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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

JOSHUA GIBBS, as an individual and on
behalf of all others similarly situated, and
as a private attorney general,

Plaintiff,

vs.

SWIFT TRANSPORTATION CO. OF
ARIZONA, LLC, a Delaware limited
liability company; and DOES 1 through 50,
inclusive,

Defendants.

Case No. 3:24-cv-02209-LL-DEB

[Assigned to Hon. Linda Lopez]

**DECLARATION OF SIMON L. YANG
IN SUPPORT OF PLAINTIFF'S
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT**

Date: September 30, 2026
Time: N/A
Courtroom: 14B

Complaint Filed: April 2, 2024
FAC Filed: May 31, 2024

***PER CHAMBERS RULES, NO ORAL
ARGUMENT UNLESS SEPARATELY
ORDERED BY THE COURT***

1 I, Simon L. Yang, declare as follows:

2 1. I am an attorney admitted to practice in the State of California and, with the
3 law firm Diversity Law Group, P.C., am counsel of record for Plaintiff. I make this
4 declaration on the basis of my own personal knowledge, except as to those matters stated
5 on information and belief and, as to those matters, I believe them to be true. If called as a
6 witness, I could testify competently to the facts stated in this declaration.

7 2. On April 2, 2024, Plaintiff, Joshua Gibbs, filed the original complaint
8 initiating the Action on behalf of a putative class of current and former employees of
9 Defendant, Swift Transportation Co. of Arizona, LLC, in the State of California. The
10 Action pursued class action claims for Defendant's alleged underpayments of sick pay
11 wages. On May 31, 2024, Plaintiff filed a first amended complaint that also pursued
12 representative Labor Code Private Attorneys General Act of 2004 ("PAGA") claims.
13 Upon the initiation of the Action, Plaintiff and Defendant met and conferred about the
14 alleged claims. Defendant also provided Plaintiff with information about various
15 defenses, including those that disputed both the accuracy of Plaintiff's factual allegations
16 and the viability of the legal theories asserted.

17 3. Class Counsel continued investigating the alleged claims and also analyzed
18 any defenses asserted by Defendant, including those arising from *Hirdman v. Charter*
19 *Communications, LLC*, 113 Cal. App. 5th 376 (2025), which Defendant argued would
20 provide the basis for a dispositive motion. In addition to engaging in formal written
21 discovery, Plaintiff conducted the deposition of Defendant's corporate designee, and
22 Defendant conducted the deposition of Plaintiff. The Parties continued to exchange
23 information and documents using both informal methods and formal discovery to assist
24 them in exploring the possibility of a mediated resolution. Defendant provided the
25 relevant numbers of individuals and workweeks in which individuals earned sick leave
26 which Plaintiff alleged was underpaid, for example, among other things. Defendant's
27 willingness to provide this information on a classwide basis enabled Plaintiff to evaluate
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1 the full scope of Defendant’s potential liability. Ultimately, the Parties agreed to schedule
2 a mediation.

3 4. On January 6, 2026, the Parties attended mediation with Judge Peter Kirwan.
4 Despite the Parties’ good-faith efforts, the Parties strongly disagreed about both the
5 merits of the claims and the certifiability of the putative class, and the Parties were unable
6 to come to an agreement to resolve the matter. The Parties continued to negotiate after the
7 mediation. Ultimately, with the mediator’s assistance and based upon a mediator’s
8 proposal, the Parties were able to agree to settlement terms, which were negotiated in
9 light of all known facts and circumstances—including the uncertainty associated with
10 litigation, the risks of significant delay, and numerous potential appellate issues. The
11 settlement terms were memorialized in the Settlement Agreement of Class Action and
12 Private Attorneys General Act Claims (the “Agreement”), a true and correct copy of
13 which is attached as **Exhibit 1**.

14 5. The Agreement requires Defendant to pay \$550,000.00—or approximately
15 \$201.54 gross, on average, per Class Member. As discussed below, this amounts to
16 approximately 4.12% of Defendant’s potential liability and is an excellent result for Class
17 Members. To wit, Plaintiff alleges that Defendant underpaid sick pay wages to Class
18 Members. With respect to Defendant’s potential liability, Plaintiff contends that such
19 underpayments result in Section 203 penalties of up to 30 days wages.¹ On the other
20 hand, Defendant contests the merits and denies it is liable at all (as *Hirdman* could be
21 argued to exempt Plaintiff and other drivers from having sick pay wages paid at a
22 heightened rate). Moreover, even if Plaintiff prevails on the merits, Defendant contests
23 the extent of liability. Specifically, Defendant contends that it would not be subject to any
24 Section 203 penalties, based on a good-faith defense.

25 6. While the Parties disagree on the application of the law to the facts, each
26 Party recognized in negotiations that, if taken to trial, the other Party would at least have

27 ¹ Except as otherwise noted, all “Section” references are to the Labor Code.
28

1 reasonable arguments, such that the Gross Settlement Amount to which the Parties
2 ultimately agreed was reasonable. Ultimately, based on classwide data available at
3 mediation, Plaintiff argued that the potential total Section 203 recovery amounted to
4 approximately \$13,338,144.00. Plaintiff contends that the Gross Settlement Amount of
5 \$550,000.00—approximately 4.12% of the potential total Section 203 recovery of
6 \$13,338,144.00—is an excellent result.

7 7. Based on (i) Plaintiff’s counsel’s costs, which are approximately \$14,046.74,
8 and (ii) the lowest settlement administration bid received from Phoenix Settlement
9 Administrators, which has a not-to-exceed bid of \$21,500.00, *after* all requested payments
10 from the Gross Settlement Amount, it is expected that, on average, each Class Member
11 will be allocated approximately \$99.35 in settlement payments. The amount paid on
12 average to each Class Member may increase, depending on how many Class Members
13 opt out of the class action settlement. The amount actually paid to any Class Member
14 may increase or decrease depending on his or her number of relevant workweeks.

15 8. Although I believe that Plaintiff has reasonable arguments for why *Hirdman*
16 does not preclude a classwide recovery in this matter, I recognize the inherent risks in
17 litigation, including the specific risks that the Court could determine that Plaintiff’s class
18 claims are precluded by *Hirdman*, that the Court could not grant class certification, that
19 liability could not be established at trial, or that the applicable law could change. I am of
20 the opinion that the settlement resulting from extensive arm’s length negotiations
21 between the Parties is fair, reasonable, and adequate for each participating Class Member,
22 given the inherent risks of litigation, as well as the potential for appeals and the costs of
23 pursuing litigation.

24 9. I am one of the primary attorneys on this matter. My qualifications are as
25 follows: After completing my undergraduate education at The Wharton School at the
26 University of Pennsylvania in 2004 with concentrations in Management and Human
27 Resources, I continued studying labor and employment issues by enrolling in post-
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graduate education at the School of Labor and Employment Relations at the University of Illinois. I determined before enrolling in law school that I wanted to practice labor and employment law in California. I thus received my J.D. from UCLA School of Law in 2008. During law school, I spent the summer of 2006 with the National Labor Relations Board, Region 21, and the summer of 2007 with the law firm of Seyfarth Shaw LLP.

10. Upon graduating from law school in 2008, I practiced labor and employment law at Seyfarth Shaw LLP, a well-regarded labor and employment firm. I was elevated to partner in 2019. My practice focused on wage and hour class, collective, and representative actions, with a particular emphasis on matters involving PAGA. During my time with Seyfarth Shaw LLP, I was a primary attorney on numerous wage and hour class, collective, and representative actions that resulted in published opinions, including for example, *Ehret v. WinCo Foods, LLC*, 26 Cal. App. 6th 1 (2018) (affirming summary judgment in PAGA action based on absence of meal period violations in light of collectively bargained waiver of meal periods on shifts of not more than six hours), and *Ruelas v. Costco Wholesale Corporation*, 67 F. Supp. 3d 1137 (C.D. Cal. Sept. 8, 2014) (obtaining dismissal of wage statement allegations in PAGA representative action). I was also able to obtain experience litigating representative claims or wage and hour matters through trial and appeal. *E.g.*, *Velazquez v. Costco Wholesale Corporation*, 603 Fed. App'x 584 (9th Cir. Mar. 25, 2015) (reversing award of waiting-time penalties based on lack of evidence supporting any willful failure to pay wages); *Ward v. Costco Wholesale Corporation*, 552 Fed. App'x 631 (9th Cir. Jan. 9, 2014) (affirming bench-trial judgment in favor of defendant against named plaintiff and 18 opt-in plaintiffs in collective action involving deductions from final paychecks). I also litigated class certification on numerous matters. *E.g.*, *Martinez v. Guess?, Inc.*, Los Angeles Superior Court Case No. BC 498326 (denial of class certification on behalf of retail employees alleging off-the-clock work).

1 11. Based on my experience in wage and hour class, collective, and
2 representative actions, I have been interviewed and quoted in articles published in the
3 Northern California Record about legislative efforts to reform PAGA. I also have
4 published articles on myriad topics relevant to wage and hour class and representative
5 action litigation, including for example articles on California kin care requirements in
6 *Employee Relations Law Journal* (Vol. 36, No. 2), the extraterritorial application of
7 California employment laws in *The Recorder* (134RD Year No. 28), and California meal
8 and rest break laws in *California Transportation News*, a publication of the California
9 Construction Trucking Association.

10 12. In 2020 I left Seyfarth Shaw LLP and joined my current firm, Diversity Law
11 Group, P.C., which also focuses primarily on employment law. I have handled a number
12 of wage and hour class and representative actions and continue litigating such matters in
13 numerous Superior Courts and District Courts. From matters with both Seyfarth Shaw
14 LLP and Diversity Law Group, P.C., I have successfully mediated the resolution of
15 dozens of wage and hour class, collective, and representative actions. I have obtained
16 class certification and been appointed class counsel, and numerous courts, including this
17 Court, have deemed me to be qualified to act as class counsel for both certified classes
18 and settlement classes. No court has ever found me to be inadequate class counsel.

