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Attorneys for Plaintiff Rogelio Alvarez

8 **SUPERIOR COURT OF CALIFORNIA**

9 **COUNTY OF SAN DIEGO**

10 **ROGELIO ALVAREZ,**

11 **Plaintiff,**

12 **vs.**

13 **WATERMILL EXPRESS, LLC, a corporation; and**
14 **DOES 1-100, inclusive,**

15 **Defendants.**

Case No.: 24CU001044C

**DECLARATION OF ROBERT J. WASSERMANN
IN SUPPORT OF MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION SETTLEMENT**

16 I, Robert J. Wassermann, declare as follows:

17 1. I am an attorney duly licensed to practice before all the courts of this state and am a
18 shareholder of Mayall Hurley P.C., attorneys for Plaintiff Rogelio Alvarez (“Plaintiff”), individually,
19 on behalf of all others similarly situated, and as proxy for the LWDA.

20 2. I have personal knowledge of the matters set forth herein and, if called upon to do so,
21 could and would competently testify thereto under oath.

22 **Procedural History, Investigation, Discovery and Settlement Negotiations**

23 3. My office began investigating Plaintiff’s claims in March 2024 and undertook
24 representation of him shortly thereafter.

25 4. Plaintiff was employed by Defendant Watermill Express, LLC (“Defendant”) as a
26 technician from approximately October 2021 until March 2024. Throughout this time he was properly
27 classified as a non-exempt employee.
28

1 5. Plaintiff sent written notice to Defendant and the LWDA on April 30, 2024. Plaintiff
2 alleged that, as to himself and the other Aggrieved Employees, Defendant failed to 1) properly pay
3 minimum wage, overtime and sick pay, 2) provide compliant meal and rest periods, 3) provide
4 accurate itemized wage statements, 4) timely pay wages, and 5) reimburse Class Members for business
5 expenses (the “PAGA Claims”).

6 6. On July 12, 2024, Plaintiff filed this case in the San Diego County Superior Court
7 alleging that, as to himself and the Class, Defendant had failed to 1) pay all hours worked, 2) include
8 commissions, non-discretionary bonuses, and other items of compensation in their regular rate of pay
9 for purposes of overtime, meal/rest break premiums and sick leave, 3) provide compliant meal and rest
10 periods, 4) provide accurate itemized wage statements, and 5) reimburse Class Members for business
11 expenses.

12 7. Plaintiff’s complaint also alleged a cause of action for civil penalties based upon the
13 PAGA Claims.

14 8. Defendant filed its Answer on August 30, 2024.

15 9. In October 2024, Plaintiff served 17 Form Interrogatories – Employment Law, 31
16 special interrogatories, 9 requests for admission, and 37 requests for production of documents on
17 Defendant regarding, pertinently, the size and scope of the Class, and Defendant’s policies, practices,
18 and procedures.

19 10. Thereafter, in or around February 2025, the Parties began meeting and conferring
20 regarding the size and scope of the class and the possibility of a negotiated resolution that would save
21 the Parties’ the significant costs associated with litigation of complex wage and hour class actions.

22 11. Beginning in March 2025, Defendant produced documents and data illustrating the total
23 number Class Members (110) and the total number of pay periods (4,086) during the Class Period.
24 Defendant also produced Plaintiff’s complete time and payroll records as well as the time and payroll
25
26
27
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1 records of more than 90% of the Class Members for the entire Class Period.¹ Defendant's production
2 consisted of more than 21,000 lines of data, each of which itself contained numerous subparts.

3 12. Over the next several months, the Parties engaged in protracted, arms-length settlement
4 negotiations. These negotiations involved numerous conference calls, countless emails and Plaintiff
5 required Defendant to verify the accuracy of and/or update certain data points on several occasions.

6 13. On November 10, 2025, the Parties reached an agreement in principle to resolve the
7 Class Action.

8 14. On January 26, 2026, Plaintiff submitted an amended LWDA letter clarifying that
9 Defendant was also alleged to have failed to maintain accurate records and to properly pay sick and
10 vacation pay.

11 15. On February 4, 2026, after 3 further months of negotiations, the Parties agreed to and
12 executed an MOU.

13 16. On April 23, 2026, Plaintiff filed the operative first amended complaint. Plaintiff
14 alleges that Defendant failed to 1) pay Class Members for all hours worked, 2) include commissions,
15 non-discretionary bonuses, and other items of compensation in Class Members' regular rate of pay for
16 purposes of overtime, meal/rest break premiums and sick leave, 3) provide compliant meal and rest
17 periods, 4) timely pay wages, 5) provide accurate itemized wage statements, 6) provide notice of
18 available paid sick leave and properly pay paid sick leave, and 7) maintain accurate timekeeping,
19 payroll, and employment records, 8) pay vacation pay, and 9) reimburse Class Members for business
20 expenses (the "Class Claims").

21 17. On May 11, 2026, after several more months of negotiations, the Parties executed the
22 Settlement Agreement and Stipulation to Resolve Class Action and PAGA Claims ("Settlement
23 Agreement," "Settlement" or "SA").

24 18. A true and correct copy of the fully executed Settlement Agreement is attached hereto
25 as **Exhibit 1**.

27 ¹ There were a small number of Class Members whose payroll records were only kept manually and not electronically. Given
28 this amounted to less than 10% of the total Class, the omission was excused.

1 19. There was no fraud or collusion during the Parties' settlement negotiations, all of which
2 were adversarial and conducted at arms' length

3 **Class Counsel's Damages Analysis and Valuation of Class Claims**

4 20. The Settlement represents a compromise of highly disputed claims. Defendant
5 vigorously denies Plaintiff's allegations in their entirety, denies that certification is appropriate (except
6 for settlement purposes), contends it has complied with the law, and asserts numerous affirmative
7 defenses, both legal and factual.

8 21. The Settlement has and will result in substantial benefits to all Class Members and is in
9 their collective best interest.

10 22. Prior to reaching an agreement to settle the Class and PAGA claims, the Parties engaged in
11 months of litigation as well as informal discovery whereby Defendant provided Plaintiff with information
12 and data regarding the size and scope of the Class, relevant policies, and the time and payroll records of
13 virtually the entire Class. Class Counsel also performed independent and thorough investigation and
14 analysis of the wage and hour claims asserted. The Parties also engaged in further informal information
15 exchange. This included, but was not limited to, Defendant's provision of updated information
16 regarding the size and composition of the Class as well the number of pay periods at issue. Class
17 Counsel's investigation and analysis permitted them to develop a damages model illustrating Defendant's
18 potential exposure for use in negotiations. Class Counsel also carefully evaluated Defendant's defenses to
19 the Class claims and to certification itself.

20 **Defendant's Maximum Exposure**

21 **Minimum Wage and Overtime Claims**

22 23. Plaintiff alleged that during the Class Period he and the other Class Members were at
23 times denied minimum wage and overtime because Defendant would require employees to work off-
24 the-clock, round their time, or manipulate their time. As discussed in greater detail below, however,
25 Defendant employed facially valid timekeeping policies and tracked employee time to the minute.
26 Further, Class Counsel's investigation revealed that, to the extent that employees were working off-
27 the-clock or having their time altered, the issue was potentially individualized rather than systemic.

1 Accordingly, Class counsel generously estimated the value of this claim to be approximately
2 \$92,812.60, equal to one hour off-the-clock per employee, per pay period at the average base rate of
3 pay during the class period.

4 Regular Rate Claims

5 24. Plaintiff also alleged that, although he and the other Class Members were entitled to
6 and at times received non-discretionary bonuses, Defendant did not properly calculate their regular
7 rate of pay for purposes of overtime, meal/rest break premiums, and sick pay. However, as also
8 discussed in greater detail below, the data produced by Defendant indicated that these items *were*
9 actually factored into the Class Members' regular rate of pay for purposes of overtime and the only
10 underpayments which flowed from this alleged violation occurred with respect to meal/rest break
11 premiums and sick pay, both of which were relatively infrequent and minor. On average, based on the
12 data, the bonus earnings added \$1.19 to the base hourly rate, which should have been paid when
13 calculating the meal and rest period premium rate and the redeemed sick pay rate. As explained in the
14 next section, Class Counsel estimated a total of 17,840 denied meal and rest breaks during the Class
15 Period. The records reflect that 1,562.50 hours of sick leave were redeemed during the Class Period.
16 Accordingly, Class counsel calculates the value of the regular rate claim to be not more \$23,088.98
17 (\$1.19/hr x 1,562.50 redeemed sick hours + \$1.19 x 17,840 denied meal and rest breaks).
18

19 Meal / Rest Break Claims

20 25. Plaintiff alleged that during the Class Period he was not always provided compliant
21 meal and rest breaks. Plaintiff also alleged that when he was not provided compliant meal and rest
22 breaks he was not always paid premiums as required by law, or that those premiums were not paid at
23 their regular rate of pay (accounting for non-discretionary bonuses and other items of compensation).
24 Although these claims faced significant hurdles at certification which are discussed below, Class
25 Counsel assumed a reasonable violation rate of twenty percent, equivalent to 2 missed meal periods
26 and 2 missed rest periods per pay period, for which Defendant would be liable for up to \$371,250.40
27 in premiums if they were able to prevail on these claims.
28

1 Wage Statement Claims

2 26. Because Plaintiff alleged that he and the other Class Members were not properly paid
3 minimum wage, overtime, sick pay, and meal and rest break premiums, he also alleges he was not
4 provided accurate itemized wage statements. If each foregoing alleged violation created a wage
5 statement violation, potential penalties could potentially reach \$119,500 (as a result of the
6 approximately 1,250 allegedly deficient wage statements during the relevant time period).
7

8 Waiting Time Penalty Claims

9 27. Because Plaintiff alleged that he and the other Class Members were not properly paid
10 minimum wage, overtime, sick pay, and meal or rest break premiums, he also alleged he was not
11 timely paid all wages due and owing to them at the end of their employment. If liability was
12 established on each of these claims and each of approximately 52 former employee Class Member was
13 underpaid and owed waiting time penalties, Defendant's total liability could potentially be
14 \$259,708.80 (52 x \$20.81/hr. x 8 hrs/day x 30 days).
15

16 Vacation Pay Claims

17 28. Plaintiff alleged that during the Class Period Class Members were not always paid for
18 all unused vacation time at the end of their employment. If liability was established on this claim and
19 each of approximately 52 former employee Class Member was underpaid 8 hours of vacation,
20 Defendant's total liability could potentially be \$8,656.96 (52 x \$20.81/hr x 8 hrs).
21

22 Reimbursement Claims

23 29. Plaintiff alleged that during the Class Period he was not always reimbursed for all the
24 expenses he incurred while performing his job duties, specifically laundering uniforms and use of his
25 cell phone. Assuming \$10/mo. was owed per employee, which reflects a reasonable proportional cost
26 for a cell phone plan, Defendant would owe a maximum of approximately \$22,300.
27

28 Unfair Business Practices

30. Plaintiff alleged that during the Class Period Defendant engaged in unfair business
practices by failing to properly pay minimum wage, overtime, sick pay, and meal and rest break

1 premiums. The unfair business practices claim allowed Plaintiff to extend the statutes of limitations
2 on the other claims and the damages are therefore already accounted for.

3 31. Based upon the foregoing, Defendant's maximum potential liability was calculated at
4 \$897,317.74. As discussed in detail below, this number assumes 100% success by Plaintiff on all of
5 his claims and does not adequately account for Defendant's numerous defenses or likely reductions by
6 the Court. Still, the portion of the Gross Settlement Amount attributable to the Class Claims
7 (\$180,000) constitutes just over 20% (20.05%) of this amount.

