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Attorneys for Plaintiff Frank Breckenridge

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ALAMEDA**

FRANK BRECKENRIDGE, individually and
on behalf of other similarly situated,

Plaintiffs,

vs.

PACIFIC MATERIAL HANDLING
SOLUTIONS, INC.; and DOES 1 through 25,
inclusive,

Defendants.

Case No. 24CV070227 [*lead case*]
[*consolidated with* Case No. 24CV078938]

Honorable Somnath Raj Chatterjee
Department 21

**SUPPLEMENTAL DECLARATION OF
ANNABEL BLANCHARD IN SUPPORT OF
PLAINTIFF'S MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION AND PAGA
SETTLEMENT**

Date: February 24, 2026
Time: 2:30 p.m.
Dept.: 21

Class Complaint Filed: April 3, 2024
PAGA Complaint Filed: June 7, 2024
Consolidated: February 11, 2025
Trial Date: Not Set

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1. I am an attorney duly licensed to practice law in all Courts of the State of California. I am a member of Blackstone Law, APC (“Class Counsel”), attorneys of record for Plaintiff Frank Breckenridge (“Plaintiff”).

3. On September 5, 2025, Plaintiff filed his Motion for Preliminary Approval of Class Action and PAGA Settlement (“Motion”), which was set for hearing on December 16, 2025. On December 15, 2025, the Court issued a Tentative Ruling (“Tentative Ruling”) wherein it indicated that the parties would have to make certain revisions to the Settlement Agreement in order to obtain the Court’s preliminary approval.

5. The Parties submitted on the Tentative Ruling and, on December 16, 2025, the Court entered a minute order adopting its Tentative Ruling as its Order, and continuing the hearing on Plaintiff's Motion to February 24, 2026 at 2:30 p.m. (*See* December 16, 2025 Minute Order attached hereto as **Exhibit 1.**)

6. In order to address the Court’s concerns, the Parties have executed the Amended Joint Stipulation of Class Action and PAGA Settlement (“Amended Settlement Agreement” attached as **Exhibit 2**) on January 28, 2026. Attached as **Exhibit 3** is a redlined version of the Amended Settlement Agreement, comparing it to the original settlement agreement.

7. Attached as **Exhibit 4** is a revised Class Notice to be sent to Class Members, which incorporates the revisions made to the Amended Settlement Agreement (“Revised Class Notice”). Attached as **Exhibit 5** is a redlined version comparing the original Class Notice with the Revised Class Notice.

8. Filed concurrently with this declaration is a Revised Proposed Order which references the Amended Settlement Agreement and attaches the Revised Class Notice.

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

Executed on February 17, 2026, at La Crescenta, California

A. Blanchard

Annabel Blanchard

EXHIBIT 1

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ALAMEDA

Rene C. Davidson Courthouse, Department 21

JUDICIAL OFFICER: HONORABLE S. RAJ CHATTERJEE

Courtroom Clerk: Belinda Mercado

CSR: None

24CV070227

December 16, 2025
2:30 PM

BRECKENRIDGE

vs

PACIFIC MATERIAL HANDLING SOLUTIONS, INC

MINUTES

NATURE OF PROCEEDINGS: Hearing on Motion - Other Motion for Preliminary Approval of Class Action and PAGA Settlement; filed by FRANK BRECKENRIDGE (Plaintiff) CRS# 739454832013 filed by FRANK BRECKENRIDGE (Plaintiff) on 09/05/2025

Prior to the hearing, the Court issued a tentative ruling, which was not contested and was affirmed as set forth below.

The Hearing on Motion - Other Motion for Preliminary Approval of Class Action and PAGA Settlement; filed by FRANK BRECKENRIDGE (Plaintiff) CRS# 739454832013 scheduled for 12/16/2025 is continued to 02/24/2026 at 02:30 PM in Department 21 at Rene C. Davidson Courthouse .

The motion of plaintiffs for preliminary approval of class action and PAGA settlement is CONTINUED.

The court ORDERS that the parties must file any brief or amended settlement agreement that addresses the concerns at least 5 court days before the continued hearing date.

Adolph v. Uber Technologies (2023) 14 Cal.5th 1104, clarified that in a case such as this there are three types of claims: (1) claims that the named plaintiff asserts on their individual behalf; (2) claims that the named plaintiff asserts as agent or proxy of the LWDA; and (3) claims that the named plaintiff asserts as a representative of the absent class members, which are the claims that the absent class members could have asserted on their own individual selves.

In Turrieta v. Lyft, Inc. (2024) 16 Cal.5th 664, 682, the California Supreme Court affirmed that every claim under the PAGA is asserted as proxy or agent of the LWDA. The California Supreme Court also states: “under PAGA ... absent employees do not own a personal claim for PAGA civil penalties [citation], and whatever personal claims [they] might have for relief are not at stake.” [citation]) In other words, ... a PAGA plaintiff “ ‘represents a single principal’ ” — the LWDA — and a PAGA action “do[es] not adjudicate [the] individually held claims” of absent employees ...” (Turrieta, 16 Cal.5th at fn 12)

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The releases in a case with individual, class, and PAGA claims must be consistent with the nature of the three types of claims that the case asserts.

ISSUE #1 - RELEASE OF CLAIMS BY NAMED PLAINTIFF

The Agreement properly releases the claims of the named plaintiff, which can include a Civil Code 1542 waiver. (Agt 34) This is adequate.

ISSUE #2 – RELEASE OF LWDA’S CLAIMS BY PLAINTIFF UNDER PAGA.

Under the PAGA, a private plaintiff brings an action as proxy or agent of the LWDA. (Turrieta v. Lyft, Inc. (2024) 16 Cal.5th 664, 682; Kim v. Reins International California, Inc. (2020) 9 Cal.5th 73, 81.) Every PAGA action is “a dispute between an employer and the state.” (Iskanian v. CLS Transp. Los Angeles, LLC (2014) 59 Cal.4th 348, 386.)

The Agreement state that “PAGA Employees” are releasing the claims of the claims of the State of California (LWDA). (Agt para 33.) This is not adequate.

The scope of the LWDA’s release is limited to the scope of the PAGA notice letter. (LaCour v. Marshalls of California, LLC (2023) 94 Cal.App.5th 1172, 1192-1196.) The agreement states that the LWDA is releasing claims that could have been raised in the PAGA Action. (Agt para 8.ff) The release is overbroad. This is not adequate.

ISSUE #3 - RELEASE OF LWDA’S CLAIMS BY “PAGA MEMBERS”

The named plaintiff does not represent the aggrieved employees (PAGA Employees) in the claims under PAGA and therefore cannot release PAGA claims on their behalf. Some settlements suggest that under the terms of the settlement the aggrieved employees are releasing the claims that they might assert as agents of the LWDA under the PAGA. That would be contrary to California law.

The harm of a misstatement that the plaintiff represents the aggrieved employees is twofold. First, the court is not inclined to approve agreements that are contrary to law. Second, as noted above, there have been many appellate decisions addressing and re-addressing the law that a PAGA claim is on behalf of the state and is not on behalf of the employees. The court is not inclined to perpetuate any confusion by approving a settlement that inaccurately states that a PAGA plaintiff represents the aggrieved employees.

Defendant can assert the settlement as a defense to any future claims for penalties brought by the LWDA or any claims brought on behalf of the LWDA under PAGA. A PAGA settlement on behalf of the LWDA might preclude the LWDA from asserting the same claim for a second time. Any such defense would exist because the LWDA is bound by the terms of the settlement agreement.

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This is similar to the situation where a District Attorney recovers restitution on behalf of a victim of a crime. (Penal Code 1202.4(f)(3), (i).) The District Attorney does not represent the victim. (People v. Seumanu (2015) 61 Cal.4th 1293, 1344-1345; People v. Eubanks (1996) 14 Cal.4th 580, 589-590.) A settlement by the District Attorney of the claims of The People is not a settlement of the potential civil claims of the victims. (Vigilant Ins. Co. v. Chiu (2009) 175 Cal.App.4th 438, 442-443.) If the victim files a civil case against the defendant, then the defendant can assert that any victim compensation payment in the criminal case is an offset in the civil case. (Penal Code 1202.4(j).)

The court notes that although it is legally significant that a claim under the PAGA is on behalf of the LWDA, that issue has no practical effect in the context of a settlement. If any aggrieved employee were to assert a subsequent claim on behalf of the LWDA then the employer could assert the settlement agreement as a defense to the LWDA's claims. If the LWDA's claims have been released, then it is immaterial whether the settlement agreement states (correctly) that LWDA has released its claims or states (incorrectly) that other employees cannot assert claims on behalf of the LWDA.

The Agreement incorrectly states that the PAGA Employees are releasing the LWDA's claims. (Agt para 33) A release of the claims asserted under PAGA is binding on the LWDA. A release of claims asserted under PAGA is not binding on the "Aggrieved Employees." This is not adequate.

ISSUE #4 - RELEASE OF CLAIMS BY MEMBERS OF THE CLASS.

The members of the class release claims arising out of the claims in the complaint where the named plaintiffs are typical and can adequately represent the class. (Amaro v. Anaheim Arena Management, LLC (2021) 69 Cal.App.5th 521, 537-538.)

The Agreement states that Class Members are releasing the released class claims. The Class release is the release of the individual claims that members of the class could have asserted as individuals. The Class release improperly states that the members of the class are releasing "statutory penalties based on the foregoing pursuant to PAGA (Lab. Code, §§ 2698-2699.6)." (Agt 32.) This is not adequate.

ISSUE #5. RESIDUAL BENEFICIARY

The agreement states that the residual will go to the Unclaimed Property Fund. (CCP 1300 et seq) (Agt 19.) This is not likely to get the money to the relevant employees. Sending funds to the Unclaimed Property Fund is not consistent with CCP 384. The agreement must identify a cy pres beneficiary consistent with CCP 384. Counsel must provide a declaration with the CCP 382.4 information. Given that the claims are on behalf of the LWDA, the cy pres beneficiary could be the LWDA. This is not adequate.

ISSUE #6. NUMBER OF DAYS TO CASH CHECKS / SECOND DISTRIBUTION

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The agreement states that the check cashing period is 180 days. (Agt 19.) The court finds that 120 days is an adequate time for absent class members to cash the checks. This is not adequate.

The court's PRE-TENTATIVE order is as follows:

The motion of plaintiffs for preliminary approval of class action and PAGA settlement is _____.

The complaint alleges various Labor Code claims.

The case preliminarily settled for a total of \$500,000. The settlement agreement states there will be attorneys' fees of up to \$ 175,000 (35%), costs of up to \$30,000, Service Payment of \$10,000 to Plaintiff; a PAGA payment of \$50,000 (\$37,500 to the LWDA), and administrative expenses of up to \$6,000. After these expenses, the amount available to be distributed to the Class would be \$229,000. There are an estimated 113 Class Members, so the average net recovery for each class member would be \$2,026.

The motion makes an adequate analysis as required by Kullar v. Foot Locker Retail, Inc. (2008) 168 Cal.App.4th 116.

The proposed class notice form and procedure are adequate. [TO BE AMENDED IF SETTLEMENT TERMS ARE CHANGED]

The proposed class is appropriate for class certification.

The scope of the named plaintiff release is appropriate. The agreement for the named plaintiff may include a Civil Code 1542 waiver.

The scope of the LWDA's release for claims asserted under the PAGA is [NOT] appropriate.

The PAGA release does not release claims by the aggrieved employees. The scope of the LWDA's release is [NOT] limited to the scope of the PAGA notice letter. (LaCour v. Marshalls of California, LLC (2023) 94 Cal.App.5th 1172, 1192-1196.)

