SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

FELIX CASTRO, individually, and on behalf of all others similarly situated, Plaintiff, vs. NAPLES RESTAURANT GROUP, LLC, a limited liability company; DOES 1 through 10, inclusive, Defendants.	Case No.: 24STCV19874 Related Case No. 24LBCV01749 <u>CLASS AND REPRESENTATIVE ACTION</u> **CLASS AND PAGA ACTION SETTLEMENT AGREEMENT** Action Filed: August 7, 2024 Trial Date: Not Set

CLASS AND PAGA ACTION SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between Plaintiffs Felix Castro and James Davis ("Plaintiffs") and Defendant Naples Restaurant Group LLC ("Defendant"). The Agreement refers to Plaintiffs and Defendant collectively as "Parties," or each individually as "Party." This Agreement is subject to the approval of the Court, pursuant to California Rules of Court, rule 3.769, subdivisions (c), (d), and (e), and is made for the sole purpose of attempting to consummate settlement of the action on a class-wide basis, subject to the following terms and conditions. If the Court does not enter an order granting final approval of this Agreement or the conditions precedent are not met for any reason, the Agreement is void and of no force and effect whatsoever.

1. DEFINITIONS.

1.1. "Actions" mean the following lawsuits alleging wage-and-hour violations against Defendant: (1) *James Davis v. Naples Restaurant Group, LLC*, Los Angeles County Superior Court Case No. 24LBCV01749, LWDA PAGA letter dated April 26, 2024 ("Davis Action"); and (2) *Felix Castro v. Naples Restaurant Group, LLC*, Los Angeles County Superior Court Case No. 24STCV19874, LWDA PAGA letter dated August 4, 2024 ("Castro Action"). For purposes of this Settlement, and based on the Court's March 4, 2025 Order, the Davis Action is related to the Castro Action, with the Castro Action designated as the lead case.

1.2. "Administrator" means Phoenix Class Action Administration Solutions ("Phoenix"), the neutral entity the Parties have agreed to appoint to administer the Settlement following a competitive bidding process, or such other settlement administrator as may be approved by the Court.

1.3. "Administration Costs Payment" means the amount the Administrator will be paid from the Gross Settlement Amount for its reasonable fees and expenses in accordance with the Administrator's bid submitted to the Court in connection with seeking the Preliminary Approval Order.

1.4. "Aggrieved Employee" means, for purposes of Settlement, consist of all current and former non-exempt, hourly-paid employees who worked for Defendant in California at any time

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during the PAGA Period. Defendant represents that as of February 24, 2026, there are approximately 220 Aggrieved Employees that worked a total of approximately 7,433 pay periods during the PAGA Period.

1.5. "Class" means, for purposes of Settlement, consist of all current and former non-exempt, hourly-paid employees who worked for Defendant in California at any time during the Class Period. Defendant represents that as of February 24, 2026, the Class consists of approximately 345 Class Members that worked at total of approximately 22,000 workweeks during the Class Period.

1.6. "Class Counsel" means Moon Law Firm and Starpoint, LC.

1.7. "Class Counsel Fees Payment" and "Class Counsel Litigation Costs Payment" mean the amounts allocated to Class Counsel for payment of reasonable attorneys' fees and reimbursement of actual expenses, respectively, incurred to prosecute the Actions.

1.8. "Class Data" means Class Member identifying information in Defendant's possession, including each individual's full name, last-known mailing and/or e-mail address, Social Security Number, dates of employment, number of Workweeks, and number of PAGA Pay Periods.

1.9. "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). Excluded from the Settlement Class will be any Non-Participating Class Member.

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

1.11. "Class Notice" means the Court-Approved Notice of Class and PAGA Action Settlement and Hearing Date for Final Court Approval, to be mailed by the Administrator to Class Members in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement, along with a Spanish translation thereof.

1.12. "Class Period" means, for purposes of Settlement, the period from July 8, 2021, through February 24, 2026, or an earlier date set by Defendant pursuant to Paragraph 8 below.

1.13. "Class Representative" means the named Plaintiffs in the Actions who are seeking the Court's appointment as the Class Representatives.

1.14. "Class Representative Enhancement Award" means the payment to each of the Plaintiffs in exchange for a general release, and in recognition of having initiated the Actions, provided services in support thereof, and incurred risks inherent in the role of named Plaintiffs.

1.15. "Court" means the Superior Court of California, County of Los Angeles.

1.16. "Defendant" means Naples Restaurant Group LLC, the named Defendant in the Actions.

1.17. "Defense Counsel" means Gordon Rees Scully Mansukhani, LLP.

1.18. "Effective Date" means the first business date after both of the following have occurred: (a) the Court enters the Final Approval Order and Judgment; and (b) Judgment is final. The Judgment is final as of the latest of the following occurrences: (i) if no Participating Class Member objects to the Settlement, the day the Court enters the Final Approval Order and Judgment; (ii) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from Judgment (i.e., 61 calendar days following entry of Judgment); or (iii) if a timely appeal from Judgment is filed, the day after the appellate court affirms Judgment and issues a remittitur.

1.19. "Employee's Taxes and Required Withholding" shall means the employee's share of any and all applicable federal, state, or local payroll taxes, including those collected under authority of the Federal Insurance Contributions Act (FICA), the Federal Unemployment Tax Act (FUTA), and/or the State Unemployment Tax Act (SUTA) on the portion of any Participating Class Member's Individual Class Payment that constitutes wages. The Employee's Taxes and Required Withholdings will be withheld from and paid out of the Individual Class Payments paid from the Net Settlement Amount.

1.20. "Employer's Taxes" means and refers to Defendant's share of payroll taxes (e.g., Unemployment Insurance, Employment Training Tax, Social Security, and Medicare taxes) that is owed on the portion of any Participating Class Member's Individual Class Payment that constitutes wages. The Employer's Taxes shall be separately paid by Defendant and shall not be paid from the Gross Settlement Amount or the Net Settlement Amount.

1.21. "Final Approval Order" means the Court's order granting final approval of the Settlement.

1.22. "Final Approval Hearing" means the Court's hearing on the motion for final approval of the Settlement.

1.23. "Final Judgment" means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

1.24. "Gross Settlement Amount" means $550,000.00, the total non-reversionary amount Defendant agrees to resolve the Class and PAGA claims in the Actions, subject to any increase under the escalator clause provided at Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, the Class Counsel Fees and Litigation Costs Payments, the Class Representative Enhancement Awards, and the Administration Costs Payment. Separate and apart from the Gross Settlement Amount, Defendant agrees to pay its employer-share of payroll taxes owed on all payments designated as wages.

1.25. "Individual Class Payment" means a Participating Class Member's pro rata share of the Net Settlement Amount as calculated by the Administrator according to the number of Workweeks worked by Participating Class Members and position(s) held during the Class Period.

1.26. "Individual PAGA Payment" means an Aggrieved Employee's pro rata share of 35% of the PAGA Penalties as calculated by the Administrator according to the number of PAGA Pay Periods worked by Aggrieved Employees during the PAGA Period.

1.27. "Judgment" means the Judgment entered by the Court upon the Final Approval Order.

1.28. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled to the LWDA PAGA Payment.

1.29. "LWDA PAGA Payment" means sixty-five percent (65%) of the PAGA Penalties.

1.30. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in amounts as approved by the Court: Individual PAGA Payments, LWDA PAGA Payment,

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Class Representative Enhancement Awards, Class Counsel Fees Payment, Class Counsel Litigation Costs Payment, and Administration Costs Payment. The remainder is to be paid to Participating Class Members through Individual Class Payments.

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

1.32. "Operative Complaint" means any and all of the operative complaints in the Actions.

1.33. "PAGA Pay Period" means any pay period during which an Aggrieved Employee worked for Defendant in California at least one day during the PAGA Period.

1.34. "PAGA Period" means, for purposes of Settlement, the period from June 16, 2023, through February 24, 2026, or an earlier date set by Defendant pursuant to Paragraph 8 below.

1.35. "PAGA" means the California Private Attorneys General Act, Lab. Code §§ 2698, *et seq*.

1.36. "PAGA Notices" mean (1) James Davis's LWDA PAGA letter dated April 26, 2024, and (2) Felix Castro's LWDA PAGA letter dated August 4, 2024.

1.37. "PAGA Penalties" means $55,000.00, the total amount to be paid from the Gross Settlement Amount in settlement of the Released PAGA Claims, allocated as thirty-five percent (35%) ($19,250.00) to the Aggrieved Employees and sixty-five percent (65%) ($35,750.00) to the LWDA.

1.38. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion.

1.39. "Plaintiffs" mean Felix Castro and James Davis, the named Plaintiffs in the Actions.

1.40. "Preliminary Approval Order" means the Court's order granting preliminary approval of the Settlement.

1.41. "Released Class Claims" means the claims being released as described in Paragraph 5.2 below.

1.42. "Released PAGA Claims" means the claims being released as described in Paragraph 5.3 below.