8 **Class Counsel's Damages Assessment**

9 32. Because 100% success in litigation is unrealistic, Class Counsel also determined a
10 realistic estimate for the potential recovery for each of the class claims asserted. Under this more
11 measured approach, Class Counsel (1) applied a 50% discount to the off-the-clock claims because they
12 are difficult to certify and prove, and it is unlikely every single Class Member worked off-the-clock
13 during each pay period throughout the entire the Class Period, leaving \$46,406.30; (2) applied no
14 discount to the regular rate claims because they are the most readily proven, leaving \$23,088.98; (3)
15 assumed a 75% discount to the meal and rest period claims because Defendant employe facially valid
16 meal / rest break policies, to account for the likelihood that some of the allegedly non-compliant meal /
17 rest breaks were voluntarily foregone without any input/interference by Defendant who excised
18 minimal control over Class Members movements and mobile technicians, and to account for the
19 overarching difficulty of certifying meal and rest break claims (E.g. *Aguirre v. Genesis Logistics* (C.D.
20 Cal. 2016) 2016 WL 6573986 * 6 (cataloguing cases), leaving \$92,812.60; (4) applied a 50% discount
21 to the wage statement claims in keeping with other discounts and because those claims are purely
22 derivative, leaving \$59,750; (5) applied a 75% discount to the waiting time penalties claims based
23 upon Defendant's defenses to each of the claims and contention that its conduct was not willful,
24 leaving \$64,927.20; (6) applied no discount to the vacation claim because it is easily proven, leaving
25 \$8,656.96; and (7) applied 50% discount to the reimbursement claim because of the difficulty in
26 proving the claims and in light of the fact of Defendant's defenses that it did not require cell phone
27 usage, its uniforms required no unique laundering, and had reimbursement policies, leaving \$11,150.
28

1 33. Under this more measured approach, Class Counsel determined the Class's realistic
2 expectations as to a damages/statutory penalty award after trial would be closer to \$306,792.04. The
3 portion of Gross Settlement Amount allocated to Class Members' claims (\$180,000) represents a
4 significant 58.67% of this realistic recovery.

5 **Defendant's Defenses and Mitigating Factors**

6 34. Defendant raised a number of legitimate substantive arguments against the Class
7 Claims, which have the potential to substantially limit and/or potentially eviscerate the Class's
8 recovery. At the very least, these defenses would have resulted in substantial motion practice,
9 particularly on Defendant's challenges to class certification (especially to Plaintiff's off-the-clock and
10 meal/rest break claims), along with Defendant's continued contention it never violated any applicable
11 laws, always appropriately compensated employees, and that any unfortunate violations which may
12 have occurred were not willful.

13 **Off-the-Clock Claims**

14 35. Plaintiff's off-the-clock claims face significant difficulties at certification and on the
15 merits. As established through informal discovery and the Parties' information exchange, Defendant
16 employed facially valid timekeeping policies and tracked employee time to the minute.
17 Unsurprisingly, Class Counsel's analysis of Plaintiff's time and payroll records did not reveal any
18 uncompensated off-the-clock time (as off-the-clock time is not recorded). Additionally, Class
19 Members' role as mobile technicians and substantial autonomy meant that Defendant exercised very
20 little control over their movements and whether they punched in and out timely. Defendant's argued
21 that any off-the-clock work was the result of individual failures to adhere to company policies rather
22 than a systemic, uniform problem that would be ripe for class certification. While Class Counsel
23 believes certification could have been attained based on allegations of a uniform unwritten policy to
24 record only "scheduled" shift time even when actual work time was beyond those hours, significant
25 challenges were likely. Although numerous Class Member's time records reflected punches only
26 consistent with "scheduled shifts" (i.e. 8:00 a.m. to 4:00 p.m., etc.), there were also a number of Class
27 Members' whose time punches were "irregular" and thus likely reflected their work time accurately to
28

1 the minute. In the absence of (a) significant off-the-clock time demonstrable from Defendant’s own
2 records or (b) unlawful or non-existent written policies from which classwide off-the-clock time could
3 be assumed, it would be difficult, if not impossible to obtain certification.

4 36. Based upon the foregoing, if this matter were to proceed, the Class faced serious risk
5 that certification could be denied and/or that Defendant could prevail on the merits on the basis that it
6 did not know or have reason to know of off-the-clock work being performed such that there would be
7 no recovery for the Class Members on their off-the-clock claims.

8 Regular Rate Claims

9 37. Plaintiff’s regular rate claims are more likely to be certified as such claims generally
10 implicate certifiable issues. (*Evans v. Wal-Mart Stores, Inc.* (C.D. Cal. 2019) 2019 WL 7169791 * 6-
11 7.) To the extent Defendant asserted the bonuses and other items of compensation were in fact
12 discretionary and need not be included in “regular rate”, that merits defense would not impact
13 certifiability—that issue itself presents a certifiable common question. *Id.* at * 6. Accordingly, Class
14 Counsel has a much higher degree of confidence in these claims and the value they could provide to
15 the class than any others. Unfortunately, however, these claims are relatively minimal in value as they
16 only implicated the alleged difference between the base rate and the “regular rate” in workweeks
17 during which employees actually redeemed paid sick leave (which were relatively rare) and/or on
18 occasions when MB/RB were actually denied.

19 Meal and Rest Break Claims

20 38. Meal and rest break claims are traditionally difficult to certify. (*Pittmon v. CACI Intl.*
21 (C.D. Cal. 2022) 2022 WL 4596554 * 7-8.) Here, the claims focused on the denial of compliant meal
22 and rest breaks as a result of the Class Members’ busy schedules. Through informal discovery and the
23 Parties’ information exchange, Defendant established that it employed facially valid meal and rest
24 break policies. Despite this, the time records reflected that meal periods were almost never recorded
25 by any Class Member, thus implicating the presumption of them being denied. (*Donahue v. AMN*
26 *Svcs., Inc.* (2021) 11 Cal.5th 58, 77.) The presumption is properly used to underscore commonality
27 for certification purposes. (E.g. *Garcia v. Central Coast Restaurants, Inc.* (N.D. Cal. 2022) 2022 WL
28

657972 * 6.) Given the nature of Class Members’ positions as mobile technicians, however, Defendant exercised minimal control over them and argues that whether or not employees took meal and rest breaks was entirely up to them. Accordingly, it was Defendant’s position that any allegations of “non-compliant” meal or rest breaks would necessarily require individualized inquiries, such as whether the employee voluntarily chose to forego the break, whether individual job sites required deviation, and whether individual supervisors were failing to uphold Defendant’s policies. The necessity for such individualized inquiries, Defendant contended, would destroy commonality, cause individual issues to predominate, and render class certification inappropriate or subject to attack on appeal. (See e.g., *Ruiz v. Affinity Logistics Corp.*, 2009 WL 648973 * 6 (S.D. Cal. 2009) [where individualized inquiries as to reason breaks were not taken is required, certification may be improper].)

39. In light of the foregoing, Class Counsel concluded there was cognizable risk of not obtaining certification of the Class Members’ meal and rest break claims. Even if the certification hurdle were cleared, there is a palpable risk that Class Members would be able to establish that only a small fraction of the presumptively missed meal periods actually merit imposition of penalties. Ultimately, Class Counsel believes that if litigation were to continue, the Class Members would be in serious jeopardy of losing on their meal and rest break claims and could receive nothing at all for them.

Wage Statement Claims

40. The certifiability of any derivative wage statement claims are tied to the certifiability of the underlying claims and are thus subject to the risks outlined in the preceding sections. (E.g. *Dawson v. Hertz Transporting, Inc.* (C.D. Cal. 2018) 2018 WL 6112623 * 9; *Lampe v. Queen of the Valley Med. Ctr.* (2018) 19 Cal.App.5th 832, 852.) In addition, the derivative wage statement claim is subject to the substantive challenge that requisite injury is lacking because of the wholly derivative nature of the claims and the wage statements accurately outlined the amounts *actually paid* to Class Members. (*Maldonado v. Epsilon Plastics, Inc.* (2018) 22 Cal.App.5th 1308, 1336-1337.) While I believe the derivative wage statement claims are viable because the wage statements did not accurately

1 reflect the wages actually earned (primarily due to the failure to accurately calculate regular rate of
2 pay), the case law presents a risk. (*Castillo v. Bank of Am. Nat. Assn.* (C.D. Cal. 2019) 2019 WL
3 7166055 * 8.)

4 41. Ultimately, Class Counsel finds it likely that the wage statement claims could be
5 certified, but would face significant issues at the merits phase.

6 Waiting Time Penalty Claims

7 42. Because of the aforementioned violations, Plaintiff alleged he and the other Class
8 Members were entitled to waiting time penalties under Labor Code section 203. In addition to all of
9 the defenses set forth above, Defendant also argued that it acted in good faith and that its conduct was
10 not willful such that waiting time penalties would have been available under California Labor Code
11 section 203. The recency of changes to the law expanding liability of 203 penalties, including *Ferra v.*
12 *Lowes Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, further bolstered this argument. Since it was only
13 recently established that meal and rest period premiums constitute “wages” which are required to be
14 paid in full on separation, Defendant was expected to argue any failures to pay all wages could not
15 have been sufficiently “willful” to justify imposition of waiting time penalties. (*Diaz v. Grill Concepts*
16 *Svcs., Inc.* (2018) 23 Cal.App.5th 859, 868 [holding that failure to pay is not willful if there is
17 uncertainty in the law or employer has good faith argument, based in law or fact, that the wages were
18 not due].)

19 43. Because of the risks to the off-the-clock and meal and rest break claims, it is reasonable
20 to expect that any 203 penalties awarded would most likely derive only from the regular rate claims
21 and therefore be substantially reduced.

22 Vacation Claims

23 44. Plaintiff alleged Defendant failed to pay all vacation pay to Class Members at the end
24 of their employment. This claim is more easily verifiable from Defendant’s own records and therefore
25 likely to be certified.

26 Reimbursement Claims

1 45. Plaintiff also alleged that Defendant failed to reimburse him and other Class Members
2 for business expenses, including cell phone usage and uniform laundering. Through informal
3 discovery and the Parties' information exchange, Defendant established that it employed facially valid
4 reimbursement policies throughout the entire Class Period and that it paid just under \$15,000 in cell
5 phone reimbursements during the Class Period. It was also Defendant's position that cell phone usage
6 was not required and that that maintenance of the same did not require anything more than minimal
7 care.

8 46. In light of the forgoing, and because of the individualized nature of the inquiry required
9 to determine whether Class Members used their cell phones, whether more than minimal care for their
10 uniforms was necessary, and why Class Members did not submit requests for reimbursement beyond
11 what was already being provided, Class Counsel determined Class Members faced a real risk of losing
12 certification on this claim or that any damages would be significantly reduced.

13 47. Considering all of the circumstances, and the inherent risks in further litigation that
14 would undoubtedly have included multi-pronged legal attacks, the Settlement—which is expected to
15 *actually provide* an impressive average recovery of more than \$854 for each and every Class Members
16 (even after the deduction of payments to the LWDA, Settlement Administrator, Class Representative,
17 and attorneys' fees and costs)—presents a fair, adequate, and reasonable result and the *most* viable
18 avenue to actually receiving monetary redress for the alleged misconduct of Defendant.

19 48. While I am confident that certification and success on the merits could have been
20 attained on at least some of the Class's claims, continued litigation was guaranteed to be costly, time
21 consuming, and uncertain in outcome. Appellate proceedings would only further delay and jeopardize
22 recovery by Class Members. Shifting sentiment regarding PAGA claims add yet another layer of
23 concern to continued litigation. By contrast, the proposed Settlement ensures timely relief and
24 substantial recovery for the Class and is superior to other recently approved settlements. Accordingly,
25 and in light of the factors outlined in Motion for Preliminary Approval and declarations in support
26 thereof, it is my belief that the settlement is fair, adequate, and reasonable and in the best interest of
27 the Class.
28

1 49. The Released Claims, as outlined in paragraphs 8 and 23 of the Settlement, were
2 narrowly tailored to track the factual allegations underlying the claims advanced on behalf of the Class
3 Members, are limited to the Class Period, and do not include a Civil Code section 1542 waive

4 **PAGA Penalty Exposure Calculations**

5 50. Defendant's maximum exposure for civil penalties pursuant to the PAGA was
6 estimated to be \$243,900. This valuation assumed that PAGA civil penalties would be awarded at the
7 maximum rate per pay period in which there was an alleged violation during the PAGA Period, but
8 without stacking. It is also of note that only 35% of any PAGA recovery would be distributed to Class
9 Members who were employed during the PAGA Period.