The scope of the class release is [NOT] appropriate. The scope of the class release is limited to the claims arising out of the claims in the complaint where the named plaintiffs are typical and can adequately represent the class. (Amaro v. Anaheim Arena Management, LLC (2021) 69 Cal.App.5th 521, 537-538.) The release of claims by the class is limited by the "factual predicate rule." (Hesse v. Sprint Corp. (9th Cir. 2010) 598 F.3d 581, 590.) (See also Hendricks v. Starkist Co (N.D. Cal. 2016) 2016 WL 692739 at * 2-4 [Denying motion for final approval of class settlement because scope of release overbroad].) The scope of the class release does [NOT] include a release of the LWDA's claims.

The Court notes and approves of the plan to distribute the settlement funds with no claims process.

The unclaimed funds will be distributed to _____. This is consistent with CCP 384. Counsel has [NOT] provided a declaration in support of the motion that provides the information required by CCP 382.4.

The Court will not approve the amount of attorneys' fees and costs until the final approval

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hearing. The Court cannot award attorneys' fees without reviewing information about counsel's hourly rate and the time spent on the case. This is the law even if the parties have agreed that Defendants will not oppose the motion for fees. (Robbins v. Alibrandi (2005) 127 Cal. App. 4th 438, 450-451.)

"Because absent class members are not directly involved in the proceedings, oversight to ensure settlements are fair and untainted by conflict is the responsibility of both the class representative and the court." (Mark v. Spencer (2008) 166 Cal.App.4th 219, 227.)

"[T]horough judicial review of fee applications is required in all class action settlements and the fairness of the fees must be assessed independently of determining the fairness of the substantive settlement terms." (Consumer Privacy Cases (2009) 175 Cal.App.4th 545, 555-556.)

The court sets out its standard analysis below. Counsel may address that analysis in the fee application.

The Ninth Circuit's benchmark is 25%. (Laffitte v. Robert Half Internat. Inc. (2016) 1 Cal.5th 480, 495.)

This court's benchmark for fees is 30% of the total fund. (Laffitte v. Robert Half Internat. Inc. (2016) 1 Cal.5th 480, 495; Schulz v. Jeppesen Sanderson, Inc. (2018) 27 Cal.App.5th 1167, 1175; Consumer Privacy Cases (2009) 175 Cal.App.4th 545, 557 fn 13; Chavez v. Netflix, Inc. (2008) 162 Cal.App.4th 43, 66 fn 11.) The court recently reviewed and reaffirmed its use of a benchmark of 30%. (Hurtubise v. Sutter East Bay Hosp. (2021) 2021 WL 11134912.)

When cross-checking with the lodestar/multiplier, the court will evaluate the lodestar based on reasonable fees that would have been charged at hourly rates and then apply a multiplier. The multiplier includes contingent fee risk and other factors.

When considering risk, the court considers there is less risk in a case with fee shifting statutes because counsel's potential fees are not limited by and coupled to the monetary recovery. "The law does not mandate ... that attorney fees bear a percentage relationship to the ultimate recovery of damages in a civil rights case." (Harman v. City and County of San Francisco (2007) 158 Cal.App.4th 407, 419.) (See also Heritage Pacific Financial, LLC v. Monroy (2013) 215 Cal.App.4th 972, 1006-1007.)

The Court will not decide the amount of any service award until the final approval hearing. Plaintiff must provide evidence regarding the nature of his participation in the action, including a description of his specific actions and the amount of time he committed to the prosecution of the case. (Clark v. American Residential Services LLC (2009) 175 Cal.App.4th 785, 804-807.) The court's standard service award is \$7,500.

The Court ORDERS that the final approval hearing is set for _____.

The Court ORDERS that funds not be distributed to the cy pres beneficiary until after Court approval of a final accounting.

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The Court ORDERS that 10% of any fee award to be kept in the administrator's trust fund until the completion of the distribution process and Court approval of a final accounting.

The Court will set a compliance hearing after the completion of the distribution process and the expiration of the time to cash checks for counsel for plaintiff and the Administrator to comply with CCP 384(b) and to submit a summary accounting how the funds have been distributed to the class members and the status of any unresolved issues. If the distribution is completed, the Court will at that time order distribution of the cy pres funds and release any hold-back of attorney fees.

The court ORDERS that at the time of the final accounting that counsel for plaintiff transmit a copy of this order and the final judgment and the final accounting to the Judicial Council. (CCP 384.5; Govt Code 68520.)

The court will sign the proposed order, which is modified by this order. Plaintiff must reserve a hearing for the motion for final approval.

The Court orders counsel to obtain a copy of this order from the eCourt portal.



By: B. Mercado, Deputy Clerk
Minutes of: 12/16/2025
Entered on: 12/17/2025

EXHIBIT 2

1 §§ 2698 *Et Seq* in the action entitled *Breckenridge v. Pacific Material Handling Solutions, Inc.*,
2 Alameda County Superior Court Case No. 24CV078938 (“PAGA Action”), thereby commencing a
3 PAGA Action against Defendant. The PAGA Action alleges a sole cause of action for civil penalties
4 under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698, *et*
5 *seq.* (“PAGA”) based on the aforementioned California Labor Code violations. On or around February
6 10, 2025, pursuant to the Parties’ joint stipulation, the Court consolidated the Class Action and the
7 PAGA Action for settlement purposes (collectively referred to as the “Action”).

8 2. Defendant denies all allegations set forth in the Action, denies any failure to comply
9 with the laws identified in the Action, denies any and all liability for the causes of action alleged in
10 the Action, and has asserted numerous affirmative defenses. Notwithstanding, in the interest of
11 avoiding further litigation, Defendant desires to fully and finally settle the Action, Released Class
12 Claims (as defined herein), and Released PAGA Claims (as defined herein).

13 3. Class Counsel diligently investigated the class and PAGA claims against Defendant,
14 including any and all applicable defenses and the applicable law. The investigation included, *inter*
15 *alia*, the exchange of information, data, and documents, including pay records, time records,
16 declarations from Class Members, and review of corporate policies and practices. The Parties have
17 engaged in sufficient informal discovery and investigation to assess the relative merits of the claims
18 and contentions of the Parties.

19 4. The Court has not granted class certification.

20 5. On December 20, 2024, the Parties participated in mediation with Monique Ngo-
21 Bonnici (the “Mediator”), a respected mediator of complex wage and hour actions, and with the
22 assistance of the Mediator’s evaluations, the Parties reached the settlement that is memorialized herein.
23 The Parties’ settlement discussions were conducted at arms’ length, and the Settlement is the result of
24 an informed and detailed analysis of Defendant’s potential liability and exposure in relation to the
25 costs and risks associated with continued litigation. Based on Class Counsel’s investigation and
26 evaluation, Class Counsel believes that the settlement with Defendant for the consideration and on the
27 terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest
28 of the Class Members, State of California, and PAGA Employees in light of all known facts and

1 circumstances, including the risk of significant delay and uncertainty associated with litigation and
2 various defenses asserted by Defendant.

3 6. The Parties expressly acknowledge that this Settlement Agreement is entered into
4 solely for the purpose of compromising significantly disputed claims and that nothing herein is an
5 admission of liability or wrongdoing by Defendant. If for any reason this Settlement Agreement is
6 not approved, it will be of no force or effect, and the Parties shall be returned to their original respective
7 positions.

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

11 **DEFINITIONS**

12 8. The following definitions are applicable to this Settlement Agreement. Definitions
13 contained elsewhere in this Settlement Agreement will also be effective.

14 a. “Attorneys’ Fees and Costs” means attorneys’ fees approved by the Court for
15 Class Counsel’s litigation and resolution of the Action and all actual costs and expenses incurred and
16 to be incurred by Class Counsel in connection with the Action, as set forth in Paragraph 12.

17 b. “Class” or “Class Member(s)” means all current and former hourly-paid and/or
18 non-exempt employees who worked for Defendant within the State of California at any time during
19 the Class Period.

20 c. “Class Counsel” means Jonathan M. Genish, Barbara DuVan-Clarke, Danielle
21 L. GruppChang, P.J. Van Ert, and Annabel Blanchard of Blackstone Law, APC, who represent
22 Plaintiff and will seek to be appointed counsel for the Class.

23 d. “Class List” means a complete list of all Class Members that Defendant will
24 diligently and in good faith compile from its records and provide to the Settlement Administrator. The
25 Class List will be formatted in a readable Microsoft Office Excel spreadsheet containing the following
26 information for each Class Member: (1) full name; (2) last known mailing address; (3) Social Security
27 number; (4) dates worked for Defendant during the Class Period; (5) Workweeks worked for
28 Defendant during the Class Period; (6) Pay Periods worked for Defendant during the PAGA Period (if

1 applicable).

2 e. "Class Notice" means the Court approved Notice of Class Action Settlement,
3 substantially in the form attached hereto as "**Exhibit A.**"

4 f. "Class Period" means the period from April 3, 2020 through February 20, 2025.

5 g. "Class Settlement" means the settlement and resolution of all Released Class
6 Claims.

7 h. "Court" means the Superior Court of the State of California for the County of
8 Alameda.

9 i. "Defendant's Counsel" means Allison B. Moser and Evan Campbell of
10 Coblenz Patch Duffy & Bass LLP.

11 j. "Effective Date" means the date when all of the following events have occurred:
12 (1) the Settlement Agreement has been executed by all Parties, Class Counsel, and Defendant's
13 Counsel; (2) the Court has given preliminary approval to the Settlement; (3) the Class Notice has been
14 mailed to the Class Members, providing them with an opportunity to object to the terms of the Class
15 Settlement or opt out of the Class Settlement; (4) the Court has had a Final Approval Hearing and
16 entered a Final Approval Order and Judgment; (5) sixty-five calendar days have passed since the Court
17 entered a Final Approval Order and Judgment; and (6) in the event there are written objections to the
18 Class Settlement filed prior to the Final Approval Hearing which are not later withdrawn or denied,
19 the later of the following events: seven business days after the period for filing any appeal, writ, or
20 other appellate proceeding opposing the Court's Final Approval Order and Judgment has elapsed
21 without any appeal, writ, or other appellate proceeding having been filed, or, if any appeal, writ, or
22 other appellate proceeding opposing the Court's Final Approval Order and Judgment has been filed,
23 seven business days after any appeal, writ, or other appellate proceedings opposing the Court's Final
24 Approval Order and Judgment has finally and conclusively dismissed with no right to pursue further
25 remedies or relief.

26 k. "Employer Taxes" means the employer's share of taxes and contributions in
27 connection with the wages portion of Individual Settlement Shares, which shall be paid by Defendant
28 in addition to the Gross Settlement Amount.

1 l. “Enhancement Payment” means the amount to be paid to Plaintiff, in
2 recognition of his effort and work in prosecuting the Action on behalf of Class Members and PAGA
3 Employees, as set forth in Paragraph 12.

4 m. “Final Approval” means the determination by the Court that the Settlement is
5 fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

6 n. “Final Approval Hearing” means the hearing at which the Court will consider
7 and determine whether the Settlement should be granted Final Approval.

8 o. “Final Approval Order and Judgment” means the order granting final approval
9 of the Settlement and entering judgment thereon, in a form and content mutually agreed to by the
10 Parties, and subject to approval by the Court.

11 p. “Gross Settlement Amount” means the amount of Five Hundred Thousand
12 Dollars (\$500,000) to be paid by Defendant in full satisfaction of the Action, Released Class Claims,
13 and Released PAGA Claims, which includes all Attorneys’ Fees and Costs, Enhancement Payment,
14 PAGA Amount, Settlement Administration Costs, and Net Settlement Amount to be paid to the
15 Settlement Class Members. Defendant shall pay the Employer Taxes separately and in addition to the
16 Gross Settlement Amount. The Gross Settlement Amount is non-reversionary; no portion of the Gross
17 Settlement Payment will return to Defendant. The Gross Settlement Amount is subject to increase, as
18 provided in Paragraph 13.

