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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SOLANO

KENNETH ANTHONY BUCHANAN, JR.,
individually, and on behalf of all others similarly
situated,

Plaintiff,

vs.

VERTUS PROPERTIES, INC., a California
corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No.: CU24-03325

CLASS AND REPRESENTATIVE ACTION

*[Assigned for all purposes to the Hon. Christine A.
Carringer, Dept. 12]*

**CLASS ACTION AND PAGA SETTLEMENT
AGREEMENT AND CLASS NOTICE**

Complaint filed: May 1, 2024
Trial date: Not set

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Kenneth Anthony Buchanan, Jr. (“Plaintiff”) and defendant Vertus Properties, Inc. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. **DEFINITIONS.**

1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant captioned *Buchanan v. Vertus Properties, Inc.*, initiated on May 1, 2024, and pending in the Superior Court of the State of California, County of Solano, Case No. CU24-03325.

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

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

1.4. “Aggrieved Employee(s)” means all persons who worked for Defendant as hourly, non-exempt employees in the State of California during the PAGA Period.

1.1. “Class” means all persons who worked for Defendant as hourly, non-exempt employees in the State of California during the Class Period.

1.2. “Class Counsel” means Moon Law Group, PC, the attorneys representing Plaintiff, the Class, and the Aggrieved Employees in the Action.

1.3. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.

1.4. “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

1.5. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-

Participating Class Member who qualifies as an Aggrieved Employee).

- 1.6. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address (“NCOA”) database, skip traces, and direct contact by the Administrator with Class Members.
- 1.7. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English with a Spanish translation, if applicable, in the form, without material variation unless otherwise agreed by the Parties, attached as Exhibit A and incorporated by reference into this Agreement. The Parties, through counsel, may agree to modifications to the Class Notice required to correct errors or effectuate changes required by the Court without the need to amend this Agreement, and the revised Class Notice shall be incorporated herein in place of the original Exhibit A.
- 1.8. “Class Period” means the period from May 1, 2020, to the date of preliminary approval of the Action.
- 1.9. “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as the Class Representative.
- 1.10. “Class Representative Service Payment” means the payment to the Class Representative, Kenneth Anthony Buchanan, Jr., for initiating the Action and providing services in support of the Action.
- 1.11. “Court” means any court before which the Parties seek settlement approval of this Agreement, including the Superior Court of California, County of Solano.
- 1.12. “Defendant” means Vertus Properties, Inc., the named defendant in the Action.
- 1.13. “Defense Counsel” means Duggan McHugh Law Corporation, the attorneys representing Defendant in the Action.
- 1.14. “Effective Date” means: (a) the date the Court grants the Final Approval Order, if no objections are asserted and no individual seeks to intervene in the matter; or (b) sixty-five (65) calendar days after the date of entry of the Final Approval Order, if any

objections are asserted or any individual seeks to intervene in the matter but no appeal is filed; or (c) if a timely appeal is made, ten (10) business days after the final resolution of that appeal if the appeal is rejected or dismissed, the settlement is upheld, and the settlement approval order is no longer subject to further judicial review.

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

1.16. “Final Approval Hearing” means the Court’s hearing on the motion for final approval of the Settlement.

1.17. “Gross Settlement Amount” means \$605,000.00, which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraphs 3.1 and 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, and the Administration Expenses Payment.

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

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

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

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

1.22. “LWDA PAGA Payment” means the 75% portion of the PAGA Penalties paid to the LWDA under Labor Code § 2699(i).

1.23. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment.

The remainder is to be paid to Participating Class Members as Individual Class Payments.

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

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

1.26. “PAGA Period” means the period from April 28, 2023 to the date of preliminary approval of the Action.

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

1.28. “PAGA Notice” means Plaintiff’s letter to Defendant and the LWDA, dated April 28, 2024, providing notice pursuant to Labor Code § 2699.3(a).

1.29. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (\$30,000.00), allocated 25% to the Aggrieved Employees (\$7,500.00) and 75% to the LWDA (\$22,500.00) in settlement of PAGA claims.

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

1.31. “Plaintiff” means Kenneth Anthony Buchanan, Jr., the named plaintiff in the Action.

1.32. “Preliminary Approval Hearing” means the hearing of the motion requesting preliminary approval of the Class portion of the Settlement.

1.33. “Preliminary Approval Order” means the order granting preliminary approval of the Class portion of the Settlement.

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

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

1.36. “Released Parties” means Defendant and each of its present and former owners, officers, shareholders, directors, agents, members, managers, employees, attorneys, insurers, parent companies, successors, affiliates or subsidiaries, and assigns.

- 1.37. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement.
- 1.38. "Response Deadline" means sixty (60) calendar days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Class portion of the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. The Response Deadline for Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall be extended by fourteen (14) calendar days beyond the original Response Deadline.
- 1.39. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.40. “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. **RECITALS.**

2.1. On May 1, 2024, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for (1) Failure to Pay Minimum Wages (Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197); (2) Failure to Pay Overtime Compensation (Cal. Lab. Code §§ 1194 and 1198); (3) Failure to Provide Meal Periods (Cal. Lab. Code §§ 226.7, 512); (4) Failure to Authorize and Permit Rest Breaks (Cal. Lab. Code §§ 226.7); (5) Failure to Indemnify Necessary Business Expenses (Cal. Lab. Code § 2802); (6) Failure to Timely Pay Final Wages at Termination (Cal. Lab. Code §§ 201-203); (7) Failure to Provide Accurate Itemized Wage Statements (Cal. Lab. Code § 226); and (8) Unfair Business Practices (Cal. Bus. & Prof. Code § 17200, *et. seq.*). On October 8, 2024, Plaintiff filed a First Amended Complaint alleging causes of action against Defendant for civil penalties under the Private Attorneys General Act (“PAGA”). The First Amended Complaint is the operative complaint in the Action (the “Operative Complaint”). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint, and denies any and all liability for the causes of

1 action alleged.

