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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ORANGE, CENTRAL JUSTICE CENTER

AUSTIN TEFFETELLER, an individual, Plaintiff, v. FITNESS INTERNATIONAL, LLC DBA LA FITNESS, a California limited liability company; and DOES 1 through 50, inclusive, Defendants.	Case No. 30-2024-01407578-CU-OE-CXC **DECLARATION OF THOMAS E. DAUGHERTY IN SUPPORT OF MOTION FOR APPROVAL OF PAGA SETTLEMENT** Date: February 26, 2026 Time: 2:00 p.m., Judge: Hon. Melissa R. McCormick Dept. CX105 Reservation No.: 74734448

I, Thomas E. Daugherty, do hereby declare:

1. I am an attorney at law duly licensed to appear before all courts in the State of California and am a shareholder with Klinedinst PC, attorneys of record for Plaintiff AUSTIN TEFFETELLER, in the above-captioned action.

2. I have personal knowledge of the following facts and, if called upon as a witness, could competently testify thereto, except as to those matters which are explicitly set forth as based upon my information and belief and, as to such matters, I am informed and believe that they are true and correct.

3. On or about April 11, 2024, I sent a PAGA notice letter to the California Labor and Workforce Development Agency ("LWDA") and Defendant FITNESS INTERNATIONAL, LLC DBA LA FITNESS ("Defendants"), thereby exhausting Plaintiff's pre-filing notice requirements.

In the LWDA letter, Plaintiff alleged Defendant's failure to compensate for off the clock work; failure to provide complete and accurate itemized wage statements; failure to reimburse employees for reasonable business expenses; failure to pay reporting time; and failure to pay full and final wages. I received no response from the LWDA.

4. On or about August 8, 2025, I sent the LWDA and Defendant an amended PAGA notice letter that added additional claims. I again received no response from the LWDA.

5. I filed the initial Complaint in this matter on June 17, 2024, in Orange County Superior Court, alleging the same claims outlined in the April 11, 2024 notice.

6. On September 11, 2025, the Court approved Plaintiff's filing of a First Amended Complaint ("FAC") alleging the same claims and theories outlined in the August 8, 2025 PAGA notice letter. The FAC was filed on October 16, 2025. (ROA No. 49.)

7. The Parties reached the Settlement through arm's-length negotiations, after a mediation with an experienced and respected mediator, the Honorable Glenda Sanders (Ret.). Under the Agreement, Defendant has agreed to pay a Total Settlement Amount of $783,115.00, subject to possible increase pursuant to Section 3(b) of the Settlement Agreement, which encompasses the PAGA Penalties Fund, Attorneys' Fees and Costs, Settlement Administration Costs, and General Release Fees. A true and correct copy of the Settlement and Release Agreement ("Settlement Agreement") entered into between Plaintiff and Defendant is attached as Exhibit A.

8. Leading up to mediation with Hon. Glenda Sanders (Ret.), I engaged in significant investigation of the potential claims, through informal discovery, and the exchange of information, data, and documents, and the participated in settlement negotiations with Defense counsel to try to resolve the lawsuit. The materials I reviewed and analyzed included, and are not limited to, the employment records of Plaintiff, Defendant's Arbitration Agreement, and Defendant's operations and employment practices, policies, and procedures documents (such as, Defendant's Code of Business Conduct and Ethics, Meal Break and Rest Period Policies, Overtime Policy, and Timekeeping Policies, and a sampling of the employment time keeping and wage data, among other documents, which allowed the parties to calculate the potential monetary exposure under

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PAGA. I also undertook meeting and conferring with Defendant's counsel regarding the pleadings, case management, discovery, the mediation, settlement negotiations, and settlement, among other issues; case strategy and analysis; drafting, reviewing, and revising the pleadings, court filings, the mediation brief, claims evaluation and analysis and preparing for the mediation and settlement negotiations; and appearing for court proceedings and participating in mediation with Hon. Glenda Sanders (Ret.), and settlement negotiations, settlement agreement, and settlement approval motion papers.

9. I agreed on Hon. Glenda Sanders (Ret.) as mediator because I understand that she is a well-respected mediator experienced in not only mediating complex labor and employment matters but also presiding over (and approving settlements of) many representative PAGA actions in her time serving on the bench in the Complex Civil Department.

10. In the course of mediation and settlement negotiations, the Parties discussed all aspects of the case, including the risks and delays of further litigation and proceeding with trial, as well as the law relating to representative PAGA actions, off-the-clock theory, meal and rest periods, meal break waivers, arbitration agreements, and wage-and-hour enforcement, evidence produced and analyzed, and the possibility of bifurcation of discovery and/or trial and appeals, among other things. Prior to reaching the Settlement, the Parties investigated the veracity, strength, and scope of the PAGA claim and allegations.

11. Based on all of the information available to the Parties, the Parties agree that this matter is well-suited for settlement given the strengths and weaknesses of the PAGA claim and the facts and circumstances of the case.

12. Both I and my client believe that the settlement is a fair, adequate, and reasonable resolution of this matter.

13. I have extensive experience handling representative and class action wage-and-hour litigation and used that experience to achieve a settlement recovery for Plaintiff, the State of California, and the Allegedly Aggrieved Employees. I have been counsel of record in the following class action and/or PAGA cases: PEREZ V STATEWIDE LABOR CORP., Case No. 30-2011-00454138, Orange County Superior Court; LOPEZ V RAMONA TIRE, INC., Case No.

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INC 1208982, Riverside Superior Court; MCCRAY V. WIRELESS WORLD LLC dba EXPERTS CHOICE, Case No. 37-2018-00005597-CU-OE-CTL, San Diego Superior Court; SANCHEZ V MIKMARA, INC., Case No. 37-2019-00057682-CU-OE-CTL, San Diego Superior Court; CELIO V AIR INTERNATIONAL US, INC., Case No. RG21098764, Alameda Superior Court; GAXIOLA V SAN DIEGO TECH BUILDING SOLUTIONS, INC., Case No. 37-2021-00000416-CU-WT-CTL, San Diego Superior Court; MOULTON V. BET INFORMATION SYSTEMS, INC., Case No. 21STCV38602, Los Angeles Superior Court; RUELAS V. V FIRE SYSTEMS CORP, Case No. CIV SB 2109321, San Bernardino Superior Court; PEREZ V TRAX RETAIL INC., Case No. 3:24-cv-333-LL-DDL, US District Court, Southern District Of California; SMITH-CAMPOS V BAY CITY MARINE, INC., Case No. 37-2022-00008232, San Diego Superior Court; STEPHENSON V DEV VET CORP INC., Case No. 23STCV18433, Los Angeles Superior Court; PACULBA V. VANESSA VILLASENOR LICENSED MARRIAGE AND FAMILY THERAPIST INC., DBA A PLACE FOR GROWTH, Case No. 37-2022-00028449-CU-OE-CTL, San Diego Superior Court; VANDOVINOS V. RISING PHOENIX PLUMBING INC., Case No. 37-2023-00019162-CU-OE-CTL, San Diego Superior Court; CORLISS v. IRVINE VALLEY VETERINARY HOSPITAL, INC., Case No. 30-2023-01320938-CU-OE-CXC, Orange County Superior Court; MACIAS V. PLANNED PARENTHOOD OF THE PACIFIC SOUTHWEST Case No. 25CU025541C, San Diego Superior Court; JOHNSON V. GB AUTO SERVICE, INC Case No. 37-2022-00041423-CU-OE-CTL, San Diego Superior Court; AVENDANO V. CHRIST EVANGELICAL LUTHERAN CHURCH OF LA MESA, CALIFORNIA, Case No. 24CU013625, San Diego Superior Court; JUAN V. UNITED LAB SERVICES, INC., Case No. CVRI2406552, Riverside Superior Court; WYLLIE V I2VISION INC., Case No. 25CU053811C; San Diego Superior Court; WARREN V. PLANNED PARENTHOOD OF THE PACIFIC SOUTHWEST, Case No. 25CU025117C, San Diego Superior Court; and CEJA V. WESTERN VETERINARY CENTER, INC., Case No. 25STCV11879, Los Angeles Superior Court, among others.