19 q. “Individual PAGA Payment” means the *pro rata* share of the PAGA Employee
20 Amount that a PAGA Employee may be eligible to receive under the PAGA Settlement, to be
21 calculated in accordance with Paragraph 12.

22 r. “Individual Class Settlement Payment” means the net payment of each
23 Settlement Class Member’s Individual Settlement Share, after reduction for the employee’s share of
24 taxes and withholdings with respect to the wages portion of the Individual Settlement Share, as
25 provided in Paragraph 12.

26 s. “Individual Settlement Share” means the *pro rata* share of the Net Settlement
27 Amount that a Class Member may be eligible to receive under the Class Settlement, to be calculated
28 in accordance with Paragraph 12.

1 t. “LWDA Payment” means the amount of (\$37,500), i.e., 75% of the PAGA
2 Amount, that the Parties have agreed to pay to the LWDA under the PAGA Settlement, as set forth in
3 Paragraph 12.

4 u. “Net Settlement Amount” means the portion of the Gross Settlement Amount
5 that is available for distribution to Settlement Class Members, which is the Gross Settlement Amount
6 less the Court-approved Attorneys’ Fees and Costs, Enhancement Payment, PAGA Amount, and
7 Settlement Administration Costs.

8 v. “Notice of Objection” means a Settlement Class Member’s written objection to
9 the Class Settlement, which must: (a) contain the case name and number of the Action; (b) contain the
10 objector’s full name, signature, address, telephone number, and the last four (4) digits of the objector’s
11 Social Security number; (c) contain a written statement of all grounds for the objection accompanied
12 by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents
13 upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the
14 specified address, postmarked on or before the Response Deadline.

15 w. “PAGA Amount” means the allocation of Fifty Thousand Dollars (\$50,000)
16 from the Gross Settlement Amount for the PAGA Settlement. Seventy-five percent (75%) of the
17 PAGA Amount, or \$37,500, will be paid to the LWDA (i.e., the LWDA Payment) and the remaining
18 twenty-five percent (25%), or \$12,500, will be distributed to the PAGA Employees (i.e., the PAGA
19 Employee Amount).

20 x. “PAGA Employees” means all current and former hourly-paid or non-exempt
21 employees who worked for Defendant within the State of California at any time during the PAGA
22 Period.

23 y. “PAGA Employee Amount” means the amount of Twelve Thousand Five
24 Hundred Dollars (\$12,500), i.e., 25% of the PAGA Amount, to be distributed to PAGA Employees on
25 a *pro rata* basis based on their Pay Periods.

26 z. “PAGA Period” means the period from April 1, 2023 through February 20,
27 2025.

28 aa. “PAGA Settlement” means the settlement and resolution of all Released PAGA

1 Claims.

2 bb. "Pay Periods" means the number of pay periods each PAGA Employee worked
3 for Defendant as an hourly-paid or non-exempt employee in California during the PAGA Period. Pay
4 Periods will be calculated the same way that they were calculated by Defendant at mediation which is
5 the number of pay periods between the latest of hire date or statute of limitation start date and the
6 termination date or PAGA Period end date if not terminated.

7 cc. "Preliminary Approval" means the date on which the Court enters the
8 Preliminary Approval Order.

9 dd. "Preliminary Approval Order" means the order granting preliminary approval
10 of the Settlement, in a form and content mutually agreed to by the Parties, and subject to approval by
11 the Court.

12 ee. "Released Class Claims" means any and all claims, debts, liabilities, demands,
13 obligations, guarantees, costs, expenses, attorneys' fees, damages, or causes of action which were
14 alleged or which could have been alleged based on the factual allegations in the Class Action, arising
15 during the Class Period, under any federal, state, or local law, and shall specifically include claims for
16 Defendant's alleged failure to pay overtime and minimum wages, provide compliant meal and rest
17 periods and associated premium payments, timely pay wages during employment and upon
18 termination, provide compliant wage statements, maintain complete and accurate payroll records, and
19 reimburse necessary business-related expenses in violation of California Labor Code Sections 201,
20 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and
21 Industrial Welfare Commission Wage Orders, including *inter alia*, applicable Wage Order(s), and all
22 claims for attorneys' fees and costs and statutory interest in connection therewith, California Business
23 and Professions Code sections 17200, *et seq.*, and any other claims, including claims for statutory
24 penalties (excluding civil penalties pursuant to PAGA), pertaining to the Class Members.

25 ff. "Released PAGA Claims" means any and all claims arising from any of the
26 factual allegations in the PAGA Letter, arising during the PAGA Period, for civil penalties under the
27 Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.*, including all
28 claims for attorneys' fees and costs related thereto, for Defendant's alleged failure to pay overtime

1 and minimum wages, provide compliant meal and rest periods and associated premium payments,
2 timely pay wages during employment and upon termination, provide compliant wage statements,
3 maintain complete and accurate payroll records, and reimburse necessary business-related expenses
4 in violation of California Labor Code Sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d),
5 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission Wage Orders,
6 including *inter alia*, applicable Wage Order(s).

7 gg. “Released Parties” means Defendant and its current and former officers,
8 directors, members, insurers, shareholders, subsidiaries, affiliates, predecessors, successors, and
9 assigns.

10 hh. “Request for Exclusion” means a letter submitted by a Class Member indicating
11 a request to be excluded from the Class Settlement, which must: (a) contain the case name and number
12 of the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and
13 last four (4) digits of the Class Member’s Social Security number; (c) clearly state that the Class
14 Member does not wish to be included in the Class Settlement; and (d) be returned by mail to the
15 Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

16 ii. “Response Deadline” means the deadline by which Class Members must submit
17 a Request for Exclusion, Notice of Objection, and/or Workweeks Dispute, which shall be the date that
18 is forty-five (45) calendar days from the initial mailing of the Class Notice by the Settlement
19 Administrator to Class Members, unless the 45th day falls on a Sunday or Federal holiday, in which
20 case the Response Deadline will be extended to the next day on which the United States Postal service
21 is open. The Response Deadline may also be extended by express agreement between Class Counsel
22 and Defendant’s Counsel. In the event that a Class Notice is re-mailed to a Class Member, the
23 Response Deadline for that Class Member shall be extended fifteen (15) calendar days from the
24 original Response Deadline.

25 jj. “Settlement Administrator” means Apex Class Action Administration, or any
26 other third-party class action settlement administrator agreed to by the Parties and approved by the
27 Court for purposes of administering the Settlement. The Parties and their counsel each represent that
28 they do not have any financial interest in the Settlement Administrator or otherwise have a relationship

with the Settlement Administrator that could create a conflict of interest.

kk. “Settlement Administration Costs” means the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering the Settlement, as set forth in Paragraph 12.

11. “Settlement Class” or “Settlement Class Member(s)” means all Class Members who do not submit a timely and valid Request for Exclusion.

mm. “Workweeks” means the number of weeks each Class Member worked for Defendant as an hourly-paid and/or non-exempt employee in California during the Class Period, which is based on the number of weeks between the latest of the Class Member’s hire date or the beginning of the statute of limitation period and the Class Member’s termination date or end of the class period if the Class Member is a current employee.

nn. “Workweeks Dispute” means a letter submitted by a Class Member disputing the number of Workweeks and/or Pay Periods which have been credited to them, which must: (a) contain the case name and number of the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and the last four (4) digits of the Class Member’s Social Security number; (c) clearly state that the Class Member disputes the number of Workweeks and/or Pay Periods credited to the Class Member/PAGA Employee and what the Class Member/PAGA Employee contends is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

CLASS CERTIFICATION

9. For the purposes of this Settlement only, the Parties stipulate to the certification of the Class.

10. The Parties agree that certification for the purpose of settlement is not an admission that certification is proper under Section 382 of the California Code of Civil Procedure. Should, for whatever reason, the Court not grant Preliminary or Final Approval, the Parties' stipulation to class certification as part of the Settlement shall become null and void and shall have no bearing on, and shall not be admissible in connection with, the issue of whether or not certification would be inappropriate in a non-settlement context.

1 **MONETARY TERMS OF THE AGREEMENT**

2 11. Gross Settlement Amount. Defendant will pay Five Hundred Thousand Dollars
3 (\$500,000) as the Gross Settlement Amount. Defendant shall pay the Employer Taxes separately and
4 in addition to the Gross Settlement Amount. The Gross Settlement Amount is non-reversionary; no
5 portion of the Gross Settlement Payment will return to Defendant. The Administrator will disburse
6 the entire Gross Settlement Amount without asking or requiring Class Members or PAGA Employees
7 to submit any claim as a condition of payment.

8 12. Payments from the Gross Settlement Amount. The Administrator will make and deduct
9 the following payments from the Gross Settlement Amount, in the amounts specified by the Court in
10 the Final Approval:

11 a. Attorneys' Fees and Costs to Class Counsel. Defendant agrees not to oppose or impede
12 any application or motion by Class Counsel for attorneys' fees in the amount up to
13 thirty five percent (35%) of the Gross Settlement Amount (i.e., \$175,000 if the Gross
14 Settlement Amount is \$500,000) and reimbursement of actual costs and expenses
15 associated with Class Counsel's litigation and settlement of the Action, in an amount
16 not to exceed Thirty Thousand Dollars (\$30,000), both of which will be paid from the
17 Gross Settlement Amount. These amounts will cover any and all work performed and
18 any and all costs incurred by Class Counsel in connection with the litigation of the
19 Action, including without limitation all work performed and costs incurred to date, and
20 all work to be performed and all costs to be incurred in connection with obtaining the
21 Court's approval of this Settlement Agreement, including any objections raised and
22 any appeals necessitated by those objections. Class Counsel shall be solely and legally
23 responsible for correctly characterizing this compensation for tax purposes and for
24 paying any taxes on the amounts received. The Settlement Administrator shall issue
25 an IRS Form 1099 to Class Counsel for the Attorneys' Fees and Costs. Any portion of
26 the requested Attorneys' Fees and Costs that is not awarded by the Court to Class
27 Counsel shall be reallocated to the Net Settlement Amount for the benefit of the
28 Settlement Class Members.

- b. Enhancement Payment to Plaintiff. Defendant agrees not to oppose or impede any application or motion by Plaintiff for an Enhancement Payment in the amount up to Ten Thousand Dollars (\$10,000). The Enhancement Payment, which will be paid from the Gross Settlement Amount, subject to Court approval, will be in addition to his Individual Class Settlement Payment as a Settlement Class Member and Individual PAGA Payment as a PAGA Employee. Plaintiff shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff for the Enhancement Payment. Any portion of the requested Enhancement Payment that is not awarded by the Court to Plaintiff shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.
- c. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments under the Settlement, which is currently estimated not to exceed Six Thousand Dollars (\$6,000.00). These costs, which will be paid from the Gross Settlement Amount, subject to Court approval, will include, *inter alia*, printing, distributing, and tracking Class Notices and other documents for the Settlement, calculating and distributing payments due under the Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings, and remittances, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process the Settlement, and as requested by the Parties. To the extent the actual Settlement Administrator's costs are greater than the estimated amount stated herein, such excess amount will be deducted from the Gross Settlement Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator to undertake the required settlement administration duties shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

- d. PAGA Employees. Subject to approval by the Court, the Parties agree that the amount of Fifty Thousand Dollars (\$50,000) shall be allocated from the Gross Settlement Amount toward penalties under the Private Attorneys General Act, California Labor Code Section 2698, *et seq.* (i.e., the PAGA Amount), of which seventy-five percent (75%), or \$37,500, will be paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%), or \$12,500, will be distributed to PAGA Employees (i.e., the PAGA Employee Amount) on a *pro rata* basis, based on the total number of Pay Periods worked by each PAGA Employee during the PAGA Period (i.e., the Individual PAGA Payments). Individual PAGA Payments will be calculated and apportioned from the PAGA Employee Amount based on the PAGA Employees' number of Pay Periods, as follows: The Settlement Administrator will divide the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the Pay Periods of all PAGA Employees to yield the "Pay Period Value," and multiply each PAGA Employee's individual Pay Periods by the Pay Period Value to yield each PAGA Employee's Individual PAGA Payment.
- e. Individual Class Settlement Share Calculations. Individual Class Settlement Shares will be calculated and apportioned from the Net Settlement Amount based on the Class Members' number of Workweeks, as follows:
- i. After Preliminary Approval, the Settlement Administrator will divide the Net Settlement Amount by the Workweeks of all Class Members to yield the "Estimated Workweek Value," and multiply each Class Member's individual Workweeks by the Estimated Workweek Value to yield each Class Member's estimated Individual Class Settlement Share that the Class Member may be entitled to receive under the Class Settlement.
 - ii. After Final Approval, the Settlement Administrator will divide the final Net Settlement Amount by the Workweeks of all Settlement Class Members to yield the "Final Workweek Value," and multiply each Settlement Class Member's individual Workweeks by the Final Workweek Value to each Settlement Class Member's final Individual

Class Settlement Share.