2 2.2. Pursuant to Labor Code § 2699.3(a), Plaintiff gave timely written notice to Defendant and
3 the LWDA by sending the PAGA Notice.

4 2.3. On April 29, 2025, the Parties participated in an all-day mediation presided over by Hon.
5 Carl West (Ret.), which led to this Agreement to settle the Action.

6 2.4. Prior to mediation, Plaintiff obtained, through informal discovery, time and pay periods,
7 policy documents, and data about the Class. Plaintiff's investigation was sufficient to
8 satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.*, 48 Cal.
9 App. 4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal. App. 4th 116,
10 129-130 (2008) ("*Dunk/Kullar*").

11 2.5. The Court has not granted class certification.

12 2.6. The Parties, Class Counsel, and Defense Counsel represent that they are not aware of any
13 other pending matter or action asserting claims that will be extinguished or affected by the
14 Settlement.

15 **3. MONETARY TERMS.**

16 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant
17 promises to pay \$605,000.00 and no more as the Gross Settlement Amount and to
18 separately pay any and all employer payroll taxes owed on the Wage Portions of the
19 Individual Class Payments. Defendant has no obligation to pay the Gross Settlement
20 Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.1 of this
21 Agreement. The Administrator will disburse the entire Gross Settlement Amount without
22 asking or requiring Participating Class Members or Aggrieved Employees to submit any
23 claim as a condition of payment. None of the Gross Settlement Amount will revert to
24 Defendant.

25 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the
26 following payments from the Gross Settlement Amount, in the amounts specified by the
27 Court in the Final Approval:

28 3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of

not more than \$7,500.00 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member and Aggrieved Employee), as approved by the Court. Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Class Representative Service Payment will be reported using IRS Form 1099. Plaintiff assumes full responsibility and liability for any taxes owed on the Class Representative Service Payment.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be \$201,666.67, subject to the escalator clause, and a Class Counsel Litigation Expenses Payment of not more than \$25,00.00. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of

any of these Payments.

3.2.3. To the Administrator: An Administration Expenses Payment not to exceed \$10,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses Payment are less or the Court approves payment less than \$10,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

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

3.2.4.1. Tax Allocation of Individual Class Payments. The fifteen percent (15%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The eighty-five percent (85%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Workweeks of Non-Participating Class Members are not included in the calculation of payments to Participating Class Members and therefor have no effect on the calculation of Individual Class Payments paid from the Net Settlement Amount.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of

\$30,000.00 to be paid from the Gross Settlement Amount, with 75% (estimated to be at least \$22,500.00) allocated to the LWDA PAGA Payment and 25% (estimated to be at least \$7,500.00) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of the PAGA Penalties (estimated to be at least \$7,500.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Funding of Gross Settlement Amount. Defendant shall fund all amounts owed to Plaintiff and Class Members, which includes the Gross Settlement Amount, in two equal installment payments, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes, by transmitting the funds to the Administrator as follows: (1) the first installment payment shall be due no later than April 29, 2026 or sixty (60) calendar days after the Effective Date, whichever is later, and (2) the second installment payment shall be due no later than six (6) months following the first installment funding date.

4.2. Payments from the Gross Settlement Amount. Within fourteen (14) calendar days after Defendant fully funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service

1 Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation
2 Expenses Payment and the Class Representative Service Payment shall not precede
3 disbursement of Individual Class Payments and Individual PAGA Payments.

4 4.2.1. The Administrator will issue checks for the Individual Class Payments and/or
5 Individual PAGA Payments and send them to the Class Members via First Class
6 U.S. Mail, postage prepaid. The face of each check shall prominently state the
7 date (not less than 180 calendar days after the date of mailing) when the check will
8 be voided. The Administrator will cancel all checks not cashed by the void date.
9 The Administrator will send checks for Individual Settlement Payments to all
10 Participating Class Members (including those for whom Class Notice was returned
11 undelivered). The Administrator will send checks for Individual PAGA Payments
12 to all Aggrieved Employees including Non-Participating Class Members who
13 qualify as Aggrieved Employees (including those for whom Class Notice was
14 returned undelivered). The Administrator may send Participating Class Members
15 a single check combining the Individual Class Payment and the Individual PAGA
16 Payment. Before mailing any checks, the Settlement Administrator must update
17 the recipients' mailing addresses using the NCOA database.

18 4.2.2. The Administrator must conduct a Class Member Address Search for all other
19 Class Members whose checks are returned undelivered without a United States
20 Postal Service ("USPS") forwarding address. Within seven (7) calendar days of
21 receiving a returned check the Administrator must re-mail checks to the USPS
22 forwarding address provided or to an address ascertained through the Class
23 Member Address Search. The Administrator need not take further steps to deliver
24 checks to Class Members whose re-mailed checks are returned as undelivered. The
25 Administrator shall promptly send a replacement check to any Class Member
26 whose original check was lost or misplaced, requested by the Class Member prior
27 to the void date.