19 13. My co-counsel and I will adequately represent the Class Members in this
20 action. Plaintiff's Counsel have and will zealously represent Plaintiff and the Class and
21 pursue this lawsuit to its conclusion.

22 14. Along with the filing of the motion for preliminary approval of the
23 settlement in this matter, a copy of the motion papers have also been uploaded to the
24 Labor and Workforce Development Agency ("LWDA") in compliance with Section
25 2699(s)(2) and (4). Attached as **Exhibit 2** is a copy of the LWDA confirmation.
26 Similarly, upon approval of a settlement in this matter, my regular practice would be to
27
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1 direct my office staff to upload a copy of the Court’s judgment, papers, or other orders
2 awarding civil penalties under PAGA.

3 15. I have met and conferred with counsel for Defendant regarding its obligation
4 to provide notice of this settlement under CAFA pursuant to 28 U.S.C. ¶ 1715. I am
5 informed and believe that Defendant will be providing notice of this settlement.

6 I declare under penalty of perjury under the laws of the State of California and the
7 United States of America that the foregoing is true and correct. Executed this 25th day of
8 August 2026, at Pasadena, California.

9
10 /s/ Simon L. Yang
Simon L. Yang

EXHIBIT 1

SETTLEMENT AGREEMENT OF CLASS ACTION AND PRIVATE
ATTORNEYS GENERAL ACT CLAIMS

This Settlement Agreement of Class Action and Private Attorneys General Act Claims (“Settlement” or “Settlement Agreement”) is made between Joshua Gibbs (“Named Plaintiff”), as an individual and on behalf of the putative class and alleged aggrieved employees, on the one hand, and Defendant Swift Transportation, Co. of Arizona, LLC (“Defendant”) on the other hand (collectively, the “Parties” and individually, a “Party”).

I. DEFINITIONS

A. “Class Counsel” means Larry W. Lee and Simon L. Yang of Diversity Law Group, P.C., 515 South Figueroa Street, Suite 1250, Los Angeles, CA 90071, and William L. Marder of the Polaris Law Group, 501 San Benito Street, Suite 200, Hollister, CA 95023.

B. “Class Members” means all persons who worked for Defendant Swift Transportation Co. of Arizona, LLC as an over-the-road driver while assigned to a Swift Transportation terminal in California and who took Sick Leave during the Class Period. Defendant estimates that there are 2,729 total Class Members during the class period and 1,740 Class Members who have separated from employment with Defendant during the three-year limitations period for late final wage claims.

C. “Class Member List” means the list of all Class Members that Defendant will compile from their records to accurately reflect the Class Members’ names, last known mailing addresses, telephone numbers, Social Security numbers, and number of weeks during which the Class Members took Sick Leave during the Class Period.

D. “Class Period” means the time period from April 2, 2020 through February 9, 2026.

E. “Class Member Payments” means the amount payable from the Class Payout Fund to each Participating Class Member, 10% of which will be allocated to alleged wages, and the other 90% to statutory penalties, and interest. Class Member Payments are separate and distinct from PAGA Payments (defined below) which will be paid to PAGA Aggrieved Employees.

F. “Class Payout Fund” means all funds remaining from the Gross Settlement Amount after deducting the Court-awarded Named Plaintiff’s General Release Payment, Fees Award, Costs Award, Settlement Administration Costs, and PAGA Payments.

G. “Class Settlement” means the settlement and release of claims by Participating Class Members in exchange for their respective Class Member Payments.

H. “Costs Award” means costs of litigation approved by the Court for Class Counsel’s costs incurred in investigation, litigation, and resolution of the Lawsuit, and administration of the Settlement, including anticipated costs incurred through Final Approval and disbursement of payments under this Settlement Agreement and obtaining entry of the judgment terminating the Lawsuit.

I. “Court” means the United States District Court for the Southern District of California, located at James M. Carter and Judith N. Keep United States Courthouse, 333 West Broadway, San Diego, CA 92101.

J. “Defendant’s Counsel” means Paul Cowie, Andrea Fellion, and John Ellis of Sheppard, Mullin, Richter & Hampton LLP, Four Embarcadero Center, 17th Floor, San Francisco, CA 94111.

K. “Effective Date” means the date by which the final judgment becomes final. For purposes of this Settlement Agreement, the final judgment “becomes final” only after the Court grants the motion for Final Approval of the Settlement and upon the latter of (i) the period for filing any appeal, request for rehearing, writ, or other appellate proceeding challenging or opposing the Settlement has elapsed without any appeal, writ, or other appellate proceeding having been filed; (ii) any appeal, rehearing, writ or other appellate proceeding challenging or opposing the Settlement has been dismissed finally and conclusively with no right to pursue further remedies or relief impacting this Settlement; or (iii) any appeal, rehearing, writ or other appellate proceeding has upheld the Court’s final order and judgment with no right to pursue further remedies or relief. In this regard, it is the intention of the parties that the Settlement shall not become effective, and Defendant will not be obligated to fund this Settlement, until the Court’s order approving the Settlement is

completely final, and there is no further avenue for recourse by an appellant, objector, intervenor, or anyone who seeks to contest the Settlement.

L. “Fees Award” means attorneys’ fees approved by the Court for Class Counsel’s fees incurred in investigation, litigation, and resolution of the Lawsuit, and administration of the Settlement, including anticipated fees incurred through Final Approval and disbursement of payments under this Settlement Agreement and obtaining entry of the judgment terminating the Lawsuit.

M. “Final Approval” means the Court’s order and judgment granting final approval of the Settlement Agreement.

N. “Gross Settlement Amount” means a non-reversionary common fund that shall have a total all-in value of \$550,000.00 and includes without limitation any and all payments Defendant may be responsible for under the Settlement, including any Fees Award and Costs Award to Class Counsel, Named Plaintiff General Release Payment, the Class Member Payments, the PAGA Payments (which includes payments to the California Labor Workforce Development Agency), and Settlement Administration Costs. The total amount that Defendant shall pay in connection with or arising out of this Settlement Agreement is the Gross Settlement Amount.

O. The “Lawsuit” means the action entitled *Joshua Gibbs, on behalf of himself and all others similarly situated, v. Swift Transportation Co. of Arizona, LLC et al.*, Case No. 3:24-cv-02209-LL-DEB, pending in the United States District Court for the Southern District of California, filed in the San Diego County Superior Court on April 2, 2024 and removed from the Superior Court of the State of California for the County of San Diego on November 25, 2024.

P. “LWDA” means the California Labor and Workforce Development Agency.

Q. “LWDA Letter” means Named Plaintiff’s March 27, 2024 Notice Letter which he filed with the LWDA, and which purports to articulate the facts and theories supporting his claims under the Private Attorneys’ General Act.

R. “Named Plaintiff” means Joshua Gibbs.

1 **S.** “Named Plaintiff’s General Release Payment” means the amount which may
2 be paid to the Named Plaintiff for both his general release of claims and his time and effort
3 spent pursuing the Lawsuit; for the risks associated with suing Defendant; and all other
4 factors that the court may properly consider. The Named Plaintiff’s General Release
5 Payment may be requested in an amount not to exceed \$10,000.00; however, the award of
6 Named Plaintiff’s General Release Payment and the actual amount thereof shall remain
7 within the sound discretion of the court.

8 **T.** “PAGA” means the California Private Attorneys General Act, California
9 Labor Code §§ 2699 *et seq.*

10 **U.** “PAGA Aggrieved Employees” means all persons who worked for Defendant
11 Swift Transportation Co. of Arizona, LLC as over-the-road driver while assigned to a Swift
12 Transportation terminal in California and who took Sick Leave during the PAGA Period.

13 **V.** “PAGA Aggrieved Employee List” means the list of all PAGA Aggrieved
14 Employees that Defendant will compile from its records to accurately reflect the PAGA
15 Aggrieved Employees’ names, last known mailing addresses, telephone numbers, Social
16 Security numbers, and number of weeks during which each PAGA Aggrieved employee
17 took Sick Leave. The Class Member List and PAGA Aggrieved Employee list may be
18 provided as a single list which contains all necessary information (together the “Employee
19 List”).

20 **W.** “PAGA Payment” means the payment to the State of California LWDA and
21 the PAGA Aggrieved Employees in settlement of all claims for PAGA penalties as defined
22 in this Settlement Agreement.

23 **X.** “PAGA Period” means the time period beginning April 2, 2023 through
24 February 9, 2026.

25 **Y.** “PAGA Settlement” means the settlement and release of claims by PAGA
26 Aggrieved Employees in exchange for their respective portion of the PAGA Payment.

27 **Z.** “Participating Class Member” means a Class Member who does not opt out of
28 the Class Settlement.

1 AA. “Sick Leave” means sick leave paid by Defendant and which is designated as
2 “D-Driver Sick Pay” in Defendant’s payroll data.

3 BB. “Qualified Settlement Account” means the account established by the
4 Settlement Administrator pursuant to Internal Revenue Code section 1.468B-1.

5 CC. “Released Parties” means Defendant, and each of its past, present and future
6 agents, employees, servants, owners, officers, directors, partners, trustees, representatives,
7 shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related
8 companies/corporations and/or partnerships (defined as a company/corporation and/or
9 partnership that is, directly or indirectly, under common control with Defendant or any of
10 its parents and/or affiliates), divisions, assigns, predecessors, successors, insurers,
11 consultants, joint ventures, any actual or alleged joint employers of the Class, affiliates, and
12 alter-egos, and all of their respective past, present and future employees, directors, officers,
13 agents, owners, attorneys, insurers, stockholders, fiduciaries, parents, subsidiaries, and
14 assigns.

15 DD. “Settlement Administration Costs” means the costs payable from the Gross
16 Settlement Amount to the Settlement Administrator for administering this Settlement,
17 including, but not limited to, the Settlement Administrator’s responsibilities outlined in this
18 Settlement Agreement.

19 EE. “Settlement Administrator” means Phoenix Settlement Administrators, whom
20 the Parties mutually agree shall be responsible for the administration of the Settlement,
21 distribution of amounts owed under this Settlement, and matters necessarily related thereto,
22 pursuant to the terms of this Settlement Agreement.

