Approved by counsel:

DATED: March __, 2025

WILSHIRE LAW FIRM

BY: ___________________________________

John G. Yslas

Counsel for Plaintiffs Jesus Moran Martinez, Jr., Aaron Mendoza, and Francisco Varela, Jr.

DATED: March 20, 2025

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

BY: ___________________________________

Greg S. Labate

Bianca A. Valencia

Counsel for Brewery X, LLC

EXHIBIT A

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

Jesus Moran Martinez Jr. v. Brewery X, LLC,
Orange County Superior Court, Case No. 30-2023-01370101-CU-OE-CXC;
Jesus Moran Martinez Jr., Aaron Mendoza, and Francisco Varela Jr. v. Brewery X, LLC;
Orange County Superior Court, Case No. 30-2024-01399146-CU-OE-CXC

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

You may be eligible to receive money from employee class and representative action lawsuits ("Actions") against Brewery X, LLC ("Defendant") for alleged wage and hour violations. The Actions were filed by former employees, Jesus Moran Martinez Jr., Aaron Mendoza, and Francisco Varela Jr., and seeks payment of unpaid wages and other relief for a class of non-exempt or hourly-paid employees ("Class Members") who worked for Defendant during the Class Period (June 3, 2019 to December 11, 2024); and (2) penalties under the California Private Attorney General Act ("PAGA") for all Class Members who worked for Defendant during the PAGA Period (May 6, 2023 to December 11, 2024) ("Aggrieved Employees").

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

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

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

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

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	Receive money. Give up rights to sue Defendant for claims released in the Settlement.
EXCLUDE YOURSELF	Receive no money from the Class settlement. You will retain the right to pursue your own legal claims against Defendant. However, even if you exclude yourself from the Class settlement, you will still receive a portion of the PAGA settlement and be bound by it if you worked during the PAGA Period. A Request for Exclusion must be in writing and contain: (1) the case name and number of the Action (*Jesus Moran Martinez Jr. v. Brewery X, LLC*, Case No. 30-2023-01370101-CU-OE-CXC); (2) your full name, current address, and last four digits of your Social Security Number; (3) a clear statement that you do not wish to be excluded from the Settlement; (4) your signature and date of signature; and (5) be returned by mail to the Settlement Administrator at [address], postmarked on or before [Response Deadline]. You cannot opt-out of the PAGA portion of the proposed Settlement. Aggrieved Employees will be bound to the PAGA portion of the Settlement (and the PAGA Release described below) and will still be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.
OBJECT	Write to the Court about why you object to the Settlement. If the Settlement receives Final Approval, you will receive money and give up rights to sue Defendant for claims released in the Settlement. Class Members who do not submit a Request for Exclusion may object to the Settlement by submitting a written objection to the Settlement Administrator or presenting your objection at the Final Approval Hearing. If you choose to object to the Settlement, you must submit an objection in writing that contains: (1) the case name and number of the Action (*Jesus Moran Martinez Jr. v. Brewery X, LLC*, Case No. 30-2023-01370101-CU-OE-CXC); (2) your full name, address, last four digits of your Social Security Number, and signature; (3) the factual and legal basis, with supporting documents, if any, on which the objection is based; (4) whether you are represented by an attorney and provide the contact information of any such attorney; (5) whether you plan to appear at the Final Approval Hearing; and (6) be returned by mail to the Settlement Administrator at [address], postmarked on or before [Response Deadline].

CHALLENGE YOUR NUMBER OF WORKWEEKS AND/OR PAY PERIODS	Challenge your number of Workweeks or Pay Periods listed in this Notice and provide supporting evidence. If you challenge your workweeks or pay periods, you will still be part of the Settlement and will give up rights to sue Defendant for claims released in the Settlement.

BASIC INFORMATION

1. WHY AM I RECEIVING THIS NOTICE?

Defendant's records indicate that you worked for Defendant Brewery X, LLC at some point(s) between June 3, 2019 through December 11, 2024, and are therefore a member of the Class for purposes of this Settlement.