28 4.2.3. For any Class Member whose Individual Class Payment check or Individual

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

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

5. RELEASES OF CLAIMS.

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

5.1. Plaintiff's Release.

5.1.1. Scope of Plaintiff's Release. Plaintiff and his respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in Plaintiff's PAGA Notice. ("Plaintiff's Release.") Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.2. Plaintiff's Waiver of Rights Under California Civil Code § 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of Section 1542 of the California Civil Code, which reads:

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

5.2. Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint. Excluded from this portion of the release are claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the PAGA Notice. Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.3. PAGA Release: The State of California, and anyone purporting to act on its behalf, including Plaintiff, release the Released Parties from all claims for civil penalties under PAGA, based on the facts and Labor Code sections that were alleged or reasonably could have been alleged in Plaintiff's PAGA Notice of violations and the Operative Complaint.

6. MOTION FOR PRELIMINARY APPROVAL.

Plaintiff shall file a motion for preliminary approval ("Motion for Preliminary Approval") subject to the review by Defendant, as follows:

6.1. Defendant's Declaration in Support of Preliminary Approval. Within thirty (30) calendar days of the full execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed declaration from Defendant and/or Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator, *if any such*

1 *actual or potential conflicts exist.* Similarly, if any other pending matter or action asserting
2 claims will be extinguished or adversely affected by the Settlement, Defendant shall
3 prepare and deliver to Class Counsel a signed declaration from Defendant and/or Defense
4 Counsel identifying any other pending matter or action asserting claims that will be
5 extinguished or adversely affected by the Settlement. Alternatively, if such other actions
6 are filed between the execution of this Agreement and the filing of the Motion for
7 Preliminary Approval and become known to Defendant and/or Defense Counsel, Defense
8 Counsel will advise Class Counsel. If there are no actual or potential conflicts of interest
9 with the Administrator to disclose, or any pending matters to disclose, no declaration from
10 Defendant and/or Defense Counsel is required.

11 6.2. Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel
12 documents necessary for obtaining a Preliminary Approval Order, including: (i) a draft of
13 the notice, and memorandum in support, of the Motion for Preliminary Approval that
14 includes an analysis of the Settlement under governing case law and a request for approval
15 of the PAGA Settlement under Labor Code § 2699(f)(2)); (ii) a draft Preliminary Approval
16 Order; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator
17 attaching its “not to exceed” bid for administering the Settlement and attesting to its
18 willingness to serve; competency; operative procedures for protecting the security of Class
19 Data; amounts of insurance coverage for any data breach, defalcation of funds or other
20 misfeasance; all facts relevant to any actual or potential conflicts of interest with Class
21 Members; and the nature and extent of any financial relationship with Plaintiff, Class
22 Counsel, Defendant, or Defense Counsel; (v) a signed declaration from Plaintiff
23 confirming willingness and competency to serve and disclosing all facts relevant to any
24 actual or potential conflicts of interest with Class Members or the Administrator; and, (vi)
25 a signed declaration from each Class Counsel firm attesting to its competency to represent
26 the Class Members; its timely transmission to the LWDA of all necessary PAGA
27 documents; and, all facts relevant to any actual or potential conflict of interest with Class
28 Members or the Administrator. Class Counsel shall aver that they are not aware of any

1 other pending matter or action asserting claims that will be extinguished or adversely
2 affected by the Settlement or disclose the existence of any such pending matters.
3 Alternatively, if such other actions are filed between the execution of this Agreement and
4 the filing of the Motion for Preliminary Approval and become known to Class Counsel,
5 Class Counsel will advise Defense Counsel.

6 6.3. Responsibilities of Counsel. Class Counsel are responsible for expeditiously finalizing and
7 filing the Motion for Preliminary Approval no later than forty-five (45) calendar days after
8 the full execution of this Agreement (extended in the event that any court processes delay
9 the ability to file the Motion); obtaining a prompt hearing date for the Motion for
10 Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for
11 Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary
12 Approval Order to the Administrator.

13 6.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
14 Preliminary Approval and/or the supporting declarations and documents, Class Counsel
15 and Defense Counsel will expeditiously work together on behalf of the Parties by meeting
16 in person or by telephone, and in good faith, to resolve the disagreement. If the Court does
17 not enter a Preliminary Approval Order or conditions a Preliminary Approval Order on any
18 material change to this Agreement, Class Counsel and Defense Counsel will expeditiously
19 work together on behalf of the Parties by meeting in person or by telephone, and in good
20 faith, to modify the Agreement and otherwise satisfy the Court's concerns.

21 **7. SETTLEMENT ADMINISTRATION.**

22 7.1. Selection of Administrator. The Parties have jointly selected Phoenix Settlement
23 Administrators ("Phoenix") to serve as the Administrator and verified that, as a condition
24 of appointment, Phoenix agrees to be bound by this Agreement and to perform, as a
25 fiduciary, all duties specified in this Agreement in exchange for payment of Administration
26 Expenses. The Parties and their Counsel represent that they have no interest or relationship,
27 financial or otherwise, with the Administrator other than a professional relationship arising
28 out of prior experiences administering settlements.

1 7.2. Employer Identification Number. The Administrator shall have and use its own Employer
2 Identification Number for purposes of calculating payroll tax withholdings and providing
3 reports to state and federal tax authorities.

4 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets
5 the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation
6 § 468B-1.