14. Based on my communications with Defense counsel, I understand that Defendant's primary argument in defense is that this is a case with exceptional circumstances, systemic fail-

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safes to prevent wage and hour noncompliance, and, the raw number of pay periods notwithstanding, the potential liability on the merits is extremely limited.

15. After my review of Defendant's documents and data, I concluded that Defendant has robust meal and rest period compliance systems in place, including compliant wage and hour policies, a mostly part-time workforce, a timekeeping system that affords employees full and complete autonomy over the submission of hours worked, and edits thereto, and which requires multiple levels of verification by the employee to ensure accuracy, documented meal period waivers when available, which are agreed to within the timeclock software, and automatic payment of premiums and waiting time penalties when required.

16. After my review of Defendant's documents and data, I concluded that the vast majority of shifts worked by hourly employees were less than five hours, significantly reducing the number of possible meal period claims.

17. After my review of Defendant's documents and data, I concluded that Defendant's timekeeping system is set up to ensure that employees can enter all their time worked, have full autonomy to adjust their time as needed, and must attest to the accuracy of their time records on their subsequent shifts.

18. Based on my communications with Defense counsel, Defendant maintains, and continues to maintain, that it had and continues to have, legally compliant employment policies and practices throughout the time period at issue. Defendant denies Plaintiff's claims. Defendant also maintains that Plaintiff would struggle to characterize Defendant as a bad actor deserving of stiff penalties.

19. Based on my communications with Defense counsel, Defendant maintains that even if, *arguendo,* such violations occurred, which Defendant denies, Defendant contends that said violations would only be considered "initial violations" and thus heightened "subsequent violation" penalties were not warranted. *See* Cal. Lab. Code § 2699(f)(2); *see also Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1208-09 ("Until the employer has been notified that it is violating a Labor Code provision […], the employer cannot be presumed to be aware that its continuing underpayment of employees is a 'violation' subject to penalties."

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20. Based on my communications with Defense counsel, Defendant also contends that, with respect to PAGA claims, the Court is unlikely to assess cumulative penalties for the maximum number of possible, separate California Labor Code violations, because it would be unjust, arbitrary, oppressive, and/or confiscatory, especially where certain conduct may be regulated by multiple provisions of the California Labor Code that are interrelated and work in tandem. As such, Defendant contends that cumulative penalties and heightened penalties would be unjust, arbitrary, oppressive, and confiscatory.

21. While I disagree with Defendant's contentions and maintains that Plaintiff's PAGA claims have merit, in reaching the settlement, Plaintiff and I took into account the strengths and weaknesses of each side's position and the uncertainty of how the case might have concluded as litigation continued, at trial, and/or upon appeal.

22. Had the case not settled, the Parties would have conducted extensive additional formal discovery, including propounding written discovery requests as well as multiple depositions of party and percipient witnesses all over the State of California, to prepare the case for trial. From the inception of this litigation, Defendant indicated that it would aggressively litigate this case. Even if Defendant failed on its defenses, litigating a complex PAGA action is inherently expensive, and the litigation could continue beyond entry of judgment if either party were to appeal adverse rulings. Additionally, there is a real possibility that Plaintiff would recover nothing, either for himself or on behalf of the State of California or other PAGA Group Members after years of costly and labor-intensive litigation. I have also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation, the burdens of proof necessary to establish liability, both generally and in response to Defendant's defenses thereto, and the difficulties in establishing Defendant's liability for, and the right to recover, penalties on behalf of Plaintiff, the State of California, and other Allegedly Aggrieved Employees.

23. I have also taken into account Defendant's agreement to enter into a settlement that confers significant relief upon the Allegedly Aggrieved Employees and the State of California. Under the Agreement, Defendant has agreed to pay a Total Settlement Amount of $783,115.00,

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subject to possible increase pursuant to Section 3(b) of the Settlement Agreement, which encompasses the PAGA Penalties Fund, Attorneys' Fees and Costs, Settlement Administration Costs, and General Release Fees. Subject to approval by the Court, the following amounts will be subtracted from the Total Settlement Amount to yield the PAGA Penalties Fund: (1) Attorneys' Fees and Costs consisting of attorneys' fees in the amount of $261,038.33 and reimbursement of litigation costs and expenses in the amount of $10,000.00 to Plaintiff's Counsel; (2) Settlement Administration Costs of up to $36,000 to the PAGA Settlement Administrator; and (3) General Release Fees of to $2,500 to Plaintiff.

24. The PAGA Penalties Fund is currently estimated to be $473,576.67, of which an estimated $118,394.17 is to be distributed to Allegedly Aggrieved Employees on a *pro rata* basis, based on their Compensable Pay Periods and $355,182.50 is to be distributed to the LWDA.

25. Considering all of the facts in this case, I have determined, and my client agrees, that the Settlement represents a fair, adequate, and reasonable resolution of the PAGA claim, and that it is in the best interests of the Allegedly Aggrieved Employees and the State of California.

26. The result achieved in this case, and the monetary recovery provided by this settlement, are well-within the range of an acceptable settlement under the circumstances, especially when compared to trial court penalties assessments in contested cases and the settlement of PAGA claims in other cases.

27. I believe that the benefits conferred by the settlement are eminently fair and reasonable, and in the best interests of the State of California and the Allegedly Aggrieved Employees in light of the risk, delay, and uncertainty of continued litigation and the substantial monetary benefits provided for by the Settlement.

28. The Settlement provides for attorneys' fees in an amount of up to one-third (33.3%) of the Total Settlement Amount, subject to approval and award by the Court.