1.43. "Released Parties" means Defendant Naples Restaurant Group, LLC and its agents, officers, employees, directors, owners, subsidiaries, DBA's, affiliates and predecessor, successor, and parent companies.

1.44. "Request for Exclusion" means a Class Member's submission to the Administrator of a signed, written request to be excluded from the Class portion of the Settlement. Class Members and Aggrieved employees cannot request exclusion from the PAGA portion of the Settlement.

1.45. "Response Deadline" means forty-five (45) calendar days after the Administrator mails the Class Notice to Class Members and shall be the last date on which Class Members may email or postmark any (a) Requests for Exclusion, (b) written Objections, or (c) disputes regarding the calculation of Workweeks and/or PAGA Pay Periods. Class Members to whom their initial Class Notice is resent after having been returned as undeliverable to the Administrator shall have an additional seven (7) calendar days beyond the Response Deadline.

1.46. "Settlement" means the disposition of the Actions effected by this Agreement and entry of the Final Approval Order and Judgment.

1.47. "Workweek" means any workweek during which a Class Member worked for Defendant in California at least one day during the Class Period.

2. RECITALS

2.1 James Davis initiated his lawsuit against Defendant entitled *James Davis v. Naples Restaurant Group, LLC*, Los Angeles County Superior Court Case No. 24LBCV01749, for causes of action: 1. Private Attorney General's Act Violation Cal. Lab. C. § 2698, et seq. alleging failure to pay all wages, failure to provide meal breaks;, failure to provide rest breaks, failure to reimburse necessary business-related expenses and costs; and failure to provide accurate wage statements. Felix Castro initiated his lawsuit against Defendant entitled *Felix Castro v. Naples Restaurant Group, LLC*, Los Angeles County Superior Court Case No. 24STCV19874, for causes of action: 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

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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 Itemizes Wage Statements [Cal. Lab. Code § 226]; 8. Unfair Business Practices [Cal. Bus. & Prof Code §§ 17200, et seq.]; and 9. Civil Penalties Under PAGA [Cal. Lab. Code § 2699, et seq.]. currently pending in Los Angeles County Superior Court. On March 4, 2025, the Court in Castro ruled that the Davis Action is related to the Castro Action, ordered that Castro is the lead case, and stayed the Davis Action until further order.

2.2 Pursuant to California Labor Code section 2699.3(a), Plaintiffs gave timely written notice to Defendant and the LWDA of the allegations in the Actions via Plaintiffs' respective PAGA Notices.

2.3 Plaintiffs' Operative Complaint alleges the following causes of action against Defendant: (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]; (8) Unfair Business Practices [Cal. Bus. & Prof. Code §§ 17200, *et seq.*]; and (9) Civil Penalties under PAGA [Cal. Lab. Code §§ 2699, *et seq.*].

2.4 On February 24, 2026, the Parties participated in a mediation with Steven Rottman, Esq., an experienced and neutral class and PAGA action mediator. The Parties subsequently reached an agreement for a global resolution of the Actions, as memorialized in this Agreement.

2.5 For mediation, Plaintiffs obtained from Defendant, through informal but extensive discovery, information sufficient to meaningfully evaluate the claims at issue in the Actions. The discovery included Plaintiffs' personnel files, written documents regarding Defendant's wage-and-hour policies and practices in effect during the Class Period, time and pay data for a sample of all Class Members, and demographic data for all Class Members. This investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot*

Locker Retail, Inc. (1996) 48 Cal. App. 4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal. App. 4th 116, 129–130 ("*Dunk/Kullar*"). As part of this evaluation, Class Counsel have conducted a diligent and thorough investigation into the facts and claims alleged in the Actions, including an extensive review and analysis of the discovery. Based on their own independent investigation and evaluation, Plaintiffs and Class Counsel are of the opinion that the Settlement and on the terms set forth in this Agreement is fair, reasonable, and adequate and in the best interest of the Class and the LWDA considering all known facts and circumstances, including the risk of significant delay, that Class claims may not be certified by the Court based on the defenses asserted by Defendant, and on numerous potential appellate issues.

2.6 To date, the Court has not granted class certification.

2.7 Defendant denies any liability or wrongdoing of any kind whatsoever associated with the claims and causes of action alleged in the Actions. Defendant further denies that, for any purpose other than settling the Actions, the Actions are appropriate for class or representative treatment. With respect to Plaintiffs' claims, Defendant contends, among other things, that Plaintiffs and the Class have been provided legally compliant meal and rest periods and any premiums owed for non-compliant meal and rest periods, have been paid proper minimum and overtime wages, have been timely paid throughout employment as well as final wages upon separation of employment, have been reimbursed for necessary and reasonable business expenses, and have been provided with accurate itemized wage statements. Defendant contends, among other things, that it has complied at all times with the California Labor Code and the applicable Wage Orders of the Industrial Welfare Commission, and all other applicable laws. Furthermore, with respect to all claims, Defendant contends that it has not engaged in unlawful or unfair business practices and has not violated California Business and Professions Code sections 17200, *et. seq*.

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

3. MONETARY TERMS

3.1 Gross Settlement Amount. Subject to entry of the Court's Final Approval Order, Defendant agrees to pay $550,000.00, subject to any increase under the escalator clause in Paragraph 9 below, and no more as the Gross Settlement Amount, and to separately pay any and all employer-share of payroll taxes owed on all payments designated as wages of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator shall disburse the entire Gross Settlement Amount without asking or requiring any Class Member to submit a claim as a condition of payment. None of the Gross Settlement Amount shall revert to Defendant. The Gross Settlement Amount and other actions and forbearances taken by Defendant and/or shall constitute adequate consideration for the Class Settlement and will be made in full and final settlement of: the Released Claims, the Class Counsel Litigation Expenses and Fees Payments, Administration Costs Payment, the Class Representative Enhancement Award, the PAGA Penalties (and any payments to individual Aggrieved Employees resulting from the PAGA Penalties), and any other obligation of Defendant under this Agreement (other than the Employer's Taxes on the portion of the Net Settlement Amount allocated to the payment of wages).

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

3.2.1. To Plaintiffs: Class Representative Enhancement Awards to Plaintiffs of not more than $7,500.00 each ($15,000.00 total), in addition to the Individual Class and PAGA Payments that Plaintiffs are eligible to receive. Defendant will not oppose Plaintiff's request for a Class Representative Enhancement Award that does not exceed this amount. As part of the motion for Class Counsel Attorneys' Fees and Litigation Costs Payments, Plaintiffs will seek Court approval for the Class Representative Enhancement Awards no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Representative

Enhancement Award less than the amount requested, the Administrator shall allocate the remainder to the Net Settlement Amount. The Administrator shall pay the Class Representative Enhancement Awards using IRS Forms 1099. Plaintiffs assume full responsibility and liability for any taxes owed on their Class Representative Enhancement Awards.

3.2.2. To Class Counsel. A Class Counsel Fees Payment of not more than $183,333.33, subject to any increase under the escalator clause in Paragraph 9 and a Class Counsel Litigation Costs Payment for reimbursement of actual litigation costs of not more than $50,000.00 incurred by Plaintiffs' Counsel. Defendant will not oppose requests for these payments provided that do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Attorneys' Fees and Litigation Costs Payments no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves payments less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Court approval of a Class Counsel Fees Payment of Class Counsel Litigation Costs Payment lower than the applicable amounts above is not grounds to challenge/void this Agreement. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' counsel arising from any claim to any portion of any Class Counsel Attorneys' Fee Payment and/or Class Counsel Litigation Costs Payment. The Administrator shall pay the Class Counsel Fees Payment and Class Counsel Litigation Costs Payment using one or more IRS 1099 Forms. Class Counsel assume full responsibility and liability for any taxes owed on the Class Counsel Attorneys' Fees and Litigation Costs Payments, and hold Defendant harmless, and indemnify Defendant, from any dispute or controversy regarding any division or sharing of any of these payments. The Class Counsel Fees and Litigation Costs Payment approved by the Court shall reflect: (a) all work performed and costs and expenses incurred by, or at the direction of, any attorney purporting to represent the Settlement Class through the date of the Settlement Agreement; (b) all work to be performed and costs to be incurred in connection with approval by the Court of the Class Settlement; (c) all work to be performed and costs and expenses, if any, incurred in connection with administering the Class Settlement through the Effective Date and dismissal of the Action with prejudice; and (d) may be based on the "catalyst theory" and/or the "common fund doctrine."