23 **II. RECITALS**

24 **A. Background and Procedural History**

- 25 1. On March 27, 2024, Named Plaintiff filed his LWDA Letter.
- 26 2. On April 2, 2024, Named Plaintiff filed a complaint in the California
27 Superior Court for the County of San Diego titled *Joshua Gibbs, on behalf of himself and*
28 *all others similarly situated, v. Swift Transportation Co. of Arizona, LLC*, Case No. 37-2024-

00015349-CU-OE-CTL, asserting California wage and hour claims arising out of allegations that Defendant did not properly pay Sick Leave.

3. On May 31, 2024, Named Plaintiff amended his lawsuit and added a claim for penalties under the Private Attorneys' General Act ("PAGA").

4. On November 25, 2024, Defendant removed the Lawsuit to the United States District Court for the Southern District of California, Case No. Case No. 3:24-cv-02209-LL-DEB.

5. On January 6, 2026, the Parties participated in a private mediation before Judge Peter Kirwan, but were unable to reach a settlement.

6. The Parties continued to negotiate after mediation, and Judge Kirwan issued a mediator's proposal which the Parties accepted.

7. Before and in connection with the mediation, the Parties conducted a significant investigation of the facts and law during the prosecution of the Lawsuit. Such investigation has included, *inter alia*, Parties' initial disclosures, exchange of information and documents via written discovery requests, depositions of Named Plaintiff as well as Defendant's Person Most Qualified, as well as informal exchange of information prior to the January 6, 2026 mediation. As a result of their investigation, Named Plaintiff continues to believe that Defendant failed to properly pay Sick Leave to over-the-road drivers assigned to a California terminal as required by California law, and alleges that Defendant failed to properly pay Sick Leave pursuant to California law for time accrued by over-the-road drivers while they were working outside of California. Defendant denies Named Plaintiff's allegations, contends that it paid Sick Leave as required by California law, and contends that California's paid sick leave requirements do not apply to hours worked outside of California, but that regardless, Defendant properly accrued for and paid all such sick leave above and beyond the statutory minimums. Given the disagreement between the Parties as to the viability of these claims, the Parties believe the Settlement provided for herein is a fair, adequate, and reasonable settlement.

1 8. Benefits of Settlement to Class Members. Named Plaintiff recognizes
2 the expense and length of continued proceedings necessary to continue the litigation against
3 Defendant through trial and through any possible appeals. Named Plaintiff has also taken
4 into account the uncertainty and risk of the outcome of further litigation, and the difficulties
5 and delays inherent in such litigation, as described above. Named Plaintiff is also aware of
6 the burdens of proof necessary to establish liability for the claims asserted in the Lawsuit,
7 Defendant's defenses thereto, and the difficulties in establishing damages. Specifically,
8 Named Plaintiff recognizes that if Defendant's anticipated motion for summary judgment
9 were granted, the class would receive no recovery at all. Named Plaintiff has also taken into
10 account the discovery undertaken, anticipated motion practice, and settlement negotiations
11 conducted, which negotiations resulted in the material settlement terms set forth herein.
12 Named Plaintiff has also taken into account the significant risk that a class would not be
13 certified due to Defendant's contentions of the need for highly individualized inquiries to
14 ascertain resolution of Named Plaintiff's theories. Based on the foregoing, Named Plaintiff
15 has determined that the Settlement set forth in this Settlement Agreement is a fair, adequate
16 and reasonable settlement, and is in the best interests of the Class, the PAGA Aggrieved
17 Employees, and the LWDA.

18 9. Defendant's Reasons for Settlement. Defendant has concluded that
19 further defense of this litigation would be protracted and expensive for all Parties. Defendant
20 further recognizes that the law applicable to sick leave accrued by California residents while
21 working outside of California is uncertain. Defendant has devoted substantial amounts of
22 time, energy and resources to the defense of the claims asserted by Named Plaintiff and,
23 unless this Settlement is made, will continue to do so for the foreseeable future, including
24 through potential appeals. For these reasons, Defendant has agreed to settle the matter upon
25 the terms set forth in this Settlement Agreement, to put to rest the claims alleged in the
26 Lawsuit.

27 10. Defendant's Denials of Wrongdoing. Defendant has denied and
28 continues to deny each of the claims and contentions alleged by Named Plaintiff in the

1 Lawsuit. Defendant has repeatedly asserted and continues to assert defenses thereto, and
2 has expressly denied and continues to deny any wrongdoing or legal liability arising out of
3 any of the facts or conduct alleged in the Lawsuit. Neither this Settlement Agreement, nor
4 any document referred to or contemplated herein, nor any action taken to carry out this
5 Settlement Agreement, is, may be construed as, or may be used as an admission, concession
6 or indication by or against Defendant or any of the Released Parties of any fault, wrongdoing
7 or liability whatsoever.

8 11. Named Plaintiff's Claims. Named Plaintiff claims and continues to
9 claim that the Released Claims have merit and give rise to liability on the part of Defendant.
10 Neither this Settlement Agreement nor any documents referred to herein, or any action taken
11 to carry out this Settlement Agreement is or may be construed as or may be used as an
12 admission by or against Named Plaintiff or Class Counsel as to the merits or lack thereof of
13 the claims asserted.

14 I. The Parties stipulate, subject to the approval of the Court, that the Lawsuit is
15 being compromised and settled pursuant to the terms and conditions set forth in this
16 Settlement Agreement. Upon Final Approval of the Settlement by the Court at or after the
17 Final Approval hearing, the Parties shall present a proposed final judgment to the Court for
18 its approval, requesting that the Court enter judgment and retain jurisdiction with respect to
19 the interpretation, implementation, and enforcement of the terms of this Settlement
20 Agreement and all orders and judgments entered in connection therewith.

21 **III. SETTLEMENT TERMS**

22 **A. Conditional Certification**

23 For the purposes of this Settlement Agreement only, the Parties agree to the
24 certification of the Class Members as a settlement class. If, for any reason, the Settlement
25 Agreement is not approved, the stipulation to certification will be void. Should the
26 Settlement Agreement not become final, for whatever reason, the fact that the Parties were
27 willing to stipulate to class certification for settlement purposes shall have no bearing on,
28 and shall not be admissible in connection with, the issue of whether a class should be

certified in a non-settlement context in the Lawsuit, and shall have no bearing on, and shall not be admissible in connection with, the issue of whether a class should be certified in any other lawsuit or action of any kind.

B. Funding and Allocation of Settlement

1. Gross Settlement Amount. Provided the Court approves the Settlement and the Effective Date occurs, Defendant will pay the Gross Settlement Amount, which is the maximum monetary amount payable by Defendant and which shall not exceed the all-inclusive sum of \$550,000.00.

2. Settlement Accounting. No more than seven (7) calendar days after the Effective Date, or at a reasonable time thereafter if not reasonably practicable, the Settlement Administrator will provide the Parties with an accounting of all anticipated payments from the Qualified Settlement Account, including: (a) Class Member Payments, including employer-side taxes, (b) the PAGA Payments; (c) the Named Plaintiff's General Release Payment; (d) the Fees Award and Costs Award to Class Counsel, and (e) Settlement Administration Expenses, all as specified in this Settlement Agreement and approved by the Court.

3. Funding the Settlement. Within thirty (30) calendar days after receipt of the Settlement Accounting from the Settlement Administrator, and solely for purposes of this Settlement, Defendant shall wire the Gross Settlement Amount into the Qualified Settlement Account, for distribution in accordance with the terms of this Settlement Agreement. At no time shall Defendant have the obligation to segregate the funds comprising the Gross Settlement Amount from other assets and will retain exclusive authority over, and responsibility for, those funds until the date those amounts are required to be funded pursuant to this Settlement Agreement.

C. Payments from the Gross Settlement Amount.

1. Named Plaintiff's General Release Payment. The Settlement Administrator shall pay the Named Plaintiff's General Release Payment within twenty-one (21) calendar days of Defendant's payment of the Gross Settlement Amount either by check

1 or wire to an account(s) designated by Class Counsel. Named Plaintiff agrees to provide the
2 Settlement Administrator with an executed IRS Form W-9 within five days after the
3 Effective Date and before the Named Plaintiff's General Release Payments is issued. The
4 Settlement Administrator shall issue an IRS Form 1099 to Named Plaintiff for his Named
5 Plaintiff's General Release Payment. Named Plaintiff shall be solely and legally responsible
6 for paying any and all applicable taxes on Named Plaintiff's General Release Payment and
7 shall hold Released Parties harmless from any claim or liability for taxes, penalties or interest
8 arising as a result of the Named Plaintiff's General Release Payment. The Named Plaintiff's
9 General Release Payment shall be in addition to any Class Member Payment or PAGA
10 Payment that Named Plaintiff receives as a Class Member and PAGA Aggrieved Employee.
11 If the Court awards less than the amount specified as the Named Plaintiff's General Release
12 Payment, the unawarded amount shall remain in the Class Payout Fund and be distributed
13 to Participating Class Members.

14 2. Class Counsel's Attorneys' Fees and Costs. Class Counsel may request
15 a Fees Award of up to 33⅓% of the Gross Settlement Amount (i.e., \$183,333.33) and may
16 seek a Costs Award for reimbursement of Class Counsel's out-of-pocket costs incurred
17 pursuing the Lawsuit to the extent permitted by law. Class Counsel reserve the right to seek
18 a lesser fee award than the maximum amount permitted by this Settlement Agreement should
19 they so choose. The actual amount of fees and costs awarded shall fall within the sole
20 discretion of the Court, and shall remain subject to any applicable legal authorities regarding
21 the review and approval of such requests.