You received this Notice because you have a right to know about a proposed Settlement of the Action, and about all of your options, before the Court decides whether to finally approve the Settlement. The Settlement will resolve all Class Members' claims, which are described below, during the Class Period. The Settlement will also resolve claims for civil penalties brought under the California Private Attorneys' General Act ("PAGA"). If you are a Class Member, you are also an "Aggrieved Employee" if you worked for Defendant during the "PAGA Period," which is March63, 2023 to December 11, 2024.

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

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

The Court in charge of the Action is the Orange County Superior Court. The cases are titled *Jesus Moran Martinez Jr. v. Brewery X, LLC*, Case No. 30-2023-01370101-CU-OE-CXC and *Jesus Moran Martinez Jr., Aaron Mendoza, and Francisco Varela Jr. v. Brewery X, LLC*, Case No. 30-2024-01399146-CU-OE-CXC. The persons who sued, Jesus Moran Martinez Jr., Aaron Mendoza, and Francisco Varela Jr., are the Plaintiffs, and the company sued, Brewery X, LLC, is the Defendant.

2. WHAT IS THE LAWSUIT ABOUT?

The Plaintiffs in the lawsuits allege wage and hour violations against Defendant for: (1) failure to pay minimum wages and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods and pay meal period premiums; (4) failure to provide rest periods and pay miss rest period premiums; (5) failure to pay all wages earned and unpaid at separation; (6) failure to furnish accurate itemized wage statements; (7) failure to indemnify all necessary business expenditures; (8) failure to maintain accurate employment records; and (9) violation of California's Unfair Competition Law, California Business and Professions Code section 17200, *et seq.* In addition, Plaintiffs are seeking to recover civil penalties pursuant to PAGA ("PAGA Penalties") based on the alleged violations of the California Labor Code listed above. Defendant denies Plaintiffs' claims, denies any wrongdoing, and believes that it has treated, and continues to treat, Class Members in accordance with applicable laws at all times.

3. WHY IS THIS A CLASS ACTION?

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

4. WHY IS THERE A SETTLEMENT?

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

WHO IS INCLUDED IN THE SETTLEMENT?

5. WHO IS INCLUDED IN THE SETTLEMENT?

If you received this Notice, you are a Class Member for settlement purposes. The Class includes: All employees of Defendant who were classified as hourly non-exempt and worked within the State of California at any time from June 3, 2019 through December 11, 2024.

6. ARE THERE EXCEPTIONS TO BEING INCLUDED?

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

THE SETTLEMENT BENEFITS—WHAT YOU GET

7. WHAT DOES THE SETTLEMENT PROVIDE?

Defendant has agreed to pay a Gross Settlement Amount ("GSA") of $861,000.00 to settle the lawsuit. From the GSA, Class Counsel will apply to the Court for attorneys' fees of one-third of the GSA or $287,000.00 and reimbursement for reasonable costs not to exceed $20,000.00; Class Representative Service Payments of $5,000.00 to each Plaintiff (for Plaintiffs' work and efforts prosecuting this case); a PAGA Penalties payment of $25,000.00 to resolve the PAGA claims; and Settlement Administration Costs to ILYM Group, Inc. ("ILYM" or "Settlement Administrator"), not to exceed $8,000.00. The exact amount of the Class Counsel's Fees and Litigation Expenses, Class Representative Service Payments, and

Administration Costs will be determined by the Court at the Final Approval hearing. The remaining portion of the Settlement amount, the "Net Settlement Amount" or the "NSA," is currently estimated to be approximately $506,000.00. The NSA will be apportioned and paid out as Individual Class Payments to the Settlement Class Members, who are the Class Members that do not request to be excluded ("opt out") of the Settlement.

The Settlement Administrator's duties include processing challenges, objections, and exclusions, making payments to the Class Members and PAGA Members, and getting answers to any questions you may have.