3.2.3. To the Administrator. An Administration Costs Payment for the costs of a Third-Party Administrator, to be agreed upon by the Parties' respective Counsel and as approved by the Court, in connection with its administration of the Settlement, including, but not limited to, providing Class Notice, locating Class Members, processing opt- out requests and objections, distributing the portion of the PAGA Penalties payable to the LWDA, distributing the portion of the PAGA Penalties payable to the Aggrieved Employees, and administering and distributing Individual Class Payments and related tax forms to the Participating Class Members, that is not to exceed $15,000.00, except for a showing of good cause and as approved by the Court. To the extent actual expenses are less and/or the Court approves payment less than the requested amount, $15,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To Each Participating Class Member. An Individual Class Payment is calculated based on the *pro rata* share of worked for Defendant during the Class Period. The Net Settlement Fund will be divided by the aggregate number of Workweeks allocated to all Participating Class Members to determine the dollar value per Workweek (Dollars Per Workweek Value). Each Individual Class Payment shall be calculated by the Administrator by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member. Defendant will provide the Administrator with any information reasonably necessary to perform the calculations required under this Agreement. Defendant shall have no responsibility for deciding the validity of the Individual Class Payments or any other payments made pursuant to this Agreement, shall have no involvement in or responsibility for the determination or payment of Employee's Taxes and Required Withholding, and shall have no liability for any errors made with respect to such Employee's Taxes and Required Withholding. Although the Administrator will calculate and pay the standard Employee's Taxes and Required Withholding on the portion of the Individual Class Payment constituting wages on their behalf, Plaintiff and Participating Class Members represent and understand that they shall be solely responsible for any and all tax obligation associated with their respective Individual Class Payment and Class Representative Enhancement Award.

3.2.4.1. Tax Allocation of Individual Class Payments. Ten percent (10%) of each Participating Class Member's Individual Class Payment shall be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portion is subject to tax withholding and shall be reported on IRS W-2 Forms by the Administrator. The remaining ninety percent (90%) of each Participating Class Member's Individual Class Payment shall be allocated to settlement of claims for penalties and interest (the "Non-Wage Portion"). The Non-Wage Portion is not subject to withholdings and shall be reported on IRS 1099 Forms by the Administrator. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment. Prior to the funding of the Gross Settlement Amount and distribution, the Settlement Administrator shall calculate the total employer taxes due on the wage portion of the Participating Class Members' Individual Class Payments and issue instructions to Defendant to separately fund these tax obligations/withholdings.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members shall not receive any Individual Class Payment. The Administrator shall retain amounts equal to

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their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5. <u>To the LWDA and Aggrieved Employees.</u> PAGA Penalties in the total amount of $55,000.00 to be paid from the Gross Settlement Amount, shall be distributed as sixty-five percent (65%) ($35,750.00) to the LWDA through an LWDA PAGA Payment and thirty-five percent (35%) ($19,250.00) to Aggrieved Employees through Individual PAGA Payments.

3.2.5.1. The Administrator shall calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' thirty-five percent (35%) share of PAGA Penalties by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee. Individual PAGA Payments shall be treated as one hundred percent (100%) penalties for tax purposes. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. Individual PAGA Payments are not subject to withholdings and shall be reported on IRS 1099 Forms by the Administrator. The Aggrieved Employees shall be solely responsible for any and all tax obligations associated with their respective shares of the PAGA Penalties.

3.2.5.2. If the Court approves an amount for PAGA Penalties less than the amount requested, the Administrator shall allocate the remainder to the Net Settlement Amount.

3.3 No Effect on Employee Benefit Plans. Neither the Settlement nor any amounts paid under the Settlement will modify any previously credited hours, days, or weeks of service under any employee benefit plan, policy or bonus program sponsored by Defendant. Such amounts will not form the basis for additional contributions, benefits under, or any other monetary entitlement under Defendant sponsored benefit plans, policies, or bonus programs. The payments made under the terms of this Agreement shall not be applied retroactively, currently, or on an ongoing basis as salary, earnings, wages, or any other form of compensation for purposes of Defendant benefit plans, policies, or bonus programs. Defendant retains the right to modify the language of their benefit plans, policies, or bonus programs to reflect this intent and to make clear that any amounts paid pursuant to this Agreement are not for "hours worked," "weeks worked," "weeks paid," or any similar measuring terms as defined by applicable plans, policies, or bonus programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Agreement.

4. SETTLEMENT FUNDING AND PAYMENTS

4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of Defendant's records, Defendant estimates that as of the date of the Parties' mediation, there are approximately 345 Class Members who worked an estimated 22,000 Workweeks during the Class Period, and approximately 220 Aggrieved Employees who worked an estimated 7,433 Pay Periods during the PAGA Period.

4.2 Class Data. Not later than thirty (30) calendar days after entry of the Court's Preliminary Approval Order, Defendant shall deliver the Class Data to the Administrator in the form of a Microsoft Excel spreadsheet, or such other form requested by the Administrator. The Class Data shall include each individual's full name, last-known mailing address, Social Security Number, number of Workweeks during the Class Period, and number of PAGA Pay Periods. To protect Class Members' privacy rights, the Administrator shall maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to employees of the Administrator who need access to effect and perform under this Agreement. If Defendant discovers that Class Data is incorrect, Defendant will provide corrected or updated Class Data to the Administrator as soon as reasonably feasible.

4.3 Settlement Funding. Defendant shall fund the Gross Settlement Amount by transmitting the funds into the Qualified Settlement Fund ("QSF") established and maintained by the Administrator in monthly installments. The first installment in the amount of $25,000.00

shall be due within fourteen (14) days of entry of the Court's Preliminary Approval Order. Subsequent installment payments in the amount of $25,000.00 shall be paid monthly, on the first of the month with a three (3) day grace period, and the second installment payment shall be made no less than thirty (30) days following the first installment. If payment is due on a holiday or weekend, Defendant shall make the installment payment on the next regular business day. All installment payments shall be made and the Gross Settlement Amount paid in full no later than April 1, 2028.

4.4 Payments from the Gross Settlement Amount. The Administrator shall not distribute settlement funds until the Court grants final approval of the Settlement and sufficient funds have been deposited into the QSF to permit proper allocation of the Court-approved amounts. Thereafter, within fourteen (14) days after Defendant funds the Gross Settlement Amount and the court grants final approval the Administrator shall distribute all Court-approved payments in accordance with this Agreement and the Court's Final Approval Order. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Costs Payment and the Class Representative Enhancement Award shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1. The Administrator shall issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them via First Class United States Postal Service ("USPS") Mail with postage prepaid. The face of each check shall prominently state the date (not less than 120 days after the date of mailing) when the check will be voided (the "Void Date"). The Administrator shall send checks for Individual Class Payments to all Participating Class Members and checks for Individual PAGA Payments to all Aggrieved Employees (including Non-Participating Class Members who qualify as Aggrieved Employees), including to those for whom their Class Notice was returned undelivered. The Administrator may send Participating Class Members a single check combining their Individual Class and PAGA Payments. Before mailing any checks, the Administrator must update recipients' mailing addresses using the National Change of Address Database.

4.4.2. The Administrator must conduct a Class Member Address Search for all Class Members whose checks are retuned undelivered without a forwarding address. Within seven (7) calendar days of receiving a returned check, the Administrator must re-mail checks to the forwarding address provided or, if none was provided, to an updated address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered a second time. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, or as requested by the Class Member prior to the Void Date.

4.4.3. Within one hundred fifty (150) days of mailing the Individual Class Payments to Participating Class Members, the Administrator shall file with the Court and provide to Class Counsel a declaration of payment. If any Participating Class Member is deceased, payment shall be made payable to the estate of that Class Member and delivered to the executor or administrator of the estate, unless the Administrator has received an affidavit or declaration pursuant to California Probate Code section 13101, in which case payment shall be made to the affiant(s) or declarant(s).

4.4.4. For any Class Member whose Individual Class Payment and/or Individual PAGA Payment is uncashed after the Void Date, the Administrator shall cancel those checks and transmit the funds represented by such checks in accordance with the requirements of California Code of Civil Procedure section 384(b). Specifically, the uncashed funds shall be transmitted to the California State Controller's Office to be held pursuant to the Unclaimed Property Law, California Civil Code section 1500, *et seq*., in the name of each individual who failed to timely cash his or her check, until such time that he or she claims his or her property. A Participating Class Member and/or Aggrieved Employee's failure to negotiate or receive their check shall nevertheless remain bound by the Settlement and the released contained herein. Accordingly, the Parties' respective counsel attest that there will be no "unpaid

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residue" subject to the requirements of California Code of Civil Procedure section 384, subd. (b).

4.4.5. 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. <u>RELEASES OF CLAIMS</u>

On the Effective Date, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties, except that if Defendant does not fully fund the entire Gross Settlement Amount and the employer payroll taxes owed on the Wage Portion of the Individual Class Payments the release shall be suspended pending payment in full. Subject to that condition, the releases shall be as follows:

5.1 <u>Plaintiffs' General Release.</u> Upon entry of the Court's final settlement approval order and full funding of the Gross Settlement Amount and its employer-share of payroll taxes, Plaintiffs will release the Released Parties from any and all claims that Plaintiffs have or may have against the Released Parties related to or arising from Plaintiffs' employment with Defendant ("Plaintiffs' General Release"). Plaintiffs acknowledge that Plaintiffs may discover facts and/or law different from, and/or in addition to, the facts and/or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' General Release shall be and remain effective in all respects, notwithstanding the existence of such different and/or additional facts and/or law or Plaintiffs' discovery of them. Notwithstanding the foregoing, Plaintiffs' General Release does not extend to any claims or actions to enforce this Agreement or the settlement, to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits or workers' compensation benefits that arose at any time, to any claims that are not releasable as a matter of law or public policy, or to any claims arising after the date of Plaintiffs' signatures on this Agreement.