22 a. The Settlement Administrator shall pay the Fees Award and
23 Costs Award within twenty-one (21) calendar days of Defendant's payment of the Gross
24 Settlement Amount either by checks or wire to accounts designated by Class Counsel. Class
25 Counsel agrees to provide the Settlement Administrator with an executed IRS Form W-9
26 within five days after the Effective Date and before payments for Class Counsel's Fees
27 Award and Costs Award are issued. The Settlement Administrator shall issue an IRS Form
28 1099 to Class Counsel for the payments made pursuant to this section. Class Counsel shall

1 be solely and legally responsible for paying any and all applicable taxes on their Fees Award
2 and Costs Award and shall hold Released Parties harmless from any claim or liability for
3 taxes, penalties or interest arising as a result of any payments received by Class Counsel
4 pursuant to this Settlement. If the Court awards a Fees Award or a Costs Award less than
5 the amount requested by Class Counsel, the unawarded amounts shall remain in the Class
6 Payout Fund and be distributed to Participating Class Members. This Settlement is not
7 contingent upon the Court awarding Class Counsel any particular amount in attorneys' fees
8 and costs.

9 b. The payment of the Fees Award and Costs Award to Class
10 Counsel as set forth herein shall constitute full satisfaction of the obligation to pay any
11 amounts to any person, attorney or law firm for attorneys' fees, expenses or costs arising out
12 of and/or in connection with the Lawsuit incurred by any attorney on behalf of Named
13 Plaintiff, any of the Participating Class Members, and/or PAGA Aggrieved Employees, and
14 shall relieve Participating Class Members, PAGA Aggrieved Employees, Released Parties,
15 the Settlement Administrator, the Qualified Settlement Account, and Defendant's Counsel
16 of any other claims or liability to any other attorney or law firm, or anyone else, for any
17 attorneys' fees, expenses and/or costs to which any of them may claim to be entitled on
18 behalf of Named Plaintiff, the Participating Class Members, and/or PAGA Aggrieved
19 Employees in connection with the claims released in this Settlement. Class Counsel shall
20 not be permitted to petition the Court for, or accept, any additional payments for fees, costs,
21 or interest, and the Fees Award and Costs Award shall be for all claims for attorneys' fees
22 and costs whenever incurred, including past, present and future fees and costs incurred in
23 connection with or arising out of the Lawsuit to date and through and including the Effective
24 Date, as well as final distribution of all payments under this Settlement Agreement and
25 through and after final judgment.

26 3. PAGA Payment. The PAGA Payment amount is \$50,000.00, which
27 the Parties have agreed is to be paid in settlement of all PAGA claims released in this
28 Settlement Agreement, which shall be allocated as follows:

a. \$37,500.00 to the State of California LWDA, representing 75% of the \$50,000.00 PAGA Payment.

b. The remaining 25% of the PAGA Payment (\$12,500.00) shall be distributed to all PAGA Aggrieved Employees, with each receiving a pro rata share based on the number of pay periods each PAGA Aggrieved Employee took Sick Leave during the PAGA Period. The Settlement Administrator shall compute a value per week equal to 25% of PAGA Payment divided by the total number of pay periods all PAGA Aggrieved Employees took sick leave during the time they satisfied the definition of a PAGA Aggrieved Employee. This value shall be rounded to the nearest cent. The share of the PAGA Payment to be paid to each PAGA Aggrieved Employee will be determined by multiplying the value per pay period by the total number of pay periods each PAGA Aggrieved Employee took Sick Leave during the PAGA Period.

c. Within twenty-one (21) calendar days of the Defendant's payment of the Gross Settlement Amount, the Settlement Administrator shall pay the above amounts from the Qualified Settlement Account.

d. In the event that the Court awards less than the full amount requested for the PAGA Payment, the unawarded amount shall remain in the Class Payout Fund and be distributed to the Participating Class Members. If for any reason additional funds are allocated to the PAGA Payment, such monies shall be drawn from the Gross Settlement Amount, and the Gross Settlement Amount will not exceed \$550,000.00.

4. Settlement Administration Costs. The Settlement Administrator shall pay from the Qualified Settlement Account the Court-approved Settlement Administration Costs, within twenty-one (21) calendar days of the Defendant's payment of the Gross Settlement Amount, in an amount not to exceed \$21,500.00. In the event that the Court awards less than the full amount requested for Settlement Administration Costs, the unawarded amounts shall remain in the Class Payout Fund and shall be distributed to Class Members.

1 5. Calculation of Participating Class Member Payments. All Participating
2 Class Members will receive a Participating Class Member Payment, paid from the Class
3 Payout Fund. The amount of each Participating Class Member Payment will be calculated
4 on a pro rata basis, based on the number of weeks each Participating Class Member took
5 Sick Leave during the Class Period. The Settlement Administrator shall compute a value
6 per week equal to the total number weeks all Participating Class Members took Sick Leave
7 during the time they satisfied the Class definition. This value shall be rounded to the nearest
8 cent. The share of the Class Payout Fund to be paid to each Participating Class Member will
9 be determined by multiplying the value per week by the total number of weeks each
10 Participating Class Member took Sick Leave during the Class Period. The total of all
11 Participating Class Member Payments to all Participating Class Members shall equal the
12 Class Payout Fund. Participating Class Member Payments will be reduced by any tax or
13 other deductions required by law. Should the above-stated distribution formula be rejected
14 by the Court, the settlement will remain in effect and the Parties will jointly propose an
15 alternate settlement distribution formula addressing any concerns raised by the Court.

16 6. Effect of Class Members Who Opt Out of Settlement. A Class
17 Member who timely and validly opts out of the class portion of the Settlement will not
18 participate in or be bound by the Settlement with respect to the Released Class Claims;
19 will not receive a Class Payment; and will not be included with those other Class Members
20 counted for purposes of the calculation of the Class Payment. However, all PAGA
21 Aggrieved Employees will release the PAGA claims and will receive a pro rata share of
22 the PAGA Payment regardless of whether they opt out of the class portion of the
23 Settlement. The portion of the Participating Class Member Payment that otherwise would
24 have been payable to a Class Member who opts out of the Settlement will be retained in
25 the Class Payout Fund for distribution to all Participating Class Members.

26 7. Option to Void Settlement. If, after the Objection / Exclusion Deadline
27 Date, the number of Class Members who have timely submitted requests for exclusion total
28 in number more than 25, Defendant shall have, in its sole discretion, the option to void this

Settlement. In order to exercise this option, Defendant must notify Class Counsel in writing within fifteen (15) calendar days after the later of the Objection/Exclusion Deadline Date, or of learning in writing from the Settlement Administrator that the number of Class Members who have timely and validly submitted requests for exclusion total in number more than 25. If Defendant voids the Settlement, then it will be responsible for all settlement administration costs incurred up to the date of voidance.

8. Method and Timing of Payments to Participating Class Members and PAGA Aggrieved Employees.

a. Participating Class Member Payments and the PAGA Aggrieved Employees' portion of the PAGA Payment will be mailed by the Settlement Administrator by First Class U.S. Mail within twenty-one (21) calendar days following the Defendant's payment of the Gross Settlement Amount.

b. Checks paid to PAGA Aggrieved Employees and Participating Class Members shall remain valid and negotiable for 180 days from the date of their issuance. After one-hundred eighty (180) calendar days from the date of mailing, the checks shall become null and void, and any monies remaining in the distribution account shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code §§ 1500 *et seq.*, for the benefit of those Participating Class Members and PAGA Aggrieved Employees who did not cash their checks until such time that they claim their property. To the extent California Civil Procedure Code § 384 is applicable, the Parties agree that this disposition results in no "unpaid residue" as the entire Class Payout Fund will be paid out to Participating Class Members, whether or not they all cash their Class Member Payments. Therefore, Defendant will not be required to pay any interest on said amounts. Should the court disapprove of the Parties' aforementioned method of handling unclaimed funds, the Parties agree to select a cy pres beneficiary as recipient of said funds. Named Plaintiff and Class Counsel shall identify and propose the potential cy pres beneficiar(ies) and Defendant's consent thereto shall not be unreasonably withheld, so long as the proposed beneficiar(ies) meet the qualifications outlined in California Code of

Civil Procedure § 384(b). If the Parties still cannot mutually agree upon a cy pres beneficiary, each Party shall submit their proposed cy pres beneficiary candidate(s) and the final determination shall be made by the court.

9. No Effect on Employee Benefits. The Named Plaintiff General Release Payment, Class Member Payments, and PAGA Payments paid to Named Plaintiff, PAGA Aggrieved Employees, and Participating Class Members shall be deemed not to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any employee benefits (e.g., vacations, holiday pay, retirement plans, etc.) of the respective Named Plaintiff, PAGA Aggrieved Employees, or Participating Class Members. The Parties agree that any Named Plaintiff's General Release Payment, Participating Class Member Payments, and PAGA Payments paid to Named Plaintiff, Participating Class Members, and PAGA Aggrieved Employees under the terms of this Settlement Agreement do not represent any modification of Named Plaintiff's, Participating Class Members', or PAGA Aggrieved Employees' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendant or any of the Released Parties. Further, any Named Plaintiff General Release Payment, Participating Class Member Payments, or PAGA Payments shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored by Defendant or any of the Released Parties.

D. Taxation

1. Tax Treatment of Class Member Payments. Each Participating Class Member Payment shall be allocated between taxable and non-taxable consideration as follows: 90% will be allocated to alleged penalties and interest for which an IRS Form 1099 will issue, if required by law; and 10% will be allocated to wages, for which an IRS Form W-2 will issue. Each Participating Class Member shall be responsible for ensuring that any taxes due on their 1099 portion of the Class Member Payments are paid.

1 2. The Settlement Administrator will be responsible for calculating the
2 employer-side and employee-side taxes owed on any wage portion of each Class Member
3 Payment and deducting and paying employer and employee-side payroll taxes to the
4 appropriate state and federal agencies, within the timing required by applicable state and
5 federal law. Each Participating Class Member shall be responsible for ensuring that any
6 taxes due on their portion of the Class Member Payments are paid.

7 3. Tax Treatment of PAGA Payments. The PAGA Payment distributed
8 to each PAGA Aggrieved Employee will be treated entirely as non-wage civil penalties,
9 and will be reported as such to each PAGA Aggrieved Employee on an IRS Form 1099
10 misc., if required by law. Each PAGA Aggrieved Employee shall be responsible for
11 ensuring that any taxes due on their 1099 portion of the PAGA Payments are paid.