10 51. Because of Defendant's numerous defenses, because the amount of PAGA penalties
11 imposed is discretionary and often reduced significantly by courts, and because the propriety of
12 assessing a full violation for each and every pay period is unlikely, a steep discount of 90% or more is
13 appropriate, leaving \$24,390 as a realistic potential recovery for the PAGA claims.

14 52. The Settlement allocates \$20,000 to the resolution of PAGA claims for civil penalties.
15 The Parties negotiated this amount in good faith, intending to serve the punitive and deterrent purposes
16 of the PAGA. This equates to approximately 8.2% of the maximum and 82% of the realistic PAGA
17 exposure, which is an appropriate resolution under the circumstances because the punitive and
18 deterrent purposes of the PAGA are being served by the substantial damages and statutory penalties
19 being paid to the Class in resolution of the substantive Class Claims. (*Jennings v. Open Door*
20 *Marketing, LLC* (N.D. Cal. 2018) 2018 WL 4773057 *8-9 [approving PAGA recovery of 0.6% of
21 maximum]; *Ahmed v. Beverly Health & Rehabilitation Svcs. Inc.* (E.D. Cal. 2018) 2018 WL 746393
22 *10.)

23 53. It is expected that average payment resulting from the settlement of the PAGA claims
24 during PAGA Period will be approximately \$75.26. The PAGA allocation serves the punitive and
25 deterrent purposes of the statute, particularly considering the substantial amount Defendant is also
26 remitting directly to Class Members to resolve their claims. The propriety of the allocation is
27
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underscored by the nature and inherent risks of further litigation, and the ability of the Court to exercise its discretion to reduce any civil penalty amount imposed.

CPT Group Should be Approved as Settlement Administrator

54. My office solicited bids from several national settlement administrators. After negotiating in an effort to obtain the most reliable and cost-effective service possible, the Parties have selected CPT Group, Inc. to serve as the Settlement Administrator.

55. I have experience with CPT Group, Inc. and have found their fees fair and competitive amongst other administrators in the industry. I believe CPT Group, Inc.'s bid of \$7,500, which was less than some of the other bids received, is reasonable in relation to a class of this size, the work to be performed, and as compared to estimates received from other administrators.

Notice to the LWDA

56. The Parties agreed that \$20,000 will be allocated to settle claims to assess and collect civil penalties brought pursuant to the PAGA. Labor Code § 2699(i) affirmatively mandates that 65 percent of the apportioned PAGA Settlement Amount – or \$13,000 – shall be payable to the LWDA. The remaining 35 percent, or \$7,000, will be distributed to Class Members who were employed during the PAGA Period. Under the circumstances, I believe such amount is reasonable and sufficiently serves the deterrent and punitive purposes of the PAGA.

57. My office will submit the Settlement Agreement and Plaintiff's motion for preliminary approval to the LWDA shortly after the motion is filed and conformed copies received from the Court.

Plaintiff Has and Will Serve the Class Well

58. Plaintiff's interest in prosecuting this Class Action and obtaining the most beneficial recovery possible fully comports with the collective interests of the Class Members. Plaintiff understand the claims and theories that are being advanced, have been involved through the litigation, and has no conflicts with the other members of the Class he seeks to represent. Plaintiff was subjected to the same unlawful policies, practices, and procedures, i.e., Defendant's alleged failure 1) to pay minimum, overtime, sick and vacation wages, 2) provide meal/rest breaks and associated premiums, 3) reimburse business expenses, 4) properly calculate regular rate of pay, 5) provide accurate wage

1 statements, 6) maintain accurate timekeeping, payroll, and employment records, and 7) timely pay all
2 wages during employment and on separation. Were he not serving as Class Representative, Plaintiff
3 would be a member of the Class. As such, Plaintiff is uniquely positioned to understand and represent
4 the interests of every Settlement Class Member. Plaintiff is prepared to continue adequately
5 representing the interests of the Class. Plaintiff has demonstrated his commitment to prosecuting this
6 Class Action on behalf of the Class Members by, amongst other things, locating and retaining
7 attorneys, participating in discovery and investigation, filing the Class Action and necessary
8 amendments, willingly exposing his name and reputation to detriment by filing the Class Action, and
9 helping to facilitate the Settlement for which approval is now sought, including participating in and
10 being available throughout the protracted settlement negotiations.

11
12 59. Plaintiff, who has worked diligently with Class Counsel throughout this entire
13 litigation, including taking numerous calls with Class Counsel, participating in responding to the
14 Parties' informal information exchange, and participating in their settlement negotiations, should be
15 rewarded for taking the initiative to pursue these claims on behalf of his former coworkers, and for his
16 role in reaching a settlement providing for valuable monetary relief to the Class.

17 60. Plaintiff will apply for a Class / PAGA Representative Enhancement Payment in the
18 amount \$5,000, or 2.5% of the \$200,000 GSA, in consideration for his service as Class Representative.
19 I believe this to be fair, reasonable and appropriate.

20 61. The Class Notice will apprise Class Members of Plaintiff's request, their right to object
21 and their ability to review the moving papers if they desire.

22 **Experience of Counsel**

23 62. I received a B.A. from the University of California San Diego in June 2005. In
24 December 2007, I received a J.D. from Thomas Jefferson School of Law. In 2008, I became a
25 member of the State Bar of California. In 2013, I became a member of the State Bar of Illinois. I have
26 been an attorney with Mayall Hurley P.C. since 2008. I became a Shareholder in 2014. I served as
27 Mayall Hurley, P.C.'s Director of Human Resources from July 2015 through July 2020. Since that
28 time, I have served as Mayall Hurley, P.C.'s Director of Marketing. I have practiced almost

1 exclusively plaintiffs' employment litigation for nearly 15 years. I was selected as a "Rising Star" by
2 Super Lawyers Magazine, recognizing the top 2.5 percent of California attorneys, every year from
3 2016 through 2023 (when I became ineligible due to age).

4 63. My law firm, Mayall Hurley P.C., has pursued this action aggressively, and many other
5 similar class, collective, and representative actions. For instance, Mayall Hurley P.C. has recently
6 been approved as class counsel in *Hamilton-Medford v. United Cerebral Palsy Assoc., et al*, San
7 Joaquin County Superior Court Case No. STK-CV-UOE-2023-14252; *Banguis v. WM Corporate*
8 *Services, Inc.*, San Joaquin County Superior Court Case No. STK-CV-UOE-2023-0003707;
9 *Kryzhanovskiy v. Amazon.com Services, Inc.*, Eastern District of California Case No. 2:21-cv-01292-
10 BAM; *Reed v. Imperfect Foods, Inc.*, San Francisco County Superior Court Case No. CGC-20-
11 588656; *Owens v. Fidelity National Home Warranty Co.*, Contra Costa County Case No. MSC21-
12 00731; *Kabasele v. ULTA Salon, Cosmetics & Fragrance, Inc.*, Eastern District of California Case No.
13 2:21-cv-01639-WBS-CKD; *Carralez v. Defendant Healthcare, Inc.*, Eastern District of California
14 Case No. 2:22-cv-01613-KJM-DB; *Kalaveras v. NCR Corporation*, Contra Costa County Superior
15 Court Case No. C20-01186; *Matias v. Himalayan Treasures, LLC, et al.*, San Diego County Superior
16 Court Case No. 37-2022-00018548-CU-OE-CTL; *Smith v. DI Logistics, Inc., et al*, San Bernardino
17 County Superior Court Case No. CIVDS2011469; *Gonzalez v. Xtreme Manufacturing, LLC*, Eastern
18 District of California Case No. 2:20-cv-03734-PSG-AGR; *Markson, et al. v. CRST International, Inc.,*
19 *et al*, Central District of California Case No. 5:17-cv-01261-SB; *Espinoza/Renteria v. Love's Country*
20 *Stores, Inc.*, San Bernardino County Superior Court Case No. CIVDS2016581; *Rodriguez v. Allen*
21 *Distribution, L.P.*, San Joaquin County Superior Court Case No. STK-CV-UOE-2020-000; *McGee v.*
22 *Brosnan Risk West Coast*, San Mateo County Superior Court Case No. 19-CV-04464; *Botti v. SAFE*
23 *Credit Union*, Sacramento County Superior Court Case No. 34-2019-00261736; *Mediodia v. SoCal Jet*
24 *Services, Inc.*, Los Angeles County Superior Court Case No. 18STCCV09751; *Flores v. Dart*
25 *Container Corp., et al*, Eastern District of California Case No. 2:19-cv-00083-WBS-EFB; *Rodriguez*
26 *v. J-M Manufacturing, Inc.*, San Joaquin County Superior Court Case No. STK-CV-UOE-2019-6065;
27 *Arata v. Cozad Trailer Sales, LLC*, San Joaquin County Superior Court Case No. STK-CV-UOE-
28

2020-1774; *Modica v. Iron Mountain Information Management Svcs., Inc.*, United States District Court, Eastern District of California Case No. 2:19-cv-00370-TLN-JDP; *Magee v. Thyssenkrupp Materials, N.A., et al.*, Alameda County Superior Court Case No. RG19027231; *Basinger v. Il Palio Restaurant Group, Inc.*, San Diego County Superior Court Case No. 37-2018-00004296-CU-OE-CTL; *Pacheco v. Bushfire Grill, Inc., et al.*, United States District Court, Southern District of California, Case No. 3:18-cv-01696-JAH-WVG; *Wise v. ULTA Salon, Cosmetics & Fragrance, Inc.*, United States District Court, Eastern District of California, Case No. 1:17-cv-00853-DAD-EPG; *Fernando and Kalaveras v. Burroughs, Inc.*, Alameda County Superior Court, Case No. RG18906875; *Mansur v. Owens-Brockway Glass Container, Inc.*, San Joaquin County Superior Court, Case No. STK-CV-UOW-2018-14631; *Alderson v. Alameda County Agricultural Fair Association*, Alameda County Superior Court, Case No. RG18912654; *Terry v. Mare Island Dry Dock, LLC*, Solano County Superior Court, Case No. FCS051650; *Mettler, Bender, and Rojas v. Les Schwab Tire Centers of California, Inc.*, San Joaquin County Superior Court, Case No. STK-CV-UOE-2018-476; *Escalera v. La Tapatia Mexican Market, Inc.*, San Joaquin County Superior Court, Case No., ST-CV-UOE-2017-5296; *Garcia, et al. v. HMS Host USA, Inc.*, United States District Court, Northern District of California, Case No. 17-cv-03069-RS; *Ali v. Sutter Valley Medical Foundation, Inc.*, Sacramento County Superior Court, Case No. 34-2017-00217486; *Grady, et al. v. People 2.0 dba The Hire Source, et al.*, San Joaquin County Case No. STK-CV-UOE-2017-13867; *Kumar v. Forty Niners Stadium Management Company*, Santa Clara County Superior Court, Case No. 17CV3121427; *Gast v. Flooring Liquidators, Inc.*, Stanislaus County Superior Court, Case No. 2026223; *Russell v. KeHe Distributors, Inc.*, United States District Court, Eastern District of California, Case No. 2:17-at-00592; *Smith v. Wal-Mart Stores, Inc. et al.*, United States District Court, Northern District of California, Case No. 3:16-cv-02832-JD; *Titus v. The Martin-Brower, LLC*, United States District Court, Eastern District of California, Case No. 2:17-cv-00558-JAM-GGH; *Hugues v. The Morning Star Trucking Company, LLC, et al.*, Yolo County Superior Court Case No. CV16-1215; *Ahmed v. Beverly Health and Rehabilitation Services, Inc., et al.*, United States District Court, Eastern District of California, Case No. 2:16-cv-01747-WBS-KJN; *Guzman-Padilla, et al. v. Gerard Van De Pol, et al.*, United States