5.1.1. <u>Plaintiffs' Waiver of Rights Under California Civil Code Section 1542</u>. For purposes of Plaintiffs' General Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of California Civil Code section 1542, 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 Released Class Claims**.** Upon entry of the Court's final settlement approval order and full funding of the Gross Settlement Amount and its employer-share of payroll taxes, all Participating Class Members will release all Released Class Claims. The "Released Class Claims" are all claims, charges, complaints, liens, demands, causes of action, obligations, damages and liabilities, that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint athrough the Class Period that each and every Participating Class Member on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties had, now has, or may hereafter claim to have during the Class Period against Released Parties that were alleged in the Action or could have been alleged based on any of the facts alleged in the Operative Complaint in the Action regardless of whether such claims arise under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law. The Released Class Claims specifically include, but are not limited to Labor Code sections 201, 202, 203, 204, 210, 216, 226, et seq., 226(a), 226(e), 226.3, 226.7, 227.3, 246, 248.5, 510, 512, 516, 558, 1174, 1174(d), 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1720, 2698, et seq., 2699(f)(2), 2699.3, 2699.5, 2800, 2802, 3550-3553, 3700.5 and the related IWC Wage Order Nos. 5-2001 and 8-2001, and Business & Professions Code sections 17200, et seq., claims based on alleged violations of these Labor Code and Wage Order provisions and all other claims that could have been pleaded based on the facts asserted in the Actions, including: (1) failure to pay minimum wages; (2) failure to pay overtime compensation; (3) failure to provide meal periods; (4) failure to authorize and permit rest breaks; (5) failure to indemnify necessary business expenses; (6)

failure to timely pay final wages; (7) failure to provide accurate itemized wage statements; and (8) unfair business practices , as well as interest, fees, and costs. The release described herein shall be revoked in the event that Defendant fails to make all payments required pursuant to this Settlement.

5.3 Released PAGA Claims. Upon the Effective Date, and contingent upon Defendant's full funding of the Gross Settlement Amount and its employer-share of payroll taxes, Plaintiffs, on behalf of the State of California and all Aggrieved Employees, releases any and all claims for civil penalties under the Labor Code Private Attorneys General Act of 2004 ("PAGA") that were alleged in the Action or could have been alleged based on the facts stated in Plaintiff's Operative Complaint and PAGA Notice to the Labor and Workforce Development Agency, during the PAGA period, including civil penalty claims under Labor Code sections 201, 202, 203, 204, 210, 216, 226, 226.3, 226.7, 510, 512, 516, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, and 2698 et seq., and the applicable Industrial Welfare Commission Wage Orders.

6. MOTION FOR PRELIMINARY APPROVAL

6.1 Plaintiffs' Responsibilities. Plaintiffs shall prepare, and deliver to Defense Counsel for review, and file all documents necessary for obtaining a Preliminary Approval Order, including: (i) a notice and memorandum in support of the motion for preliminary approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA portion of the Settlement under California Labor Code section 2699(s)(2); (ii) a proposed order granting preliminary settlement approval and approving the proposed Class Notice; (iii) a signed declaration from the Administrator attaching its bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds, or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel, Defendant, or Defense Counsel; (iv) a signed declaration from Plaintiffs confirming willingness and competency to serve as the Class

Representatives, and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members and/or the Administrator; (v) signed declarations from Class Counsel attesting to competency to represent Class Members; transmission to the LWDA of all necessary PAGA documents (Plaintiffs' respective PAGA Notices [Lab. Code § 2699.3(a)], the Operative Complaint [Lab. Code § 2699(s)(1)], and this Agreement [Lab. Code § 2699(s)(2)]); and (vi) all facts relevant to any actual or potential conflicts of interest with Class Members and/or the Administrator.

6.2 Responsibilities of Counsel. Class Counsel is responsible for obtaining a prompt hearing date for the motion for preliminary approval. Class Counsel and Defense Counsel are jointly responsible for appearing in Court to advocate in favor of the motion for preliminary approval. Class Counsel is responsible for delivering the Preliminary Approval Order to the Administrator.

6.3 Duty to Cooperate. If the Court does not grant preliminary approval outright, or conditions a preliminary approval on any material change to this Agreement, Class Counsel and Defense Counsel shall expeditiously work together on behalf of the Parties by meeting, in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

6.4 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant, and Defense Counsel separately agree that until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate, or publicize, or cause or permit another person to disclose, disseminate, or publicize, any of the terms of the Agreement or Settlement, directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity. In response to any inquiries, Plaintiffs and Class Counsel will state that "the case was resolved," or similar words to that effect, and Plaintiffs and Class Counsel will not communicate with or to anyone regarding the Settlement, nor report the Settlement or its content in any medium or in any publication, will not post or report anything regarding the claims of Plaintiffs or Class Members online or through social media, and will not contact any reporters or media regarding the

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Settlement. Notwithstanding the foregoing, nothing in this Paragraph is intended to prohibit: (i) Parties from disclosing the Settlement with their spouse, attorneys, accountants, tax advisors, or taxing authorities, all of whom will be instructed to keep this Agreement confidential; (ii) Class Counsel or Parties, from disclosing the Settlement to tax advisors or taxing authorities; (iii) Class Counsel from meeting any ethical and fiduciary duties owed to Plaintiffs or other Class Members; (iv) Class Counsel from communicating with Plaintiffs or providing Plaintiffs with legal representation; (v) Class Counsel from making a limited disclosure to the Court and the LWDA for purposes of obtaining settlement approval or enforcing the Settlement; (vi) in response to a court order or subpoena; or (vii) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, 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.

7. SETTLEMENT ADMINISTRATION

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

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

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1, 26. The Parties agree that the QSF is intended to be a "Qualified Settlement Fund" under Section 468B of the Code and Treasury Regulations section 1.4168B-1, 26 C.F.R. sections 1.468B-1, *et seq*., and shall be administered by the Administrator as such. The Parties and Administrator shall treat the QSF as coming into existence as a "Qualified Settlement Fund" on the earliest date permitted as set forth in 26 C.F.R. section 1.468B-1, and such election statement shall be attached to the appropriate returns as required by law.

7.4 Notice to Class Members.

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

7.4.2. Using its best efforts to perform as soon as possible, and in no event later than fourteen (14) calendar days after receiving the Class Data, the Administrator shall send to all Class Members identified in the Class Data, via first-class USPS mail, the following, with an accurate Spanish translation thereof: (i) Class Notice, in the form, without material variation, attached hereto as **Exhibit A**. The Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of any Workweeks and PAGA Pay Periods used to calculate these amounts. Before mailing the Class Notice, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3. Not later than three (3) business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member

Address Search and shall re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notices to Class Members whose Class Notice is returned as undelivered by the USPS a second time.

7.4.4. For all Class Members whose initial Class Notice is re-mailed, the deadline for submitting Objection Forms, Workweek and/or PAGA Pay Periods challenges, and Request for Exclusion Forms shall be extended an additional fourteen (14) calendar days beyond the sixty (60) calendar days otherwise provided in the Class Notice. The Administrator shall inform the Class Member of the extended Response Deadline with the re-mailed Class Notice.

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

7.5 Requests for Exclusion (Opt-Outs).

7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement may opt-out by sending the Administrator a Request for Exclusion, which reasonably communicates the Class Member's desire to opt-out of the Settlement and includes the Class Member's full name, current mailing address, email address, last four digits of their Social Security Number (for verification of identity purposes and for the Administrator to contact the individual, if necessary, to clarify his or her Request for Exclusion), signature, and should state something to the effect of: *"I wish to be excluded from the Settlement Class in the Felix Castro v. Naples*

Restaurant Group LLC (Los Angeles Superior Court Case No. 24STCV19874)/ *James Davis v. Naples Restaurant Group, LLC* (Los Angeles County Superior Court Case No. 24LBCV01749) *lawsuits. I understand that if I ask to be excluded from the settlement class, I will not receive any money from the class settlement of this lawsuit and will not be releasing any claims I might have."* To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2. The Request for Exclusion must be signed and dated by the Class Member or his/her legal representative. To be timely, a Request for Exclusion must be emailed or mailed, and transmitted or postmarked by the Response Deadline.

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

7.5.4. Every Class Member who does not submit a timely and valid Request for Exclusion shall be deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Released Class Claims under Paragraph 5.2 above, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.5. Every Class Member who submits a valid and timely Request for Exclusion shall be deemed a Non-Participating Class Member and not entitled to an Individual Class Payment or have the right to object to the class action components of the Settlement.