<u>PAGA Penalties payment</u>: As part of the PAGA portion of the Settlement, the Parties will ask the Court to approve a $25,000.00 PAGA Penalties payment in settlement of claims for civil penalties under PAGA. As required under PAGA, 75% of the PAGA Penalties payment, or $18,750.00, will be paid to the California Labor and Workforce Development Agency. The remaining 25% of the PAGA Penalties payment, or $6,250.00, will be distributed to the Aggrieved Employees as Individual PAGA Payments.

8. HOW MUCH WILL MY PAYMENT BE?

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

<u>Individual Class Payment:</u> Your Individual Class Payment is based on the number Workweeks you worked, as represented in Defendant's records, in comparison to the total number of Workweeks worked by all Class Members during the Class Period (June 3, 2019 to December 11, 2024). Seventy-five percent (75%) of each Class Member's Individual Class Payment will be treated as a payment in settlement of the alleged claims for penalties and interest and will be reported on a Form 1099 by the Settlement Administrator, and twenty-five percent (25%) of each Class Member's Individual Class Payment will be treated as a payment in settlement of alleged claims for unpaid wages. The 25% allocated as unpaid wages will be reduced by applicable payroll tax withholdings and deductions and reported on a Form W-2.

<u>Individual PAGA Payment:</u> If you worked for Defendant from March 6, 2023 to December 11, 2024 ("PAGA Period"), you are also an "Aggrieved Employee" and will receive an Individual PAGA Payment in addition to your Individual Class Payment. The Individual PAGA Payments are based on the number of PAGA Pay Periods worked by each Aggrieved Employee in comparison to the total amount of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period. One hundred percent (100%) of each Aggrieved Employees' Individual PAGA Payment will be characterized as penalties and will not be reduced by payroll tax withholdings and deductions. The Individual PAGA Payment will be reported on a Form 1099 by the Settlement Administrator. An approximation of your anticipated Individual PAGA Payment appears on the first page of this Notice.

For the Class Members who are also Aggrieved Employees, their Individual Class Payment will be combined with their Individual PAGA Payment, and they will receive a single check for the combined payments. If a Class Member chooses to opt-out of the Settlement, they will still receive an Individual PAGA Payment, as Aggrieved Employees cannot opt-out of the PAGA portion of the Settlement. *See, e.g., Robinson v So. County Oil*, 53 Cal. App. 476 (2020).

HOW YOU GET A PAYMENT

9. HOW DO I RECEIVE A PAYMENT?

You do not need to do anything to receive a payment. However, if you believe that the number of Workweeks or PAGA Pay Periods you worked is incorrect, you may challenge it by providing any supporting evidence to the Settlement Administrator, whose contact information is listed in Section 12 below. Any challenge must be postmarked by no later than __________.

The Settlement Administrator will presume that Defendant's records are correct but may change your calculations after considering your evidence. The Settlement Administrator will evaluate the evidence submitted by the Class Member and make a recommendation to the Parties as to which figures should be applied. If the Parties disagree with the Settlement Administrator's recommendation, the dispute will be presented to the Court for determination.

10. WHEN WOULD I GET MY PAYMENT?

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

Following the Effective Date, Individual Class Payments and Individual PAGA Payments will be mailed to Participating Class Members and Aggrieved Employees approximately 60 days after the Court's approval of the Settlement becomes final so long as there are no appeals.