13. Escalator Clause. Defendant has represented that the Class Members worked a total of 10,790 Workweeks during the period from April 3, 2020 through December 20, 2024. If it is determined by the Settlement Administrator that the total number of Workweeks worked by the Class Members during the time period from April 3, 2020 through December 20, 2024 actually exceeds 10,790 by more than 10% (i.e., by more than 11,869 Workweeks), then the Gross Settlement Amount will be increased on a pro rata basis equal to the percentage increase in the number of Workweeks worked by the Class Members above 10%. For example, if the number of Workweeks increases by 11% to 11,977 Workweeks, then the Gross Settlement Amount will increase by 1%.

14. Tax Treatment of Individual Settlement Shares and Individual PAGA Payments. Each Individual Settlement Share will be allocated as follows: twenty percent (20%) wages and eighty percent (80%) penalties, interest, and non-wage damages. The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The Settlement Administrator will withhold the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their Individual Class Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes and withholdings). The Employer Taxes will be paid separately and in addition to the Gross Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

15. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiff, Settlement Class Members, PAGA Employees, and Class Counsel any tax forms (i.e., IRS Forms W-2, IRS Forms 1099, etc.) as may be required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement Administrator will also be responsible for calculating the Employer Taxes and forwarding all payroll taxes and other legally required withholdings to the appropriate government authorities.

16. Tax Liability. Plaintiff, Class Counsel, Defendant, and Defendant's Counsel do not intend anything contained in this Settlement Agreement to constitute advice regarding taxes or

1 taxability, nor shall anything in this Settlement Agreement be relied on as such. Plaintiff, Settlement
2 Class Members, and PAGA Employees are not relying on any statement, representation, or calculation
3 by Defendant, the Settlement Administrator, or Class Counsel in this regard. Plaintiff, Settlement
4 Class Members, and PAGA Employees understand and agree that Plaintiff, Settlement Class
5 Members, and PAGA Employees will be solely responsible for the payment of any taxes and penalties
6 assessed on the payments described in this Settlement Agreement. Plaintiff, Settlement Class
7 Members, and PAGA Employees should consult with their tax advisors concerning the tax
8 consequences of any payment they receive under the Settlement.

9 **SETTLEMENT FUNDING, PAYMENTS, AND ADMINISTRATION**

10 17. Funding of the Gross Settlement Amount. No later than fourteen (14) calendar days
11 after the Effective Date, Defendant will deposit the Gross Settlement Amount into a Qualified
12 Settlement Fund (“QSF”) within the meaning of Treasury Regulation Section 1.468B-1, *et seq.*, to be
13 established by the Settlement Administrator. Defendant shall provide all information necessary for
14 the Settlement Administrator to calculate necessary payroll taxes including its official name, 8-digit
15 state unemployment insurance tax ID number, and other information requested by the Settlement
16 Administrator, no later than fourteen (14) calendar days after the Effective Date.

17 18. Distribution of the Gross Settlement Amount. Within fourteen (14) calendar days of
18 the funding of the Gross Settlement Amount, the Settlement Administrator will issue the Individual
19 Class Settlement Payments to Settlement Class Members, Individual PAGA Payments to PAGA
20 Employees, LWDA Payment to the LWDA, Enhancement Payment to Plaintiff, Attorneys’ Fees and
21 Costs to Class Counsel, and Settlement Administration Costs to itself. The Settlement Administrator
22 shall also set aside the Employer Taxes and all employee-side payroll taxes, contributions, and
23 withholding, and timely forward these to the appropriate government authorities.

24 19. Settlement Checks. The Settlement Administrator will be responsible for undertaking
25 appropriate deductions, required tax reporting, and issuing the Individual Class Settlement Payments
26 by way of check to the Settlement Class Members and the Individual PAGA Payments by way of
27 check to the PAGA Employees in accordance with this Settlement Agreement. When issuing
28 payments, the Settlement Administrator may combine the Individual Class Settlement Payment and

Individual PAGA Payment into one check if the intended recipient for both payments is one individual. Settlement Class Members and PAGA Employees are not required to submit a claim to be issued an Individual Class Settlement Payment and/or Individual PAGA Payment. Each Individual Class Settlement Payment and Individual PAGA Payment check will be valid and negotiable for one hundred and twenty (120) calendar days from the date the checks are issued, and thereafter, shall be canceled. Any funds associated with such canceled checks shall be distributed by the Settlement Administrator to Legal Aid at Work. The Parties agree that this disposition results in no “unpaid residue” under California Civil Procedure Code § 384, as the entire Net Settlement Amount will be paid out to Settlement Class Members, whether or not they cash their settlement checks. Therefore, Defendant will not be required to pay any interest on such amounts. The Settlement Administrator shall undertake amended and/or supplemental tax filings and reporting required under applicable local, state, and federal tax laws that are necessitated due to the cancelation of any Individual Class Settlement Payment and/or Individual PAGA Payment checks. Settlement Class Members whose Individual Class Settlement Payment checks are canceled shall, nevertheless, be bound by the Class Settlement, and PAGA Employees whose Individual PAGA Payment checks are cancelled shall, nevertheless, be bound by the PAGA Settlement.

20. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually are issued to the payee. It is expressly understood and agreed that payments made under this Settlement shall not in any way entitle Plaintiff, Settlement Class Members, or any PAGA Employee to additional compensation or benefits under any new or additional compensation or benefits, or any bonus, contest, or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle Plaintiff, Settlement Class Members, or any PAGA Employee to any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the Class Period).

21. Notice of Settlement to the LWDA. Pursuant to California Labor Code § 2699(1)(2), Class Counsel shall notify the LWDA of the Settlement upon filing the motion for preliminary

1 approval of the Settlement.

2 22. Delivery of Class List. Within fourteen (14) calendar days of Preliminary Approval,
3 Defendant will provide the Class List to the Settlement Administrator.

4 23. Notice by First-Class U.S. Mail.

5 a. Within seven (7) calendar days after receiving the Class List from Defendant,
6 the Settlement Administrator will perform a search based on the National Change of Address Database
7 or any other similar services available, such as provided by Experian, for information to update and
8 correct for any known or identifiable address changes, and will mail a Class Notice in English (in the
9 form attached as **Exhibit A** to this Settlement Agreement) to all Class Members via First-Class U.S.
10 Mail, using the most current, known mailing addresses identified by the Settlement Administrator.

11 b. Any Class Notice returned to the Settlement Administrator as undeliverable on
12 or before the Response Deadline will be sent promptly via First-Class U.S. Mail to the forwarding
13 address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on
14 the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly
15 attempt to determine the correct address using a skip-trace or other search, using the name, address,
16 and/or Social Security number of the Class Member, and perform a single re-mailing within five (5)
17 calendar days.

18 c. Compliance with the procedures described herein above shall constitute due and
19 sufficient notice to Class Members of the Settlement and shall satisfy the requirements of due process.
20 Nothing else shall be required of or done by the Parties, Class Counsel, or Defendant's Counsel to
21 provide notice of the Settlement.

22 24. Disputes Regarding Workweeks and/or Pay Periods. Class Members/PAGA
23 Employees will have an opportunity to dispute the number of Workweeks and/or Pay Periods which
24 have been credited to them, as reflected in their respective Class Notices, by submitting a timely and
25 valid Workweeks Dispute to the Settlement Administrator, by mail, postmarked on or before the
26 Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive
27 means to determine whether a Workweeks Dispute has been timely submitted. Absent evidence
28 rebutting the accuracy of Defendant's records and data as they pertain to the number of Workweeks

1 and/or Pay Periods to be credited to a disputing Class Member/PAGA Employee, Defendant's records
2 will be presumed to be correct and determinative of the dispute. However, if a Class Member/PAGA
3 Employee produces information and/or documents to the contrary, the Settlement Administrator will
4 evaluate the materials submitted by the Class Member/PAGA Employee and the Settlement
5 Administrator will resolve and determine the number of eligible Workweeks and/or Pay Periods that
6 the disputing Class Member/PAGA Employee should be credited with under the Settlement. The
7 Settlement Administrator's decision on such disputes will be final and non-appealable.

8 25. Requesting Exclusion from the Class Settlement. Any Class Member wishing to be
9 excluded from the Class Settlement must submit a timely and valid Request for Exclusion to the
10 Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the
11 postmark on the return mailing envelope will be the exclusive means to determine whether a Request
12 for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class
13 Counsel and Defendant's Counsel the number of timely and valid Requests for Exclusion that are
14 submitted, and also identify the individuals who have submitted a timely and valid Request for
15 Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing.
16 At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members
17 to request exclusion from the Class Settlement or appeal the Judgment. Any Class Member who
18 submits a Request for Exclusion is prohibited from making any objection to the Class Settlement. Any
19 Class Member who submits a timely and valid Request for Exclusion will not be bound by the Class
20 Settlement and will not be issued an Individual Class Settlement Payment. Any Class Member who
21 does not affirmatively request exclusion from the Class Settlement by submitting a timely and valid
22 Request for Exclusion will be bound by all of the terms of the Class Settlement, including and not
23 limited to those pertaining to the Released Class Claims, as well as any judgment that may be entered
24 by the Court if it grants Final Approval to the Settlement. Notwithstanding the above, all PAGA
25 Employees will be bound to the PAGA Settlement and will be issued their Individual PAGA Payment,
26 irrespective of whether they submit a Request for Exclusion.

27 26. Objecting to the Class Settlement. To object to the Class Settlement, Settlement Class
28 Members must submit a timely and complete Notice of Objection to the Settlement Administrator, by

mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Notice of Objection has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel the number of Notices of Objection that are submitted (specifying which ones were timely and complete and which were not), and also attach them to a declaration that is to be filed with the Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class Members to object to the Class Settlement or appeal from the Final Approval Order and Judgment. Settlement Class Members, individually or through counsel, may also present their objection orally at the Final Approval Hearing, regardless of whether they have submitted a Notice of Objection.

27. Reports by the Settlement Administrator. The Settlement Administrator shall provide weekly reports to counsel for the Parties providing: (a) the number of undeliverable and re-mailed Class Notices; (ii) the number of Class Members who have submitted Workweeks Disputes; (iii) the number of Class Members who have submitted Requests for Exclusion; and (iv) the number of Settlement Class Members who have submitted Notices of Objection. Additionally, the Settlement Administrator will provide to counsel for the Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested, and immediately notify the Parties when it receives a request from an individual or any other entity regarding inclusion in the Class and/or Settlement or regarding a Workweeks Dispute.