29. I have litigated this case since it was commenced, with the very real possibility of an unsuccessful outcome and no fee recovery of any kind. As Plaintiff's counsel, I have borne all of the risks and costs of litigation and will not receive any compensation until recovery is obtained.

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30. The Settlement provides for reimbursement of litigation costs and expenses of up to $10,000.00. The actual litigation costs incurred to date on this matter are $8,529.24 in litigation costs and expenses, and therefore, I am seeking reimbursement for costs and expenses in the amount of $8,529.24. These expenses were reasonable and necessary in the prosecution of this matter and to obtain the Settlement, and the amount sought for reimbursement is less than the maximum amount allocated under the Settlement Agreement for reimbursement of litigation costs and expenses.

I declare under penalty of perjury pursuant to the laws of the State of California that the foregoing is true and correct.

Executed on this 22ND day of December 2025, at San Diego, California.

Thomas E. Daugherty

Exhibit A

SETTLEMENT AND RELEASE

1. This Settlement and Release (hereinafter "Settlement" or "Agreement") is made and entered into by and between Plaintiff Austin Teffeteller, individually and on behalf of all Aggrieved Employees (as defined below), and Defendant Fitness International, LLC. Plaintiff and Defendant are collectively referred to herein as "the Parties."

2. This Agreement shall be binding on Plaintiff, the Aggrieved Employees, the State of California and its state labor law enforcement agencies (including but not limited to the Labor and Workforce Development Agency (LWDA) and its departments, divisions, commissions, boards, agencies and employees), and on Defendant and Defendant's present and former parent companies, subsidiaries, divisions, related or affiliated companies, shareholders, officers, owners, members, holding companies, directors, employees, officers, agents, attorneys, insurers, successors and assigns, and any individual or entity which could be jointly liable with Defendant, subject to the terms and conditions hereof and the approval of the Court.

I. DEFINITIONS

3. "Action" refers to the civil action filed by Plaintiff Austin Teffeteller, as an individual and on behalf of all other aggrieved employees, against Fitness International, LLC d/b/a LA Fitness, a California limited liability company; and DOES 1 through 50, inclusive, in the Superior Court of the State of California for the County of Orange, Case No. 30-2024-01407578-CU-OE-CXC (the "Teffeteller" Action);

4. "PAGA Counsel" and "Plaintiff's Counsel" shall refer to Gregory A. Garbacz and Thomas E. Daugherty, of the law firm KLINEDINST PC.

5. "Counsel for Defendant" and "Defense Counsel" shall refer to Julie R. Trotter and Jeffrey David, of the law firm CALL & JENSEN, APC.

6. "Covered Period" shall mean the period from November 23, 2021, through October 18, 2025, unless otherwise changed pursuant to Paragraph 13.

7. “Plaintiff” shall refer to Named Plaintiff Austin Teffeteller.

8. “Plaintiff Individual Settlement Amount” means $2,500.00, less deductions and other authorized payroll withholdings, and is the amount Defendant agrees to pay to Plaintiff under the Settlement in exchange for a general release set forth in Paragraph 39 below. The Plaintiff Individual Settlement Amount shall be allocated as follows: $2,500 to damages and penalties to be paid to Plaintiff. The employer’s share of payroll taxes shall not be paid from the Individual Settlement Amount and shall remain the sole responsibility of Defendant Fitness International, LLC. This payment is contingent upon Court approval of the PAGA settlement. Plaintiff shall receive an IRS Form W-2 for the portion of the settlement allocated to wages and an IRS Form 1099 for the portion of the settlement allocated to penalties. The Plaintiff Individual Settlement Amount is separate and apart from the PAGA settlement and resolves claims not present in the Action.

9. “Defendant” shall refer to Fitness International, LLC, a California limited liability company.

10. “Releasees” shall refer to Defendant, each of Defendant’s past, present, and future officers, directors, shareholders, members, owners, agents, investors, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and each of Defendant’s respective successors and predecessors in interest, subsidiaries, affiliates, related companies, parents and attorneys, if any, and any individual or entity which could be jointly liable with Defendant.

11. “Court” refers to the Superior Court of the State of California for the County of Orange.

12. “Covered Claims” means any claims brought, or that could have been brought, in the Action by Plaintiff pursuant to the Private Attorneys General Act of 2004 (“PAGA”), as codified in California Labor Code section 2698 *et seq*., based on alleged violations of the California Labor Code, the California Code of Regulations, the California Business and Professions Code, and/or applicable wage laws, including: California Labor Code sections 201,

202, 203, 204, 204.1, 210, 218, 218.5, 218.6, 225.5, 226, 226.3, 226.6, 226.7, 246, 248.5, 256, 351, 432, 510, 512, 515, 516, 558, 558.1, 1174, 1174.5, 1182, 1182.11, 1182.12, 1193, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 2751, 2699, 2753, 2800, 2802, and 2804; California Code of Regulations, Title 8, section 11010 *et seq*.; California Business and Professions Code section 17200 *et seq*., applicable Industrial Welfare Commission Orders; California Civil Code section 3287; and California Code of Civil Procedure section 1021.5, based on the facts and theories set forth in the Action for the Covered Period.

13. "Aggrieved Employees" shall mean all current and former hourly, non-exempt employees of Defendant who worked for Defendant in California for any portion of time during the Covered Period, excluding current and former hourly, non-exempt Aerobics/Pilates/HIIT Instructors/Coaches, Sports Directors, Referees, employees based in the corporate office in Irvine, CA, Security, and Equipment Repair Technician employees. As of the date of this Agreement, there are approximately 20,947 Aggrieved Employees and 343,203 Eligible Pay Periods. If the amount of Eligible Pay Periods during the Covered Period is determined to be more than 15% higher than this estimate, the Gross Settlement Amount shall be increased proportionally by the amount of pay periods over the 15% increase, or Defendant shall have the option, in its sole and exclusive authority, to decide to end the Covered Period on the date that is one calendar day prior to the date upon which the escalator clause would be triggered.

14. "Eligible Pay Periods" shall mean the total number of pay periods that an individual worked as an Aggrieved Employee during the Covered Period, based on Defendant's records.

15. "Full Time Pay Period" shall mean any pay period worked by an Aggrieved Employee while designated/coded as a full-time employee.

16. "Part Time Pay Period" shall mean any pay period worked by an Aggrieved Employee while designated/coded as a part-time employee.

17. "Settlement" and "Agreement" shall mean this Settlement and Release Agreement.

18. “Effective Date” shall be the sixty-first (61) calendar day after the date of Final Approval, resulting in final judicial approval of the Settlement and which is no longer subject to appellate review.

19. “Claims Administrator” means the claims administrator approved by the Court in the order approving the settlement of the Actions. The Parties will request that the Court approve Simpluris as the claims administrator.