7.5.6. Because future PAGA claims are subject to claim preclusion upon entry of the Final

Approval Order and Judgment, Non-Participating Class Members who are Aggrieved Employees are subject to and bound by the Released PAGA Claims identified in Paragraph 5.3 above and shall receive an Individual PAGA Payment.

7.6 Defendant's Right to Withdraw. If the number of valid Requests for Exclusion exceeds five percent (5%) of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than fourteen 14 calendar days after the deadline to opt-out has expired.

7.7 Challenges to Calculation of Workweeks and/or PAGA Pay Periods. Each Class Member shall have the opportunity to challenge the number of Workweeks and PAGA Pay Periods allocated to that Class Member as reported in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator. Any challenges must be emailed or mailed, and transmitted or postmarked by the Response Deadline. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks and/or PAGA Pay Periods reported 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 and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to the calculation of Workweeks and/or PAGA Pay Periods to Defense Counsel as well as the Administrator's determination regarding the challenges.

7.8 Objections to Settlement.

7.8.1. Participating Class Members may object to the class action components of the Settlement, including, without limitation, contesting the fairness of the Settlement and/or amounts requested for the Class Counsel Fees Payment, Class Counsel

Litigation Costs Payment, and/or Class Representative Enhancement Awards.

7.8.2. Participating Class Members may object by sending the Administrator a written Objection, which reasonably communicates the Class Member's basis for objecting and includes the Class Member's full name, current mailing address, last four digits of their Social Security Number (for verification of identity purposes and for the Administrator to contact the individual, if necessary, to clarify his or her Objection), and identifies the Actions as *Felix Castro v. Naples Restaurant Group LLC* (Los Angeles Case No. 24STCV19874) / *James Davis v. Naples Restaurant Group, LLC* (Los Angeles County Superior Court Case No. 24LBCV01749). The written Objection must also be signed and dated by the Class Member or his/her legal representative. To be valid, the written Objection must be timely emailed or mailed, and transmitted or postmarked by the Response Deadline.

7.8.3. In the alternative and/or in addition to submitting a written objection, Participating Class Members may appear, either personally or hire an attorney to appear on his or her behalf, in Court to present verbal objections at the Final Approval Hearing. It is not required that an objecting party, either personally or through counsel, appear at the Final Approval Hearing for any written Objection by that party to be considered. Additionally, it is not required that an objecting party, either personally or through counsel, file or serve, or to state in a written Objection, a notice of intention to appear at the Final Approval Hearing.

7.8.4. If the Final Approval Hearing is continued to another date or time, the Administrator will give notice to any Participating Class Member who submitted an Objection.

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

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

7.9.1. Website, Toll-Free Number and Email. The Administrator will establish, maintain, and monitor a toll-free telephone number and email address to receive Class Member inquiries and use an internet website to post information of interest to Class Members, including the date, time, and location for the Final Approval Hearing and how to obtain copies of the Settlement, motion for preliminary approval, the Preliminary Approval Order, the Class Notice, motion for final approval, and the Final Approval Order and Judgment.

7.9.2. Requests for Exclusion (Opt-outs), Exclusion List, and Objections. The Administrator shall promptly review, on a rolling basis, Requests for Exclusion and written Objections to ascertain their validity and timeliness. No later than five (5) business days after the Response Deadline, the Administrator shall email a list to Defense Counsel containing (a) the names of Class Members who have submitted valid and timely Requests for Exclusion (the "Exclusion List") or written Objections; (b) the names of Class Members who have submitted invalid and/or untimely Requests for Exclusion or written Objections; and (c) copies of all Requests for Exclusion or written Objections submitted (whether valid or invalid, timely or untimely) with Class Members' address, social security number, and any contact information redacted.

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

7.9.4. Workweek and/or PAGA Pay Period Challenges. The Administrator has the authority to address and make final decisions, consistent with the terms of this Agreement, regarding any Class Member challenges to the calculation of

Workweeks and/or PAGA Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

7.9.5. Administrator's Declaration. No later than fourteen (14) calendar days before the date by which Plaintiffs are required to file the motion for final approval of the Settlement, the Administrator shall 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, without limitation, its mailing of the Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the Response Deadline and any extended deadline for re-mailed Class Notices, the total number of Requests for Exclusion Forms received (both valid or invalid, timely or untimely), and the number of Objections Forms (both valid or invalid, timely or untimely). 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) business days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator shall 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 fourteen (14) calendar days before any deadline set by the Court, the Administrator shall 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. NULLIFICATION OF THIS SETTLEMENT AGREEMENT.

8.1 Non-Approval of This Settlement Agreement. The Settlement and conditional class certification shall be considered null and void; neither the Settlement, conditional class certification, nor any of the related negotiations or proceedings shall be of any force or effect; and all Parties to the Settlement shall stand in the same position, without prejudice, as if the Settlement had been neither entered into nor filed with the Court, if any of the following occur: (a) the Court should for any reason fail to approve this Agreement in the form agreed to by the Parties' (b) the Court should for any reason fail to enter a judgment with prejudice of the Action; or (c) the approval of the Settlement and judgment is reversed, modified, or declared or rendered void. Notwithstanding the foregoing, the Parties may attempt in good faith to cure any perceived defects in this Agreement to facilitate approval.

8.2 Invalidation. Invalidation of any material portion of this Agreement shall invalidate the Settlement in its entirety, unless the Parties subsequently agree in writing that the remaining provisions of the Settlement are to remain in full force and effect.

8.3 Stay on Appeal. If a timely appeal from the approval of the Settlement and judgment, the judgment shall be stayed, and Defendant shall not be obligated to fund the Gross Settlement Amount or take any other actions required by this Agreement until all appeal rights have been exhausted by operation of law.

9. CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE

9.1 The Gross Settlement Amount was negotiated based on Defendant's estimate that on the date of the Parties' mediation, there are 22,000 Workweeks. If the actual number of Workweeks is more than 10% of the estimated count (i.e., if the actual number of Workweeks is more than 24,200) during the Class Period, Defendant agrees to (1) pay the pro-rata percentage increase in excess of 10% of the Gross Settlement Amount to include the additional workweeks (e.g., an 11% increase in workweeks would result in a 1% increase in the Gross Settlement Amount). For example, if the total number of Workweeks increased by 11% beyond the 22,000 Workweeks (i.e., to approximately 24,200 Workweeks), the Gross Settlement Amount will increase by 1% (actual increase minus the 10% tolerated increase) or (2) modify the Class Period end date such that no more than 24,200 Workweeks are included in the settlement. The election to modify the Class Period end date must be made no later than 30 days prior to the initial hearing date for Plaintiffs' motion for preliminary approval so that the Court can be informed of the Class Period prior to that hearing and state the Class Period in the preliminary approval order. If class members representing more than 5 percent of the total pro rata Point Value submit exclusion forms of any kind, Defendant may exercise the option to withdraw from the settlement, and this Agreement is entirely void.

10. <u>MOTION FOR FINAL APPROVAL</u>

10.1 <u>Motion for Final Approval</u>. No later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiffs will file in Court a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subdivision (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven (7) days prior to filing the Motion for Final Approval**.** Class Counsel and Defense Counsel will expeditiously meet and confer, in person or by telephone, and in good faith, to resolve any disagreements concerning the motion for final approval. Class Counsel is responsible for timely delivering the Final Approval Order and Judgment to the Administrator and LWDA.

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

10.3 <u>Duty to Cooperate</u>. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement, the Parties will expeditiously work together, in good faith, to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Enhancement Awards, Class Counsel Fees Payment, Class Counsel Litigation Costs Payment, and/or Administration Costs Payment shall not constitute a

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material modification to the Agreement within the meaning of this Paragraph.

10.4 Enforceability and Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

10.5 Waiver of Right to Appeal. Provided the Final Approval Order and Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Costs 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 Final Approval Order and 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 Final Approval Order and Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and Judgment becomes final, except as to matters that do not affect the Net Settlement Amount.

10.6 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies 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, and in good faith, to address the appellate court's concerns and to obtain final approval of the Settlement 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 Enhancement Awards or any payments to Class Counsel shall not constitute a material modification of Judgment within the meaning of this Paragraph, so long as the

Gross Settlement Amount is not reduced.

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

11. ADDITIONAL PROVISIONS

11.1 No Admission of Liability, Class Certification, or Representative Manageability for Other Purposes. This Settlement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Actions, Operative Complaint, and PAGA Notices have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's affirmative defenses in the Actions have any merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason, the Court does not grant preliminary and/or final approval of the Settlement, or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons and reserves all available defenses to the claims in the Actions, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendant's affirmative defenses. The Settlement, this Agreement, and the Parties' willingness to settle the Actions will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

11.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settle-ment is filed, they and each of them will not disclose, disseminate, and/or publicize, or cause or permit another person to disclose, disseminate, or publicize, any of the terms of the Agree-ment directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spous-es, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities;

(4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency or-der, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, 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.