28. Defendant's Right to Rescind. If more than ten percent (10%) of the Class Members submit timely and valid Requests for Exclusion, Defendant may elect to rescind the Settlement Agreement. Defendant must exercise this right of rescission in writing that is provided to Class Counsel within fourteen (14) calendar days of the Settlement Administrator notifying the Parties of the number of Class Members who have submitted timely and valid Requests for Exclusion following the Response Deadline. If Defendant exercises this option, Defendant shall pay any costs of settlement administration owed to the Settlement Administrator incurred up to that date.

29. Certification of Completion. Upon completion of administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to

the Court and counsel for all Parties.

MOTION FOR PRELIMINARY AND FINAL APPROVAL

30. **Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.**

Plaintiff and Class Counsel will obtain a hearing date from the Court for Plaintiff's motion for preliminary approval of the Settlement, which Class Counsel will be responsible for drafting, and will submit this Settlement Agreement to the Court in support of said motion. Class Counsel will provide Defendant's Counsel a draft of the preliminary approval motion before filing it with the Court, and the Parties agree to work together in good faith to resolve any disagreements that arise from the draft motion. Defendant agrees not to oppose the motion for preliminary approval of the Settlement consistent with this Settlement Agreement. By way of said motion, Plaintiff will apply for the entry of the Preliminary Approval Order seeking the following:

- a. Conditionally certifying the Class for settlement purposes only;
- b. Granting Preliminary Approval of the Settlement;
- c. Preliminarily appointing Plaintiff as the representative of the Class;
- d. Preliminarily appointing Class Counsel as counsel for the Class;
- e. Approving as to form and content, the mutually-agreed upon and proposed Class Notice and directing its mailing by First Class U.S. Mail;
- f. Approving the manner and method for Class Members to request exclusion from or object to the Class Settlement as contained herein and within the Class Notice;
- g. Scheduling a Final Approval Hearing at which the Court will determine whether Final Approval of the Settlement should be granted.

If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone or email, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

31. **Duties of the Parties with Respect to Obtaining Final Approval of the Settlement.** After the Response Deadline, a Final Approval Hearing will be conducted to determine whether Final Approval of the Settlement should be granted, along with the amounts properly payable for: (a)

Individual Settlement Shares; (b) Individual PAGA Payments; (c) LWDA Payment; (d) Attorneys' Fees and Costs; (e) Enhancement Payment; and (f) Settlement Administration Costs. The Final Approval Hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Plaintiff and Class Counsel will be responsible for drafting the motion seeking Final Approval of the Settlement. Class Counsel will provide Defendant's Counsel a draft of the final approval motion before filing it with the Court. By way of said motion, Plaintiff will apply for the entry of the Final Approval Order and Judgment, which will provide for, in substantial part, the following:

- a. Approval of the Settlement as fair, reasonable, and adequate, and directing consummation of its terms and provisions;
- b. Certification of the Settlement Class;
- c. Approval of the application for Attorneys' Fees and Costs to Class Counsel;
- d. Approval of the application for Enhancement Payment to Plaintiff;
- e. Directing Defendant to fund all amounts due under the Settlement Agreement and ordered by the Court; and
- f. Entering judgment in the Action, while maintaining continuing jurisdiction, in conformity with California Rules of Court 3.769 and the Settlement Agreement.

RELEASE OF CLAIMS

32. Class Settlement Release. Upon the full funding of the Gross Settlement Amount, Plaintiff and all Settlement Class Members, on behalf of themselves and their former and present representatives, agents, attorneys, heirs, administrators, successors, transferees, and assigns, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

33. PAGA Settlement Release. Upon the full funding of the Gross Settlement Amount, Plaintiff and the State of California (including the LWDA) with respect to all PAGA Employees, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

34. Plaintiff's General Release. Plaintiff has entered into a separate settlement agreement regarding his broader, general release of claims.

1 35. Final Approval Order and Judgment. The Parties shall provide the Settlement
2 Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court,
3 and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for
4 sixty (60) calendar days. No individualized notice of the Final Approval Order and Judgment to the
5 Class will be required.

6 **ADDITIONAL PROVISIONS**

7 36. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT
8 (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY
9 TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN
10 “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
11 SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE
12 BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISORS, IS
13 OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE
14 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE
15 MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART
16 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY
17 UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE
18 (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B)
19 HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE
20 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY
21 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR
22 DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY
23 TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
24 ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION
25 THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISOR’S
26 TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY
27 BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX
28 TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY

TRANSACTION CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

37. Continued Jurisdiction. After entry of the judgment pursuant to the Settlement, the Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters, and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

38. Effects of Termination or Rescission of Settlement. Termination or rescission of the Settlement Agreement shall have the following effects:

a. The Settlement Agreement shall be void and shall have no force or effect, and no Party shall be bound by any of its terms;

b. In the event the Settlement Agreement is terminated, Defendant shall have no obligation to make any payments to any Party, Class Member, or attorney, except that the terminating Party shall pay the Settlement Administrator for services rendered up to the date the Settlement Administrator is notified that the Settlement has been terminated;

c. The Preliminary Approval Order, Final Approval Order and Judgment, including any order certifying the Class, shall be vacated;

d. The Settlement Agreement and all negotiations, statements, and proceedings relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective positions in the Action prior to the execution of the Settlement Agreement;

e. Neither this Settlement Agreement, nor any ancillary documents, actions, statements, or filings in furtherance of the Settlement (including all matters associated with the mediation) shall be admissible or offered into evidence in the Action or any other action for any purpose whatsoever; and

f. Any documents generated to bring the Settlement into effect, will be null and void, and any order or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be treated as void from the beginning.

39. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant

1 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
2 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause
3 of action or right herein released and discharged.

4 40. Exhibits Incorporated by Reference. The terms of this Settlement include the terms set
5 forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein.
6 Any exhibits to this Settlement Agreement are an integral part of the Settlement.

7 41. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the
8 entirety of the Parties' agreement relating to the settlement and transaction completed thereby, and all
9 prior or contemporaneous agreements, understandings, representations, and statements, whether oral
10 or written and whether by a Party or such Party's legal counsel, are merged herein. No other prior or
11 contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties
12 expressly recognize California Civil Code § 1625 and California Code of Civil Procedure § 1856(a),
13 which provide that a written agreement is to be construed according to its terms and may not be varied
14 or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written
15 representations or terms will modify, vary, or contradict the terms of this Settlement Agreement.

16 42. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in
17 the Action (including with respect to California Code of Civil Procedure § 583.310), except such
18 proceedings necessary to implement and complete this Settlement Agreement, pending the Final
19 Approval Hearing to be conducted by the Court.

20 43. Amendment or Modification. Prior to the filing of the motion for preliminary approval
21 of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement
22 except by written agreement signed by counsel for all Parties. After the filing of the motion for
23 preliminary approval of the Settlement, the Parties may not amend or modify any provision of this
24 Settlement Agreement except by written agreement signed by counsel for all the Parties and subject
25 to Court approval. A waiver or amendment of any provision of this Settlement Agreement will not
26 constitute a waiver of any other provision.

27 44. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
28 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement

1 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
2 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
3 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have
4 full authority to enter into this Settlement Agreement, and further intend that this Settlement
5 Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible
6 and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation
7 confidentiality provisions that otherwise might apply under state or federal law.

8 45. Confidentiality Prior to Preliminary Approval. Until the Motion for Preliminary
9 Approval is filed Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree that they
10 and each of them will not disclose, disseminate or publicize, any of the terms of the Agreement,
11 directly or indirectly, to any person, corporation, association, government agency, or other entity
12 except: (a) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep
13 this Agreement confidential; (b) to the extent necessary to report income to appropriate taxing
14 authorities; (c) in response to a court order or subpoena; or (d) in response to an inquiry or subpoena
15 issued by a state or federal government agency. This paragraph does not restrict Class Counsel's
16 communications with Class Members in accordance with Class Counsel's ethical obligations owed to
17 Class Members.

18 46. Use and Return of Class Data. Information provided to Class Counsel pursuant to
19 Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class
20 Counsel by Defendant in connection with the mediation, other settlement negotiations, or in
21 connection with the Settlement, may be used only with respect to this Settlement, and no other
22 purposes, and may not be used in any way that violates any existing contractual agreement, statute or
23 rule of court. No later than ninety days after the date when the Court discharges the Administrator's
24 obligation to provide a declaration confirming the final pay out of all Settlement Funds, upon
25 Defendant's written request, Plaintiff and the Administrator shall destroy all paper and electronic
26 versions of Class Data received from Defendant unless, prior to the Court's discharge of the
27 Administrator's obligations, Defendant makes a written request to Class Counsel for the return, rather
28 than the destructions of Class Data. Plaintiff and Administrator shall provide written certification to

1 Defendant confirming destruction of information pursuant to this paragraph.

2 47. Signatories. It is agreed that because the members of the Class are so numerous, it is
3 impossible or impractical to have each Settlement Class Member or PAGA Employee execute this
4 Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the
5 Class Settlement as to the Settlement Class Members and the binding nature of the PAGA Settlement
6 as to the PAGA Employees, and the releases provided for by this Settlement Agreement shall have
7 the same force and effect as if this Settlement Agreement were executed by each Settlement Class
8 Member and PAGA Employee.

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

11 49. California Law Governs. All terms of this Settlement Agreement and attached exhibits
12 hereto will be governed by and interpreted according to the laws of the State of California.

13 50. Execution and Counterparts. This Settlement Agreement is subject only to the
14 execution of all Parties. However, this Settlement Agreement may be executed in one or more
15 counterparts. All executed counterparts and each of them, including facsimile, electronic, and scanned
16 copies of the signature page, will be deemed to be one and the same instrument.

17 51. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
18 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at
19 this Settlement after arm's length negotiations and in the context of adversarial litigation, taking into
20 account all relevant factors, present and potential. The Parties further acknowledge that they are each
21 represented by competent counsel and that they have had an opportunity to consult with their counsel
22 regarding the fairness and reasonableness of this Settlement Agreement. In addition, if necessary to
23 obtain approval of the Settlement, the Mediator may execute a declaration supporting the Settlement
24 and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to
25 discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

26 52. Invalidity of Any Provision. Before declaring any provision of this Settlement
27 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
28 possible consistent with applicable precedents so as to define all provisions of this Settlement

1 Agreement valid and enforceable.

2 53. Plaintiff's Cooperation. Plaintiff agrees to sign this Settlement Agreement and, by
3 signing this Settlement Agreement, is hereby bound by the terms herein and agrees to fully cooperate
4 to implement the Settlement.

5 54. Non-Admission of Liability. The Parties enter into this Settlement Agreement to
6 resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of
7 continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and
8 specifically denies, it has violated any federal, state, or local law; violated any regulations or guidelines
9 promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements;
10 breached any contract; violated or breached any duty; engaged in any misrepresentation or deception;
11 or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement
12 Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be
13 construed as an admission or concession by Defendant of any such violations or failures to comply
14 with any applicable law. The Parties agree to stipulate to class action certification for purposes of
15 settlement purposes only. If, for any reason the Court does not grant Preliminary Approval, Final
16 Approval or enter Judgment, the stipulation to certification will be void, Defendant reserves the right
17 to contest certification of any class for any reasons, Defendant reserves all available defenses to the
18 claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds
19 available and to contest Defendant's defenses. The Parties further agree that certification for purposes
20 of the Settlement is not an admission that class action certification is proper under the standards
21 applied to contested certification motions and that this Agreement will not be admissible in this or any
22 other proceeding as evidence either that a class action should be certified or that Defendant is liable
23 to Plaintiff or any Class Member. Except as necessary in a proceeding to enforce the terms of this
24 Settlement Agreement, this Settlement Agreement and its terms and provisions shall not be offered or
25 received as evidence in any action or proceeding to establish any liability or admission on the part of
26 Defendant or to establish the existence of any condition constituting a violation of, or a non-
27 compliance with, federal, state, local or other applicable law.