1 District Court, Eastern District of California, Case No. 2:17-cv-00196-JAM-KJN; *Jaime v. Walt*
2 *Disney Parks and Resorts U.S., Inc.*, United States District Court, Central District of California, Case
3 No. SACV 15-01618-CJC(DFMx); *Stevens v. Suncrest Solar, Inc.*, Fresno County Superior Court,
4 Case No. 16CECG03355; *Cardoza v. Blazona Concrete Construction, Inc.*, Alameda County Superior
5 Court Case No. RG17866256; *Maasrani v. Waterton Hospitality Management*, San Mateo County
6 Superior Court, Case No. 17CIV05470; *Huynh v. Parker-Hannifin Corporation*, Stanislaus County
7 Superior Court, Case No. 2022325; *Moser v. O'Connor Woods Housing Corporation*, San Joaquin
8 County Superior Court, Case No. STK-CV-UOE-2014-0009861; *Bastami v. Semiconductor*
9 *Components Industries, LLC*, Santa Clara County Superior Court, Case No. 16cv297447; *Davis v.*
10 *Balfour Beatty Infrastructure, Inc.*, Los Angeles County Superior Court, Case No. BC592580; *Van*
11 *Lith v. iHeartmedia + Entertainment, Inc. et al.*, United States District Court, Eastern District of
12 California, Case No. 1-16-cv-00066-SKO; *Clark v. Arrow Sign Co.*, San Joaquin County Superior
13 Court, Case No. STK-CV-UOE-2016-6457, and *Moreno v. B.R. Funsten & Co.*, Solano County
14 Superior Court Case No. FCS046149, all wage-and-hour class actions with claims similar to the
15 instant matter. Not including this matter, we have several other wage-and-hour class actions currently
16 pending final approval in which we have been preliminarily approved as class counsel. My law firm
17 and I have also represented plaintiffs in numerous representative employment actions, settlements in
18 which have been approved by multiple California and federal courts, and are currently prosecuting
19 dozens more.

20
21 64. Mayall Hurley, P.C. has also obtained class and/or conditional certification (outside of
22 the settlement context) in a number of cases, including *Cervantes v. County of San Diego*, United
23 States District Court, Southern District of California Case No. 25CV0275-H-JLB; *Mitchell v. United*
24 *Health Centers of the San Joaquin Valley*, United States District Court, Eastern District of California
25 Case No. 1:23-cv-00060-JLT-EPG; *Liu v. QNAP, Inc.*, Los Angeles County Superior Court Case No.
26 19PSCV00668; *Bice v. Vensure HR, Inc., et al.*, San Joaquin County Superior Court, Case No. STK-
27 CU-UOE-2016-1264; *Perez et al. v. Abbate Family Farms Limited Partnership et al.*, San Joaquin
28 County Superior Court, Case No. 39-2012-00288653-CU-OE-STK, *Wilk v. Skechers U.S.A., Inc.*,

1 United States District court, Central District of California, Case No. 5-18-CV-01921-JGB-SP; *Titus v.*
2 *Paramount Equity Mortgage, LLC*, United States District Court, Eastern District of California, Case
3 No. 2:17-cv-00349-MCE-KJN; and *Solati v. RPM Mortgage, LLC*, Solano County Superior Court
4 Case No. FCS048401.

5 65. I am also currently lead counsel or co-lead counsel in approximately 15 employment
6 class action cases and a handful of PAGA representative cases.

7 I declare under penalty of perjury under the laws of the State of California and the United
8 States of America that the foregoing is true and correct. Executed on July 17, 2026, in Lodi,
9 California.

10
11 

12
13 _____
14 Robert J. Wassermann

EXHIBIT 1

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13 Attorneys for Defendant
WATERMILL EXPRESS, LLC

14
15 SUPERIOR COURT OF THE STATE OF CALIFORNIA
16 FOR THE COUNTY OF SAN DIEGO

17 ROGELIO ALVAREZ,

18 Plaintiff,

19 vs.

20 WATERMILL EXPRESS, LLC; and DOES 1
through 100, inclusive,

21 Defendants.

Case No. 24CU001044C

ASSIGNED FOR ALL PURPOSES TO:
HON. MICHAEL T. SMYTH; DEPT. C-67

**SETTLEMENT AGREEMENT AND
STIPULATION TO RESOLVE CLASS
ACTION AND PAGA CLAIMS**

Date Action Filed: July 12, 2024
Trial Date: None Set

1 This Settlement Agreement and Stipulation To Resolve Class Action and PAGA Claims (the
2 “**Settlement Agreement**,” “**Agreement**,” or “**Settlement**”) is entered into to resolve the action
3 entitled *Rogelio Alvarez v. Watermill Express, LLC*, San Diego County Superior Court, Case No.
4 24CU001044C. This Agreement is entered into between Plaintiff Rogelio Alvarez and Defendant
5 Watermill Express, LLC.

6 **DEFINITIONS**

7 1. **Action**. “**Action**” means *Rogelio Alvarez v. Watermill Express, LLC*, San Diego
8 County Superior Court, Case No. 24CU001044C.

9 2. **Aggrieved Employees**. “**Aggrieved Employees**” means all non-exempt employees
10 who worked for Watermill in California at any time during the PAGA Period.

11 3. **Attorneys’ Fees and Costs**. “**Attorneys’ Fees and Costs**” means the amount
12 authorized by the Court for: (i) an award of attorneys’ fees to Class Counsel for litigation and
13 resolution of the matter, in the amount that does not exceed 35% percent of the Gross Settlement
14 Amount, to be shared between Class Counsel (66.67%), Leigh Law Firm (16.67%), Gaines &
15 Gaines, APLC (8.33%), and the Law Offices of Alex P. Katofsky, APC (8.33%); and (ii)
16 reimbursement of actual costs incurred by Class Counsel in connection with this Action, in an
17 amount to not to exceed \$3,500.00.

18 4. **Class or Class Members**. “**Class**” or “**Class Members**” means all non-exempt
19 employees who worked for Watermill in California at any time during the Class Period.

20 5. **Class Counsel**. “**Class Counsel**” means Robert J. Wassermann and Jenny D.
21 Baysinger of Mayall Hurley, P.C.

22 6. **Class Notice**. “**Class Notice**” means the Notice of Class Action Settlement, attached
23 as **Exhibit A** to this Agreement, or a substantially similar notice approved by the Court.

24 7. **Class Period**. “**Class Period**” means the period from July 12, 2020 through the date
25 the Court grants preliminary approval of the Settlement, subject to the escalator provision in
26 Paragraph 47.

27 8. **Class Released Claims**. “**Class Released Claims**” means, for the duration of the
28 Class Period, any and all claims against Defendant and the other Released Parties that arise from

the facts, matters, transactions or occurrences alleged in the Action or that could have been alleged in the Action based on such facts. Without limiting the foregoing, and in addition to the foregoing, the Class Released Claims include claims based on the alleged failure to: pay all wages earned for all hours worked at the correct rate including minimum, regular, and overtime wages; provide meal periods or additional pay in lieu thereof at the correct rate; provide rest breaks or additional pay in lieu thereof at the correct rate; issue accurate itemized wage statements; timely pay wages owed during employment and upon separation; provide notice of available paid sick leave and/or properly calculate and pay paid sick leave at the correct rate; reimburse necessary business expenses; maintain accurate timekeeping, payroll, and employment records; and failure to pay vacation pay, pursuant to the corresponding alleged violations of California Labor Code §§ 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 246-249, 256, 510, 512, 558, 1174, 1182.12 *et seq.*, 1194, 1194.2, 1197, 1198, 1198.5, 1199, 2698 *et seq.*, and 2802; claims for violations of California Business and Professions Code § 17200 *et seq.*; Code of Civil Procedure § 1021.5; Civil Code §§ 3287(a) and 3289(b); and all other applicable California Wage Orders and all related or corresponding federal law.

9. Court. “**Court**” means the San Diego County Superior Court, where the Action is currently pending.

10. Defendant. “**Defendant**” means defendant Watermill Express, LLC (“**Watermill**”).

11. Effective Date. The “**Effective Date**” of this Agreement will be the later of (i) the 61st day after service of notice of entry of the Final Order and Final Judgment, if no appeal, review, or writ has been filed; or (ii) if an appeal, review, or writ is sought from the Final Order or Final Judgment, the day after the Final Order and Final Judgment are affirmed or the appeal, review, or writ is dismissed or denied, and the Final Order and Final Judgment are no longer subject to further judicial review. The Effective Date is conditioned upon the Court’s having entered a Final Order and Judgment as set forth in this Agreement.

12. Enhancement Award. “**Enhancement Award**” means the amount the Court authorizes to be paid to the Named Plaintiff in addition to his Individual Settlement Payment, in recognition of his efforts and work in prosecution of the Action, up to \$5,000.00.

13. Final Hearing Date. “**Final Hearing Date**” means the date set by the Court for the hearing on final approval of the Settlement.

14. Final Order and Judgment. “**Final Order and Judgment**” means the proposed order and judgment granting final approval of the Settlement, which Plaintiff will submit to the Court with the motion for final approval of the Settlement.

15. Gross Settlement Amount. “**Gross Settlement Amount**” means the total settlement payment Defendant has agreed to make under this Agreement. The Gross Settlement Amount is \$200,000.00, subject to the escalator provision in Paragraph 47.

16. Individual PAGA Payment. “**Individual PAGA Payment**” means the payment to an Aggrieved Employee of the employee’s *pro rata* share of the PAGA Payment.

17. Individual Settlement Payment. “**Individual Settlement Payment**” means the individual settlement payment allocated to each Participating Class Member and/or Aggrieved Employee as set forth in this Agreement, and consists of the Participating Class Member Payment and the Individual PAGA Payment to the extent an employee is eligible.

18. Named Plaintiff or Plaintiff. “**Named Plaintiff**” or “**Plaintiff**” means Rogelio Alvarez.

19. Notice Period. “**Notice Period**” means the time period commencing on the date the Class Notice is mailed to Class Members and ending 45 days thereafter unless a notice is remailed to a Class Member, in which case, the Notice Period shall end either 45 days after mailing or 14 days after remailing, whichever is later.

20. Net Class Settlement Amount. “**Net Class Settlement Amount**” means the settlement amount to be distributed to Participating Class Members, which is the Gross Settlement Amount less Attorneys’ Fees and Costs, the Enhancement Award to the Named Plaintiff, the PAGA Amount, and Settlement Administration Costs.

21. PAGA Amount. “**PAGA Amount**” means the amount of \$20,000.00, which represents the portion of the Gross Settlement Amount allocated to the settlement of the PAGA Released Claims. The PAGA Amount is paid from the Gross Settlement Amount, and will be allocated as set forth in this Agreement. The Parties agree that 65% of the PAGA Amount

1 (\$13,000.00) will be paid to the LWDA as the “**LWDA Payment**,” and the remaining 35%
 2 (\$7,000.00) will be allocated to the Aggrieved Employees as the “**PAGA Payment**.”

3 22. PAGA Period. “**PAGA Period**” means the period from May 9, 2023 through the
 4 date the Court grants preliminary approval of the class settlement, subject to the escalator provision
 5 in Paragraph 47.

6 23. PAGA Released Claims. “**PAGA Released Claims**” means, for the duration of the
 7 PAGA Period, claims for penalties under the California Private Attorneys’ General Act (California
 8 Labor Code § 2698, *et seq.*) (“**PAGA**”) that (a) arise from the facts, matters, transactions or
 9 occurrences alleged in the Action or that could have been alleged in the Action based on such facts;
 10 or (b) arise from the facts, matters, transactions or occurrences alleged, or that could have been
 11 alleged, in the PAGA Notice Letter sent by Class Counsel to the Labor and Workforce Development
 12 Agency (“**LWDA**”) pursuant to Labor Code section 2699.3 on or about April 30, 2024, and in the
 13 Amended PAGA Notice Letter sent by the Named Plaintiff to the LWDA on or about January 26,
 14 2026. Without limiting the foregoing, and in addition to the foregoing, the PAGA Released Claims
 15 include claims premised on the alleged failure to: pay all wages earned for all hours worked at the
 16 correct rate including minimum, regular, and overtime wages; provide meal periods or additional
 17 pay in lieu thereof at the correct rate; provide rest breaks or additional pay in lieu thereof at the
 18 correct rate; issue accurate itemized wage statements; timely pay wages owed during employment
 19 and upon separation; provide notice of available paid sick leave and/or properly calculate and pay
 20 paid sick leave at the correct rate; reimburse necessary business expenses; maintain accurate
 21 timekeeping, payroll, and employment records; and failure to pay vacation pay, pursuant to the
 22 corresponding alleged violations of California Labor Code §§ 201, 202, 203, 204, 210, 218.5, 218.6,
 23 226, 226.3, 226.7, 227.3, 246-249, 256, 510, 512, 558, 1174, 1182.12 *et seq.*, 1194, 1194.2, 1197,
 24 1198, 1198.5, 1199, 2800, and 2802; and all other applicable California Wage Orders and all related
 25 or corresponding federal law.