12 4. Tax Liability. The Parties make no representation as to the tax
13 treatment or legal effect of the payments called for hereunder, and the Parties, Participating
14 Class Members, and PAGA Aggrieved Employees are not relying on any statement,
15 representation, or calculation by any of the Parties or by the Settlement Administrator in
16 this regard. Named Plaintiff, Participating Class Members, and PAGA Aggrieved
17 Employees all understand and agree that except for the employer's portion of any payroll
18 taxes, Named Plaintiff, Participating Class Members, and PAGA Aggrieved Employees
19 will be solely responsible for the payment of any taxes and penalties assessed on the
20 payments described herein. Each Party to this Settlement Agreement (for purposes of this
21 section, the "acknowledging party" and each party to this agreement other than the
22 acknowledging party, an "other party") acknowledges and agrees that (1) no provision of
23 this Settlement Agreement, and no written communication or disclosure between or among
24 the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such
25 communication or disclosure constitute or be construed or be relied upon as, tax advice
26 within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10,
27 as amended); (2) the acknowledging party (a) has relied exclusively upon their own,
28 independent legal and tax counsel for advice (including tax advice) in connection with this

1 Settlement Agreement, (b) has not entered into this Settlement Agreement based upon the
2 recommendation of any other party or any attorney or advisor to any other party, and (c) is
3 not entitled to rely upon any communication or disclosure by any attorney or advisor to
4 any other party to avoid any tax penalty that may be imposed on the acknowledging party;
5 and (3) no attorney or advisor to any other Party has imposed any limitation that protects
6 the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether
7 such limitation is legally binding) upon disclosure by the acknowledging party of the tax
8 treatment or tax structure of any transaction, including any transaction contemplated by
9 this Settlement Agreement.

10 **E. Release of Claims**

11 1. Class Member Release. As of the Effective Date, all Participating Class
12 Members fully and finally release the Released Parties from any and all claims during the
13 Class Period that were pled in the operative complaint in the Action, or which could have
14 been pled in the operative complaint in the Action based on the factual allegations therein,
15 with the understanding that the release does not encompass any claims for unpaid vacation
16 pay or unpaid orientation time. Specifically, without limitation to the prior sentence, the
17 Settlement Class Members knowingly release any and all claims they may have against
18 Defendant under Labor Code Section 203.

19 2. Release of PAGA Claims. As of the date of the Effective Date, PAGA
20 Aggrieved Employees, the State of California, and the LWDA fully and finally release the
21 Released Parties from all claims under the PAGA, Labor Code §§ 2698 *et seq.*, associated
22 with any and all claims that arose during the PAGA Period based on the facts, factual
23 predicates, theories, transactions or occurrences, and primary rights alleged in the Lawsuit,
24 including without limitation claims for California paid sick leave wages (Labor Code §§ 233
25 and 246); claims for failure to timely pay all wages due during employment (Labor Code §§
26 204); claims for failure to timely pay all wages due upon separation of employment (Labor
27 Code §§ 201-203); claims for failure to furnish accurate itemized wage statements (Labor
28 Code § 226); any claim for civil penalties arising out of or related to any or all of the

1 aforementioned claims, including, but not limited to, recordkeeping penalties, wage
2 statement penalties, minimum wage penalties, liquidated damages, and waiting time
3 penalties; and claims for attorneys' fees and costs. The claims released by the PAGA
4 Aggrieved Employees and LWDA expressly include any and all claims under the California
5 Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* that arise out of or
6 arise in connection with the claims and facts alleged in the LWDA Letter, the Lawsuit, and
7 any claims which could have been asserted in the Lawsuit arising from the alleged facts,
8 factual predicate, theories, transactions or occurrences, and/or primary rights alleged to have
9 been invaded, to the fullest extent permitted by law.

10 3. General Release by Named Plaintiff Only. As of the Effective Date,
11 Named Plaintiff fully and finally releases the Released Parties from any and all claims,
12 known and unknown, under federal, state and/or local law, statute, ordinance, regulation,
13 common law, or other source of law now existing, including but not limited to all claims
14 arising from or related to Named Plaintiff's application for, employment with, and
15 termination of employment by Defendant ("Named Plaintiff's Released Claims"). This
16 release excludes the release of claims not permitted by law. Named Plaintiff's Released
17 Claims include all claims, whether known or unknown. Even if Named Plaintiff discovers
18 facts in addition to or different from those that Named Plaintiff now knows or believes to be
19 true with respect to the subject matter of Named Plaintiff's Released Claims, those claims
20 will remain released and forever barred. Thus, Named Plaintiff expressly waives and
21 relinquishes the provisions, rights and benefits of section 1542 of the California Civil Code
22 (to the extent applicable, which reads:

23 **A GENERAL RELEASE DOES NOT EXTEND TO**
24 **CLAIMS THAT THE CREDITOR OR RELEASING**
25 **PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN**
26 **HIS OR HER FAVOR AT THE TIME OF EXECUTING**
27 **THE RELEASE AND THAT, IF KNOWN BY HIM OR**
28 **HER, WOULD HAVE MATERIALLY AFFECTED HIS**
 OR HER SETTLEMENT WITH THE DEBTOR OR
 RELEASED PARTY.

1 4. Notwithstanding the foregoing, Named Plaintiff does not waive or
2 release any claim which cannot be waived or released by private agreement. Further,
3 nothing in this Settlement Agreement shall prevent Named Plaintiff from filing a charge or
4 complaint with, or from participating in, an investigation or proceeding conducted by the
5 SEC, OSHA, EEOC, CRD, NLRB or any other federal, state or local agency charged with
6 the enforcement of any employment or other applicable laws. Named Plaintiff, however,
7 understands that by signing this Settlement Agreement, Named Plaintiff waives the right to
8 recover any damages or to receive other relief in any claim or suit brought by or through the
9 EEOC, the CRD or any other state or local deferral agency on Named Plaintiff's behalf to
10 the fullest extent permitted by law, but expressly excluding any monetary award or other
11 relief available from the SEC/OSHA, including an SEC/OSHA whistleblower award, or
12 other awards or relief that may not lawfully be waived.

13 **F. Settlement Administrator Responsibilities**

14 1. The Settlement Administrator shall be responsible for preparing,
15 printing and mailing to the Class, the Notice of Proposed Settlement of Class Action attached
16 as Exhibit 1 hereto as directed by the Court; calculating Class Member Payments and PAGA
17 Payments; calculating and withholding all required state and federal taxes, including those
18 owed by the Participating Class Members as well as employer-side taxes owing as a result
19 of the Settlement, PAGA Aggrieved Employees, and Defendant as described above; keeping
20 track of opt-outs and objections; drafting and mailing checks to Participating Class Members
21 and PAGA Aggrieved Employees; distributing Named Plaintiff's General Release Payment,
22 the Fees Award, the Costs Award, 75% of the PAGA Payment to the LWDA, and Settlement
23 Administration Costs; providing weekly status reports to counsel for the Parties; providing
24 to Defendant's counsel any opt outs as they are received, providing a due diligence
25 declaration for submission to the Court prior to the Final Approval hearing and as otherwise
26 required by the Court; and for such other tasks as the Parties mutually agree or the Court
27 orders the Settlement Administrator to perform. The Parties each represent they do not have
28

any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

2. The Settlement Administrator's determination of eligibility for, and the amounts of, any Class Member Payment and share of the PAGA Payment shall be conclusive, final and binding on all Parties, including all Participating Class Members and PAGA Aggrieved Employees. The Settlement Administrator has no power or ability to increase the amount of the Gross Settlement Amount. In the event the total of all payments is greater than the Gross Settlement Amount (for example, due to rounding) such amount shall be deducted from the Fees Award.

3. To the extent any tax returns must be filed for the Gross Settlement Amount pursuant to this Settlement Agreement, the Settlement Administrator shall cause to be timely and properly filed all informational and other tax returns, if any, necessary with respect to the Gross Settlement Amount. Such returns shall be consistent with this Agreement. Any expenses and/or costs incurred in connection with the operation and implementation of this paragraph (including, without limitation, reasonable expenses of tax attorneys, accountants or other designees retained by the Settlement Administrator as required for the preparation and filing of tax returns described in this paragraph) shall be treated as, and considered to be, a cost of administration of the Settlement and shall be paid from the Settlement Administration Costs.

4. No person shall have any claim against Defendant, the Released Parties, Defendant's Counsel, Named Plaintiff, Class Counsel or the Settlement Administrator based on distributions and payments made in accordance with this Settlement Agreement.

G. Notice/Approval of Settlement and Settlement Implementation. As part of this Settlement, the Parties agree to the following procedures for obtaining preliminary approval of the Settlement, notifying the Class Members and PAGA Aggrieved Employees, obtaining final Court approval of the Settlement, and processing the settlement payments:

1. Preliminary Approval of Settlement

a. As set by the Court, Named Plaintiff shall file a motion for preliminary approval of the Settlement in the Lawsuit.

b. Named Plaintiff's motion for preliminary approval shall include this Settlement Agreement and will include proposed forms of all notices and other documents as attached hereto necessary to implement the Settlement. Named Plaintiff will request an order from the Court preliminarily approving the Settlement, authorizing distribution of notice of the Settlement, and setting a hearing date to determine Final Approval of the Settlement. Class Counsel will be responsible for drafting all documents necessary to obtain Preliminary Approval. Class Counsel shall provide a draft Motion for Preliminary Approval a minimum of seven (7) days prior to filing, to allow Defendant's counsel opportunity to review, comment, and revise. Should Class Counsel fail to provide the documents seven (7) days in advance of filing, Class Counsel agree to stipulate to a reasonable extension of filing deadlines to allow Defendant's counsel opportunity to review and comment should Defendant so elect.

2. LWDA Notice. Pursuant to the PAGA, concurrently with the filing of the motion for preliminary approval, Named Plaintiff will, pursuant to California Labor Code § 2699(*I*), provide notice of the proposed Settlement to the LWDA. The Parties intend and believe that the notice pursuant to the procedures described in this section complies with the requirements of the PAGA.