7 7.4. Class Data. Not later than fifteen (15) calendar days after the Court enters a Preliminary
8 Approval Order, Defendant will deliver the Class Data to the Administrator, in the form of
9 a Microsoft Excel spreadsheet. To protect Class Members’ privacy rights, the
10 Administrator must maintain the Class Data in confidence, use the Class Data only for
11 purposes of this Settlement and for no other purpose, and restrict access to the Class Data
12 to Administrator employees who need access to the Class Data to effect and perform under
13 this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if
14 it discovers that the Class Data omitted class member identifying information and to
15 provide corrected or updated Class Data as soon as reasonably feasible. Without any
16 extension of the deadline by which Defendant must send the Class Data to the
17 Administrator, the Parties and their counsel will expeditiously use best efforts, in good
18 faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class
19 Data.

20 7.5. Notice to Class Members.

21 7.5.1. No later than three (3) business days after receipt of the Class Data, the
22 Administrator shall notify Class Counsel that the list has been received and state
23 the number of Class Members, Aggrieved Employees, Workweeks, and Pay
24 Periods in the Class Data.

25 7.5.2. Using best efforts to perform as soon as possible, and in no event later than fourteen
26 (14) calendar days after receiving the Class Data, the Administrator will send to all
27 Class Members identified in the Class Data, via first-class USPS mail, the Class
28 Notice with Spanish translation, if applicable, substantially in the form attached to

1 this Agreement as **Exhibit A**. The first page of the Class Notice shall prominently
2 estimate the dollar amounts of each Individual Class Payment and/or Individual
3 PAGA Payment payable to the Class Member and/or Aggrieved Employee, and the
4 number of Workweeks and PAGA Pay Periods (if applicable) used to calculate
5 these amounts. Before mailing Class Notices, the Administrator shall update Class
6 Member addresses using the NCOA database.

7 7.5.3. Not later than three (3) business days after the Administrator's receipt of any Class
8 Notice returned by the USPS as undelivered, the Administrator shall re-mail the
9 Class Notice using any forwarding address provided by the USPS. If the USPS
10 does not provide a forwarding address, the Administrator shall conduct a Class
11 Member Address Search, and re-mail the Class Notice to the most current address
12 obtained. The Administrator has no obligation to make further attempts to locate
13 or send Class Notice to Class Members whose Class Notice is returned by the
14 USPS a second time.

15 7.5.4. The deadlines for Class Members' written objections, challenges to Workweeks
16 and/or pay periods, and Requests for Exclusion will be extended an additional
17 fourteen (14) calendar days beyond the sixty (60) calendar days otherwise provided
18 in the Class Notice for all Class Members whose notices are re-mailed. The
19 Administrator will inform the Class Member of the extended deadline with the re-
20 mailed Class Notice.

21 7.5.5. If the Administrator, Defendant or Class Counsel is contacted by or otherwise
22 discovers any persons who believe they should have been included in the Class
23 Data and should have received Class Notice, the Parties will expeditiously meet
24 and confer in person or by telephone, and in good faith, in an effort to agree on
25 whether to include them as Class Members. If the Parties agree, such persons will
26 be Class Members entitled to the same rights as other Class Members, and the
27 Administrator will send, via email or overnight delivery, a Class Notice requiring
28 them to exercise options under this Agreement not later than fourteen (14) calendar

1 days after receipt of Class Notice, or the deadline dates in the Class Notice, which
2 ever are later.

3 7.6. Requests for Exclusion (Opt-Outs).

4 7.6.1. Class Members who wish to exclude themselves (opt-out of) the Class portion of
5 the Settlement must send the Administrator, by fax, email, or mail, a signed written
6 Request for Exclusion not later than sixty (60) calendar days after the
7 Administrator mails the Class Notice (plus an additional fourteen (14) calendar
8 days for Class Members whose Class Notice is re-mailed). A Request for
9 Exclusion is a letter from a Class Member or his/her representative that reasonably
10 communicates the Class Member's election to be excluded from the Class portion
11 of the Settlement and includes the Class Member's name, address and email
12 address or telephone number. To be valid, a Request for Exclusion must be timely
13 faxed, emailed, or postmarked by the Response Deadline.

14 7.6.2. The Administrator may not reject a Request for Exclusion as invalid because it fails
15 to contain all the information specified in the Class Notice. The Administrator shall
16 accept any Request for Exclusion as valid if the Administrator can reasonably
17 ascertain the identity of the person as a Class Member and the Class Member's
18 desire to be excluded. The Administrator's determination shall be final and not
19 appealable or otherwise susceptible to challenge. If the Administrator has reason
20 to question the authenticity of a Request for Exclusion, the Administrator may
21 demand additional proof of the Class Member's identity. The Administrator's
22 determination of authenticity shall be final as to the Parties, but a Class Member
23 whose Request for Exclusion is rejected by the Administrator may present a
24 challenge to that determination to the Court.

25 7.6.3. Every Class Member who does not submit a timely and valid Request for
26 Exclusion is deemed to be a Participating Class Member under this Agreement,
27 entitled to all benefits and bound by all terms and conditions of the Settlement,
28 including the Participating Class Members' Release under Paragraph 5.2 of this

Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.6.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees will still receive an Individual PAGA Payment and will be subject to a claim preclusion defense if they attempt to assert any of the Released PAGA Claims.

7.7. Challenges to Calculation of Workweeks. Each Class Member shall have sixty (60) calendar days after the Administrator mails the Class Notice (plus an additional fourteen (14) calendar days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must instruct the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or PAGA Pay Periods shall be final as to the Parties (although Defendant shall retain the right to correct erroneous Class Data if subsequently discovered), but a Class Member whose Workweek and/or Pay Period challenge is rejected by the Administrator may present the same evidence supporting the Workweek and/or Pay Period challenge to the Court for review. The Administrator shall promptly provide copies of any challenges to calculation of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel, along with the Administrator's determinations regarding any challenges.