26 24. Participating Class Member. “**Participating Class Member**” means each Class
 27 Member who has not timely opted out of the Settlement pursuant to this Agreement, and
 28 “**Settlement Class**” means the class of all Participating Class Members.

25. Participating Class Member Payment. “**Participating Class Member Payment**” means the payment to a Participating Class Member of the employee’s *pro rata* share of the Net Settlement Amount as set forth in Paragraph 48.e.i).

26. Parties. “**Parties**” means Defendant and the Named Plaintiff, individually and on behalf of all Class Members and Aggrieved Employees. Each of the Parties may be referred to in the singular as a “**Party**.”

27. Preliminary Approval Order. “**Preliminary Approval Order**” means an order from the Court preliminarily approving this Settlement.

28. Released Parties. “**Released Parties**” means and includes Watermill and its current and former parents, predecessors or successors, holding companies, affiliated companies, entities, owners, shareholders, members, partners, officers, directors, managers, employees, insurers, and agents.

29. Settlement Administration Costs. “**Settlement Administration Costs**” means the costs of settlement administration, including costs of notice to Class Members, distributing settlement payments, and any other fees and costs incurred or charged by the Settlement Administrator in connection with the execution of its duties under this Settlement.

30. Settlement Administrator. “**Settlement Administrator**” means CPT Group, Inc., the neutral entity the Parties have agreed to appoint to administer this Settlement.

31. Settlement Hearing. “**Settlement Hearing**” means the hearing on the Final Hearing Date at which the Court will determine whether to fully and finally approve the fairness and reasonableness of this Agreement.

RECITALS

32. On April 30, 2024, the Named Plaintiff submitted a PAGA Notice to the LWDA alleging various Labor Code violations by Defendant.

33. On July 12, 2024, the Named Plaintiff filed a Class and Representative PAGA Action Complaint (the “**Complaint**”) against Defendant in a case entitled *Rogelio Alvarez v. Watermill Express, LLC*, San Diego County Superior Court, Case No. 24CU001044C. The Complaint alleges that Defendant violated various wage-and-hour laws and includes claims for: (1) failure to pay

1 minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure
2 to provide rest breaks; (5) failure to provide accurate itemized wage statements; (6) unlawful
3 business practices; and (7) civil penalties under PAGA.

4 34. The parties shared information and engaged in settlement discussions. On or around
5 January 23, 2026, the Parties executed and entered into a Confidential Memorandum of
6 Understanding (“MOU”) to resolve the Class and PAGA claims in the Action. This Agreement
7 supersedes the MOU and governs the terms of the parties’ Settlement.

8 35. On January 26, 2026, the Named Plaintiff submitted an Amended PAGA Notice to
9 the LWDA alleging additional Labor Code violations by Defendant that he and his counsel claim to
10 have uncovered during the course of the litigation.

11 36. On or about April 23, 2026, Named Plaintiff filed a First Amended Complaint, which
12 added additional claims (on a PAGA and class action basis) for alleged violations by Defendant that
13 he and his counsel claim to have uncovered during the course of the litigation.

14 37. Defendant denies that it engaged in any misconduct in connection with the wage-
15 and-hour practices associated with the Class Members (inclusive of the Aggrieved Employees).
16 Defendant further denies that it has any liability of any kind associated with the claims alleged in
17 the Action. Defendant contends that it has complied with both all applicable wage-and-hour laws
18 and all other laws regulating its relationship with the Class Members and the Aggrieved Employees,
19 including the Named Plaintiff.

20 38. Class Counsel has investigated the facts relating to the Action. Settlement
21 discussions were conducted between the parties at arm’s length, through their respective counsel,
22 and the Settlement is the result of an informed and detailed analysis of Defendant’s potential liability
23 and exposure in relation to the costs and risks associated with continued litigation. Based on the
24 documents and data produced, as well as Class Counsel’s own independent investigation and
25 evaluation, Class Counsel believes that the Settlement documented by this Settlement Agreement is
26 fair, reasonable, and adequate, and in the best interest of the Class in light of all known facts and
27 circumstances, including the risk of significant delay and defenses asserted to the merits of the
28 Action. While Defendant specifically denies any liability in the Action, Defendant has agreed to

1 enter into this Settlement to avoid the costs associated with defending the Action.

2
3 **TERMS AND CONDITIONS**

4 NOW, THEREFORE, in consideration of the recitals listed above and the promises and
5 warranties set forth below, and intending to be legally bound and acknowledging the sufficiency of
6 the consideration and undertakings set forth below, the Named Plaintiff, individually and on behalf
7 of the Class Members, Aggrieved Employees, and, to the extent permitted by law, the State of
8 California, and Defendant agree that the Action shall be and is finally and fully compromised and
9 settled on the following terms and conditions:

10 39. **Non-Admission Of Liability.** The Parties enter into this Agreement to resolve the
11 dispute that has arisen between them and to avoid the burden, expense and risk of continued
12 litigation. In entering into this Agreement, Defendant and the other Released Parties do not admit,
13 and specifically deny, that they have violated any federal, state, or local law; violated any regulations
14 or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal
15 requirements; breached any contract; violated or breached any duty; engaged in any
16 misrepresentation or deception; or engaged in any other unlawful conduct with respect to the Class
17 Members or the Aggrieved Employees. Neither this Agreement, nor any of its terms or provisions,
18 nor any of the negotiations connected with it, shall be construed as an admission or concession by
19 Defendant or any of the other Released Parties of any such violations or failures to comply with any
20 applicable law. Except as necessary in a proceeding to enforce the terms of this Agreement, this
21 Agreement and its terms and provisions shall not be offered or received as evidence in any action
22 or proceeding to establish any liability or admission on the part of Defendant, or any of the other
23 Released Parties, or to establish the existence of any condition constituting a violation of, or a non-
24 compliance with, federal, state, local or other applicable law.

25 40. **Conditional Nature Of Settlement.** For settlement purposes *only*, the Parties agree
26 that (a) a class may be certified in the Action pursuant to California Code of Civil Procedure section
27 382, and (b) the Action may proceed as a PAGA representative action.

28 a. The Parties intend their settlement to be contingent upon the preliminary and

1 final approval of each and every term of this Agreement, without material modification. The Parties
2 and their respective counsel shall use their best efforts to obtain Court approval and implement this
3 Agreement in accordance with its terms. If the Court does not so approve this Agreement, the Parties
4 agree to meet and confer to address the Court's concerns. If the Parties are unable to agree upon a
5 resolution, the Parties intend this Agreement to become null and void, and unenforceable, in which
6 event the settlement terms set forth in this Agreement, including any modifications made with the
7 consent of the Parties, and any action taken or to be taken in connection with this Agreement shall
8 be terminated and shall become null and void and have no further force or effect, and the class
9 certified for settlement purposes pursuant to this Agreement will be decertified for all purposes. In
10 such an event, the Parties shall be jointly responsible for payment of the Settlement Administrator's
11 fees, if any, in an equal amount.

12 b. In the event the Court does not grant preliminary or final approval of the
13 Parties' settlement, or in the event that this Agreement shall terminate or the settlement embodied
14 in this Agreement does not become effective for any reason, the Agreement and all negotiations,
15 court orders and proceedings relating to the Agreement shall be without prejudice to the rights of
16 the Named Plaintiff, Class Members, Aggrieved Employees, LWDA, and Defendant, each of whom
17 shall be restored to their respective positions existing prior to the execution of this Agreement, and
18 evidence relating to the Agreement and all negotiations shall not be discoverable or admissible in
19 the Action or any other litigation. Defendant does not waive, and instead expressly reserves, its
20 right to challenge the propriety of class certification and/or the Action proceeding on a
21 representative basis for any purpose should the Court not grant preliminary or final approval of the
22 Parties' settlement.

23 41. Participating Class Members' Release Of Claims. Upon the funding of the Gross
24 Settlement Amount and the Employer's Taxes necessary to effectuate the Settlement, the Named
25 Plaintiff and all Participating Class Members shall be deemed to have fully, finally, and forever
26 released, settled, compromised, relinquished, and discharged any and all of the Released Parties
27 from the Class Released Claims that arose during the Class Period.

28 a. This release by the Named Plaintiff and each Participating Class Member is

1 intended to settle any and all of the Class Released Claims that any of them may have against
2 Defendant or any of the Released Parties during the Class Period.

3 b. Because it is impossible or impracticable to have each Class Member execute
4 this Agreement, the Class Notice will advise all Class Members of the binding nature of the release
5 and such notice will have the same force and effect as if the Agreement were executed by each Class
6 Member.

7 42. Aggrieved Employees' Release of PAGA Claims. In exchange for the PAGA
8 Amount recited in this Agreement, the Named Plaintiff, as the proxy for the State of California, will,
9 upon funding of the Gross Settlement Amount to the Settlement Administrator, forever completely
10 release and discharge Defendant and each of the Released Parties from the PAGA Released Claims
11 that arose during the PAGA Period. The Aggrieved Employees and the State of California will be
12 deemed by operation of the Final Order and Judgment to have agreed not to sue or otherwise make
13 a claim against Defendant and/or any of the Released Parties for the PAGA Released Claims that
14 arose during the PAGA Period, to the extent permissible by law.

15 43. Full Release By The Named Plaintiff. Upon funding of the Gross Settlement
16 Amount, the Named Plaintiff fully releases and discharges Defendant and the other Released Parties
17 from the Class Released Claims and any other claims that the Named Plaintiff now has or claims to
18 have, or has ever had or claimed to have, against Defendant and the Released Parties. Without
19 limiting the generality of the foregoing, the Named Plaintiff specifically and expressly releases to
20 the maximum extent permitted by law any claims against Defendant and the Released Parties,
21 arising out of or relating to the Named Plaintiff's employment or the termination of his employment
22 with Defendant and any other Released Party. This general release by the Named Plaintiff includes
23 a waiver of the Named Plaintiff's rights under Civil Code section 1542, which provides: "A general
24 release does not extend to claims that the creditor or releasing party does not know or suspect to
25 exist in his or her favor at the time of executing the release and that, if known by him or her, would
26 have materially affected his or her settlement with the debtor or released party."

27 44. Separation of Employment. Upon the funding of the Gross Settlement Amount, the
28 Named Plaintiff agrees that his employment with Defendant will be deemed terminated effective

1 March 12, 2024.

2 45. No Prior Assignments. The Named Plaintiff represents and warrants that he has not
3 directly or indirectly assigned, transferred, encumbered or purported to assign, transfer, or encumber
4 to any person or entity any portion of any liability, claim, demand, action, cause of action, or rights
5 released and discharged by this Agreement.

6 46. Settlement Payments And Calculation Of Claims. Subject to final Court approval
7 and the conditions specified in this Agreement, and in consideration of the mutual covenants and
8 promises set forth in this Agreement, Defendant Watermill agrees to pay the Gross Settlement
9 Amount of \$200,000.00. The Gross Settlement Amount includes payments to be made to
10 Participating Class Members, Class Counsel's Attorneys' Fees and Costs, the Enhancement Award
11 to the Named Plaintiff, the PAGA Amount, and Settlement Administration Fees and Costs. For the
12 avoidance of doubt, subject to the conditions set forth in this Agreement, Defendants shall not be
13 required to pay any amount over \$200,000.00 for this Settlement, apart from the employer's share
14 of applicable taxes, which will be paid in addition to the Gross Settlement Amount, and as set forth
15 in Paragraph 55, except to the extent the Settlement Escalator Clause in subdivision (a) below is
16 triggered and Defendant elects option (a).