28 55. Captions. The captions and paragraph numbers in this Settlement Agreement are

1 inserted for the reader's convenience, and in no way define, limit, construe, or describe the scope or
2 intent of the provisions of this Settlement Agreement.

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

9 57. Representation By Counsel. The Parties acknowledge that they have been represented
10 by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and
11 that this Settlement Agreement has been executed with the consent and advice of counsel, and
12 reviewed in full.

13 58. All Terms Subject to Final Court Approval. All amounts and procedures described in
14 this Settlement Agreement herein will be subject to final Court approval.

15 59. Notices. All notices, demands, and other communications to be provided concerning
16 the Settlement Agreement shall be in writing and deemed to have been duly given as of the third
17 business day after mailing by First Class U.S. Mail, or the day sent by email or messenger, addressed
18 as follows:

19 To Plaintiffs and Class Counsel:

20 Jonathan M. Genish
21 jgenish@blackstonepc.com
22 Barbara DuVan-Clarke
23 BDC@blackstonepc.com
24 Annabel Blanchard
25 ablanchard@blackstonepc.com
26 **BLACKSTONE LAW, APC**
27 8383 Wilshire Boulevard, Suite 745
28 Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

26 To Defendant:

27 Allison B. Moser
28 amoser@coblentzlaw.com
COBLENTZ PATCH DUFFY & BASS LLP
One Montgomery Street, Suite 3000

San Francisco, California 94104

60. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiff and Defendant:

IT IS SO AGREED.

Dated: 01/23/2026

PLAINTIFF FRANK BRECKENRIDGE

Frank Breckenridge

Frank Breckenridge

**DEFENDANT PACIFIC MATERIAL
HANDLING SOLUTIONS, INC.**

Dated: _____

Full Name: _____

Title: _____
On behalf of Pacific Material Handling
Solutions, Inc.

APPROVED AS TO FORM ONLY:

BLACKSTONE LAW, APC

Dated: 1/23/2026


Jonathan M. Genish
Barbara DuVan-Clarke
*Attorneys for Plaintiff Frank Breckenridge
and Proposed Class Counsel*

60. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiff and Defendant:

IT IS SO AGREED.

PLAINTIFF FRANK BRECKENRIDGE

Frank Breckenridge

Dated: 01/23/2026

Frank Breckenridge

**DEFENDANT PACIFIC MATERIAL
HANDLING SOLUTIONS, INC.**

Dated: 1/28/26

Ralph E. Logan
Full Name: RALPH E. LOGAN

Title: PRESIDENT

On behalf of Pacific Material Handling
Solutions, Inc.

APPROVED AS TO FORM ONLY:

BLACKSTONE LAW, APC

Dated: 1/23/2026

Jonathan M. Genish
Jonathan M. Genish

Barbara DuVan-Clarke

*Attorneys for Plaintiff Frank Breckenridge
and Proposed Class Counsel*

COBLENTZ PATCH DUFFY & BASS LLP



Dated: January 26, 2026

Allison B. Moser
Attorneys for Defendant Pacific Material
Handling Solutions, Inc.

EXHIBIT 3

1 **AMENDED JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT**

2 This Amended Joint Stipulation of Class Action and PAGA Settlement (“Settlement,”
3 “Agreement,” or “Settlement Agreement”) is made and entered into by and between Plaintiff Frank
4 Breckenridge (“Plaintiff” or “Class Representative”), individually, and on behalf of all others similarly
5 situated and on behalf of the State of California with respect to aggrieved employees, and Defendant
6 Pacific Material Handling Solutions, Inc. (“Defendant”) (together, Plaintiff and Defendant are referred
7 to as “Parties” and individually as “Party”).

8 This Settlement Agreement shall be binding on Plaintiff, Settlement Class Members (as
9 defined herein), the State of California as to the employment of PAGA Employees (as defined herein),
10 and Defendant, subject to the terms and conditions hereof and the approval of the Court.

11 Pursuant to Paragraph 43 of the Joint Stipulation of Class Action and PAGA Settlement which
12 was executed on June 16, 2025 (“Original Agreement”), the Original Agreement is hereby replaced
13 and supplanted in its entirety by this instrument.

14 **RECITALS**

15 1. On April 1, 2024, Plaintiff provided written notice to the Labor and Workforce
16 Development Agency (“LWDA”) by online submission and to Defendant by U.S. Certified Mail,
17 pursuant to California Labor Code Section 2699.3, of the specific provisions of the California Labor
18 Code alleged to have been violated by Defendant (“PAGA Letter”). On April 3, 2024, Plaintiff filed
19 a Class Action Complaint in the action entitled *Breckenridge v. Pacific Material Handling Solutions,*
20 *Inc.*, Alameda County Superior Court Case No. 24CV070227 (“Class Action”), thereby commencing
21 a putative class action against Defendant. The Class Action alleges nine (9) causes of action for
22 violations of the California Labor Code for failure to pay minimum wages, failure to pay overtime
23 wages, failure to provide compliant meal periods and premium payments in lieu thereof, failure to
24 provide compliant rest periods and premiums payments in lieu thereof, failure to timely pay wages
25 during employment, failure to provide compliant wage statements, failure to timely pay wages upon
26 termination, and failure to reimburse necessary business expenses thereby allegedly giving rise to
27 violations of California Business & Professions Code Section 17200, *et seq.* On June 7, 2024, Plaintiff
28 filed a Complaint for Enforcement Action under the Private Attorneys General Act, Cal. Labor Code

1 §§ 2698 *Et Seq* in the action entitled *Breckenridge v. Pacific Material Handling Solutions, Inc.*,
2 Alameda County Superior Court Case No. 24CV0789638 (“PAGA Action”), thereby commencing a
3 PAGA Action against Defendant. The PAGA Action alleges a sole cause of action for civil penalties
4 under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698, *et*
5 *seq.* (“PAGA”) based on the aforementioned California Labor Code violations. On or around February
6 10, 2025, pursuant to the Parties’ joint stipulation, the Court consolidated the Class Action and the
7 PAGA Action for settlement purposes (collectively referred to as the “Action”).

8 2. Defendant denies all allegations set forth in the Action, denies any failure to comply
9 with the laws identified in the Action, denies any and all liability for the causes of action alleged in
10 the Action, and has asserted numerous affirmative defenses. Notwithstanding, in the interest of
11 avoiding further litigation, Defendant desires to fully and finally settle the Action, Released Class
12 Claims (as defined herein), and Released PAGA Claims (as defined herein).

13 3. Class Counsel diligently investigated the class and PAGA claims against Defendant,
14 including any and all applicable defenses and the applicable law. The investigation included, *inter*
15 *alia*, the exchange of information, data, and documents, including pay records, time records,
16 declarations from Class Members, and review of corporate policies and practices. The Parties have
17 engaged in sufficient informal discovery and investigation to assess the relative merits of the claims
18 and contentions of the Parties.

19 4. The Court has not granted class certification.

20 5. On December 20, 2024, the Parties participated in mediation with Monique Ngo-
21 Bonnici (the “Mediator”), a respected mediator of complex wage and hour actions, and with the
22 assistance of the Mediator’s evaluations, the Parties reached the settlement that is memorialized herein.
23 The Parties’ settlement discussions were conducted at arms’ length, and the Settlement is the result of
24 an informed and detailed analysis of Defendant’s potential liability and exposure in relation to the
25 costs and risks associated with continued litigation. Based on Class Counsel’s investigation and
26 evaluation, Class Counsel believes that the settlement with Defendant for the consideration and on the
27 terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest
28 of the Class Members, State of California, and PAGA Employees in light of all known facts and

1 circumstances, including the risk of significant delay and uncertainty associated with litigation and
2 various defenses asserted by Defendant.

3 6. The Parties expressly acknowledge that this Settlement Agreement is entered into
4 solely for the purpose of compromising significantly disputed claims and that nothing herein is an
5 admission of liability or wrongdoing by Defendant. If for any reason this Settlement Agreement is
6 not approved, it will be of no force or effect, and the Parties shall be returned to their original respective
7 positions.

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

11 **DEFINITIONS**

12 8. The following definitions are applicable to this Settlement Agreement. Definitions
13 contained elsewhere in this Settlement Agreement will also be effective.

14 a. “Attorneys’ Fees and Costs” means attorneys’ fees approved by the Court for
15 Class Counsel’s litigation and resolution of the Action and all actual costs and expenses incurred and
16 to be incurred by Class Counsel in connection with the Action, as set forth in Paragraph 12.

17 b. “Class” or “Class Member(s)” means all current and former hourly-paid and/or
18 non-exempt employees who worked for Defendant within the State of California at any time during
19 the Class Period.

20 c. “Class Counsel” means Jonathan M. Genish, Barbara DuVan-Clarke, Danielle
21 L. GruppChang, P.J. Van Ert, and Annabel Blanchard of Blackstone Law, APC, who represent
22 Plaintiff and will seek to be appointed counsel for the Class.

23 d. “Class List” means a complete list of all Class Members that Defendant will
24 diligently and in good faith compile from its records and provide to the Settlement Administrator. The
25 Class List will be formatted in a readable Microsoft Office Excel spreadsheet containing the following
26 information for each Class Member: (1) full name; (2) last known mailing address; (3) Social Security
27 number; (4) dates worked for Defendant during the Class Period; (5) Workweeks worked for
28 Defendant during the Class Period; (6) Pay Periods worked for Defendant during the PAGA Period (if

1 applicable).

2 e. “Class Notice” means the Court approved Notice of Class Action Settlement,
3 substantially in the form attached hereto as “**Exhibit A.**”

4 f. “Class Period” means the period from April 3, 2020 through February 20, 2025.

5 g. “Class Settlement” means the settlement and resolution of all Released Class
6 Claims.

7 h. “Court” means the Superior Court of the State of California for the County of
8 Alameda.

9 i. “Defendant’s Counsel” means Allison B. Moser and Evan Campbell of
10 Coblenz Patch Duffy & Bass LLP.

11 j. “Effective Date” means the date when all of the following events have occurred:
12 (1) the Settlement Agreement has been executed by all Parties, Class Counsel, and Defendant’s
13 Counsel; (2) the Court has given preliminary approval to the Settlement; (3) the Class Notice has been
14 mailed to the Class Members, providing them with an opportunity to object to the terms of the Class
15 Settlement or opt out of the Class Settlement; (4) the Court has had a Final Approval Hearing and
16 entered a Final Approval Order and Judgment; (5) sixty-five calendar days have passed since the Court
17 entered a Final Approval Order and Judgment; and (6) in the event there are written objections to the
18 Class Settlement filed prior to the Final Approval Hearing which are not later withdrawn or denied,
19 the later of the following events: seven business days after the period for filing any appeal, writ, or
20 other appellate proceeding opposing the Court’s Final Approval Order and Judgment has elapsed
21 without any appeal, writ, or other appellate proceeding having been filed, or, if any appeal, writ, or
22 other appellate proceeding opposing the Court’s Final Approval Order and Judgment has been filed,
23 seven business days after any appeal, writ, or other appellate proceedings opposing the Court’s Final
24 Approval Order and Judgment has finally and conclusively dismissed with no right to pursue further
25 remedies or relief.

26 k. “Employer Taxes” means the employer’s share of taxes and contributions in
27 connection with the wages portion of Individual Settlement Shares, which shall be paid by Defendant
28 in addition to the Gross Settlement Amount.

1 l. “Enhancement Payment” means the amount to be paid to Plaintiff, in
2 recognition of his effort and work in prosecuting the Action on behalf of Class Members and PAGA
3 Employees, as set forth in Paragraph 12.

4 m. “Final Approval” means the determination by the Court that the Settlement is
5 fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

6 n. “Final Approval Hearing” means the hearing at which the Court will consider
7 and determine whether the Settlement should be granted Final Approval.