7.8. Objections to Settlement.

1 7.8.1. Only Participating Class Members may object to the class action components of
2 the Settlement and/or this Agreement, including contesting the fairness of the
3 Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class
4 Counsel Litigation Expenses Payment and/or Class Representative Service
5 Payment.

6 7.8.2. Participating Class Members may send written objections to the Administrator, by
7 fax, email, or mail. In the alternative, Participating Class Members may appear in
8 Court (or hire an attorney to appear in Court) to present verbal objections at the
9 Final Approval Hearing. A Participating Class Member who elects to send a
10 written objection to the Administrator must do so not later than sixty (60) calendar
11 days after the Administrator's mailing of the Class Notice (plus an additional
12 fourteen (14) calendar days for Class Members whose Class Notice was re-mailed).

13 7.8.3. Non-Participating Class Members have no right to object to any of the class action
14 components of the Settlement.

15 7.9. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be
16 performed or observed by the Administrator contained in this Agreement or otherwise.

17 7.9.1. Website, Email Address and Toll-Free Number. The Administrator will establish
18 and maintain and use an internet website to post information of interest to Class
19 Members including the date, time and location for the Final Approval Hearing and
20 copies of the Settlement Agreement, Motion for Preliminary Approval, the
21 Preliminary Approval Order, the Class Notice, the motion for final approval, the
22 Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses
23 Payment and Class Representative Service Payment, the Final Approval Order and
24 the Judgment. The Administrator will also maintain and monitor an email address
25 and a toll-free telephone number to receive Class Member calls, faxes and emails.

26 7.9.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
27 promptly review on a rolling basis Requests for Exclusion to ascertain their
28 validity. Not later than five (5) calendar days after the expiration of the deadline

1 for submitting Requests for Exclusion, the Administrator shall email a list to Class
2 Counsel and Defense Counsel containing (a) the names and other identifying
3 information of Class Members who have timely submitted valid Requests for
4 Exclusion (“Exclusion List”); (b) the names and other identifying information of
5 Class Members who have submitted invalid Requests for Exclusion; (c) copies of
6 all Requests for Exclusion from Settlement submitted (whether valid or invalid).

7 7.9.3. Weekly Reports. The Administrator must, on a weekly basis, provide written
8 reports to Class Counsel and Defense Counsel that, among other things, tally the
9 number of: Class Notices mailed or re-mailed, Class Notices returned undelivered,
10 Requests for Exclusion (whether valid or invalid) received, objections received,
11 and challenges to Workweeks and/or PAGA Pay Periods received and/or resolved
12 (“Weekly Report”). The Weekly Reports must include provide the Administrator’s
13 assessment of the validity of Requests for Exclusion and attach copies of all
14 Requests for Exclusion and objections received. In addition to the Weekly Reports,
15 the Administrator shall report to the Parties when it has completed the initial
16 distribution of the Individual Class Payments and Individual PAGA Payments to
17 all individuals with valid addresses.

18 7.9.4. Workweek and/or Pay Period Challenges. The Administrator has the authority to
19 address and make decisions consistent with the terms of this Agreement on all
20 Class Member challenges over the calculation of Workweeks and/or PAGA Pay
21 Periods. The Administrator’s determination of each Class Member’s allocation of
22 Workweeks and/or PAGA Pay Periods shall be final as to the Parties (although
23 Defendant shall retain the right to correct erroneous Class Data if subsequently
24 discovered), but a Class Member whose Workweek and/or Pay Period challenge is
25 rejected by the Administrator may present the same evidence supporting the
26 Workweek and/or Pay Period challenge to the Court for review.

27 7.9.5. Administrator’s Declaration. Not later than fourteen (14) calendar days before the
28 date by which Plaintiff is required to file the Motion for Final Approval of the

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

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

8. CLASS SIZE ESTIMATES and ESCALATOR CLAUSE

Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, (1) there are 254 Class Members and 32,263 Workweeks during the Class Period and (2) there were 180 Aggrieved Employees and 6,582 Pay Periods during the PAGA Period. If the number of actual Workweeks at the close of the Class Period is more than ten percent (10%) higher than the estimated Workweeks (i.e., exceeds 33,354 Workweeks), Defendant may, at its election, opt to (a) increase the Gross Settlement Amount in the exact proportionate amount as to any additional work weeks ten percent (10%) or (b) end the Class Period on the date that the total Workweeks equals 33,354 Workweeks. This election must be made **prior** to the issuance of the Preliminary Approval Hearing, so that the Court is informed of the correct Class Period and the Class Notice is distributed to the correct individuals.

1 **9. DEFENDANT’S RIGHT TO WITHDRAW.**

2 If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 20% of the total of
3 all Class Members, Defendant may, but is not obligated to, withdraw from the Settlement. The Parties
4 agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect
5 whatsoever, and that neither Party will have any further obligation to perform under this Agreement;
6 provided, however, Defendant will remain responsible for paying all Settlement administration expenses
7 incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not
8 later than seven (7) calendar days after the Administrator sends the final Exclusion List to Defense
9 Counsel; late elections will have no effect.

10 **10. MOTION FOR FINAL APPROVAL.**

11 Plaintiff will timely file in Court a motion for final approval of the Settlement that includes a request for
12 approval of the PAGA settlement under Labor Code § 2699(l), a Proposed final approval order and a
13 proposed Judgment (collectively “Motion for Final Approval”).