20. “PAGA Counsel Fees & Costs” means any attorneys’ fees and costs awarded to PAGA Counsel.

II. NATURE OF ACTION

21. On April 11, 2024, Plaintiff sent the LWDA and Defendant notice of his intent to pursue a representative action against Defendant pursuant to PAGA on behalf of himself, the State of California, and a group of aggrieved employees. This notice was assigned LWDA-CM-1021746-24. The notice included claims for (1) failure to compensate for off the clock work based on alleged companywide policies and practices, and employees being encouraged not to accurately record their time, including during customer cancellations, work before and after training sessions, downtime, and time spent checking their schedules, in violation of California Labor Code §§ 201-204, 210, 510, 558, 1194, 1197, 1197.1, 1198, and 1199; (2) failure to provide complete and accurate itemized wage statements in violation of California Labor Code § 226; (3) failure to reimburse employees for their reasonable business expenses, including use of personal phone/data plans, in violation of Labor Code § 2800 and 2802; (4) failure to pay reporting time when customers cancel training sessions in violation of Labor Code §§ 201-204, 221, 223, 558, 1197, and applicable wage orders; and (5) failure to pay full and final wages in violation of Labor Code § 203.

22. On June 17, 2024, Plaintiff filed the Action.

23. After the Action was filed, the Parties engaged in informal discovery and arms’ length settlement discussions. Through the exchange of information and attendant discussions

between the Parties, Plaintiff learned that the number of Aggrieved Employees as of May 2025 was approximately 20,326 (including Plaintiff) and the number of Eligible Pay Periods was approximately 300,000. Plaintiff also reviewed time and wage records and relevant policies that applied to Defendant's employees.

24. The Parties attended mediation on May 15, 2025, with a respected mediator who formerly presided in the OC Complex Courthouse, Hon. Glenda Sanders (Ret.), after which Judge Sanders issued a mediator's proposal to which the Parties agreed to settle the Action on the terms set out in this Agreement.

25. Plaintiff and PAGA Counsel affirm that they have diligently pursued an investigation of the Aggrieved Employees' claims against Defendant through informal discovery and the materials and information provided by Defendant.

26. Defendant contends that it is not liable for Plaintiff's claims and alleged penalties nor liable to the group of allegedly aggrieved employees Plaintiff seeks to represent.

27. The Parties recognize that the issues presented in the Action are likely only to be resolved with extensive and costly pretrial and trial proceedings, and that further litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate to the potential benefits of litigation. The Parties have considered the risk and uncertainty of the outcome inherent in any litigation.

28. Based on their own independent investigations and evaluations, including a half day of mediation on May 15, 2025 with a respected mediator, Hon. Glenda Sanders (Ret.), Plaintiff, Defendant, and their respective counsel are of the opinion that the Settlement for the consideration and on the terms set forth in this Agreement is fair, reasonable, and adequate and is in the best interests of Plaintiff, the Aggrieved Employees, the State of California, and Defendant in light of all known facts and circumstances and the risks inherent in litigation, including the potential appellate issues and unmanageability of any group wide claim. Further, PAGA Counsel believes that the settlement amount entered into is in the best interests of the Aggrieved Employees and that the settlement for each Aggrieved Employee is fair, reasonable, and

adequate, given the inherent risk of litigation and the defenses asserted by Defendant, including the risk that the Action is not manageable or able to be tried on a groupwide basis.

29. The purpose of this Agreement is to settle and compromise the Action and all Covered Claims that Plaintiff and the Aggrieved Employees have against Defendant and the Releasees.

30. Thus, in consideration of the mutual covenants, promises and representations set forth in this Agreement, Plaintiff, on behalf of himself and the Aggrieved Employees, agrees to settle and compromise the Action and the Covered Claims, subject to the terms and conditions set forth in this Agreement.

III. TERMS OF SETTLEMENT

31. Neither the existence of this Agreement nor anything contained in this Agreement shall be construed or deemed as an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant (or any of the Releasees) or any entitlement to relief by Plaintiff or any individual on behalf of whom relief is sought. Nothing herein shall constitute an admission by Defendant that the Action was properly brought other than for settlement purposes. Settlement of the Action, the negotiation and execution of this Agreement, and all acts performed or documents executed pursuant to or in furtherance of this Agreement or the settlement of the Action: (a) are not, shall not be deemed to be, and may not be used as an admission or evidence of any wrongdoing or liability on the part of any Releasee or of the truth of any of the factual allegations in the operative Complaint in the Action; (b) are not, shall not be deemed to be, and may not be used as, an admission or evidence of any fault or omissions on the part of Defendant or any Releasee in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal; (c) are not, shall not be deemed to be, and may not be used as, an admission or evidence of the appropriateness of these or similar claims for representative treatment, class certification, or administration other than for purposes of administering this Agreement; and (d) shall not constitute or be deemed a waiver of any right of to compel

arbitration of any dispute with an Aggrieved Employee that is not the subject of the releases detailed in this Agreement.

32. The Parties agree that upon full execution of this Agreement, the matter is stayed in its entirety except for any filings and/or motion work necessary to attain Court approval of the Agreement. Should the Court not grant approval of the Motion for Approval of the Settlement and Release Agreement, or of the Stipulation for Approval of the Settlement and Release Agreement, the stay will be lifted five (5) days thereafter and the Parties will be restored to their positions prior to the Agreement and the Agreement shall be null and void.

33. The Amount of Settlement. As consideration for the Settlement described herein and the release contained in this Agreement, Defendant agrees to pay a total settlement of $783,115.00 ("Settlement Payment"), which is due from Defendant to be paid to the Claims Administrator within ten business days after the Effective Date. The Settlement Payment will be allocated as follows:

a. PAGA Counsel's request for attorney fees in an amount/percentage not exceeding $261,038.33 and subject to Court Approval;

b. PAGA Counsel's request for cost reimbursements in an amount not exceeding $10,000.00 and subject to Court Approval;

c. Administrative costs to the Claims Administrator, for an amount not exceeding $36,000.00 and subject to Court Approval, to distribute monies to Aggrieved Employees and administer the Settlement; and

d. The remainder of the Settlement Payment in the amount after deducting items (a), (b), and (c), herein shall be designated as "PAGA Penalties," to be distributed 75% to the LWDA and the remaining 25% distributed to the Aggrieved Employees pursuant to California Labor Code section 2699(i) as outlined below.