Settlement checks should be cashed promptly upon receipt. Proceeds of checks which remain uncashed after 180 days from the date of issuance will be forwarded to the State of California Unclaimed Property Fund in the name of each Participating Class Member and/or Aggrieved Employee who did not cash his or her settlement check. If your settlement check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement. You can search for unclaimed property on the State's website at: https://www.sco.ca.gov/search_upd.html

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

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

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

Released Class Claims: The "Released Class Claims" include all claims alleged or could have been alleged in the Operative Complaint and/or LWDA Notice, including but not limited to all state and/or federal wage and hour claims, failure to pay all wages due, including minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; failure to provide meal periods and/or rest periods; failure to pay proper meal and/or rest period penalties; failure to pay overtime compensation, double-time compensation, meal and rest period premiums, sick pay, at the regular rate of pay; payment for all hours worked, including off-the-clock work; failure to provide accurate itemized wage statements; failure to reimburse business expenses; failure to timely pay all wages during employment, including failure to pay all earned wages twice per month; failure to timely pay all wages due at separation of employment; failure to pay all accrued vacation wages at termination; failure to maintain accurate records, including payroll records and records of hours worked and meal periods; failure to produce requested employment records; failure to provide written notice at the time of hiring under California Labor Code Section 2810.5; unfair business practices; penalties, including but not limited to recordkeeping penalties, wage statement penalties, minimum wage penalties, and waiting-time penalties; interest; attorneys' fees and costs; and including and not limited to, all claims arising under the California Labor Code (including but not limited to Sections 200-204, 206, 210, 218, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 256, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802, 2810.5); the Wage Orders of the California Industrial Welfare Commission; California Business and Professions Code Section 17200, et seq.; the California Civil Code, including but not limited to Sections 3287, 3336, and 3294; 8 CCR Sections 11010 and 11040; California Code of Civil Procedure, including but not limited to Section 1021.5; and the Fair Labor Standards Act, 29 U.S.C. Section 201, et seq. This release excludes the release of claims not permitted by law.

Released PAGA Claims: If you are an Aggrieved Employee (i.e. if you worked for Defendant during the PAGA Period), you will also release all claims, actions, and causes of action for civil penalties, attorneys' fees, costs or interest arising under the Private Attorneys General Act, California Labor Code Section 2698, et seq. that were alleged or that reasonably could have been alleged in the Operative Complaint and/or the LWDA Notice based on the factual allegations and legal theories contained in the Operative Complaint and/or the LWDA Notice, including but not limited to all claims for penalties recoverable under PAGA concerning failure to pay all wages due, including minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; failure to provide meal periods and/or rest periods; failure to pay proper meal and/or rest period penalties; failure to pay overtime compensation, double-time compensation, meal and rest period premiums, sick pay, at the regular rate of pay; payment for all hours worked, including off-the-clock work; failure to provide accurate itemized wage statements; failure to reimburse business expenses; failure to timely pay all wages during employment, including failure to pay all earned wages twice per month; failure to timely pay all wages due at separation of employment; failure to pay all accrued vacation wages at termination; failure to maintain accurate records, including payroll records and records of hours worked and meal periods; failure to provide written notice at the time of hiring under California Labor Code Section 2810.5; waiting time penalties; and including without limitation any and all potential claims for penalties recoverable under PAGA predicated upon California Labor Code sections 201-203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802, 2810.5; any duplicative or similar provisions arising under the Wage Orders of the California Industrial Welfare Commission, including, without limitation, Wage Orders 1-2001, 4-2001; and any other PAGA penalty claims whatsoever alleged in the Operative Complaint or LWDA Notice, whether known or unknown, during the PAGA Period.

EXCLUDING YOURSELF FROM THE SETTLMENT

12. HOW DO I EXCLUDE MYSELF FROM THE SETTLEMENT?

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

ILYM Group, Inc.
Brewery X Settlement
Address
City, State, Zip Code
Email:
Telephone:
Fax:

If you ask to be excluded from the Settlement, you will not be legally bound by anything that happens in the Actions, except as it relates to settlement of the PAGA claim. If you ask to be excluded from the Settlement you will not be able to object to the Settlement and you will not receive an Individual Class Payment, but you will still receive an Individual PAGA Payment if you worked for Defendant during the PAGA Period (March 6, 2023 to December 11, 2024). If you ask to be excluded, you may be able to sue (or continue to sue) Defendant in the future, if you desire.