14 10.1. Response to Objections. Each Party retains the right to respond to any objection raised by
15 a Participating Class Member, including the right to file responsive documents in Court no
16 later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered
17 or accepted by the Court.

18 10.2. Duty to Cooperate. If the Court does not issue a Final Approval Order or conditions the
19 Final Approval Order on any material change to the Settlement (including, but not limited
20 to, the scope of release to be granted by Class Members), the Parties will expeditiously
21 work together in good faith to address the Court’s concerns by revising the Agreement as
22 necessary to obtain Final Approval. The Court’s decision to award less than the amounts
23 requested for the Class Representative Service Payment, Class Counsel Fees Payment,
24 Class Counsel Litigation Expenses Payment and/or Administration Expenses Payment
25 shall not constitute a material modification to the Agreement within the meaning of this
26 paragraph.

27 10.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
28 Court will retain jurisdiction over the Parties, Action, and the Settlement solely for

purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

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

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

11. AMENDED JUDGMENT.

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

1 **12. ADDITIONAL PROVISIONS.**

2 12.1. No Admission of Liability, Class Certification or Representative Manageability for Other
3 Purposes. This Agreement represents a compromise and settlement of highly disputed
4 claims. Nothing in this Agreement is intended or should be construed as an admission by
5 Defendant that any of the allegations in the Operative Complaint have merit or that
6 Defendant has any liability for any claims asserted; nor should it be intended or construed
7 as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties
8 agree that class certification and representative treatment is for purposes of this Settlement
9 only. If, for any reason, the Court does not issue a Preliminary Approval Order, Final
10 Approval Order, or enter Judgment, Defendant reserves the right to contest certification of
11 any class for any reasons, and Defendant reserves all available defenses to the claims in
12 the Action, and Plaintiff reserves the right to move for class certification on any grounds
13 available and to contest Defendant's defenses. The Settlement, this Agreement and Parties'
14 willingness to settle the Action will have no bearing on, and will not be admissible in
15 connection with, any litigation (except for proceedings to enforce or effectuate the
16 Settlement and this Agreement).

17 12.2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant and
18 Defense Counsel separately agree that, until the Motion for Preliminary Approval of
19 Settlement is filed, they and each of them will not disclose, disseminate and/or publicize,
20 or cause or permit another person to disclose, disseminate or publicize, any of the terms of
21 the Agreement directly or indirectly, specifically or generally, to any person, corporation,
22 association, government agency, or other entity except: (1) to the Parties' attorneys,
23 accountants, or spouses, all of whom will be instructed to keep this Agreement
24 confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to
25 appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in
26 response to an inquiry or subpoena issued by a state or federal government agency. Each
27 Party agrees to immediately notify each other Party of any judicial or agency order, inquiry,
28 or subpoena seeking such information. Plaintiff, Class Counsel, Defendant and Defense

Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that “the matter was resolved,” or words to that effect. This paragraph does not restrict Class Counsel’s communications with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.

12.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel’s ability to communicate with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.

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

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

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

12.7. No Prior Assignments. The Parties separately represent and warrant that they have not

1 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
2 encumber to any person or entity any portion of any liability, claim, demand, action, cause
3 of action, or right released and discharged by the Party in this Settlement.

4 12.8. No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are
5 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be
6 relied upon as such within the meaning of United States Treasury Department Circular 230
7 (31 CFR Part 10, as amended) or otherwise.

8 12.9. Modification of Agreement. This Agreement, and all parts of it, may be amended,
9 modified, changed, or waived only by an express written instrument signed by all Parties
10 or their representatives, and approved by the Court.

11 12.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the
12 benefit of, the successors of each of the Parties.

13 12.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be
14 governed by and interpreted according to the internal laws of the state of California,
15 without regard to conflict of law principles.

16 12.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of
17 this Agreement. This Agreement will not be construed against any Party on the basis that
18 the Party was the drafter or participated in the drafting.

19 12.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered
20 during Action and in this Agreement relating to the confidentiality of information shall
21 survive the execution of this Agreement.

22 12.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to
23 Evidence Code § 1152 or comparable laws, and all copies and summaries of the Class Data
24 provided to Class Counsel by Defendant in connection with the mediation, other settlement
25 negotiations, or in connection with the Settlement, may be used only with respect to this
26 Settlement, and no other purpose, and may not be used in any way that violates any existing
27 contractual agreement, statute, or rule of court. Not later than ninety (90) calendar days
28 after the date when the Court discharges the Administrator's obligation to provide a

1 declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all
2 paper and electronic versions of Class Data received from Defendant unless, prior to the
3 Court's discharge of the Administrator's obligation, Defendant makes a written request to
4 Class Counsel for the return, rather than the destruction, of Class Data in proper form.

5 12.15. Headings. The descriptive heading of any section or paragraph of this Agreement is
6 inserted for convenience of reference only and does not constitute a part of this Agreement.

7 12.16. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be
8 to calendar days. In the event any date or deadline set forth in this Agreement falls on a
9 weekend or federal legal holiday, such date or deadline shall be on the first business day
10 thereafter.