17 47. Settlement Escalator Clause. This Settlement is based on the estimate that Class
18 Members worked approximately 4,086 pay periods during the period from July 12, 2020, through
19 September 23, 2025. If the total number of pay periods increases to a figure that is greater than
20 4,495 as of the date of preliminary approval of the Settlement, Defendant will have the choice of:
21 (a) paying a proportional increase in the Settlement Amount for each additional pay period over
22 4,495 (e.g., if the number of pay periods increases by 11%, the Gross Settlement Amount will
23 increase by 1%); (b) only paying a proportional increase in the PAGA Payment for each additional
24 pay period over 4,495, which will be added to the Gross Settlement Amount; or (c) modifying the
25 end date of the Class Period and/or PAGA Period and paying a pro-rata increase. Counsel for
26 Defendant will inform Class Counsel of Defendant's escalator clause election on or before the date
27 of preliminary approval of the Settlement.

28 48. Apportionment of Gross Settlement Amount. The Parties agree, subject to Court

1 approval and the conditions specified in this Agreement, that the Gross Settlement Amount shall be
2 apportioned as follows:

3 a. Class Counsel Attorneys' Fees and Costs: At the final approval hearing,
4 Class Counsel will apply to the Court for an award of Attorneys' Fees of no more than thirty-five
5 percent (35%) of the Gross Settlement Amount, which presently equals \$70,000.00. These fees will
6 be shared amongst multiple law firms as follows: 66.67% to Class Counsel, 16.67% to the Leigh
7 Law Firm, 8.33% to Gaines & Gaines, APLC, and 8.33% to Alex P. Katofsky, APC, subject to court
8 approval. Class Counsel will also apply to the Court for an award of actual costs incurred by Class
9 Counsel not to exceed the amount of \$3,500. These fees and costs are included in, and shall come
10 from, the Gross Settlement Amount. IRS Form 1099s will be issued for any fees and costs awarded
11 by the Court pursuant to this Paragraph. Except as provided in this Paragraph, each Party will bear
12 its own attorneys' fees, costs, and expenses incurred in the prosecution, defense, or settlement of
13 the Action. If the Court awards a lower amount of Attorneys' Fees and Costs than the amount
14 requested, any amount not awarded will be part of the distribution to the Participating Class
15 Members as set forth in this Agreement and shall not be a reason to invalidate/terminate this
16 Agreement.

17 b. Settlement Administrator Costs: At the final approval hearing, Class Counsel
18 will apply to the Court for approval of Settlement Administration Costs not to exceed the amount
19 of \$7,500. These costs are included in, and shall come from, the Gross Settlement Amount. If the
20 actual amount of the Settlement Administration Costs is less than \$7,500, the difference between
21 \$7,500 and the actual Settlement Administration Costs shall be a part of the Net Class Settlement
22 Amount. If the Settlement Administration Costs exceed \$7,500 then such excess will be paid solely
23 from the Gross Settlement Amount and Defendant will not be responsible for paying any additional
24 funds in order to pay these additional costs.

25 c. Named Plaintiff Enhancement Award: At the final approval hearing, Class
26 Counsel will apply to the Court for an award of up to \$5,000.00 to be paid to the Named Plaintiff as
27 an Enhancement Award for his services, for assuming the risks associated with this litigation, and
28 for the time spent in assisting Class Counsel to litigate this Action. Defendant will not oppose such

application. The Enhancement Award is included in, and shall come from, the Gross Settlement Amount. The Named Plaintiff will be issued an IRS Form 1099 for the Enhancement Award approved by the Court pursuant to this Paragraph. The Enhancement Award payable to the Named Plaintiff shall be in addition to any payment he may receive pursuant to Paragraph 48e.i), below. If the Court awards less than the amount requested, any amount not awarded will be part of the distribution to the Participating Class Members as set forth in this Agreement and shall not be a reason to invalidate/terminate this Agreement.

d. PAGA Amount: At the final approval hearing, Class Counsel will apply to the Court for approval of the PAGA Amount of \$20,000.00 for claims for civil penalties asserted under PAGA. Class Counsel will submit notice of this Settlement to the LWDA, as required by Labor Code § 2699(l)(2). The Parties agree that 65% of the PAGA Amount (\$13,000.00) will be paid to the LWDA as the “**LWDA Payment**,” and the remaining 35% (\$7,000.00) will be allocated to the Aggrieved Employees as the “**PAGA Payment**.” The portion of the PAGA Payment allocated to each of the Aggrieved Employees will be calculated using the same formula as set forth immediately below in Paragraph 48.e. Any Class Members who worked during the PAGA Period and who opt out of the Settlement will still be considered Aggrieved Employees for purposes of this Paragraph and, therefore, will (i) receive their portion of the PAGA Payment (the Individual PAGA Payment); and (ii) release all PAGA Released Claims against the Released Parties.

e. Individual Settlement Payments. The Individual Settlement Payments shall consist of: (i) each Participating Class Member’s *pro rata* portion of the Net Class Settlement Amount (*i.e.*, the “Participating Class Member Payment”); and (ii) if applicable, each Aggrieved Employee’s *pro rata* portion of the PAGA Payment (*i.e.*, the Individual PAGA Payment).

i) Participating Class Member Payment: After deducting the approved amounts specified in Paragraphs 48.a-e above, each Participating Class Member will be entitled to a *pro rata* portion of the remaining amount. Participating Class Member Payments will be calculated from the Net Class Settlement Amount based on the respective number of pay periods worked by each Participating Class Member in a non-exempt position during the Class Period, rounded up. All Class Members will be deemed to have worked during at least one pay period

during the Class Period. Each Participating Class Member's share of the Net Class Settlement Amount will be calculated by dividing the Participating Class Member's pay periods worked in a non-exempt position by the total number of pay periods worked by all Class Members in a non-exempt position during the Class Period and multiplying this figure by the Net Class Settlement Amount. The Class Notice will include the number of pay periods that the Class Member worked during the Class Period and the amount the Class Member is estimated to receive under the terms of the Settlement.

ii) Individual PAGA Payment: For each Aggrieved Employee, the Individual Settlement Payment will also include the Class Member's *pro rata* share of the PAGA Payment.

f. The Parties acknowledge and agree that the formula used to calculate the Individual Settlement Payments (including the Participating Class Member Payments and Individual PAGA Payments) does not mean that all of the elements of damages, restitutionary relief, and penalties alleged in the Action are not being taken into account. The above formula was devised as a practical and logistical method to simplify the participation process.

g. Participating Class Member Payments shall be distributed only to Participating Class Members. The portion of the Net Class Settlement Amount allocated to Class Members who opt out of the Settlement will be distributed to Participating Class Members on a *pro rata* basis based on the formula set forth in Paragraph 48.e.i). Individual PAGA Payments will be distributed to all Aggrieved Employees.

h. The Parties agree that, under no circumstances shall Defendant be obligated to pay any amount under this Agreement to any Class Member other than Participating Class Members, with the exception of the Individual PAGA Payments which are not affected by a Class Member opting-out of the Settlement. In addition, the Parties agree that, except as provided in Paragraph 48, under no circumstances shall Defendants be obligated to pay more than the Gross Settlement Amount in full settlement of the Action.

49. No Credit Toward Benefit Plans. The Individual Settlement Payments made to Participating Class Members under this Agreement, including the Individual PAGA Payments made

1 to Aggrieved Employees, will not be utilized to calculate any additional benefits under any benefit
2 plans to which any Participating Class Member or Aggrieved Employees may be eligible including,
3 but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation
4 plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention
5 that this Agreement will not affect any rights, contributions, or amounts which any Participating
6 Class Member or Aggrieved Employee may be entitled to under any benefit plans.

7 50. Taxation Of Settlement Proceeds. All settlement payments paid to Participating
8 Class Members, Aggrieved Employees, and the Named Plaintiff, will be paid in a net amount after
9 applicable state and federal tax withholdings, including payroll taxes, have been deducted.

10 a. The Participating Class Member Payments shall be reported as follows:
11 (i) 20% of the amount distributed to each Participating Class Member will be considered wages, and
12 will be reported as such to each Participating Class Member on a W-2 Form; (ii) 80% of the amount
13 distributed to each Participating Class Member will be considered interest on the unpaid wages and
14 statutory penalties and will be reported on an IRS Form 1099. The PAGA Payments distributed to
15 each Aggrieved Employee will be considered 100% payment on behalf of claims for civil penalties,
16 and will be reported as such to each PAGA Class Member on an IRS Form 1099, if applicable.

17 b. Prior to mailing the Individual Settlement Payments, the Settlement
18 Administrator will calculate, withhold from the Individual Settlement Payment, and remit to
19 applicable governmental agencies sufficient amounts as may be owed by Participating Class
20 Members for required withholdings and taxes, including all payroll taxes. The Settlement
21 Administrator will issue appropriate tax forms to each Participating Class Member and Aggrieved
22 Employee consistent with the foregoing breakdown. The Parties understand that the Named
23 Plaintiff, Participating Class Members, and Aggrieved Employees who receive an Individual
24 Settlement Payment, including an Individual PAGA Payment, pursuant to this Agreement shall be
25 solely responsible for any and all tax obligations associated with such receipt.

26 c. The Parties stipulate that the Settlement Fund will qualify as a settlement fund
27 pursuant to the requirements of Section 468(B)(g) of the Internal Revenue Code of 1986, as
28 amended, and Section 1.468B-1 *et seq.* of the federal income tax regulations. Furthermore, the

1 Settlement Administrator is designated as the “**Administrator**” of the qualified settlement funds for
2 purposes of Section 1.468B-2(k) of the income tax regulations. Accordingly, all taxes imposed on
3 the gross income of the Settlement Fund and any tax-related expenses arising from any income tax
4 return or other reporting document that may be required by the Internal Revenue Service or any state
5 or local taxing body will be paid from the Settlement Fund.

6 d. All Parties represent and acknowledge that nothing in this Agreement
7 constitutes tax advice regarding the tax treatment of payments under federal, state, or local law. The
8 Named Plaintiff, Participating Class Members, and Aggrieved Employees will assume any such tax
9 obligations or consequences that may arise from this Agreement and Class Members shall not seek
10 any indemnification from the Parties or any of the Released Parties in this regard. In the event that
11 any taxing body determines that additional taxes are due from any Class Member or Aggrieved
12 Employee, including the Named Plaintiff, such Class Member or Aggrieved Employee assumes all
13 responsibility for the payment of such taxes.

14 51. Notice Procedure. Within 15 calendar days after entry of the Preliminary Approval
15 Order, Defendant will provide to the Settlement Administrator a list of Class Members that identifies
16 each Class Member by name, Social Security Number, and last-known address; and specifies the
17 number of pay periods worked by each Class Member in a non-exempt position during the Class
18 Period and the PAGA Period (the “**Class List**”). Defendant will provide the Class List in an Excel
19 file or other format reasonably acceptable to the Settlement Administrator. The Settlement
20 Administrator will keep the list confidential, except it shall be provided to Class Counsel upon
21 request with Social Security Numbers and address information redacted, and Class Counsel agrees
22 to use such information only for the purposes described in this Agreement.

23 a. Upon receipt of the Class List, the Settlement Administrator shall perform a
24 search based upon the National Change of Address Database to update and correct any known or
25 identifiable address changes. The Settlement Administrator shall exercise its best judgment to
26 determine the current mailing address for each Class Member. Within 14 calendar days after receipt
27 of the Class List from Defendant, the Settlement Administrator will send the Class Notice to each
28 Class Member via First Class U.S. Mail. Receipt of the Class Notice shall be presumed as to each

1 and every Class Member whose Class Notice is not returned to the Settlement Administrator as
2 undeliverable within 14 calendar days after mailing.