34. Allocation and Calculation of the PAGA Penalties. Each Aggrieved Employee shall receive a portion of the PAGA Penalties on a pro-rata basis as set forth below. Each

Aggrieved Employee's pro-rata share of the PAGA Penalties represents their Individual Settlement Payment.

a. Individual Settlement Payment Calculation. The Aggrieved Employees shall each receive a pro rata share of the PAGA Penalties allocated to Aggrieved Employees. Each Aggrieved Employee shall receive an Individual Settlement Payment equal to the ratio of (a) the number of Eligible Pay Periods worked by that Aggrieved Employee to (b) the total number of Eligible Pay Periods worked by all Aggrieved Employees included in the Aggrieved Employee group, wherein every Full Time Pay Period will be valued at 5 times that of a Part Time Pay Period.[1] All Individual Settlement Payments made to Aggrieved Employees will be reported on an IRS Form 1099.

b. Fair Formula. The Parties recognize and agree that the precise value of each Aggrieved Employee's Individual Settlement Payment is subject to a variety of differing calculations and formulas. The Parties hereby agree that the formula for allocating Individual Settlement Payments as provided herein is reasonable and designed to provide a fair payment to the Aggrieved Employees.

35. <u>PAGA Counsel's Fees and Costs</u>. As part of the request for approval of this Agreement, PAGA Counsel will request Court approval of up to thirty-three and one third percent (33.33%) of the Settlement Payment in attorneys' fees and costs. PAGA Counsel will request cost reimbursement in the amount of up to $10,000.00 for actual costs incurred by PAGA Counsel. If the Court approves a lesser amount for attorneys' fees and/or costs, the difference shall be allocated to the PAGA Penalties and distributed pro rata as part of the Individual Settlement Payment. PAGA Counsel Fees & Costs shall fully compensate and reimburse PAGA Counsel for any and all of the work already performed in connection with the litigation of

[1] The Settlement Payment itself is calculated based on values of $5 per Full Time Pay Period and $1 per Part Time Pay Period.

Covered Claims and all work remaining to be performed in fully and finally resolving the litigation of Covered Claims and the Action, including but not limited to securing Court approval of the Settlement, appearing at hearings, making sure that the Settlement is fairly and properly administered, appearing at any post-approval matter, all other work that PAGA Counsel has performed or will perform, and all costs that PAGA Counsel has incurred or will incur in connection with the Action or litigation of the Covered Claims. Defendant agrees not to oppose the request for PAGA Counsel Fees & Costs in the amounts listed herein, or in lesser amounts.

36. Tax Treatment of Settlement Amounts. With regards to Individual Settlement Payments to Aggrieved Employees and Plaintiff, IRS Form 1099s will be issued. Nothing in this Agreement is intended to constitute legal advice regarding federal, state, and/or local tax obligations. Plaintiff acknowledges that he has obtained no tax advice from Defendant, or from PAGA Counsel, and that neither PAGA Counsel, Defendant, nor Defendant's attorneys have made any representations concerning the tax consequences, if any, of the Settlement Amount in this Agreement or any payment to be made pursuant to this Agreement. To the extent that this Agreement or any of its attachments is interpreted to contain or constitute advice regarding any state or federal tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding penalties under the Internal Revenue Code. Neither PAGA Counsel nor Defendant are responsible for any employee tax obligations regarding the allocation of the Individual Settlement Payments. Payment of PAGA Counsel Fees & Costs will be reflected in a Form 1099 to PAGA Counsel who shall assume full responsibility and liability for the payment of taxes due on such payments.

37. Plaintiff's Obligations. As a material term of this Agreement and prerequisite to any payments contemplated hereunder:

a. Plaintiff shall, if he has not already, amend the PAGA notice submitted on behalf of Plaintiff in the Action to the LWDA, and assigned LWDA-CM-1021746-24. The amended PAGA notice shall include claims alleging (1) that Defendant failed to compensate employees for all hours actually worked, including paying minimum or overtime wages in violation of Labor Code §§ 204, 510, 558, 1182.12, 1194(a), 1194.2(a), 1197, and 1198, and the applicable IWC Wage Orders, in part by failing to compensate for time spent responding to text messages before and after their shifts or other off the clock activities, by failing to compensate for time spent working before clocking in and after clocking and by rounding hours worked to the nearest quarter hour; (2) that Defendant failed to properly blend bonus, commissions, and other non-base hourly wages for purposes of paying meal and rest period premiums, overtime wages, vacation wages, and sick pay wages at the correct rates of pay in violation of Labor Code §§ 226.7, 246, 510, 512, 558, and 1194; (3) that Defendant failed to provide meal periods or pay correct premium wages to employees denied meal periods in violation of Labor Code §§ 226.7, 512, 516, and 558, and IWC Wage Order No. 4-2001 after they were denied a timely, uninterrupted 30 minute meal period for every shift that exceeded five hours or a second, timely, uninterrupted 30 minute meal period for every shift that excluded ten hours in violation of Labor Code §§ 226.7, 510, 512, 558, 1174, 1174.5, and 1194, and IWC Wage Order 4-2001, including because their location was short staffed or they were encouraged to focus on sales; (4) that Defendant failed to maintain accurate records showing the correct start and stop time of meal periods since it automatically clocked out employees regardless of it they took the meal period or not in violation of Labor Code §§ 226.7, 510, 512, 558, 1174, 1174.5, 1194, and 1198, and IWC Wage Order 4-2001; (5) that Defendant failed to provide rest periods or pay correct premium wages to employees denied a ten (10) minute rest period per each four (4) hour period worked or major fraction thereof, in violation of Labor Code §§ 226.7, 516, and 558, and IWC Wage Order 4-2001; (6) that Defendant failed to provide accurate itemized wage statements in violation of Labor Code §§ 226(a) and 226.3, in part because Defendant did not pay all wages due and did not record total hours worked, gross wages, net wages, and all applicable hourly rates; (7) that Defendant failed to pay all wages due upon separation in violation of Labor Code §§ 201, 202, and 203, in part because employees were not paid all wages due during the course of their employment; (8) that Defendant failed to reimburse employees for all necessary business expenses, including for cell phone use, in violation of Labor Code §§ 2802 and 2804; (9) that Defendant failed to timely pay employees all wages earned at least twice during each calendar month in violation of Labor Code § 204; and (10) that Defendant failed to pay earned paid time off in violation of Labor Code §§ 203 and 227.3.

b. Plaintiff shall, if he has not already, amend the operative complaint in the Action after submitting the amended LWDA notice to allege claims (1) that Defendant failed to compensate employees for all hours actually worked, including paying minimum or overtime wages in violation of Labor Code §§ 204, 510, 558, 1182.12, 1194(a), 1194.2(a), 1197, and 1198, and the applicable IWC Wage Orders, in part by failing to compensate for time spent responding to text messages before and after their shifts or other off the clock activities, by failing to compensate for time spent working before clocking in and after clocking and by rounding hours worked to the nearest quarter hour; (2) that Defendant failed to properly blend bonus, commissions, and other non-base hourly wages for purposes of paying meal and rest period premiums, overtime wages, vacation wages, and sick pay wages at the correct rates of pay in violation of Labor Code §§ 226.7, 246, 510, 512, 558, and 1194; (3) that Defendant failed to provide meal periods or pay correct premium wages to employees denied meal periods in violation of Labor Code §§ 226.7, 512, 516, and 558, and IWC Wage Order No. 4-2001 after they were denied a timely, uninterrupted 30 minute meal period for every shift that exceeded five hours or a second, timely, uninterrupted 30 minute meal period for every shift that excluded ten hours in violation of Labor Code §§ 226.7, 510, 512, 558, 1174, 1174.5, and 1194, and IWC Wage Order 4-2001, including because their location was short staffed or they were encouraged to focus on sales; (4) that Defendant failed to maintain accurate records showing the correct start and stop time of meal periods since it automatically clocked out employees regardless of it they took the meal period or not in violation of