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

11.4 Integrated Agreement. Upon execution by all Parties and their respective counsel, this Agreement, together with its attached exhibits, shall constitute the entire agreement between the Parties relating to the alleged class and PAGA claims in the Actions, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

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

11.6 Cooperation. The Parties and their respective counsel will cooperate with each other and use their best efforts, and in good faith, to implement the Settlement by, among other things, modifying this Agreement and/or submitting supplemental evidence and supplemental points and authorities as requested by the Court. In the event the Parties are unable to agree

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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 the mediator and/or the Court for resolution.

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

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

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

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

11.11 Applicable Law. The Parties agree that this Agreement will be governed by and interpreted according to the laws of the State of California, without regard to conflict of law principles.

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

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

11.14 Use of Class Data. Information provided to Class Counsel pursuant to California Evidence Code section 1152 and all copies and summaries of the Class Data provided to Class Counsel by Defendant or Defense Counsel in connection with the mediation, other settlement negotiations, or in connection with the Settlement may be used only with respect to the Actions and the Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

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

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

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

To Plaintiffs:

Kane Moon (SBN 249834)
H. Scott Leviant (SBN 200834)
Sandy Pham (SBN 352753)
MOON LAW GROUP, PC
725 S. Figueroa St., 31st Floor
Los Angeles, California 90017
Telephone: (213) 232-3128
Facsimile: (213) 232-3125
E-mail: kmoon@moonlawgroup.com
E-mail: hsleviant@moonlawgroup.com
E-mail: spham@moonlawgroup.com

Attorneys for Plaintiff, FELIX CASTRO

Aidin D. Ghavimi, Esq.
Zachary D. Greenberg, Esq.
STARPOINT, LC
15233 Ventura Blvd., PH16
Sherman Oaks, California 91403

Telephone: (310) 424-9971
Direct: (310) 993-8775
Facsimile: (424) 255-4035
E-mail: Aidin@starpointlaw.com
E-mail: zach@starpointlaw.com

Counsel for Plaintiff, JAMES DAVIS

To Defendant:

Linh T. Hua (SBN 247419)
Victoria Carthorn (SBN 322505)
GORDON REES SCULLY MANSUKHANI LLP
633 West Fifth Street, 52nd Floor
Los Angeles, California 90071
Telephone: (213) 718-2685
E-mail: lhua@grsm.com
E-mail: vcarthorn@grsm.com

Attorneys for Defendant, NAPLES RESTAURANT GROUP, LLC

11.18 Severability. The Parties agree if any provision of this Agreement is held to be illegal, invalid, or unenforceable, that provision will be severed from and no longer be a part of this Agreement. The legality of the Settlement and the remaining provisions will not be affected by a finding that any provision of this Agreement is illegal, invalid, or unenforceable.

11.19 Advice of Counsel. The Parties to this Agreement are represented by competent counsel and have had an opportunity to consult with said counsel. The Parties further agree that this Agreement reflects a good faith compromise of claims raised in the Actions based upon their independent assessment of the mutual risks regarding the strengths and weaknesses of the claims and the inherent costs and delay that would be involved in continued litigation.

11.20 Execution in Counterparts. This Agreement may be executed in one or more counterparts, and electronic signatures (e.g., DocuSign, Adobe) 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.

11.21 Stay of Litigation. The Parties agree to stay the Actions as of October 29, 2025. Pursuant to

California Code of Civil Procedure section 583.330, the Parties further agree that the date to bring a case to trial under California Code of Civil Procedure section 583.310 will be extended for the duration of the settlement approval process.

AGREED AND UNDERSTOOD BY:

Plaintiffs & Class Representatives:

Firmado por:
FC
4A4F6CDF247E463...

Dated: 6/22/2026 By: ________________________
Felix Castro

Dated: ________________ By: ________________________
James Davis

Defendant:

Dated: ________________ By: ________________________
Naples Restaurant Group LLC

Name: ________________________

Title: ________________________

APPROVED AS TO FORM ONLY BY:

Plaintiffs' Counsel:

Dated: 6/22/2026 **MOON LAW GROUP, PC**

By: ________________________
Kane Kane
H. Scott Leviant
Sandy Pham

Attorneys for Plaintiff Felix Castro

California Code of Civil Procedure section 583.330, the Parties further agree that the date to bring a case to trial under California Code of Civil Procedure section 583.310 will be extended for the duration of the settlement approval process.

AGREED AND UNDERSTOOD BY:

Plaintiffs & Class Representatives:

Dated: ________________ By: ________________________________
Felix Castro

Dated: 06/22/2026 By: ________________________________
James Davis (Jun 22, 2026 15:41:59 PDT)
James Davis

Defendant:

Dated: ________________ By: ________________________________
Naples Restaurant Group LLC

Name: ________________________________

Title: ________________________________

APPROVED AS TO FORM ONLY BY:

Plaintiffs' Counsel:

Dated: ________________ **MOON LAW GROUP, PC**

By: ________________________________
Kane Kane
H. Scott Leviant
Sandy Pham

Attorneys for Plaintiff Felix Castro

California Code of Civil Procedure section 583.330, the Parties further agree that the date to bring a case to trial under California Code of Civil Procedure section 583.310 will be extended for the duration of the settlement approval process.

AGREED AND UNDERSTOOD BY:

Plaintiffs & Class Representatives:

Dated: ______________ By: ________________________________
Felix Castro

Dated: ______________ By: ________________________________
James Davis

Defendant:

Dated: 06/22/2026 By: John Morris
Naples Restaurant Group LLC

Name: John Morris

Title: Managing Partner

APPROVED AS TO FORM ONLY BY:

Plaintiffs' Counsel:

Dated: ______________ **MOON LAW GROUP, PC**

By: ________________________________
Kane Kane
H. Scott Leviant
Sandy Pham

Attorneys for Plaintiff Felix Castro

Dated: June 22, 2026

STARPOINT, LC

By:____
Aidin D. Ghavimi
Zachary D. Greenberg,

Attorneys for Plaintiff James Davis

Defendant's Counsel:

Dated:

GORDON REES SCULLY MANSUKHANI, LLP

By:____
Linh T. Hua
Victoria Carthorn
Attorneys for Defendant

Dated: **STARPOINT, LC**

By:____

Aidin D. Ghavimi
Zachary D. Greenberg,

Attorneys for Plaintiff James Davis

Defendant's Counsel:

Dated: June 22, 2026 **GORDON REES SCULLY MANSUKHANI, LLP**

By:____

Linh T. Hua
Victoria Carthorn
Attorneys for Defendant

Exhibit A

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

Felix Castro v. Naples Restaurant Group LLC
Superior Court of California, Los Angeles County, Case No. 24STCV19874

Notice: All current and former non-exempt, hourly-paid employees of Naples Restaurant Group LLC who worked in California at any time from July 8, 2021, through February 24, 2026.

A court approved this Notice. This is not an advertisement, and you are not being sued. However, your legal rights are affected whether or not you act. Read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	You will receive a payment from the Settlement, if finally approved, and you will release all claims covered by the Settlement. No action is required for you to receive a share of this Settlement.
EXCLUDE YOURSELF	You will not receive a payment from the Settlement.[1] If you exclude yourself from this Settlement, you will not be permitted to submit an objection to the Settlement. You may not exclude yourself from the PAGA portion of the Settlement.
DISPUTE WORKWEEKS AND/OR PAGA PAY PERIODS	If you do not exclude yourself from this Settlement, you may dispute the number of Workweeks and PAGA Pay Periods credited to you if you believe the below-reported number is incorrect.
OBJECT	You may object to this Settlement, and the Court may or may not agree with your objection. Submitting an objection will not exclude you from receiving a payment from the Settlement.

1. Why have I received this Notice?

The California Superior Court of Los Angeles County has granted preliminary approval of a proposed Class and PAGA Action Settlement Agreement ("Settlement") reached between Plaintiffs Felix Castro and James Davis ("Plaintiffs") and Defendant Naples Restaurant Group LLC ("Defendant"), which may affect your legal rights. This Notice explains the key terms of the Settlement and your rights and options with respect to the Settlement.

You have received this Notice because Defendant's records indicate that you are a member of the Settlement Class. For purposes of Settlement, the "Class" is comprised of "all current and former non-exempt, hourly-paid employees of Defendant who worked for Defendant in California at any time during the Class Period" ("Class Members"). The "Class Period" is July 8, 2021, through February 24, 2026.

[1] Regardless of whether you exclude yourself from the Settlement, you will still receive a portion of the Settlement for release of the civil penalties claim under the California Private Attorneys General Act, Labor Code sections 2698 through 2699.8 ("PAGA"), if the Settlement is finally approved and if you are an Aggrieved Employee.

In addition, Defendant's records indicate that you are a member of the PAGA Group ("Aggrieved Employee"). For purposes of Settlement, "Aggrieved Employee" means "all current and former non-exempt, hourly-paid employees of Defendant who worked for Defendant in California at any time during the PAGA Period." The "PAGA Period" is June 16, 2023, through February 24, 2026,

Read this Notice carefully. This Notice explains the Action, the proposed Settlement, your legal rights, what payments may be available to you, and how to get them.