11 12.17. Notice. All notices, demands or other communications between the Parties in connection
12 with this Agreement will be in writing and deemed to have been duly given as of the third
13 business day after mailing by United States mail, or the day sent by email or messenger,
14 addressed as follows:

15 To Plaintiff:

16 Kane Moon, Esq.
17 H. Scott Leviant, Esq.
18 Sandy Pham, Esq.
19 **MOON LAW GROUP, PC**
20 725 South Figueroa St., 31st Floor
21 Los Angeles, California 90017
22 Telephone: (213) 232-3128
23 Facsimile: (213) 232-3125
24 E-mail: kmoon@moonlawgroup.com
25 E-mail: hsleviant@moonlawgroup.com
26 E-mail: spham@moonlawgroup.com

27 To Defendant:

28 Laura C. McHugh, Esq.
Katie A. Collins, Esq.
DUGGAN MCHUGH LAW CORPORATION
641 Fulton Ave., Suite 100
Sacramento, CA 95825
Telephone: (916) 550-5309
Facsimile: (916) 404-5900
Email: Laura@dugganmchugh.com
Email: Katie@dugganmchugh.com

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

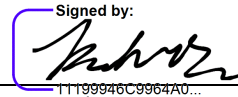
12.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. In addition, upon the signing of this Agreement, the Parties agree pursuant to Code of Civil Procedure § 583.330, to extend the date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

Plaintiff & Class Representative:

KENNETH ANTHONY BUCHANAN, JR.

Dated: 6/13/2025

By:

Signed by:


Kenneth Anthony Buchanan, Jr.

Defendant:

VERTUS PROPERTIES, INC.

Vertus Properties, Inc.

Dated: 06 / 18 / 2025

By:

Print Name



Signature

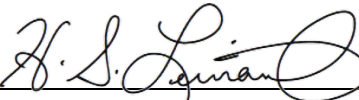
C.O.O.

Title

Plaintiff's Counsel:

MOON LAW GROUP, PC

Dated: June 16, 2025

By: 

Kane Moon, Esq.
H. Scott Leviant, Esq.
Sandy Pham, Esq.

Attorneys for Plaintiff, Kenneth Anthony Buchanan, Jr.

Defendant's Counsel:

DUGGAN MCHUGH LAW CORPORATION

Dated: June 16, 2025

By: 

Laura C. McHugh, Esq.
Katie A. Collins, Esq.

Attorneys for Defendant, Vertus Properties, Inc.

EXHIBIT A

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

Buchanan v. Vertus Properties, Inc., Solano County Superior Court Case No. CU24-03325

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

You may be eligible to receive money from an employee class action lawsuit (“Action”) against defendant Vertus Properties, Inc. (“Defendant”)¹ for alleged wage and hour violations. The Action was filed by a former employee of Defendant, Kenneth Anthony Buchanan, Jr. (“Plaintiff”), and seeks payment of (1) back wages and other relief for a class of hourly non-exempt employees (“Class Members”) who worked for Defendant during the Class Period (May 1, 2020, to [REDACTED]); and, (2) penalties under the California Labor Code Private Attorneys General Act (“PAGA”) for all hourly non-exempt employees who worked for Defendant during the PAGA Period (April 28, 2023, to [REDACTED]) (the “Aggrieved Employees”).

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

YOUR ESTIMATED SETTLEMENT PAYMENT

Individual Class Payment:	Based on Defendant’s records, and the Parties’ current assumptions, your Individual Class Payment is estimated to be \$ [REDACTED] (less tax withholdings)
Individual PAGA Payment:	Based on Defendant’s records, and the Parties’ current assumptions, your individual share of the Individual PAGA Payment is estimated to be \$ [REDACTED]

The actual amount you may receive might be slightly different and will depend on a number of factors, including the amount of various payments approved by the Court. (If no amount is stated for your Individual PAGA Payment, then according to Defendant’s records you are not eligible for such a payment under the Settlement because you didn’t work during the covered PAGA Period.)

The above estimates are based on Defendant’s records showing that you worked [REDACTED] workweeks during the Class Period, and you worked [REDACTED] pay periods during the PAGA Period. If you believe that you worked more workweeks or pay periods during either of the respective periods, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant. The final approval hearing is scheduled to be held on [REDACTED], 2025, at [REDACTED], in **Department 12** of the **Solano Superior Court**, located at **580 Texas Street, Fairfield, California 94533**.

If you worked for Defendant during the Class Period, you have options under the Settlement. Those options are discussed in the chart on Page 2. Defendant will not retaliate against you for any actions you take with respect to the proposed Settlement.

¹ All key terms herein are further defined in the Parties’ CLASS ACTION AND PAGA SETTLEMENT AGREEMENT.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement except with respect to the PAGA Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on . You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by	The amount of your Individual Class Payment and Individual PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period, and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Pay Periods you worked according to Defendant's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by . See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendant. The Action accuses Defendant of violating California labor laws by failing to pay overtime wages, minimum and straight time wages, wages due upon termination and failing to provide meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiff asserted a claim that Defendant violated the California unfair competition law. Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (beginning at Labor Code section 2698) ("PAGA Claims"). Plaintiff is represented by attorneys in the Action: Moon Law Group, PC ("Class Counsel.")

Defendant denies all liability arising from the Action and is confident it has strong legal and factual defenses to Plaintiff's claims. Defendant contends that, at all relevant times, Defendant properly compensated all employees and fully complied with all applicable laws. Defendant also denies that the Action is appropriate to maintain as a class or representative action.

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

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

a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims.

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

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

A. Defendant will pay \$605,000.00 as the Gross Settlement Amount (GSA). Defendant has agreed to deposit the GSA into an account controlled by the Administrator of the Settlement. Following Court approval, the Administrator will use the GSA to pay the Individual Settlement Payments, Individual PAGA Payments, the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Administration Expenses Payment, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Defendant will fund the GSA after the Judgment entered by the Court becomes final (the “Effective Date”). The Judgment will be final the day that the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed. Funding will occur in two payments, with the first installment payment due no later than April 29, 2026 or 60 calendar days after the Effective Date, whichever is later, and the second installment payment due no later than six months following the first installment funding date.