Labor Code §§ 226.7, 510, 512, 558, 1174, 1174.5, 1194, and 1198, and IWC Wage Order 4-2001; (5) that Defendant failed to provide rest periods or pay correct premium wages to employees denied a ten (10) minute rest period per each four (4) hour period worked or major fraction thereof, in violation of Labor Code §§ 226.7, 516, and 558, and IWC Wage Order 4-2001; (6) that Defendant failed to provide accurate itemized wage statements in violation of Labor Code §§ 226(a) and 226.3, in part because Defendant did not pay all wages due and did not record total hours worked, gross wages, net wages, and all applicable hourly rates; (7) that Defendant failed to pay all wages due upon separation in violation of Labor Code §§ 201, 202, and 203, in part because employees were not paid all wages due during the course of their employment; (8) that Defendant failed to reimburse employees for all necessary business expenses, including for cell phone use, in violation of Labor Code §§ 2802 and 2804; (9) that Defendant failed to timely pay employees all wages earned at least twice during each calendar month in violation of Labor Code § 204; and (10) that Defendant failed to pay earned paid time off in violation of Labor Code §§ 203 and 227.3.

38. The amendments described in Paragraph 36(a), above, shall not be submitted to the LWDA or filed with any court without the approval of Defense Counsel. Once all the amendments described in Paragraph 37(a), above, have been agreed to by the Parties, Plaintiff's Counsel shall submit the amended PAGA notice (LWDA-CM-1021746-24) to the LWDA. The amendments shall cover the Covered Period and all Aggrieved Employees.

39. Not earlier than sixty-six (66) days after the submission of the amended PAGA notice (LWDA-CM-1021746-24) to the LWDA, Plaintiff's Counsel shall file an amended complaint in the Action that includes all the amendments described in Paragraph 37(b) and which was approved in accordance with Paragraph 38.

40. Simultaneously with the filing of the amended complaint described in Paragraph 36, the Parties shall jointly apply to the Court for an Order Seeking Approval of the Settlement and Release Agreement via Stipulation. Plaintiff's Counsel shall draft this Stipulation. If the

Court requires a motion, then Plaintiff shall file a Motion for Approval of the Settlement and Release Agreement. Plaintiff's Counsel shall draft any such Motion, provide such draft to Defendant's Counsel prior to filing, and file such Motion only after Defendant has approved it. Defendant agrees not to oppose such Motion other than to the extent it deviates from this Agreement. In addition, Plaintiff's Counsel shall be responsible for providing timely notice of the Settlement to the LWDA in accordance with California Labor Code section 2699(l)(2).

IV. RELEASE

41. Release of Claims:

a. <u>Release of Claims By Plaintiff and All Aggrieved Employees</u>. Upon the approval by the Court and non-objection by the LWDA of this Agreement, effective on the Effective Date, Plaintiff and each Aggrieved Employee, shall, for the Covered Period, fully and forever release and discharge Defendant and the Releasees from any and all Covered Claims that were or could have been asserted in the Action or in Plaintiff's PAGA notice letter and amended PAGA notice letter to the LWDA based on the facts and legal theories asserted therein.

b. <u>Release of Individual Claims By Plaintiff.</u> Plaintiff and his respective past, present, and future spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences arising from or related to his employment at Defendant or termination thereof, including, but not limited to: all claims that were, or reasonably could have been, alleged, based on his employment or the termination thereof at Fitness International, LLC through the PAGA Period ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

c. <u>Plaintiff's Waiver of Rights Under California Civil Code Section 1542</u>. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

V. APPROVAL PROCESS

42. The Parties recognize that in accordance with California Labor Code section 2699(l), Court approval is required in the event of a settlement of a PAGA action on a representative basis ("Approval Stipulation"). Plaintiff's Counsel shall prepare this Agreement for approval with the Court following the Court's procedures, and the Agreement is contingent upon the approval by the Court. If the Court should fail to approve this Agreement in the form agreed to by the Parties, the Parties agree to coordinate efforts to address the Court's questions or concerns and resubmit the Approval Stipulation or motion. If (a) the Parties are unable, following good faith effort, to obtain approval of the terms of the Agreement, or (b) the Court's approval of this Agreement is reversed, modified, or declared or rendered void, then (i) this Agreement shall be considered null and void; (ii) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect; and (iii) all Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had been neither entered

into nor filed with the Court. Invalidation of any material portion of this Agreement, except for the amount of attorneys' fees and costs, Individual Payments, or administrative costs, shall invalidate this Agreement in its entirety unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect.

VI. ADMINISTERING THE SETTLEMENT

43. Subject to the Court approval of this Agreement, the Settlement Payment shall be paid as follows:

44. No later than ten (10) calendar days after the Effective Date, Defendant shall provide the Claims Administrator a list of Aggrieved Employees ("Aggrieved Employee List") containing the (1) name; (2) last known home address and telephone number; (3) social security number; and (4) the number of Full Time and Part Time pay periods for each Aggrieved Employee during the Covered Period. Neither the Aggrieved Employee List nor any information contained therein shall be distributed to PAGA Counsel at any time.

45. Not later than ten business days after the Effective Date, Defendant will fund the Settlement Payment to the Claims Administrator.

46. Not later than thirty (30) calendar days after the Settlement Payment has been funded, the Claims Administrator will mail payment of Individual Settlement Payments consistent with allocations outlined in Paragraphs 32 and 33.

47. Concurrently with sending each Aggrieved Employee their Individual Settlement Payment, the Claims Administrator will include a "Notice of PAGA Action Settlement" (attached hereto as Exhibit A) along with each Aggrieved Employee's check. The Claims Administrator shall send each Aggrieved Employee their check via U.S. First Class mail to each Aggrieved Employee's address with directions to the Postmaster to return all undeliverable mail to the Claims Administrator. For each returned check/notice that is returned as undeliverable, the Claims Administrator shall promptly attempt to locate the Aggrieved Employee's by using an address refresher database.

48. Individual Settlement Payment checks shall remain valid and negotiable for one hundred eighty (180) calendar days from the date of their issuance. If there are uncashed checks following this period, the Claims Administrator will send the uncashed funds to the State of California Department of Industrial Relations Unclaimed Wages Fund in the name of the Aggrieved Employee who did not cash his or her check.