2. What is the case about?

On August 7, 2024, Plaintiff Castro initiated a lawsuit against Defendant entitled *Felix Castro v. Naples Restaurant Group LLC*, Los Angeles County Superior Court Case No. 24STCV19874 ("Clayton Action"). On August 20, 2024, Plaintiff James Davis initiated a lawsuit against Defendant entitled *James David v. Naples Restaurant Group LLC*, Los Angeles County Superior Court Case No. 24LBCV01749. On March 4, 2025, the Court found that both cases are related. Collectively, Plaintiffs' lawsuits are referred to herein as the "Actions."

Plaintiffs allege the following claims against Defendant: (1) failure to pay minimum wages, (2) failure to pay overtime compensation, including failure to pay overtime at the correct regular rate of pay, (3) failure to provide meal periods or meal period premiums for non-compliant meals, including failure to pay meal period premiums at the correct regular rate of, (4) failure to authorize and permit rest periods or pay rest period premiums for non-compliant breaks, (5) failure to indemnify necessary business expenses, (6) failure to timely pay all wages when due during employment or final wages at termination, (7) failure to provide accurate itemized wage statements, (8) unfair business practices, and (9) civil penalties based on the foregoing allegations under PAGA.

Defendant denies each and every allegation raised in the Actions and believes it has treated, and continues to treat, Class Members in accordance with all applicable laws. The Court has not made any decision regarding whether the claims or defenses in the Action have any merit. The Court has only preliminarily determined the proposed Settlement is fair, reasonable, and adequate as to all Class Members. Defendant reserves the right to object to and defend itself against any claim if, for any reason, the Settlement does not become effective.

Plaintiffs and Defendant (the "Parties") reached a Settlement that is subject to the Court's final approval. By settling the Actions, Defendant does not admit, concede, or imply that it has done any wrongdoing, and Plaintiffs do not concede that any of Defendant's affirmative defenses have merit.

3. Who are the attorneys representing the Parties?

The Court has appointed Plaintiffs' attorneys as "Class Counsel" to represent all Class Members. You will not be charged for this legal representation.

Class Counsel's contact information is as follows:

Attorneys for Plaintiff Castro	**Attorneys for Plaintiff Davis**
Kane Moon	Aidin D. Ghavimi
H. Scott Leviant	Zachary D. Greenberg
Sandy Pham	STARPOINT, LC
MOON LAW GROUP, PC	Attorney at Law
725 S. Figueroa St., 31st Floor	15233 Ventura Blvd., PH16
Los Angeles, California 90017	Sherman Oaks, California 91403

Telephone: (213) 232-3128
Facsimile: (213) 232-3125 E-mail:
kmoon@moonlawgroup.com
E-mail: hsleviant@moonlawgroup.com
E-mail: spham@moonlawgroup.com

Telephone: (310) 424-9971
Direct: (310) 993-8775
Facsimile: (424) 255-4035
E-mail: Aidin@starpointlaw.com
E-mail: zach@starpointlaw.com

Defendant is represented by the following attorneys:

Attorneys for Defendant
Linh T. Hua
Victoria Carthorn
GORDON REES SCULLY MANSUKHANI LLP
633 West Fifth Street, 52nd Floor
Los Angeles, CA 90071
Telephone: (213) 718-2685
E-mail: lhua@grsm.com
E-mail: jfeeley@grsm.com

4. How much is the Settlement for and how can I expect to receive?

Defendant has agreed to pay a Gross Settlement Amount ("GSA") of $550,000.00, which will be used to pay the Individual Class Payments to Participating Class Members, Individual PAGA Payments to Aggrieved Employees, Plaintiffs' Class Representative Enhancement Awards, Class Counsel Fees Payment, Class Counsel Litigation Costs Payment, Settlement Administrator's Administration Expenses Payment, and payment under PAGA to the Labor and Workforce Development Agency ("LWDA"). Defendant will separately pay its employer-side payroll taxes owed for Individual Class Payments.

Class Counsel will apply for an award of reasonable attorneys' fees payable from the GSA in the amount of up to one-third (i.e., $183,333.33) of the GSA as well as reimbursement of their actual litigation costs not to exceed $50,000.00. Plaintiffs are each seeking an enhancement award from the GSA in the amount of $7,500.00 ($15,000.00 total) for their service as the Class Representatives. The Parties are asking that $55,000.00 of the GSA be allocated to settle the PAGA claims, with 65% (i.e., $35,750.00) to be paid to the LWDA and the remaining 35% (i.e., $19,250.00) to be distributed to Aggrieved Employees through Individual PAGA Payments. The Settlement provides for an Administration Costs Payment not to exceed $15,000.00.

After the above payments are deducted from the GSA, in the amounts finally approved by the Court, the remainder will be distributed to Participating Class Members through Individual Class Payments. Individual Class Payments will be paid on a pro rata basis to Participating Class Members and calculated by the Administrator based on each individual's number of Workweeks. "Participating Class Members" are Class Members who do not send the Administrator a timely and valid Request for Exclusion from the Settlement. A "Workweek" refers to any week during which a Participating Class Member worked for Defendant in California for at least one day within the Class Period.

Defendant's records indicate that you worked approximately ___ **Workweeks**. Accordingly, your Individual Class Payment is estimated to be **$__________**. The actual amount of your Individual Class Payment may vary and is subject to standard wage withholdings. Twenty percent (20%) of your Individual Class Payment will be treated as wages for tax purposes, subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and reported on an IRS Form W-2. The remaining eighty percent (80%) will be treated as penalties and interest for tax purposes and reported on an IRS Form 1099.

Individual PAGA Payments will be paid to Aggrieved Employees on a pro rata basis and calculated by the Administrator based on each individual's number of PAGA Pay Periods. A "PAGA Pay Period" refers to any pay period during which an Aggrieved Employee worked for Defendant in California for at least one day within the PAGA Period.

Defendant's records indicate that you worked approximately ___ **PAGA Pay Periods**. Accordingly, your Individual PAGA Payment is estimated to be **$________**. The actual amount may vary. Your Individual PAGA Payment will be treated one hundred percent (100%) as penalties for tax purposes and reported on an IRS Form 1099.

5. What if I disagree with the number of Workweeks and/or PAGA Pay Periods credited to me?

If you believe the workweek or pay period information shown above is correct, you do not need to do anything to receive a payment. However, if you believe the information is not correct, you may challenge it by submitting a written dispute stating why you believe the listed Workweeks or PAGA Pay Periods are not correct and provide supporting records (for example, pay stubs) showing the number of Workweeks or PAGA Pay Periods you worked.

The dispute must be sent to the Administrator (whose contact information is listed below) by email or mail if postmarked no later than **________________, 2026**. The Administrator will review the information you provide and will make a determination. Defendant's records will be presumed correct absent credible evidence to rebut the Workweeks and/or PAGA Pay Periods credited to you.

6. What are my rights regarding this Settlement?

OPTION 1: Do Nothing

If you do nothing, you will receive a check if the Court finally approves the Settlement and you will release the claims covered by the Settlement (as described below). You do not have to do anything to receive a payment. You are responsible for paying applicable federal, state, or local taxes on your settlement payment.

The front of every check issued to you will show the date when the check expires ("Void Date"). If you do not cash your check by the Void Date, your check will be automatically canceled, and the money will be transmitted to the California State Controller's Office for Unclaimed Property to be held in your name until you can claim your property.

Note: It is your responsibility to keep a current mailing address on file with the Administrator to ensure receipt of your payment under the Settlement. You should immediately notify the Administrator if you move or otherwise change your mailing address.

OPTION 2: Object to the Settlement

Any Participating Class Member may object to the Class portion of the Settlement. (You do not have standing to object to the PAGA portion of the Settlement.) Submitting an Objection means that you do <u>not</u> want the Settlement, or any particular terms of the Settlement, to be approved by the Court. If you wish to object to the Settlement, you can submit a written Objection stating why you object to the Settlement.

Any Objection must be in writing and contain: (1) your full name, current mailing address, last four digits of your Social Security Number (for verification of identity purposes and for the Administrator to contact you, if necessary, to clarify your objection); (2) the case name and number (**Felix Castro v. Naples Restaurant Group LLC** (Case No. 24STCV19874)); (3) a clear statement that you object to the Settlement and the factual and legal basis, with supporting documents, if any, on which your objection is based; (4) your signature; and (5) the date of signature. The Administrator will not disclose your contact information or Social Security Number to anyone, including the Parties, and your information will be securely held and will not be used for any purpose except to ascertain your identity for administration of this Settlement. Your written Objection must be sent to the Administrator (whose contact information is listed below) by email or mail, if transmitted or postmarked no later than _________________, 2026. A copy of any Objection will be submitted to the Court (with your private information redacted) for the Court's consideration in relation to whether to finally approve the Settlement.