8 o. “Final Approval Order and Judgment” means the order granting final approval
9 of the Settlement and entering judgment thereon, in a form and content mutually agreed to by the
10 Parties, and subject to approval by the Court.

11 p. “Gross Settlement Amount” means the amount of Five Hundred Thousand
12 Dollars (\$500,000) to be paid by Defendant in full satisfaction of the Action, Released Class Claims,
13 and Released PAGA Claims, which includes all Attorneys’ Fees and Costs, Enhancement Payment,
14 PAGA Amount, Settlement Administration Costs, and Net Settlement Amount to be paid to the
15 Settlement Class Members. Defendant shall pay the Employer Taxes separately and in addition to the
16 Gross Settlement Amount. The Gross Settlement Amount is non-reversionary; no portion of the Gross
17 Settlement Payment will return to Defendant. The Gross Settlement Amount is subject to increase, as
18 provided in Paragraph 13.

19 q. “Individual PAGA Payment” means the *pro rata* share of the PAGA Employee
20 Amount that a PAGA Employee may be eligible to receive under the PAGA Settlement, to be
21 calculated in accordance with Paragraph 12.

22 r. “Individual Class Settlement Payment” means the net payment of each
23 Settlement Class Member’s Individual Settlement Share, after reduction for the employee’s share of
24 taxes and withholdings with respect to the wages portion of the Individual Settlement Share, as
25 provided in Paragraph 12.

26 s. “Individual Settlement Share” means the *pro rata* share of the Net Settlement
27 Amount that a Class Member may be eligible to receive under the Class Settlement, to be calculated
28 in accordance with Paragraph 12.

1 t. “LWDA Payment” means the amount of (\$37,500), i.e., 75% of the PAGA
2 Amount, that the Parties have agreed to pay to the LWDA under the PAGA Settlement, as set forth in
3 Paragraph 12.

4 u. “Net Settlement Amount” means the portion of the Gross Settlement Amount
5 that is available for distribution to Settlement Class Members, which is the Gross Settlement Amount
6 less the Court-approved Attorneys’ Fees and Costs, Enhancement Payment, PAGA Amount, and
7 Settlement Administration Costs.

8 v. “Notice of Objection” means a Settlement Class Member’s written objection to
9 the Class Settlement, which must: (a) contain the case name and number of the Action; (b) contain the
10 objector’s full name, signature, address, telephone number, and the last four (4) digits of the objector’s
11 Social Security number; (c) contain a written statement of all grounds for the objection accompanied
12 by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents
13 upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the
14 specified address, postmarked on or before the Response Deadline.

15 w. “PAGA Amount” means the allocation of Fifty Thousand Dollars (\$50,000)
16 from the Gross Settlement Amount for the PAGA Settlement. Seventy-five percent (75%) of the
17 PAGA Amount, or \$37,500, will be paid to the LWDA (i.e., the LWDA Payment) and the remaining
18 twenty-five percent (25%), or \$12,500, will be distributed to the PAGA Employees (i.e., the PAGA
19 Employee Amount).

20 x. “PAGA Employees” means all current and former hourly-paid or non-exempt
21 employees who worked for Defendant within the State of California at any time during the PAGA
22 Period.

23 y. “PAGA Employee Amount” means the amount of Twelve Thousand Five
24 Hundred Dollars (\$12,500), i.e., 25% of the PAGA Amount, to be distributed to PAGA Employees on
25 a *pro rata* basis based on their Pay Periods.

26 z. “PAGA Period” means the period from April 1, 2023 through February 20,
27 2025.

28 aa. “PAGA Settlement” means the settlement and resolution of all Released PAGA

1 Claims.

2 bb. "Pay Periods" means the number of pay periods each PAGA Employee worked
3 for Defendant as an hourly-paid or non-exempt employee in California during the PAGA Period. Pay
4 Periods will be calculated the same way that they were calculated by Defendant at mediation which is
5 the number of pay periods between the latest of hire date or statute of limitation start date and the
6 termination date or PAGA Period end date if not terminated.

7 cc. "Preliminary Approval" means the date on which the Court enters the
8 Preliminary Approval Order.

9 dd. "Preliminary Approval Order" means the order granting preliminary approval
10 of the Settlement, in a form and content mutually agreed to by the Parties, and subject to approval by
11 the Court.

12 ee. "Released Class Claims" means any and all claims, debts, liabilities, demands,
13 obligations, guarantees, costs, expenses, attorneys' fees, damages, or causes of action which were
14 alleged or which could have been alleged based on the factual allegations in the Class Action, arising
15 during the Class Period, under any federal, state, or local law, and shall specifically include claims for
16 Defendant's alleged failure to pay overtime and minimum wages, provide compliant meal and rest
17 periods and associated premium payments, timely pay wages during employment and upon
18 termination, provide compliant~~complaint~~ wage statements, maintain complete and accurate payroll
19 records, and reimburse necessary business-related expenses in violation of California Labor Code
20 Sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and
21 2802, and Industrial Welfare Commission Wage Orders, including *inter alia*, applicable Wage
22 Order(s), and all claims for attorneys' fees and costs and statutory interest in connection therewith,
23 California Business and Professions Code sections 17200, *et seq.*, and any other claims, including
24 claims for statutory penalties (excluding civil penalties pursuant to PAGA), pertaining to the Class
25 Members.

26 ff. "Released PAGA Claims" means any and all claims arising from any of the
27 factual allegations in the PAGA Letter~~-or PAGA Action~~, arising during the PAGA Period, for civil
28 penalties under the Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et*

1 *seq.*, including all claims for attorneys’ fees and costs related thereto, for Defendant’s alleged failure
2 to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium
3 payments, timely pay wages during employment and upon termination, provide compliant~~complaint~~
4 wage statements, maintain complete and accurate payroll records, and reimburse necessary business-
5 related expenses in violation of California Labor Code Sections 201, 202, 203, 204, 226(a), 226.7,
6 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission
7 Wage Orders, including *inter alia*, applicable Wage Order(s).

8 gg. “Released Parties” means Defendant and its current and former officers,
9 directors, members, insurers, shareholders, subsidiaries, affiliates, predecessors, successors, and
10 assigns.

11 hh. “Request for Exclusion” means a letter submitted by a Class Member indicating
12 a request to be excluded from the Class Settlement, which must: (a) contain the case name and number
13 of the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and
14 last four (4) digits of the Class Member’s Social Security number; (c) clearly state that the Class
15 Member does not wish to be included in the Class Settlement; and (d) be returned by mail to the
16 Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

17 ii. “Response Deadline” means the deadline by which Class Members must submit
18 a Request for Exclusion, Notice of Objection, and/or Workweeks Dispute, which shall be the date that
19 is forty-five (45) calendar days from the initial mailing of the Class Notice by the Settlement
20 Administrator to Class Members, unless the 45th day falls on a Sunday or Federal holiday, in which
21 case the Response Deadline will be extended to the next day on which the United States Postal service
22 is open. The Response Deadline may also be extended by express agreement between Class Counsel
23 and Defendant’s Counsel. In the event that a Class Notice is re-mailed to a Class Member, the
24 Response Deadline for that Class Member shall be extended fifteen (15) calendar days from the
25 original Response Deadline.

26 jj. “Settlement Administrator” means Apex Class Action Administration, or any
27 other third-party class action settlement administrator agreed to by the Parties and approved by the
28 Court for purposes of administering the Settlement. The Parties and their counsel each represent that

they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

kk. “Settlement Administration Costs” means the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering the Settlement, as set forth in Paragraph 12.

ll. “Settlement Class” or “Settlement Class Member(s)” means all Class Members who do not submit a timely and valid Request for Exclusion.

mm. “Workweeks” means the number of weeks each Class Member worked for Defendant as an hourly-paid and/or non-exempt employee in California during the Class Period, which is based on the number of weeks between the latest of the Class Member’s hire date or the beginning of the statute of limitation period and the Class Member’s termination date or end of the class period if the Class Member is a current employee.

nn. “Workweeks Dispute” means a letter submitted by a Class Member disputing the number of Workweeks and/or Pay Periods which have been credited to them, which must: (a) contain the case name and number of the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and the last four (4) digits of the Class Member’s Social Security number; (c) clearly state that the Class Member disputes the number of Workweeks and/or Pay Periods credited to the Class Member/PAGA Employee and what the Class Member/PAGA Employee contends is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

CLASS CERTIFICATION

9. For the purposes of this Settlement only, the Parties stipulate to the certification of the Class.

10. The Parties agree that certification for the purpose of settlement is not an admission that certification is proper under Section 382 of the California Code of Civil Procedure. Should, for whatever reason, the Court not grant Preliminary or Final Approval, the Parties’ stipulation to class certification as part of the Settlement shall become null and void and shall have no bearing on, and shall not be admissible in connection with, the issue of whether or not certification would be

1 inappropriate in a non-settlement context.

2 **MONETARY TERMS OF THE AGREEMENT**

3 11. Gross Settlement Amount. Defendant will pay Five Hundred Thousand Dollars
4 (\$500,000) as the Gross Settlement Amount. Defendant shall pay the Employer Taxes separately and
5 in addition to the Gross Settlement Amount. The Gross Settlement Amount is non-reversionary; no
6 portion of the Gross Settlement Payment will return to Defendant. The Administrator will disburse
7 the entire Gross Settlement Amount without asking or requiring Class Members or PAGA Employees
8 to submit any claim as a condition of payment.

9 12. Payments from the Gross Settlement Amount. The Administrator will make and deduct
10 the following payments from the Gross Settlement Amount, in the amounts specified by the Court in
11 the Final Approval:

- 12 a. Attorneys' Fees and Costs to Class Counsel. Defendant agrees not to oppose or impede
13 any application or motion by Class Counsel for attorneys' fees in the amount up to
14 thirty five percent (35%) of the Gross Settlement Amount (i.e., \$175,000 if the Gross
15 Settlement Amount is \$500,000) and reimbursement of actual costs and expenses
16 associated with Class Counsel's litigation and settlement of the Action, in an amount
17 not to exceed Thirty Thousand Dollars (\$30,000), both of which will be paid from the
18 Gross Settlement Amount. These amounts will cover any and all work performed and
19 any and all costs incurred by Class Counsel in connection with the litigation of the
20 Action, including without limitation all work performed and costs incurred to date, and
21 all work to be performed and all costs to be incurred in connection with obtaining the
22 Court's approval of this Settlement Agreement, including any objections raised and
23 any appeals necessitated by those objections. Class Counsel shall be solely and legally
24 responsible for correctly characterizing this compensation for tax purposes and for
25 paying any taxes on the amounts received. The Settlement Administrator shall issue
26 an IRS Form 1099 to Class Counsel for the Attorneys' Fees and Costs. Any portion of
27 the requested Attorneys' Fees and Costs that is not awarded by the Court to Class
28 Counsel shall be reallocated to the Net Settlement Amount for the benefit of the

Settlement Class Members.

b. Enhancement Payment to Plaintiff. Defendant agrees not to oppose or impede any application or motion by Plaintiff for an Enhancement Payment in the amount up to Ten Thousand Dollars (\$10,000). The Enhancement Payment, which will be paid from the Gross Settlement Amount, subject to Court approval, will be in addition to his Individual Class Settlement Payment as a Settlement Class Member and Individual PAGA Payment as a PAGA Employee. Plaintiff shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff for the Enhancement Payment. Any portion of the requested Enhancement Payment that is not awarded by the Court to Plaintiff shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

c. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments under the Settlement, which is currently estimated not to exceed Six Thousand Dollars (\$6,000.00). These costs, which will be paid from the Gross Settlement Amount, subject to Court approval, will include, *inter alia*, printing, distributing, and tracking Class Notices and other documents for the Settlement, calculating and distributing payments due under the Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings, and remittances, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process the Settlement, and as requested by the Parties. To the extent the actual Settlement Administrator's costs are greater than the estimated amount stated herein, such excess amount will be deducted from the Gross Settlement Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator to undertake the required settlement administration duties shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class

Members.