B. Court Approved Deductions from GSA. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the GSA, the amounts of which will be decided by the Court at the Final Approval Hearing:

- i. Up to \$201,666.67 (one-third of the GSA) to Class Counsel for attorneys’ fees and up to \$25,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
- ii. Up to \$7,500.00 to the Class Representative for the Class Representative Service Payment for filing the Action, working with Class Counsel and representing the Class.
- iii. Up to \$10,000.00 to the Administrator for services administering the Settlement.
- iv. \$30,000.00 for PAGA Penalties, allocated 75% (\$22,500.00) to the LWDA and 25% (\$7,500.00) to Individual PAGA Payments to the Aggrieved Employees based on their PAGA Pay Periods.

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

C. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the GSA (the “Net Settlement”) by making Individual Settlement Payments to Participating Class Members based on their Workweeks worked.

D. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve an allocation of 15% of each Individual Class Payment to taxable wages (“Wage Portion”) and 85% to interest and penalties (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report any Individual PAGA Payments and the Non-Wage Portions of the Individual Class Settlement Payments on IRS 1099 Forms.

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

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

F. Requests for Exclusion from the Class Settlement (Opt-Out Request). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [REDACTED], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the [REDACTED] Response Deadline. The Request for Exclusion should be a signed letter from

a Class Member or his or her authorized representative setting forth a Class Member's name, address and email address or telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments but will preserve their rights to personally pursue wage and hour claims against Defendant.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class (Non-Participating Class Members) remain eligible for an Individual PAGA Payment.

G. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.

H. Administrator. The Court has appointed a neutral company, Phoenix Class Action Administration Solutions (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Request for Exclusion. The Administrator will also evaluate Class Member challenges over Workweeks and/or Pay Periods, mail and re-mail settlement checks and tax forms, and perform other tasks to administer the Settlement. The Administrator's contact information is in Section 9 below.

I. Participating Class Members' Release. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of another lawsuit against Defendant or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

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

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint. Excluded from this portion of the release are claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the PAGA Notice. Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

J. The PAGA Release. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, on his own behalf and on behalf of the State of California, will be barred from asserting PAGA Claims against the Released Parties, including Defendant. Because this Court-approved Settlement of PAGA claims will bind the State of California, other individuals cannot later sue, continue to sue, or participate in any other PAGA claim against Defendant or its related entities based on the PAGA claims alleged in the Action and resolved by this Settlement.

The release of PAGA claims is follows:

Plaintiff, on his own behalf and on behalf of the State of California, is deemed to release, on behalf of himself and his respective past and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for civil penalties under PAGA, based on the facts and Labor Code sections that were alleged or reasonably could have been alleged in Plaintiff's PAGA notice of violations and/or amended PAGA notices of violations.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

A. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.

B. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$7,500.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee.

C. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated in the

first page of this Notice. You have until [REDACTED] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Workweeks and/or Pay Periods based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Class Members) and Defendant's Counsel. If you submit a challenge that is rejected by the Administrator, you may present the same evidence supporting the Workweek and/or Pay Period challenge to the Court for review.

5. HOW WILL I GET PAID?

A. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., Class Members who don't opt-out) and all Class Members who also qualify as Aggrieved Employees. The single check will combine the Individual Class Settlement Payment and the Individual PAGA Payment.

B. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single individual share of the PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member who is eligible as an Aggrieved Employee).

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

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

Submit a written and signed Request for Exclusion with your name, address and email address or telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your Request for Exclusion and identify the Action in a way that is clear. You must make the request yourself or through an authorized representative. The Administrator must be sent your request to be excluded by [REDACTED], or it will be invalid. Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement, and they can do so in writing, in person at Court, or through an attorney. A Participating Class Member who disagrees with any aspect of the Settlement, the motion for final approval and for awards of fees, litigation expenses and service award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. The deadline for sending written objections to the Administrator is [REDACTED]. If you choose to submit a written objection, be sure to tell the Administrator in your written objection what you object to, why you object, and any facts that support your objection. If you submit a written objection, make sure you identify the Action (by including the case name and case number) and print your name, address and email address or telephone number and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [REDACTED] at [REDACTED] in Department 12 of the Solano Superior Court, located at 580 Texas Street, Fairfield, California 94533. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the GSA will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend).

It's possible the Court will reschedule the Final Approval Hearing. You should contact Class Counsel to verify the date and time of the Final Approval Hearing if you are planning to attend the hearing or have your own lawyer attend.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website at [REDACTED]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Solano Superior Court website's public access case search page at: <https://portal.solano.courts.ca.gov/>.

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

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Settlement Administrator:

Name of Company: Phoenix Settlement Administrators
Email Address:
Mailing Address:
Telephone:
Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

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

11. WHAT IF I CHANGE MY ADDRESS?

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

12. WHAT IS A PAGA PENALTY?

The Net Settlement is money paid to settle claims for Participating Class Members. But the PAGA claim is different. PAGA penalties were originally penalties that only the State of California could collect through an enforcement action brought by the State against an employer. In 2004, the State enacted PAGA, a law that allows employees to try to recover those penalties for the State. Under the version of PAGA in effect for this Settlement, the State agrees to share 25% of its penalties with the affected employees (here, the Aggrieved Employees). The PAGA settlement proposed as part of this Settlement is a settlement of the State's PAGA claim.