3. Notice to Class.

a. Delivery of the Employee List. Within fourteen (14) days of entry of an order preliminarily approving this Settlement, Defendant will provide the Employee List to the Settlement Administrator, which shall be used solely for the administration of this Settlement and for no other purpose, and shall not be shared with any persons or entity not employed by the Settlement Administrator and working on the administration of this Settlement. Access to such Employee List shall be limited to employees of the Settlement Administrator with a need to use the lists for administration of the Settlement. In the event that the Settlement Agreement is not finally approved by the

1 Court, or if it is in any way altered or disapproved on appeal, the Settlement Administrator
2 shall not thereafter use the Employee List, and shall destroy any and all copies or versions
3 of the lists (including any in electronic form).

4 b. Notice By First-Class Mail. Within fourteen (14) calendar days
5 after receipt of the Employee List, the Settlement Administrator shall mail a settlement
6 notice to Class Members via first-class regular U.S. mail. Class Members will have forty-
7 five (45) from the mailing of the class notice to object to the Settlement (the "Objection
8 Deadline"). Class Members will also have forty-five (45) days from the mailing of the class
9 notice to opt out of the Settlement (the "Opt Out Deadline"). Prior to mailing, the Settlement
10 Administrator will perform a search based on the National Change of Address Database
11 information to update and correct for any known or identifiable address changes and, if
12 necessary, perform reasonable skip-tracing efforts to locate Class Members. If a new
13 address is obtained by way of a returned settlement notice, the Settlement Administrator
14 shall promptly forward the original class notice to the updated address via first-class regular
15 U.S. mail indicating on the original class notice the date of such re-mailing.

16 c. Notice Satisfies Due Process. Compliance with the notice
17 procedures specified in this Settlement Agreement shall constitute due and sufficient notice
18 to the Class Members of this Settlement and shall satisfy the requirements of due process.
19 Nothing else shall be required of, or done by, the Parties, Class Counsel or Defendant's
20 Counsel to provide notice of the proposed Settlement. In the event that the procedures in
21 this Settlement Agreement are followed and the intended recipient of a Notice of Settlement
22 still does not receive the settlement notice, the intended recipient shall be a Participating
23 Class Member and will be bound by all the terms of the Settlement and the Final Approval
24 entered by the Court if the Settlement becomes effective.

25 4. Objections.

26 a. Procedure for Objecting. The settlement notice shall provide
27 that Class Members who wish to object to the Settlement must submit a written statement to
28 the Settlement Administrator by the Objection Deadline. A written objection must explain

1 that the Class Member objects to the Settlement Agreement and the reasons for objecting;
2 contain the full name, address, telephone number, and last four digits of the Social Security
3 number of the objecting Class Member; be signed by the Class Member personally; and, be
4 postmarked on or before the Objection Deadline. No PAGA Aggrieved Employee may
5 object to the PAGA Payment, as no such right exists under the law. Unless otherwise
6 ordered by the Court, no Class Member shall be entitled to be heard at the Final Approval
7 hearing (whether individually or through separate counsel) or to object to the Settlement,
8 and no written objections or briefs submitted by any Class Member shall be received or
9 considered by the Court at the Final Approval hearing, unless written notice of intention to
10 appear at the Final Approval hearing, and any written objections, have been provided to the
11 Settlement Administrator on or before the Objection Deadline. The Parties will be permitted
12 to respond in writing to such objections by filing a brief with the Court at least 14 days prior
13 to the Final Approval hearing. Any Class Member who fails to file and serve timely written
14 objections in the manner specified above shall be a Participating Class Member and shall be
15 deemed to have waived any objections and shall be foreclosed from making any objection
16 (whether by appeal or otherwise) to the Settlement.

17 b. No Solicitation of Settlement Objections. The Parties agree to
18 use their best efforts to carry out the terms of this Settlement. At no time shall any of the
19 Parties, or their counsel, seek to directly or indirectly solicit or otherwise encourage Class
20 Members to submit written objections to the Settlement or appeal from the Court's final
21 judgment.

22 5. Opt Outs.

23 a. Procedure for Opting-Out. A Class Member may opt out of the
24 class portion of the Settlement by submitting a written statement to the Settlement
25 Administrator by the Opt-Out Deadline ("Opt-Out Statement"). A written Opt-Out
26 Statement must explain that the Class Member opts out of the Settlement Agreement and
27 must confirm that they understand that by opting out they will not receive a Class Member
28 Payment. The Opt-Out Statement must contain the full name, address, telephone number,

1 and last four digits of the Social Security number of the Class Member who is opting out; be
2 signed by the Class Member personally; and, be postmarked on or before the Opt-Out
3 Deadline. A Class Member who sends an Opt-Out Statement to the Settlement
4 Administrator by the Opt Out Deadline will not participate in or be bound by the Settlement
5 with respect to the Released Class Claims; will not receive a Class Member Payment; and
6 will not be included with those other Participating Class Members counted for purposes of
7 the calculation of the Class Member Payments. However, all PAGA Aggrieved Employees
8 will release the PAGA claims described in section III(B)(2) and will receive a pro rata share
9 of the PAGA Payment regardless of whether they Opt Out of the Settlement.

10 b. No Solicitation of Opt Outs. The Parties agree to use their best
11 efforts to carry out the terms of this Settlement. At no time shall any of the Parties, or their
12 counsel, seek to directly or indirectly solicit or otherwise encourage Class Members to opt
13 out of the Settlement.

14 6. Effect of Simultaneous Objection and Opt Out. If a Class Member
15 submits both an objection and an Opt-Out Statement, the Administrator shall attempt to
16 determine whether the Class Member would like to withdraw either the objection or the
17 Opt-Out Statement. If the Class Member does not withdraw either the objection or the Opt-
18 Out Statement, or if the Administrator cannot contact the Class Member who submits both
19 an objection and an Opt-Out Statement, the Opt-Out Statement shall be deemed valid and
20 shall be deemed to invalidate the objection.

21 7. Nullification of Settlement Agreement. In the event the Court does
22 not enter a Final Approval order and final judgment as provided in this Settlement, a Final
23 Approval order or judgment entered in accordance with this Settlement is reversed by an
24 appellate court, or the Settlement does not become final for any other reason, this
25 Settlement Agreement shall be null and void and any order or judgment entered by the
26 Court in furtherance of this Settlement shall be treated as void ab initio. In such a case, the
27 Parties and any funds to be awarded under this Settlement shall be returned to their
28 respective statuses as of the date and time immediately prior to the execution of this

1 Settlement Agreement, and the Parties shall proceed in all respects as if this Settlement
2 Agreement had not been executed, except that any fees already incurred by the Settlement
3 Administrator shall be borne equally by the Parties. In the event an appeal is filed from the
4 Court's final judgment, or any other appellate review is sought prior to the Effective Date,
5 administration of the Settlement shall be stayed pending final resolution of the appeal or
6 other appellate review.

7 8. Final Approval Hearing and Entry of Final Judgment.

8 a. A Final Approval hearing shall be set by the court to take place
9 after the expiration of the Objection and Opt Out Deadlines to determine Final Approval of
10 the Settlement along with the amount properly payable for (i) the Fees Award and Costs
11 Award, (ii) Named Plaintiff's General Release Payment, (iii) Settlement Administrator's
12 Expenses, (iv) Class Member Payments; and (v) the PAGA Payments. Upon Final Approval
13 of the Settlement, the Parties shall present a proposed final judgment to the Court for its
14 approval. Class Counsel will be responsible for drafting all documents necessary to obtain
15 Final Approval, including a proposed order and judgment. Class Counsel shall provide these
16 documents to Defendant's Counsel a minimum of seven (7) days prior to filing, to allow
17 Defendant's Counsel the opportunity to review and comment, as well as to edit the proposed
18 order and judgment.

19 b. The Settlement Administrator shall keep counsel for the Parties
20 apprised of all distributions from the Qualified Settlement Account and upon completion of
21 administration of all distributions related to the Settlement, the Settlement Administrator
22 shall provide written certification, under penalty of perjury, of such completion to the Court
23 and counsel for all Parties.

24 c. Upon completion of administration of the Settlement, Named
25 Plaintiff and Class Counsel shall provide written certification, under penalty of perjury, of
26 such completion to the Court and Defendant's Counsel.

27 9. Administration Costs. All of Defendant's own legal fees, costs and
28 expenses incurred in the Lawsuit shall be borne by Defendant. As set forth above,

1 Settlement Administration expenses will be paid from the Gross Settlement Amount. The
2 Parties agree to cooperate in the Settlement administration process and to make all
3 reasonable efforts to control and minimize the costs and expenses incurred in administration
4 of the Settlement.

5 **IV. Other Provisions**

6 **A. Publicity.** The Parties agree that neither Defendant, Defendant's Counsel,
7 Named Plaintiff, nor Class Counsel shall issue any public press release or public
8 announcement regarding the Settlement. Named Plaintiff and Class Counsel agree that,
9 prior to preliminary approval of the Settlement, they will keep the terms of the Settlement
10 confidential; however, this term shall not be construed to limit or prohibit any required
11 communications with the Class Members, the court, or others necessary to satisfy counsel's
12 professional/ethical obligations and/or the duties and responsibilities as Class Counsel.
13 Named Plaintiff shall be informed that the Settlement is confidential and shall be advised to
14 keep the Settlement confidential. Named Plaintiff and Class Counsel may comment
15 regarding the specific terms of the Settlement (1) as required by law; (2) as required under
16 the terms of the Settlement; or (3) as required under counsel's duties and responsibilities as
17 Class Counsel. Named Plaintiff shall not, at any time, advertise or mention the terms of the
18 Settlement on social media; shall not discuss the terms of the Settlement with media or
19 general public or issue press releases; and shall limit any statements regarding the terms of
20 the Settlement to that information that is publicly available. Class Counsel shall not, at any
21 time, advertise or mention the terms of the Settlement on personal or firm website(s); shall
22 not discuss the terms of the Settlement with media or general public or issue press releases;
23 and shall limit any statements regarding the terms of the Settlement to that information that
24 is publicly available. Nothing in this Paragraph is intended to interfere with Class Counsel's
25 duties and obligations to faithfully discharge their duties as Class Counsel.