3 b. The Settlement Administrator will re-mail any notice packet returned by the
4 United States Postal Service with a forwarding address on or before the expiration of the Notice
5 Period. It shall be conclusively presumed that those Class Members whose re-mailed Class Notice
6 is not returned to the Settlement Administrator as undeliverable within 14 calendar days after re-
7 mailing, received the Class Notice. Class Members who receive a re-mailed Class Notice shall have
8 either 60 days from the original mailing or 14 days from the re-mailing, whichever is later, to object,
9 opt out, or dispute the workweeks attributed to the Class Member.

10 c. The Settlement Administrator will use the appropriate skip tracing and
11 National Change of Address searches to increase the likelihood of delivery of the Class Notice to
12 Class Members, and to re-mail the notice packets returned by the Postal Service without a
13 forwarding address upon locating new or alternate addresses after a reasonable search.

14 d. Class Counsel will provide to the Court, in connection with seeking final
15 approval of the Settlement, a declaration from the Settlement Administrator confirming that the
16 Class Notice was mailed to all Class Members as required by this Agreement, as well as any
17 additional information Class Counsel deems appropriate to provide to the Court.

18 52. Dispute Procedure. The Class Notice will include a procedure by which a Class
19 Member may dispute the number of pay periods allocated to the Class Member by submitting a
20 written dispute sent via U.S. Mail to the Settlement Administrator postmarked no later than the
21 expiration of the Notice Period (“**Pay Period Dispute**”). To be valid, a Pay Period Dispute must
22 contain the following: (i) the Class Member’s full name, current address, and signature; (ii) the
23 Action name and case number; (iii) the number of pay periods the Class Member maintains is
24 correct; and (iv) documentary evidence sufficient to prove that Defendant’s calculation of the pay
25 periods for the Class Member is incorrect, if any. Upon receipt of notice of a Pay Period Dispute,
26 the Settlement Administrator shall promptly serve Defendant’s counsel with a copy of the Pay
27 Period Dispute and any accompanying papers. Defendant’s counsel will inform Class Counsel of
28 any such dispute. No Pay Period Dispute shall be effective or considered for any purpose unless it

1 is timely mailed by U.S. mail to and received by the Settlement Administrator as provided above.
2 Defendant shall have the right to respond to the Pay Period Dispute by any Class Member. The
3 Settlement Administrator will resolve the Pay Period Dispute and make a final and binding
4 determination without hearing or right of appeal.

5 a. Within ten (10) calendar days after the close of the Notice Period, the
6 Settlement Administrator will provide Class Counsel and Defendant's counsel with a report listing
7 the amount of all Individual Settlement Payments, including Individual PAGA Payments, to be
8 made to Participating Class Members and Aggrieved Employees. The report to Class Counsel will
9 not include the names or contact information of Participating Class Members and Aggrieved
10 Employees.

11 53. Opt-Out Procedure. Unless a Class Member opts out of the settlement described in
12 this Agreement, the Class Member will be bound by the terms and conditions of this Agreement,
13 including the release of the Class Released Claims that arose during the Class Period. A Class
14 Member will not be entitled to opt out of the settlement established by this Agreement unless the
15 Class Member submits a valid opt-out request ("**Opt-Out Request**"). A valid Opt-Out Request
16 must: (i) contain the Class Member's full name, current address, and signature; (ii) the Action name
17 and case number; (iii) a written request clearly expressing the Class Member's desire to be excluded
18 from (or opt out of) the Settlement; and (iv) be returned so that it is postmarked on or before the
19 expiration of the Notice Period. Any Class Members who worked during the PAGA Period and
20 who opt out of the Settlement will still be considered Aggrieved Employees for purposes of this
21 Agreement.

22 a. Upon receipt of any Opt-Out Request within the Notice Period, the
23 Settlement Administrator shall review the Opt-Out Request to confirm that it complies with the opt-
24 out requirements of this Agreement.

25 b. Any Class Member who fails to submit a timely, complete, and valid Opt-
26 Out Request will be barred from opting out of this Agreement or the settlement, unless otherwise
27 ordered by the Court. If the Settlement Administrator receives a timely Opt-Out Request that is
28 incomplete, it will make reasonable attempts to contact the class member to cure the defect. The

1 Settlement Administrator will not consider any Opt-Out Request postmarked after the end of the
2 Notice Period, but will report its receipt of any such requests to Class Counsel and counsel for
3 Defendant. It shall be presumed that if an Opt-Out Request is not postmarked on or before the end
4 of the Notice Period, the Class Member did not make the request in a timely manner. A declaration
5 submitted by any Class Member attesting to the mailing of an Opt-Out Request on or before the
6 expiration of the Notice Period shall be insufficient to overcome the conclusive presumption that
7 the Opt-Out Request was untimely. Under no circumstances shall the Settlement Administrator
8 have the authority to extend the deadline for Class Members to submit a request to opt out of the
9 settlement without the Parties' joint written consent.

10 c. At the close of the Notice Period, the Settlement Administrator shall report
11 the names of all individuals who opted out of the Agreement to the parties and include this
12 information in a Declaration regarding the distribution of the notice that will be provided in support
13 of Plaintiff's Motion for Final Approval.

14 d. If 10% or more Class Members timely opt out of the settlement, Defendant
15 will have the sole and absolute discretion to withdraw from this Agreement within ten (10) calendar
16 days after Defendant receives notice of the number of opt-outs. Defendant will provide written
17 notice to Class Counsel if they intend to withdraw from this Agreement. In the event that Defendant
18 elect to so withdraw, the withdrawal shall have the same effect as a termination of this Agreement
19 for failure to satisfy a condition of settlement, and the Agreement shall become null and void and
20 have no further force or effect, and the class certified pursuant to this Agreement will be decertified
21 for all purposes. If Defendant chooses to terminate this Settlement Agreement under this provision,
22 it shall be responsible to pay the Settlement Administrator's fees and costs. If the Settlement
23 Agreement is terminated for any other reason, including the Court's failure to grant final approval
24 of the Parties' settlement, then Class Counsel and Defendant will be jointly responsible for the
25 Settlement Administrator's fees and costs.

26 54. Objections To Settlement. Any Class Member may object to the Settlement. Any
27 written objection must be mailed to the Settlement Administrator (who shall promptly provide a
28 copy to Class Counsel and counsel for Defendant) by the close of the Notice Period. Class Counsel

1 will ensure that any written objections are filed with the Court concurrently with the final approval
2 documents by having it attached to the Settlement Administrator's Declaration. Class Members
3 who have not objected in writing may still appear and be heard at the Settlement Hearing.

4 a. Written objections to the Settlement must contain at least the following:
5 (i) the objecting Class Member's full name, current address, and signature; (ii) a clear reference to
6 the Action; (iii) a statement of the specific reasons why the objector believes the Settlement is unfair
7 or objects to the Settlement; and (iv) a statement of whether the objector intends to appear at the
8 final approval hearing, either in person or through counsel and, if through counsel, a statement
9 identifying that counsel by name, bar number, address, and telephone number. All objections shall
10 be signed by the objecting Class Member or the Class Member's legally-authorized representative.

11 b. Class Counsel or Defendant's counsel may, up to five (5) court days before
12 the Final Hearing Date, file responses to any written objections submitted to the Court.

13 c. Unless they opt out of the Settlement as specified in Paragraph 53, Class
14 Members who object to the proposed settlement or the Agreement will remain Participating Class
15 Members, and shall be deemed to have voluntarily waived their right to pursue an independent
16 remedy against Defendant and the other Released Parties. To the extent any Participating Class
17 Member objects to the proposed settlement or Agreement and such objection is overruled in whole
18 or in part, such individuals will be bound by the Court's Final Order and Judgment.

19 d. In the event that any person objects to or opposes this proposed settlement or
20 the Agreement, or attempts to intervene in or otherwise enter the Action, the Parties and Class
21 Counsel will use their best efforts to defend the Settlement.

22 e. A Class Member cannot both opt out of and object to the Settlement. If a
23 Class Member both objects and opts out of the Settlement, the opt-out will control and the objection
24 will be deemed invalid.

25 55. Funding And Distribution Of Settlement.

26 a. Within fourteen (14) calendar days of the close of the Notice Period, the
27 Settlement Administrator will provide a draft declaration to Class Counsel and Defendant's counsel
28 setting forth the number of Participating Class Members and Aggrieved Employees; the identity of

1 those individuals who opted out of the Settlement; the total amount payable to all Participating Class
2 Members and Aggrieved Employees; and the total PAGA Amount, Attorneys' Fees and Costs,
3 Enhancement Award, Settlement Administration Costs, Net Class Settlement Amount, and the
4 appropriate applicable employer's taxes for any portion of the Individual Settlement Payments
5 designated as wages.

6 b. Upon the Court entering the Final Order and Judgment, and within fifteen
7 (15) calendar days after the Effective Date, Defendant shall remit to the Settlement Administrator
8 the Gross Settlement Amount, and its respective taxes for any portion of the Individual Settlement
9 Payments designated as wages (collectively, the "**Settlement Fund**"). The delivery by Defendant
10 of the Settlement Fund to the Settlement Administrator will constitute the full and complete
11 discharge of the entire obligation of Defendant under this Agreement, unless anything further is
12 requested by the Settlement Administrator to ensure timely and proper disbursement. No Released
13 Party will have any further obligation or liability to the Named Plaintiff, Participating Class
14 Members, Aggrieved Employees, or Class Counsel under this Agreement, in connection with the
15 claims released herein, regardless of whether the Named Plaintiff, Participating Class Members,
16 Aggrieved Employees, or Class Counsel receive the payments from the Settlement Administrator
17 set forth in this Agreement.

18 c. The distribution of Individual Settlement Payments to Participating Class
19 Members and Aggrieved Employees will occur no later than ten (10) calendar days after receipt of
20 the Settlement Fund from Defendant ("**Settlement Proceeds Distribution Deadline**"). The
21 Settlement Administrator shall be deemed to have timely distributed Individual Settlement
22 Payments, including Individual PAGA Payments, if it places in the mail the Individual Settlement
23 Payments for all Participating Class Members and the Individual PAGA Payments for all Aggrieved
24 Employees by the Settlement Proceeds Distribution Deadline. No person will have any claim
25 against the Settlement Administrator, Defendant, Class Counsel, Defendant's counsel, or any other
26 agent designated by the Named Plaintiff or Class Counsel based upon the distribution of Individual
27 Settlement Payments made substantially in accordance with this Agreement

28 d. The distribution of the LWDA Payment, Attorneys' Fees and Costs, and the

1 Enhancement Award shall occur no later than ten (10) calendar days after the Settlement
2 Administrator receives the Settlement Fund from Defendant.

3 e. If a Participating Class Member's or Aggrieved Employee's check is returned
4 to the Settlement Administrator, the Settlement Administrator will make reasonable efforts to re-
5 mail it to the Participating Class Member or Aggrieved Employee at the correct address. It is
6 expressly understood and agreed that the checks for the Individual Settlement Payments, including
7 the Individual PAGA Payments, will become void and no longer available if not cashed within 180
8 calendar days after mailing. The funds from uncashed and voided checks will be transferred to the
9 Court Appointed Special Advocates ("CASA") of San Diego County ("Cy Pres Recipient"), subject
10 to approval by the Court.

11 f. Defendant will not be obligated to make any payments contemplated by this
12 Agreement unless and until the Court enters the Final Order and Judgment, and after the Effective
13 Date of the Agreement.

14 g. Within sixty (60) calendar days of the Settlement Proceeds Distribution
15 Deadline, the Settlement Administrator will provide written certification of completion of settlement
16 administration to Class Counsel and to Defendant's Counsel.

17 56. Binding Effect Of Agreement On Class Members. Subject to final Court approval
18 and the occurrence of the Effective Date, and unless otherwise provided in this Agreement, all
19 Participating Class Members will be bound by this Agreement.