VII. DUTIES OF THE PARTIES PRIOR TO APPROVAL

49. The Motion for Approval of the Settlement and Release Agreement, and/or the Stipulation for Approval of the Settlement and Release Agreement, will request Court approval of the following:

a. Approving the Individual Settlement Payments;
b. Approving the amount of PAGA Penalties;
c. Dismissing the Action in its entirety with prejudice;
d. Waiving all rights to appeal;
e. Approving PAGA Counsel's attorneys' fees and costs;
f. Approving the Claims Administrator's costs; and
g. Approving the Release provided in exchange for the Settlement Payment.

50. In conjunction with the Motion for Approval of the Settlement and Release Agreement, and/or the Stipulation for Approval of the Settlement and Release Agreement, the Parties shall submit a Proposed Order requesting approval of the Settlement provided for in the Agreement. Plaintiff's Counsel shall draft the Proposed Order.

VIII. PARTIES' AUTHORITY

51. The signatories hereto hereby represent that they are fully authorized to enter into this Agreement and bind the Parties hereto to the terms and conditions hereof.

IX. MUTUAL FULL COOPERATION

52. The Parties agree to fully cooperate with each other to accomplish the terms of this Agreement, including, but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms of this Agreement. The Parties to this Agreement shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Agreement and the terms set forth herein and obtain court approval. As soon as practicable after execution of this Agreement, PAGA Counsel shall, with the assistance and cooperation of Defendant and their counsel, take all necessary steps to secure the approval of this Agreement from the Court.

X. NO PRIOR ASSIGNMENTS

53. The Parties hereto represent, covenant, 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 rights herein released and discharged except as set forth herein. None of the rights, commitments, or obligations recognized under this Agreement may be assigned by any Party, Aggrieved Employee, PAGA Counsel (which includes Plaintiff’s Counsel), or Defense Counsel without the express written consent of every other Party and their respective counsel. The representations, warranties, covenants, and agreements contained in this Agreement are for the sole benefit of the Parties under this Agreement, and shall not be construed to confer any right or to avail any remedy to any other person.

XI. NO ADMISSION

54. Nothing contained herein nor the consummation of this Agreement is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant or any of the Releasees. Each of the Parties hereto has entered into this Agreement

with the intention to avoid further disputes and litigation with the attendant inconvenience and expense. Defendant denies that it has engaged in any unlawful activity, that it has failed to comply with the law in any material respect, or that it has any liability to anyone under the claims asserted in any of the Action. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or shall be construed as an admission of liability or wrongdoing by Defendant.

XII. NON-EVIDENTIARY USE

55. Whether or not the Effective Date occurs, neither this Agreement nor any of its terms nor the Agreement itself shall be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Defendant or any other of the Releasees, including but not limited to, evidence of a presumption, concession, indication, or admission by Defendant or by any of the Releasees of any liability, fault, wrongdoing, omission, concession, or damage, or (b) disclosed, referred to, or offered in evidence against Defendant or against any of the Releasees in any further proceeding in any of the Actions, or any other civil, criminal, or administrative action or proceeding except for the purposes of effectuating the Agreement pursuant to this Agreement or for Defendant to establish that an Aggrieved Employee has resolved any of his/her claims released through this Agreement.

XIII. NULLIFICATION

56. If (a) the LWDA timely objects or (b) the Court should for any reason fail to approve this Agreement in the form agreed to by the Parties (except for the amount of attorneys' fees or costs), or (c) the Court's approval of this Agreement is reversed, modified, or declared or rendered void, then (i) this Agreement shall be considered null and void; (ii) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect; and (iii) all Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had been neither entered into nor filed with the Court. Invalidation of any material

portion of this Agreement, except for the amount of attorneys' fees and costs, shall invalidate this Agreement in its entirety unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect.

XIV. ATTORNEYS' FEES, COSTS AND EXPENSES

57. Except as specifically set forth herein, each Party shall bear its/his/her own attorneys' fees, costs, and expenses, taxable or otherwise, incurred by him/her/it arising out of the Action, and shall not seek reimbursement thereof from any other Party to this Agreement.

XV. CONSTRUCTION

58. The Parties hereto agree that the terms and conditions of this Agreement are the result of lengthy, intensive, arms-length negotiations between the Parties and that this Agreement constitutes the entire agreement between Plaintiff (on behalf of himself and all other Aggrieved Employees) and Defendant regarding actual or potential claims asserted by Plaintiff against Releasees. Excluding any Arbitration or Confidentiality Agreement executed by Plaintiff with Defendant, if any, all of which will remain in full force and effect, this Agreement supersedes all prior agreements, written or oral, between or among the Parties regarding those claims or potential claims and the resolution of those claims. Consequently, no other agreement, statement, or promise made by one Party to another as to any matter addressed in this Agreement shall be binding or valid.

XVI. CAPTIONS AND INTERPRETATIONS

59. Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof. Each term of this Agreement is contractual and not merely a recital.

XVII. MODIFICATION

60. This Agreement may not be amended, changed, altered, or modified, except in writing and signed by the Parties (or their successors-in-interest) hereto. This Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

XVIII. MISCELLANEOUS

61. This Agreement contains the entire agreement between the Parties relating to the settlement of the Action and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing. The Parties have made such investigation of the facts and the law pertaining to the matters described herein and to this Agreement as they deem necessary, and have not relied, and do not rely, on any statement, promise, or representation of fact or law, made by any of the other Parties, or any of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted rights, or with regard to the advisability of making and executing this Agreement, or with respect to any such matters that would alter or change the terms of this Agreement. No representations, warranties, or inducements have been made to any Party concerning this Agreement other than those expressly set forth or referred to herein.

62. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors, and assigns. This Agreement shall be binding on all Aggrieved Employees and the State of California who will be barred from relitigating the claims released in this Agreement.

63. This Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all Parties. The counterparts may be transmitted

electronically (PDF) or by facsimile, and may be signed using DocuSign or other similar electronic signature platform.

64. This Agreement shall be governed, construed, and interpreted, and the rights of the Parties shall be determined, in accordance with the laws of the State of California, irrespective of the State of California's choice of law principles.

65. The Parties have cooperated in the negotiation and preparation of this Agreement. This Agreement shall not be construed against any Party on the basis that the Party, or the Party's counsel, was the drafter or participated in the drafting of this Agreement.

66. The Orange County Superior Court shall retain jurisdiction to enforce this Agreement pursuant to California Code of Civil Procedure section 664.6. The Court shall retain continuing jurisdiction over this Action and over all Parties and Aggrieved Employees, to the fullest extent to enforce and effectuate the terms and intent of this Agreement.