26 **B. Privacy of Documents and Information.** Named Plaintiff and Class Counsel
27 agree that none of the documents and information provided to them by Defendant or as part
28 of this Settlement shall be used for any purpose other than settlement of the Lawsuit. This

1 term shall not be construed to prohibit Named Plaintiff and Class Counsel from complying
2 with a valid subpoena, court order, professional ethical obligations, or any other obligations
3 as required by law.

4 **C. No Admission by the Released Parties.**

5 1. The Released Parties, including Defendant, deny any and all claims
6 alleged in the Lawsuit and deny any and all wrongdoing whatsoever. This Settlement
7 Agreement is not a concession or admission, and shall not be used against Defendant or any
8 of the Released Parties as an admission or indication with respect to any claim of any fault,
9 concession or omission by Defendant or any of the Released Parties. Whether or not the
10 Settlement is finally approved, neither the Settlement, nor any document, statement,
11 proceeding or conduct related to this Settlement Agreement, nor any reports or accounts
12 thereof, shall in any event be: (1) construed as, offered or admitted in evidence as, received
13 as, or deemed to be evidence for any purpose adverse to the Released Parties, including, but
14 not limited to, evidence of a presumption, concession, indication or admission by any of the
15 Released Parties of any liability, fault, wrongdoing, omission, concession or damage; or (2)
16 disclosed, referred to or offered or received in evidence against any of the Released Parties,
17 in any further proceeding in the Lawsuit, or any other civil, criminal or administrative action
18 or proceeding, except for purposes of settling the Lawsuit pursuant to this Settlement
19 Agreement.

20 2. The Released Parties, including Defendant, shall have the right to use
21 this Settlement, including the Releases set forth above, to defend against any claims asserted
22 by or on behalf of Participating Class Members, PAGA Aggrieved Employees, or the
23 LWDA, that are encompassed within the Releases, whether such claims are asserted in the
24 Lawsuit or any other lawsuit.

25 **D. Headings.** The descriptive headings of any paragraphs or sections of this
26 Settlement Agreement are inserted for convenience of reference only and do not constitute
27 a part of this Settlement Agreement.

E. Interim Stay of Proceedings. The Parties agree to hold all proceedings in the Lawsuit, except such proceedings necessary to implement and complete the Settlement, in abeyance pending the Final Approval hearing to be conducted by the Court.

F. Amendment or Modification. This Settlement Agreement may be amended or modified only by a written instrument signed by all Parties or their successors-in-interest.

G. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the entire agreement among these Parties with respect to resolution of the Lawsuit. To the extent there are any other oral or written agreements relating to the subject matter of this Settlement Agreement, this Settlement Agreement controls and supersedes all such agreements. No oral or written representations, warranties or inducements have been made to any Party concerning this Settlement Agreement or its Exhibit other than the representations, warranties and covenants contained and memorialized in this Settlement Agreement and attached Exhibit.

H. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent and who are signing this Settlement Agreement, to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement.

I. Binding on Successors and Assigns. This Settlement Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

J. California Law Governs. All terms of this Settlement Agreement and the Exhibit hereto shall be governed by and interpreted according to the laws of the State of California.

K. Counterparts. This Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument provided that counsel for the Parties to this Settlement Agreement shall exchange among themselves original signed counterparts.

L. This Settlement is Fair, Adequate and Reasonable. The Parties believe this Settlement is a fair, adequate and reasonable settlement of the Lawsuit and have arrived at this Settlement in arms-length negotiations, taking into account all relevant factors, present and potential. This Settlement was reached after extensive negotiations.

M. Jurisdiction. The Court shall retain jurisdiction with respect to the interpretation, implementation and enforcement of the terms of this Settlement Agreement and all orders and judgments entered in connection therewith, and the parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing and enforcing the settlement embodied in this Settlement Agreement and all orders and judgments entered in connection therewith.

N. Cooperation and Drafting. Each of the Parties has cooperated in the drafting and preparation of this Settlement Agreement. Hence, in any construction made to this Settlement Agreement, the same shall not be construed against any of the Parties.

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

P. Severability. Should any clause or provision of this Settlement Agreement be declared illegal or unenforceable, it shall be modified or reformed as minimally necessary to be enforceable. If the provision cannot be modified or reformed to be enforceable, such provision shall be severed and deemed null and void, leaving the remainder of this Settlement Agreement in full force and effect.

Q. Named Plaintiff's General Release Remains Effective. Named Plaintiff agrees to sign this Settlement Agreement, and by signing this Settlement Agreement he is

bound by the terms herein stated upon Final Approval, including without limitation the general release set forth above. Named Plaintiff shall retain his right to participate as a Class Member under this Settlement Agreement. Named Plaintiff cannot opt out or object to the Settlement.

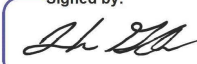
R. No Liens or Encumbrances

Named Plaintiff and Class Counsel represent and warrant that there are no liens or encumbrances on any amounts payable under this Settlement Agreement, including on the Gross Settlement Amount and any of its components, including the amounts allocated for Fees Award and Costs Award to Class Counsel, Named Plaintiff's General Release Payment, the Class Member Payments, the PAGA Payments (which includes payments to the LWDA), and Settlement Administration Costs.

Having read the foregoing, having fully understood and agreed to the terms and provisions of this Settlement Agreement and intending to be bound hereby, the Parties voluntarily and of their own free will execute this Agreement as follows:

NAMED PLAINTIFF

Date: 5/28/2026

Signed by:

47C9121F80534F3...
JOSHUA GIBBS

**DEFENDANT SWIFT TRANSPORTATION
CO. OF ARIZONA, LLC**

Date:

Signed by:

E12CEAC6498C498
By: Soumit Roy
Its: General Counsel

1 **APPROVED AS TO FORM BY:**

2 **DIVERSITY LAW GROUP**

3 Date: May 27, 2026

4 
Simon Yang
Attorney for Joshua Gibbs

6 **SHEPPARD, MULLIN, RICHTER &
7 HAMPTON LLP**

8
9 Date: June 9, 2026

10 
Paul S. Cowie
Attorney for Swift Transportation Co. of Arizona,
11 LLC

EXHIBIT 1

This notice is being sent pursuant to a court order. This is not a solicitation from a lawyer.

NOTICE OF CLASS ACTION SETTLEMENT

Joshua Gibbs v. Swift Transportation Co. of Arizona, LLC,

United States District Court for the Southern District of California Case No. 24-cv-2209-LL-DEB

If you worked for Swift Transportation Co. of Arizona, LLC as an over-the-road driver while assigned to a Swift Transportation terminal in California and took sick leave at any time between April 2, 2020, and February 9, 2026, you could receive a payment from a class action settlement (the “Settlement”).

Read this notice carefully, as your legal rights could be affected whether you act or not.

The United States District Court for the Southern District of California (the “Court”) has preliminarily approved a Settlement that could affect your rights. The proposed Settlement resolves a class action and Labor Code Private Attorneys General Act of 2004 (“PAGA”) representative claim filed by Plaintiff, Joshua Gibbs, against Defendant, Swift Transportation Co. of Arizona, LLC, which has been designated Case No. 24-cv-2209-LL-DEB (the “Action”).

- The Action pursues claims against Defendant that are based on an alleged underpayment of sick pay wages. Specifically, Plaintiff alleges that Defendant underpaid sick pay wages when some employees were paid sick pay wages in workweeks in which they also earned non-base hourly wages or other non-hourly, nondiscretionary remuneration, including for example production pay and performance pay. Based on this theory, the Action pursues class action claims and representative action PAGA claims.
- The Court has not decided that Defendant did anything wrong. Defendant denies Plaintiff’s allegations and maintains that it has fully complied with the law and paid sick pay wages at the correct rate. By agreeing to the Settlement, Defendant in no way admits any violation of law or any liability whatsoever to Plaintiff or others and expressly denies all such liability. Both Plaintiff and Defendant have agreed to the Settlement in light of all known facts and circumstances—including the uncertainty associated with litigation.
- If the Court grants final approval of the settlement, the Settlement would provide a cash fund for members of the Class to split based on the number of workweeks that they each took sick leave from April 2, 2020, and February 9, 2026.¹
- Based on Defendant’s records, you worked XXX relevant workweeks as a Class Member and XXX relevant pay periods as a PAGA Employee. An *estimate* of the amount that could be allocated to you is \$XXX as a Class Member and \$XXX as a PAGA Employee. Whether you receive a payment depends on whether the Court grants final approval of the class action settlement, and the amount you ultimately receive depends on the terms the Court finally approves and whether you opt out of the class action settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS CLASS ACTION SETTLEMENT:	
DO NOTHING	You do not have to do anything in response to this notice. If you do nothing and the Court grants final approval of the Settlement, you will remain eligible to automatically receive an Individual Settlement Payment and will be bound by the release provisions of the Settlement.
OPT OUT	You may opt out of the Class Settlement by submitting a Request for Exclusion. If you opt out, you may not object to the Class Settlement, will not be eligible to receive an Individual Settlement Payment, and will not be bound by the release provisions of the Settlement. You cannot opt out of the PAGA Settlement.

¹ Class Members who worked during the “PAGA Period,” or April 2, 2023, through February 9, 2026, may also be PAGA Employees, who are entitled to an additional payment as a PAGA Employee. If the Court approves the PAGA settlement, you will receive an Individual PAGA Payment, regardless of whether you opt out of or object to the class settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS CLASS ACTION SETTLEMENT:**OBJECT**

You may object to the Class Settlement by submitting a written objection. If you object and the Court grants final approval of the Settlement despite your objection, you will remain eligible to automatically receive an Individual Settlement Payment and will be bound by the release provisions of the Settlement. You cannot object to the PAGA Settlement.