You are not required to appear at the Final Approval Hearing for your written Objection to be considered. However, if you do not submit a timely and valid written Objection in the manner specified above, you may still appear (or hire an attorney to appear on your behalf) and state your objection at the Final Approval Hearing set for ____________________, 2026, at ______a.m./p.m. in Department __ of the Los Angeles County Superior Court. If you intend to appear at the Final Approval Hearing, you are not required to file or serve a notice of intention to appear.

If the Final Approval Hearing is continued to another date or time, the Administrator will give notice to any Participating Class Member who submitted an Objection.

Participating Class Members who fail to object in either of the manners specified above shall be deemed to have waived any objection and shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement. If a Participating Class Member objects to this Settlement, the Participating Class Member will remain a member of the Class, and if the Court grants final approval of the Settlement, he or she will be bound by the terms of the Settlement and any Final Approval Order and Judgment, including the Released Class Claims defined further below.

<u>Note</u>: If you object to the Settlement, you are expected to receive your individual share of the Settlement if the Court approves the Settlement over your Objection.

<u>OPTION 3: Exclude Yourself from The Settlement</u>

If you wish to be excluded from participating in the Class portion of the Settlement, you must submit a valid and timely Request for Exclusion to the Administrator.

The Request for Exclusion must be in writing and include: (1) your full name, current mailing address, last four digits of your Social Security Number (for verification of identity purposes and for the Administrator to contact you, if necessary, to clarify your Request for Exclusion); (2) the case name and number (*Felix Castro v. Naples Restaurant Group LLC* (Case No. 24STCV19874)); (3) a clear statement that you wish to be excluded from the Settlement; (4) your signature; and (5) the date of signature. The Administrator will not disclose your contact information or Social Security Number to anyone, including the Parties, and your information will be securely held and will not be used for any purpose except to ascertain your identity for administration of this Settlement. Your Request for Exclusion must be sent to the Administrator (whose contact information is listed below) by email or mail if postmarked no later than _________________, 2026. Untimely Requests for Exclusion will not be considered. A copy of any Request for Exclusion will be submitted to the Court (with your private information redacted).

If you submit a timely and valid Request for Exclusion following the above instructions, you will not be considered a Participating Class Member, will not receive any Individual Class Payment, and you will not be eligible to object to the terms of the Settlement.

Note: You cannot opt out of the PAGA portion of the proposed Settlement. You are an Aggrieved Employee and when the Court finally approves the Settlement, you will receive an Individual PAGA Payment and be bound by the Released PAGA Claims (as defined below) even if you submit a timely and valid Request for Exclusion.

7.	*When is the Final Approval Hearing?*

The Court has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate, and reasonable. The Court's final determination of those issues will be made at the Final Approval Hearing.

The Court will hold a Final Approval Hearing on _____________, 2026, at ______ a.m./p.m. in Department ___ of the Los Angeles County Superior Court, located _____________________.

The Final Approval Hearing may be continued to another date or time without further notice to you. However, the Administrator will give notice of continuance to any Participating Class Member who submitted an Objection.

You do not need to appear at the hearing. If you plan to appear (or hire an attorney to appear on your behalf), you should contact the court clerk for Department __________ at ___________ for instructions on how to remotely appear or verify the hearing date and time.

8.	*Can I be retaliated against for participating in the Settlement?*

The law prohibits Defendant from retaliating against employees for exercising their rights under the law. Therefore, Defendant cannot and will not fire you, demote you, harass you, classify you as ineligible for rehire, or retaliate against you in any other way because you choose to participate, or not participate, in the Settlement, in whole or in part.

9.	*What claims are being released as part of the Settlement?*

Plaintiffs' General Release: Plaintiffs will release any and all claims that Plaintiffs have or may have against the Released Parties related to or arising from Plaintiffs' employment with Defendant ("Plaintiffs' General Release"). Plaintiffs acknowledge that Plaintiffs may discover facts and/or law different from, and/or in addition to, the facts and/or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' General Release shall be and remain effective in all respects, notwithstanding the existence of such different and/or additional facts and/or law or Plaintiffs' discovery of them. Notwithstanding the foregoing, Plaintiffs' General Release excludes any claims or actions to enforce the Settlement, any claims for vested benefits, unemployment benefits, disability benefits, social security benefits or workers' compensation benefits that arose at any time, any claims that are not releasable as a matter of law or public policy, and any claims arising after October 29, 2025.

> Section 1542 Waiver: For purposes of Plaintiffs' General Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of California Civil Code section 1542, 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."

Released Class Claims**.** Upon entry of the Court's final settlement approval order and full funding of the Gross Settlement Amount and its employer-share of payroll taxes, all Participating Class Members will release all Released Class Claims. The "Released Class Claims" are all claims, charges, complaints, liens, demands, causes of action, obligations, damages and liabilities through the Class Period that each Participating Class Member had, now has, or may hereafter claim to have during the Class Period against Released Parties that were asserted in the Action, or that arise from or could have been asserted based on any of the facts alleged in any and all of the Operative Complaint in the Action regardless of whether such claims arise under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law. The Released Class Claims specifically include, but are not limited to Labor Code sections 201, 202, 203, 204, 210, 216, 226, et seq., 226(a), 226(e), 226.3, 226.7, 227.3, 246, 248.5, 510, 512, 516, 558, 1174, 1174(d), 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2698, et seq., 2699(f)(2), 2699.3, 2699.5, 2800, 2802, 3550-3553, 3700.5 and the related IWC Wage Order Nos. 5-2001 and 8-2001, and Business & Professions Code sections 17200, et seq., claims based on alleged violations of these Labor Code and Wage Order provisions and all other claims that could have been pleaded based on the facts asserted in the Actions, including: (1) failure to pay minimum wages; (2) failure to pay overtime compensation; (3) failure to provide meal periods; (4) failure to authorize and permit rest breaks; (5) failure to indemnify necessary business expenses; (6) failure to timely pay final wages; (7) failure to provide accurate itemized wage statements; (8) unfair business practices; and (9) civil penalties pursuant to PAGA, as well as interest, fees, and costs. The release described herein shall be revoked in the event that Defendant fails to make all payments required pursuant to this Settlement.

Released PAGA Claims. Upon the Effective Date, and contingent upon Defendant's full funding of the Gross Settlement Amount and its employer-share of payroll taxes, Plaintiff, on behalf of the State of California and all Aggrieved Employees, releases any and all claims for civil penalties under the Labor Code Private Attorneys General Act of 2004 ("PAGA") that were alleged in the Action or could have been alleged based on the facts stated in Plaintiff's PAGA Notice to the Labor and Workforce Development Agency, during the PAGA period, including civil penalty claims under Labor Code sections 201, 202, 203, 204, 210, 216, 226, 226.3, 226.7, 510, 512, 516, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, and 2698 et seq., and the applicable Industrial Welfare Commission Wage Orders.

Effective Date of Releases: The released claims described above will become effective upon entry of the Court's Final Approval Order and Defendant's full funding of the Gross Settlement Amount and its employer-share of payroll taxes.

Released Parties: means Defendant and its agents, officers, employees, directors, owners, subsidiaries, DBA's, affiliates and predecessor, successor, and parent companies.

10. What if I lose my Settlement check or tax forms?

If you lose or misplace your check before cashing it, the Administrator will replace it as long as you request a replacement before the Void Date that is stated on the face of the original check. The Administrator will also replace any tax forms that you have lost. After the Void Date, the Administrator will cancel your check and transmit the funds in accordance with the requirements of California Code of Civil Procedure section 384(b). Specifically, uncashed funds will be transmitted to the California State Controller's Office for Unclaimed Property to be held in your name until you can claim your property.

If your check has been voided, you should contact the Settlement Administrator or consult the California Controller's Unclaimed Property Fund at *ucpi.sco.ca.gov* for instructions on how to retrieve the funds.

11.	*How can I get more information?*

The *Class and PAGA Action Settlement Agreement* ("Settlement") is on file with the Court as Exhibit 1 to the *Declaration of Kane Moon in Support of Motion for Preliminary Settlement Approval*, filed on DATE.

This Notice contains a summary of the basic terms of the Settlement and description of the Actions. For more detail, you may examine a copy of the Settlement as well as the pleadings and other records in the Actions, free of charge, during regular business hours at the Court Clerk's office of the Los Angeles County Superior Court,______________________________. . You may also access the records online at: __________________________________.

If you need more information or have any questions, you may contact the attorneys representing the Parties at the contact information provided above.

You may also contact the Settlement Administrator at the following contact information:

Felix Castro v. Naples Restaurant Group LLC
c/o [Settlement Administrator Name]
[ADDRESS]
[ADDRESS]
[PHONE NUMBER] | [EMAIL]

PLEASE DO <u>NOT</u> CONTACT THE COURT FOR LEGAL ADVICE OR FOR INFORMATION REGARDING THIS NOTICE.