67. This Agreement shall not be subject to collateral attack by any Aggrieved Employee. Such prohibited collateral attack shall include, but not be limited to, claims that the Aggrieved Employee failed, for any reason, to timely receive his or her Individual Settlement Payment.

THE PARTIES HAVE READ THE FOREGOING AGREEMENT. THEY HAVE CONSULTED WITH LEGAL COUNSEL REGARDING THE FOREGOING AGREEMENT AND KNOW THE CONTENTS THEREOF AND SIGN THE SAME AS THEIR FREE, KNOWING, AND VOLUNTARY ACT AND DEED, BEING FULLY AWARE OF ITS CONSEQUENCES AND ITS FINAL AND BINDING EFFECT.

DATED: ________________

Austin Teffeteller (Dec 16, 2025 11:35:24 PST)

Austin Teffeteller, for himself and as a Representative of other Aggrieved Employees

DATED: ___________________

FITNESS INTERNATIONAL LLC,
a California Corporation

By: ________________________________

Title & Name:____________________________

APPROVED AS TO FORM ONLY:

DATED: 12/19/2025

KLINEDINST PC

By: Thomas Daugherty
Thomas Daugherty, Esq.

Attorney for Plaintiff Austin Teffeteller

DATED: ___________________

CALL & JENSEN, APC

By: ________________________________
Julie Trotter, Esq.

Attorney for Defendant FITNESS INTERNATIONAL, LLC

PAGA Settlement Agreement (Final)(4330685.1) (12.16.2025)(30277736.1)

DATED: 12/16/25

FITNESS INTERNATIONAL LLC,
a California Corporation

By:

Title & Name: Tyler Berustein
VP, Legal

APPROVED AS TO FORM ONLY:

DATED: ____________

KLINEDINST PC

By: ____________
Thomas Daugherty, Esq.

Attorney for Plaintiff Austin Teffeteller

DATED: 12/16/2025

CALL & JENSEN, APC

By:
Julie Trotter, Esq.

Attorney for Defendant FITNESS INTERNATIONAL, LLC

PAGA Settlement Agreement (Final)(4330685.1) (12.16.2025)(30277736.1)

Exhibit A to Settlement Agreement

<u>Notice of PAGA Settlement and Release of Claims</u>

***Teffeteller v. Fitness International, LLC*, Superior Court of California, County of Orange, Case No. 30-2024-01407578-CU-OE-CXC**

<<RecipientName>>

Dear [NAME]:

I. <u>NOTICE OF PAGA SETTLEMENT</u>

The Orange County Superior Court (the "Court") approved a settlement in the above-captioned action filed by Austin Teffeteller ("Plaintiff") against Fitness International, LLC ("Defendant"). Enclosed is your payment from the settlement of the case.

You have been identified as one of the Covered Employees covered by the above-captioned case. According to Defendant's records, you are a current or former hourly, non-exempt employee of the Defendant who worked within the State of California during the period between November 23, 2021 and May 15, 2025 (the "Covered Period").

Plaintiff, who is also a Covered Employee, filed the above-captioned lawsuit against Defendant under the Private Attorneys General Act of 2004 ("PAGA," at California Labor Code § 2699), alleging that Defendant failed to provide Covered Employees meal and rest breaks, pay any and all wages owed for work done before and after shifts or off the clock (including minimum and overtime wages), reimburse work expenses, maintain and furnish accurate records, provide accurate itemized wage statements, correctly calculate the regular rate of pay, and timely pay all wages due upon termination. Plaintiffs sought civil penalties on behalf of all Covered Employees who worked for any of the Defendant during the Covered Period.

The Court approved the settlement on [INSERT DATE OF SETTLEMENT APPROVAL].

The Court has not made a determination regarding Plaintiffs' allegations. This Notice is not to be understood as an expression of any opinion by the Court as to the merits of the claim. However, the Court has approved the civil penalties settlement amount to be paid by Defendant.

Defendant maintains that it complied with the California Labor Code at all times and entered into this settlement with no admission of liability and solely for the purposes of compromising and settling the action to avoid the cost and operational burden of continued litigation.

II. CALCULATION OF INDIVIDUAL PAGA PAYMENT

According to Defendant’s records, you worked for Defendant during <<**EligiblePayPeriods**>> Eligible Pay Periods during the Covered Period, of which <<**FTPayPeriods**>> were full time and <<**PTPayPeriods**>> were part time. Your individual PAGA payment is **<<CheckAmount>>**.

You should cash your check by [**180 DAYS AFTER ISSUANCE**], after which the check will be void and you will no longer be able to cash it. However, the Claims Administrator will send the funds to the State of California Department of Industrial Relations Unclaimed Wages Fund in your name. Your check is subject to taxation as required by law.

Each individual PAGA payment was calculated on a *pro rata* (*i.e.*, proportional) basis based on the number of Eligible Pay Periods in which each Covered Employee worked for Defendant during the Covered Period, divided by the total number of Eligible Pay Periods in which all Covered Employees worked for Defendant during the Covered Period.

III. RELEASE

The Court approved the parties’ settlement on [INSERT DATE OF SETTLEMENT APPROVAL]. Pursuant to the settlement, in exchange for the individual PAGA payments to Covered Employees and the LWDA Settlement Proceeds Payment to the Labor & Workforce Development Agency (“LWDA”), the State of California and all Covered Employees (including Plaintiffs), shall fully release and forever release and discharge Defendant, Defendant’s past or present officers, directors, shareholders, members, owners, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and Defendant’s respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys, if any, and any individual or entity which could be jointly liable with Defendant (all such released persons and entities, collectively, “Releasees”) from any and all PAGA penalty claims under California Labor Code section 2698 et seq. for the time period starting on November 23, 2021, and ending on October 18, 2025 that were or could have been asserted in any of the Actions or in the notice letter(s) that each of the Plaintiffs sent to the Labor and Workforce Development Agency regarding their claims against Defendant based on the facts and legal theories asserted therein.

The Released Claims **do not** include any claims or actions to enforce this Settlement, wage claims, claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Covered Period.

Pursuant to the settlement, enclosed is a check for your share of the civil penalties. You are not a party to this lawsuit, but you and the government are bound by the judgment in this matter as to the civil penalties under PAGA regardless of if you cash your check or not.

IV. <u>SETTLEMENT ADMINISTRATOR</u>

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

You may call the Settlement Administrator, Atticus Administration, LLC, toll free at ________ with any questions. You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.

Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall direct all unclaimed funds to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, Civil Code §§ 1500 *et seq.*, in the name of the Covered Employee to whom the check was issued. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

You will receive a tax form 1099 for the check. You may also contact the Settlement Administrator at [phone number], [mailing address/PO Box] with questions.

To view the entirety of the Settlement Agreement, including its defined terms, you may visit ________________________, enter the Case No. _______________, and review the entire public docket of this Lawsuit. Note that to view the documents you have to purchase them.