20 57. Binding Effect Of Agreement On Aggrieved Employees And State Of California.
21 The Aggrieved Employees and the State of California, to the maximum extent permitted by law,
22 shall be deemed by operation of the Final Order and Judgment to have agreed not to sue or otherwise
23 make a claim against Defendant or any of the Released Parties for any of the PAGA Released Claims
24 and to be bound by the release of the PAGA Released Claims as set forth in this Agreement.

25 58. Provisional Approval Of Settlement. The Named Plaintiff will file a motion in the
26 Action requesting that the Court enter the Preliminary Approval Order shortly after complete
27 execution of this Agreement. Defendant will not oppose Class Counsel's motion for preliminary
28 approval of the settlement so long as the motion and supporting papers are consistent with the terms

1 of this Agreement. Class Counsel will provide Defendant's counsel at least seven (7) calendar days
2 to review, and provide comments to, the draft motion for preliminary approval of the settlement
3 before the motion and supporting papers are filed with the Court. Notwithstanding the foregoing,
4 Defendant may, without opposing the preliminary approval motion, advise the Court if Defendant
5 disputes any of the factual statements concerning the claims at issue included by the Named Plaintiff
6 in the motion and supporting papers. Defendant's counsel will meet and confer with Class Counsel
7 regarding any disputed factual statements before notifying the Court of any disputes.

8 59. Non-Interference With Claims Procedure. The Parties and their counsel agree that
9 they will not advise, solicit, or otherwise encourage any Class Members to submit requests for
10 exclusion or objections to the settlement or to appeal from the Final Order and Judgment.

11 60. Final Order And Judgment. The Named Plaintiff will request that the Court enter,
12 after the hearing finally approving this Agreement, a Final Order and Judgment. The Named
13 Plaintiff will request that the Final Order and Judgment certify the Participating Class; find that this
14 Agreement is fair, just, equitable, reasonable, adequate, and in the best interests of the Class and the
15 Aggrieved Employees; list the employees (if any) who opted-out of the settlement; order that the
16 Participating Class Members release the Released Parties from the Class Released Claims; order
17 that the Aggrieved Employees and the State of California release the Released Parties from the
18 PAGA Released Claims as set forth in this Agreement (to the maximum extent permitted by law);
19 and require the Parties to carry out the provisions of this Agreement.

20 61. Automatic Voiding Of Agreement If Settlement Not Finalized. If for any reason the
21 settlement set forth in this Agreement does not become final, the settlement will be null and void
22 and the orders, judgment, and dismissal to be entered pursuant to this Agreement shall be vacated,
23 and the Parties will be returned to the status quo prior to entering this Agreement with respect to the
24 Action, as if the Parties had never entered into this Agreement, and the class certified pursuant to
25 this Agreement will be decertified for all purposes. In addition, in such event, the Agreement and
26 all negotiations, court orders, and proceedings relating to this Agreement shall be without prejudice
27 to the rights of any and all parties to this Agreement, and evidence relating to the Agreement and all
28 negotiations shall not be admissible or discoverable in the Action or otherwise.

62. No Double Recovery. No person who has already released, assigned, or otherwise forfeited the claims asserted in the Action will be considered a Class Member or be entitled to recover under this Agreement.

63. No Publicity. The Named Plaintiff and Class Counsel agree that they shall not publicize the filing of the Action, the Parties' settlement, this Agreement and its terms, or the negotiations leading to this Agreement with anyone other than the Court, Class Members, or those individuals necessary to effectuate the terms of the Agreement. The prohibition set forth in this Paragraph includes, but is not limited to: (i) publication by the Named Plaintiff or Class Counsel on any website (including, without limitation, publishing on any Twitter account, Facebook, other social media, or blog, or business website) of the amount or terms of the settlement, with or without identifying information; and (ii) the submission of information to Verdicts & Settlements or any other publication that summarizes the results of jury verdicts and settlements. The prohibition set forth in this Paragraph does not prohibit Class Counsel from referencing this matter as evidence of their experience in conjunction with filings in which adequacy is at issue, e.g., approval and/or certification motions in other class, collective or representative actions.

a. Notwithstanding the foregoing, Class Counsel may respond to questions received from, and discuss any aspect of this Agreement with, the Class Members or their legal representatives, the Settlement Administrator, the Court, and representatives of the LWDA.

b. Notwithstanding the foregoing, nothing in this Paragraph shall prohibit the filing of information with the Court or the LWDA relating to the Settlement that is necessary to effectuate this Agreement, or the online posting of documents relating to the Action by the Settlement Administrator as permitted by this Agreement, including the Judgment entered by the Court.

c. The Named Plaintiff and Class Counsel agree that all data and information informally produced by Defendant in connection with the settlement of this Action will be maintained in confidence, and will not be shared with any other persons or entities.

64. Invalidation Of Agreement For Failure To Satisfy Conditions. If the Court makes material changes to the material terms or conditions of Paragraphs 1 through 63 of this Agreement

1 that are not agreed to by the Parties, either Party shall have the right to terminate this Agreement, in
2 which case Defendant would not be obligated to make any payments to any Class Member, to Class
3 Counsel, or to the Named Plaintiff. The Parties shall meet and confer in good faith before exercising
4 such right.

5 65. Modification In Writing. This Agreement may be altered, amended, modified or
6 waived, in whole or in part, only in a writing signed by all Parties or their representatives, and
7 approved by the Court. This Agreement may not be amended, altered, modified, or waived, in whole
8 or in part, orally.

9 66. Ongoing Cooperation. The Named Plaintiff and Defendant will execute all
10 documents and perform all acts necessary and proper to effectuate the terms of this Agreement. In
11 the event the Parties are unable to reach an agreement on the form or content of any document
12 needed to implement the Settlement, or any supplemental provisions that may become necessary to
13 effectuate the terms of the Settlement, the Parties agree to seek the assistance of a mediator and, if
14 still unable to resolve the dispute, the Court.

15 67. Notices. All notices, requests, demands, and other communications required or
16 permitted to be given pursuant to this Agreement shall be in writing, and shall be delivered
17 personally or by first class mail to the Settlement Administrator approved by the Court and the
18 undersigned persons at their respective addresses as set forth below:

19 **CLASS COUNSEL**

20 MAYALL HURLEY, P.C.
21 Robert J. Wassermann
22 Jenny D. Baysinger
23 112 S. Church Street
24 Lodi, California 95240
25 Telephone: (209) 477-3833

26 **COUNSEL FOR DEFENDANTS**

27 RUTAN & TUCKER, LLP
28 Maria Z. Stearns
Emily Propersi
18575 Jamboree Road, 9th Floor
Irvine, California 92612
Telephone: (714) 641-5100

68. Binding On Successors. This Agreement will be binding upon and will inure to the benefit of the Parties and their respective successors, assigns, executors, administrators, heirs and legal representatives.

69. Entire Agreement. This Agreement constitutes the full, complete, and entire understanding, agreement, and arrangement between the Named Plaintiff, the Class Members, and the Aggrieved Employees, on the one hand, and Defendant, on the other hand, with respect to the settlement of the Action. This Agreement supersedes any and all prior oral or written understandings, agreements, and arrangements between the Parties with respect to the settlement of the Action. Except for those set forth expressly in this Agreement, there are no other agreements, covenants, promises, representations or arrangements between the Parties with respect to the settlement of the Action, the PAGA Released Claims, and the Class Released Claims against Defendant and the Released Parties. The Parties explicitly recognize California Civil Code section 1625 and California Code of Civil Procedure section 1856(a), which provide that a written agreement is to be construed according to its terms, and may not be varied or contradicted by extrinsic evidence, and agree that no such extrinsic oral or written representations or terms shall modify, vary, or contradict the terms of this Agreement.

70. Execution In Counterparts. This Agreement may be signed in one or more counterparts. All executed copies of this Settlement Agreement, and photocopies of the Agreement (including DocuSign, facsimile and e-mail copies of the signature pages), shall have the same force and effect and shall be as legally binding and enforceable as the original.

71. Captions. The captions, section numbers, and paragraph numbers in this Agreement are inserted for the reader's convenience, and in no way define, limit, construe, or describe the scope or intent of the provisions of this Agreement.

72. Governing Law. This Agreement shall be interpreted, construed, enforced, and administered in accordance with the laws of the State of California, without regard to conflict of law rules.

73. Reservation Of Jurisdiction. Notwithstanding the dismissal of the Action and entry of the Final Order and Judgment, the Court shall retain jurisdiction for purposes of interpreting and

enforcing the terms of this Agreement.

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

75. Representation And Warranties. Class Counsel and the Named Plaintiff represent and warrant to Defendant that they are not aware of any attorneys beyond those named as Class Counsel who have claims for fees arising out of the Action or the Settlement contemplated by this Agreement.

76. Authorization To Act. Each Party to this Agreement covenants and warrants that (a) such Party has full power and authority to enter into and consummate all transactions contemplated by this Agreement and have duly authorized the execution, delivery, and performance of this Agreement; and (b) the person executing this Agreement for such Party has the full right, power, and authority to enter into this Agreement on behalf of such Party, and the full right, power, and authority to execute any and all necessary instruments in connection with the Settlement, and to fully bind such Party to the terms and obligations of this Agreement.

77. Representation By Counsel. The Parties acknowledge that each of them has been represented by their respective counsel throughout all negotiations that preceded the execution of this Agreement, and that this Agreement has been executed with the consent and advice of their respective counsel. Further, the Named Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement, and that after entry by the Court of the Final Order and Judgment, the Settlement Administrator may distribute funds to Participating Class Members, Aggrieved Employees, Class Counsel, the LWDA, the Settlement Administrator, and the Named Plaintiff as provided by this Agreement.

78. Representation By The Named Plaintiff. The Named Plaintiff agrees not to request to be excluded from the Class and not to object to any terms of this Agreement. Any such request by the Named Plaintiff for exclusion or objection shall be void and of no force or effect.

79. Additional Attorneys' Fees And Costs. No Participating Class Member, Aggrieved Employee, or Class Counsel, or any other attorney acting for any Participating Class Member or Aggrieved Employee may recover or seek to recover any amounts for fees, costs, or disbursements arising from the Action or the Gross Settlement Amount from the Released Parties except as expressly provided for in this Agreement.

80. No Reliance On Representations. The Parties have made such investigations of the facts and the law pertaining to the matters described in this Agreement as they deem necessary, and have not relied, and do not rely, on any statement, promise, or representation of fact or law, made by any other Party, or any of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted rights, or with regard to the advisability of making and executing this Agreement, or with respect to any such matters. No representations, warranties, or inducements have been made to any Party concerning this Agreement.

81. No Collateral Attack. This Agreement will not be subject to collateral attack by any Class Member or any recipient of the Class Notice after the Final Order and Judgment. Such prohibited collateral attacks shall include but not be limited to claims that the Class Member failed for any reason to receive timely notice of the procedure for disputing the calculation of their Individual Settlement Payment, or for opting out of the Settlement.

IT IS SO AGREED:

PLAINTIFF ROGELIO ALVAREZ

Dated: 5/8/2026

Firmado por:
By: Rogelio Alvarez
DE094A03C9E74A2...
Rogelio Alvarez
Named Plaintiff

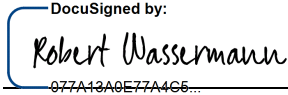
Dated: May 11, 2026

DEFENDANT WATERMILL EXPRESS, LLC
DocuSigned by:
By: Mike Gallagher
2F7D3E019F224C7...
Title: CEO

1 APPROVED AS TO FORM ONLY AND AGREE TO BE
2 BOUND BY PARAGRAPH 63:

3 Dated: 5/8/2026

MAYALL HURLEY, P.C.

4
5 By: 
6 Robert J. Wassermann
7 Attorneys for Plaintiff
8 ROGELIO ALVAREZ

8 APPROVED AS TO FORM ONLY:

9
10 Dated: 5/8/2026

RUTAN & TUCKER, LLP

11
12 By: 
13 Maria Z. Stearns
14 Attorneys for Defendant
15 WATERMILL EXPRESS, LLC
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