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

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

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

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

THE LAWYERS REPRESENTING YOU IN THIS LAWSUIT

15. DO I HAVE A LAWYER IN THIS CASE?

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

John G. Yslas
john.yslas@wilshirelawifrm.com
Samantha A. Smith
Samantha.smith@wilshirelawfirm.com
Jeffrey C. Bils
jbils@wilshirelawfirm.com
Aram Boyadjian
aboyadjian@wilshirelawfirm.com
Andrew Sandoval
andrew.sandoval@wilshirelawfirm.com
WILSHIRE LAW FIRM
3055 Wilshire Blvd., 12th Floor
Los Angeles, California 90010
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

16. HOW WILL THE LAWYERS BE PAID?

Class Counsel will ask the Court to approve $287,000.00 (or 1/3 of the GSA) for attorneys' fees incurred in investigating the facts, litigating the case, and negotiating the Settlement. Class Counsel will also seek Court-approval of up to $20,000.00 in litigation expenses incurred in this matter. The Court may award Class Counsel less than what they request. Class Counsel will also ask the Court to approve payment to Plaintiffs Jesus Moran Martinez Jr., Aaron Mendoza, and Francisco Varela Jr. in the amount of $5,000 each in addition to Plaintiffs' Individual Class Payment and Individual PAGA Payment for the initiative, risk, and time and energy Plaintiffs have spent in service as the Class and/or PAGA Representatives. The Court may award a Class and/or PAGA Representative less than what is requested.

OBJECTING TO THE SETTLEMENT

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

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

If you don't think the Settlement is fair, you can object to some or all of the Settlement. You can either object to the Settlement in person at the Final Approval Hearing or you can submit a written objection. Written objections and notices of intent to appear at the Final Approval Hearing must be mailed to the Settlement Administrator and postmarked on or before ____________, 2025, at the following address:

ILYM Group, Inc.
Brewery X Settlement
Address
City, State, Zip Code
Email:
Telephone:
Fax:

The written objection should state: (1) your full name, address, last four digits of your Social Security number, and signature; (2) the case name and number; (3) all legal and factual reasons that you object to the terms of the Settlement; (4) whether you are represented by an attorney, and if so, provide your attorney's contact information; and (5) whether you plan to appear at the Final Approval Hearing. You should also include or attach any documents upon which your objection is based. If the Court overrules the objection at the Final Approval hearing, the Settlement Agreement will be approved, and you will receive your payment. If you do not submit a written objection, you may still appear at the Final Approval hearing to voice your objection or to otherwise observe the proceedings.

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

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

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

THE COURT'S FAIRNESS HEARING

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

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

The Court will hold a Final Approval Hearing at ______ on ____________ in Department CX104 of the Orange County Superior Court, Civil Complex Center, 751 West Santa Ana Blvd. Santa Ana, CA 92701, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. If there are objections, the Court will consider them at that time. The Court will also be asked to approve the requests for the Class Representative Service Payments and the Class Counsel Fees and Litigation Expenses Payments.

20. DO I HAVE TO COME TO THE HEARING?

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

IF YOU DO NOTHING

21. WHAT IF I DO NOTHING AT ALL?

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

GETTING MORE INFORMATION

22. HOW DO I GET MORE INFORMATION?

You may contact Class Counsel at the contact information listed above in Section 15 if you have any questions about the Settlement. You may also contact the Court-appointed Settlement Administrator, ILYM Group, Inc.by calling toll free 1-800___________, or you can contact the Administrator at the following:

ILYM Group, Inc.
Brewery X Settlement
Address
City, State, Zip Code
Email:
Telephone:
Fax:

PLEASE DO NOT TELEPHONE THE COURT OR BREWERY X, LLC'S COUNSEL FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS. YOU MAY, HOWEVER, CALL CLASS COUNSEL OR THE SETTLEMENT ADMINISTRATOR, LISTED ABOVE.