**THIS NOTICE IS NOT AN EXPRESSION OF ANY OPINION FROM THE COURT
AS TO THE MERITS OF THE CLAIMS.****1. Why Did I Receive This Notice?**

You are receiving this Notice of Class Action Settlement (the “Notice”) because Defendant’s records show that you are a “Class Member” because you were an over-the-road driver while assigned to a Swift Transportation terminal in California and took sick leave at any time between April 2, 2020, and February 9, 2026 (the “Class Period”). You also may be a PAGA Employee if you are a Class Member who was paid sick leave at any time between April 2, 2023, and February 9, 2026 (the “PAGA Period”). PAGA Employees may be entitled to share in the funds to be made available for the PAGA settlement.

Because the Settlement preliminarily approved by the Court would affect Settlement Class Members’ legal rights, the Court ordered that this Notice be sent to you. This Notice provides a brief description of the Action, informs you of the settlement terms preliminarily approved by the Court, and advises you of your legal rights with respect to the Settlement. If the Court finally approves the Settlement, the Settlement will fully resolve the Action, and your legal rights may be affected by the Settlement.

The Court has preliminarily approved (i) Larry W. Lee and Simon L. Yang of Diversity Law Group, P.C. and (ii) William L. Marder of Polaris Law Group as Class Counsel.

The terms of the Settlement are set forth in detail in the Settlement Agreement of Class Action and Private Attorneys General Act Claims (“Agreement”). You may obtain a copy of the Agreement from Phoenix Settlement Administrators, a neutral third-party appointed by the Court to administer the settlement (the “Administrator”).

2. What Is the Action About?

On April 2, 2024, Plaintiff filed the original complaint initiating the Action. In the operative First Amended Complaint, Plaintiff alleges that Defendant violated the California Labor Code by underpaying sick pay wages. On that basis, the First Amended Complaint alleges four causes of action against Defendant for (1) underpayment of sick pay wages; (2) inaccurate itemized wage statements; (3) unfair or unlawful business practices; and (4) violations of the California Labor Code under PAGA.

Defendant denies (i) all of the allegations made by Plaintiff, (ii) that it violated any applicable laws, and (iii) that it is liable or owes damages, penalties, or other compensation or remedies to anyone with respect to the alleged facts or claims asserted in the Action. Nonetheless, without admitting or conceding any liability or wrongdoing whatsoever, Defendant has agreed to settle the Action, to avoid the burden, expense, and uncertainty of continuing the Action.

3. What Are the Payments Under the Settlement?

Defendant agrees to pay a Gross Settlement Amount of \$550,000.00, which is inclusive of any Administration Costs, Attorneys’ Fees and Costs Award, General Release Payment, PAGA Penalty Fund, and Individual Class Payments awarded by the Court. The Court may approve payment of (i) Administration Costs to the Administrator for administering the settlement (printing, distributing, or tracking Notices, distributing payments, etc.); (ii) an Attorneys’ Fees and Costs Award to Class Counsel for litigation and resolution of the Action; (iii) General Release Payment to Plaintiff both for his efforts in prosecuting the Action for Class Members and for Plaintiff’s additional general releases of claims inapplicable to Class Members; and (iv) a PAGA Penalty Fund.

PAGA Penalty Fund: The Settlement requests that the Court approve a PAGA Penalty Fund of \$50,000.00. Pursuant to Labor Code requirements, 75% of the PAGA Penalty Fund, or \$37,500.00, will be allocated to the Labor and Workforce Development Agency (“LWDA”) as an LWDA Payment. The remainder of the PAGA Penalty Fund, or \$12,500.00, will be allocated and entirely payable to PAGA Employees as described below.

Individual Class Payments and Individual PAGA Payments: Individual Class Payments shall be distributed to Settlement Class Members and Individual PAGA Payments shall be distributed to PAGA Employees, respectively, without the need to submit a claim form.

Allocations for amounts payable to Settlement Class Members will be proportionately allocated based on the total number of workweeks that each Settlement Class Member took sick leave during the Class Period. Allocations for amounts payable to PAGA Employees will be proportionately allocated based on the total number of pay periods that each PAGA Employee took sick leave during the PAGA Period.

10.0% of Individual Class Payments shall be allocated to wages and subject to IRS Form W-2 reporting; the remainder of Individual Class Payments and all Individual PAGA Payments shall be allocated to interest and penalties and subject to IRS Form 1099 reporting. Through this settlement, each Settlement Class Member and PAGA Employee shall agree to be solely and legally responsible for paying all other applicable taxes on their respective Individual Class Payments and Individual PAGA Payments and shall indemnify and hold harmless the Parties from any claim or liability for taxes, penalties, or interest arising as a result of the payments.

All uncashed or undeliverable settlement checks will expire 180 days after the postmarked date of their initial mailing. After 180 days, the sum value of all expired checks will be tallied by the Administrator. The Administrator shall direct the principal for any expired checks in accordance with the Final Approval Order. The Parties shall request that the Court order that the principal for any expired checks escheat to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code §§ 1500 et seq., for the benefit of those Settlement Class Members and PAGA Employees who did not cash their checks until such time that they claim their property.

Attorneys’ Fees and Costs Award: You do not need to individually pay any portion of Class Counsel’s attorneys’ fees and costs. Any payments for those attorneys’ fees and costs will be determined by the Court. Class Counsel intends to request that the Court approve an Attorneys’ Fees and Costs Award in the amount of (a) 33⅓% of the Gross Settlement Amount (or \$183,333.33) and (b) actual litigation costs incurred.

General Release Payment: Any General Release Payment is to be determined by the Court and would be supplemental to Plaintiff’s Individual Settlement Payments. Class Counsel intends to request that the Court approve General Release Payment of \$10,000.00 for Plaintiff’s efforts in prosecuting the Action for Class Members and for Plaintiff’s additional general releases of claims inapplicable to Class Members.

Administration Costs: Class Counsel intends to request that the Court approve Administration Costs of up to \$21,500.00, payable to the Administrator for administering the settlement, including, but not limited to, printing, distributing, or tracking Notices, providing any required tax forms, processing any required tax payments, or reporting, and calculating and distributing all payments under the Settlement.

All Payments Subject to Court Approval: The above payments will be made if and only if the Court concludes the settlement is reasonable, fair, and adequate for the Class. The Court may adjust the amounts of certain payments.

4. What Do I Release Under the Settlement?

If the Court grants final approval of the settlement and concludes it is reasonable, fair, and adequate for Class Members, Settlement Class Members would release Defendant, and each of its past, present and future agents, employees, servants, owners, officers, directors, partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships (defined as a company/corporation and/or partnership that is, directly or indirectly, under common control with Defendant or any of its parents and/or affiliates), divisions, assigns, predecessors, successors, insurers, consultants, joint ventures, any actual or alleged joint employers of the Class, affiliates, and alter-egos, and all of their respective past, present and future employees, directors, officers, agents, owners, attorneys, insurers, stockholders, fiduciaries, parents, subsidiaries, and assigns (a “Released Party”) from any and all claims during the Class Period

that were pled in the operative complaint in the Action, or which could have been pled in the operative complaint in the Action based on the factual allegations therein, with the understanding that the release does not encompass any claims for unpaid vacation pay or unpaid orientation time. Specifically, without limitation to the prior sentence, the Settlement Class Members knowingly release any and all claims they may have against Defendant under Labor Code Section 203.

This means that, if you do not timely and formally exclude yourself from the settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant about the issues resolved by this Settlement. It also means that all of the Court's orders in this Action will apply to you and legally bind you.

5. How Do I Object to the Settlement?

If you want to participate in the Class Settlement, you do not have to do anything and do not have to appear at the final approval hearing before the Court. You will automatically receive your Individual Settlement Payment if the Court grants final approval of the settlement.

If you want to object to the Class Settlement, you may appear at the final approval hearing to object to the settlement. Alternatively, you must take the steps below:

- (1) You must mail a written statement to the Administrator listed below.
- (2) The written statement must include: your name, address, last four digits of your Social Security number, the basis for your objection, and signature.
- (3) If you object, you may but are not required to appear at the final approval hearing either in person or through counsel, paid for at your own expense.
- (4) The written statement must be postmarked by **[45 calendar days after the initial mailing of Notice]**.

If you object, you will remain bound by the settlement if finally approved. If you do not want to be bound by the Class Settlement if finally approved, you must opt out of the settlement.

6. How Do I Opt Out of the Settlement?

If you do not want to participate in the Settlement, you may opt out of the Settlement. If you opt out of the settlement, you may not object to the Settlement, will not receive any Individual Settlement Payment, and will not be bound by the release provisions of the Settlement.

In order to opt out, you MUST express your desire to be excluded from the Settlement by mailing to the Administrator a "Request for Exclusion," which must state "Request for Exclusion," include your name, current address, current telephone number, last four digits of your social security number, and signature. Any such Request for Exclusion must be postmarked by **[45 calendar days after the initial mailing of Notice]**.

Any Request for Exclusion that does not include all required information or that is not submitted on a timely basis will be deemed null, void, and ineffective. A Request for Exclusion shall be deemed to be submitted as of the postmarked date. If you submit both a Request for Exclusion and an objection, your Request for Exclusion will be valid and be deemed to invalidate the objection.

7. Where Can I Get Additional Information?

This Notice summarizes the Settlement. For more information, you may contact the Administrator. Contact information for the Administrator and Class Counsel are as follows:

Administrator: xxx xxx xxx, California xxx Telephone: (xxx) xxx-xxxx	Class Counsel: DIVERSITY LAW GROUP, P.C. Larry W. Lee (lwlee@diversitylaw.com) Simon L. Yang (sly@diversitylaw.com) 515 S. Figueroa St., Suite 1250 Los Angeles, California 90071 Telephone: (213) 488-6555	POLARIS LAW GROUP William L. Marder (bill@polarislawgroup.com) 501 San Benito Street, Suite 200 Hollister, California 95023 Telephone: (831) 531-4214
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PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THE SETTLEMENT

EXHIBIT 2