- d. PAGA Employees. Subject to approval by the Court, the Parties agree that the amount of Fifty Thousand Dollars (\$50,000) shall be allocated from the Gross Settlement Amount toward penalties under the Private Attorneys General Act, California Labor Code Section 2698, *et seq.* (i.e., the PAGA Amount), of which seventy-five percent (75%), or \$37,500, will be paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%), or \$12,500, will be distributed to PAGA Employees (i.e., the PAGA Employee Amount) on a *pro rata* basis, based on the total number of Pay Periods worked by each PAGA Employee during the PAGA Period (i.e., the Individual PAGA Payments). Individual PAGA Payments will be calculated and apportioned from the PAGA Employee Amount based on the PAGA Employees' number of Pay Periods, as follows: The Settlement Administrator will divide the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the Pay Periods of all PAGA Employees to yield the "Pay Period Value," and multiply each PAGA Employee's individual Pay Periods by the Pay Period Value to yield each PAGA Employee's Individual PAGA Payment.
- e. Individual Class Settlement Share Calculations. Individual Class Settlement Shares will be calculated and apportioned from the Net Settlement Amount based on the Class Members' number of Workweeks, as follows:
- i. After Preliminary Approval, the Settlement Administrator will divide the Net Settlement Amount by the Workweeks of all Class Members to yield the "Estimated Workweek Value," and multiply each Class Member's individual Workweeks by the Estimated Workweek Value to yield each Class Member's estimated Individual Class Settlement Share that the Class Member may be entitled to receive under the Class Settlement.
 - ii. After Final Approval, the Settlement Administrator will divide the final Net Settlement Amount by the Workweeks of all Settlement Class Members to yield the "Final Workweek Value," and multiply each Settlement Class Member's individual Workweeks by the Final

Workweek Value to each Settlement Class Member's final Individual Class Settlement Share.

13. Escalator Clause. Defendant has represented that the Class Members worked a total of 10,790 Workweeks during the period from April 3, 2020 through December 20, 2024. If it is determined by the Settlement Administrator that the total number of Workweeks worked by the Class Members during the time period from April 3, 2020 through December 20, 2024 actually exceeds 10,790 by more than 10% (i.e., by more than 11,869 Workweeks), then the Gross Settlement Amount will be increased on a pro rata basis equal to the percentage increase in the number of Workweeks worked by the Class Members above 10%. For example, if the number of Workweeks increases by 11% to 11,977 Workweeks, then the Gross Settlement Amount will increase by 1%.

14. Tax Treatment of Individual Settlement Shares and Individual PAGA Payments. Each Individual Settlement Share will be allocated as follows: twenty percent (20%) wages and eighty percent (80%) penalties, interest, and non-wage damages. The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The Settlement Administrator will withhold the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their Individual Class Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes and withholdings). The Employer Taxes will be paid separately and in addition to the Gross Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

15. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiff, Settlement Class Members, PAGA Employees, and Class Counsel any tax forms (i.e., IRS Forms W-2, IRS Forms 1099, etc.) as may be required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement Administrator will also be responsible for calculating the Employer Taxes and forwarding all payroll taxes and other legally required withholdings to the appropriate government authorities.

16. Tax Liability. Plaintiff, Class Counsel, Defendant, and Defendant's Counsel do not

1 intend anything contained in this Settlement Agreement to constitute advice regarding taxes or
2 taxability, nor shall anything in this Settlement Agreement be relied on as such. Plaintiff, Settlement
3 Class Members, and PAGA Employees are not relying on any statement, representation, or calculation
4 by Defendant, the Settlement Administrator, or Class Counsel in this regard. Plaintiff, Settlement
5 Class Members, and PAGA Employees understand and agree that Plaintiff, Settlement Class
6 Members, and PAGA Employees will be solely responsible for the payment of any taxes and penalties
7 assessed on the payments described in this Settlement Agreement. Plaintiff, Settlement Class
8 Members, and PAGA Employees should consult with their tax advisors concerning the tax
9 consequences of any payment they receive under the Settlement.

10 **SETTLEMENT FUNDING, PAYMENTS, AND ADMINISTRATION**

11 17. **Funding of the Gross Settlement Amount.** No later than fourteen (14) calendar days
12 after the Effective Date, Defendant will deposit the Gross Settlement Amount into a Qualified
13 Settlement Fund (“QSF”) within the meaning of Treasury Regulation Section 1.468B-1, *et seq.*, to be
14 established by the Settlement Administrator. Defendant shall provide all information necessary for
15 the Settlement Administrator to calculate necessary payroll taxes including its official name, 8-digit
16 state unemployment insurance tax ID number, and other information requested by the Settlement
17 Administrator, no later than fourteen (14) calendar days after the Effective Date.

18 18. **Distribution of the Gross Settlement Amount.** Within fourteen (14) calendar days of
19 the funding of the Gross Settlement Amount, the Settlement Administrator will issue the Individual
20 Class Settlement Payments to Settlement Class Members, Individual PAGA Payments to PAGA
21 Employees, LWDA Payment to the LWDA, Enhancement Payment to Plaintiff, Attorneys’ Fees and
22 Costs to Class Counsel, and Settlement Administration Costs to itself. The Settlement Administrator
23 shall also set aside the Employer Taxes and all employee-side payroll taxes, contributions, and
24 withholding, and timely forward these to the appropriate government authorities.

25 19. **Settlement Checks.** The Settlement Administrator will be responsible for undertaking
26 appropriate deductions, required tax reporting, and issuing the Individual Class Settlement Payments
27 by way of check to the Settlement Class Members and the Individual PAGA Payments by way of
28 check to the PAGA Employees in accordance with this Settlement Agreement. When issuing

1 payments, the Settlement Administrator may combine the Individual Class Settlement Payment and
2 Individual PAGA Payment into one check if the intended recipient for both payments is one
3 individual. Settlement Class Members and PAGA Employees are not required to submit a claim to be
4 issued an Individual Class Settlement Payment and/or Individual PAGA Payment. Each Individual
5 Class Settlement Payment and Individual PAGA Payment check will be valid and negotiable for one
6 hundred and ~~twentyeighty~~ (120180) calendar days from the date the checks are issued, and thereafter,
7 shall be canceled. Any funds associated with such canceled checks shall be distributed by the
8 Settlement Administrator to ~~the State of California's Unclaimed Property Fund in the name of the~~
9 ~~Settlement Class Member and/or PAGA Employee~~ Legal Aid at Work. The Parties agree that this
10 disposition results in no "unpaid residue" under California Civil Procedure Code § 384, as the entire
11 Net Settlement Amount will be paid out to Settlement Class Members, whether or not they cash their
12 settlement checks.- Therefore, Defendant will not be required to pay any interest on such amounts.
13 The Settlement Administrator shall undertake amended and/or supplemental tax filings and reporting
14 required under applicable local, state, and federal tax laws that are necessitated due to the cancellation
15 of any Individual Class Settlement Payment and/or Individual PAGA Payment checks. Settlement
16 Class Members whose Individual Class Settlement Payment checks are canceled shall, nevertheless,
17 be bound by the Class Settlement, and PAGA Employees whose Individual PAGA Payment checks
18 are cancelled shall, nevertheless, be bound by the PAGA Settlement.

19 20. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the
20 Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually
21 are issued to the payee. It is expressly understood and agreed that payments made under this
22 Settlement shall not in any way entitle Plaintiff, Settlement Class Members, or any PAGA Employee
23 to additional compensation or benefits under any new or additional compensation or benefits, or any
24 bonus, contest, or other compensation or benefit plan or agreement in place during the Class Period,
25 nor will it entitle Plaintiff, Settlement Class Members, or any PAGA Employee to any increased
26 retirement, 401K benefits or matching benefits, or deferred compensation benefits (notwithstanding
27 any contrary language or agreement in any benefit or compensation plan document that might have
28 been in effect during the Class Period).

1 21. Notice of Settlement to the LWDA. Pursuant to California Labor Code § 2699(1)(2),
2 Class Counsel shall notify the LWDA of the Settlement upon filing the motion for preliminary
3 approval of the Settlement.

4 22. Delivery of Class List. Within fourteen (14) calendar days of Preliminary Approval,
5 Defendant will provide the Class List to the Settlement Administrator.

6 23. Notice by First-Class U.S. Mail.

7 a. Within seven (7) calendar days after receiving the Class List from Defendant,
8 the Settlement Administrator will perform a search based on the National Change of Address Database
9 or any other similar services available, such as provided by Experian, for information to update and
10 correct for any known or identifiable address changes, and will mail a Class Notice in English (in the
11 form attached as **Exhibit A** to this Settlement Agreement) to all Class Members via First-Class U.S.
12 Mail, using the most current, known mailing addresses identified by the Settlement Administrator.

13 b. Any Class Notice returned to the Settlement Administrator as undeliverable on
14 or before the Response Deadline will be sent promptly via First-Class U.S. Mail to the forwarding
15 address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on
16 the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly
17 attempt to determine the correct address using a skip-trace or other search, using the name, address,
18 and/or Social Security number of the Class Member, and perform a single re-mailing within five (5)
19 calendar days.

20 c. Compliance with the procedures described herein above shall constitute due and
21 sufficient notice to Class Members of the Settlement and shall satisfy the requirements of due process.
22 Nothing else shall be required of or done by the Parties, Class Counsel, or Defendant's Counsel to
23 provide notice of the Settlement.

24 24. Disputes Regarding Workweeks and/or Pay Periods. Class Members/PAGA
25 Employees will have an opportunity to dispute the number of Workweeks and/or Pay Periods which
26 have been credited to them, as reflected in their respective Class Notices, by submitting a timely and
27 valid Workweeks Dispute to the Settlement Administrator, by mail, postmarked on or before the
28 Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive

means to determine whether a Workweeks Dispute has been timely submitted. Absent evidence rebutting the accuracy of Defendant's records and data as they pertain to the number of Workweeks and/or Pay Periods to be credited to a disputing Class Member/PAGA Employee, Defendant's records will be presumed to be correct and determinative of the dispute. However, if a Class Member/PAGA Employee produces information and/or documents to the contrary, the Settlement Administrator will evaluate the materials submitted by the Class Member/PAGA Employee and the Settlement Administrator will resolve and determine the number of eligible Workweeks and/or Pay Periods that the disputing Class Member/PAGA Employee should be credited with under the Settlement. The Settlement Administrator's decision on such disputes will be final and non-appealable.

25. Requesting Exclusion from the Class Settlement. Any Class Member wishing to be excluded from the Class Settlement must submit a timely and valid Request for Exclusion to the Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel the number of timely and valid Requests for Exclusion that are submitted, and also identify the individuals who have submitted a timely and valid Request for Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to request exclusion from the Class Settlement or appeal the Judgment. Any Class Member who submits a Request for Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will not be issued an Individual Class Settlement Payment. Any Class Member who does not affirmatively request exclusion from the Class Settlement by submitting a timely and valid Request for Exclusion will be bound by all of the terms of the Class Settlement, including and not limited to those pertaining to the Released Class Claims, as well as any judgment that may be entered by the Court if it grants Final Approval to the Settlement. Notwithstanding the above, all PAGA Employees will be bound to the PAGA Settlement and will be issued their Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

1 26. Objecting to the Class Settlement. To object to the Class Settlement, Settlement Class
2 Members must submit a timely and complete Notice of Objection to the Settlement Administrator, by
3 mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing
4 envelope will be the exclusive means to determine whether a Notice of Objection has been timely
5 submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's
6 Counsel the number of Notices of Objection that are submitted (specifying which ones were timely
7 and complete and which were not), and also attach them to a declaration that is to be filed with the
8 Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel
9 seek to solicit or otherwise encourage Settlement Class Members to object to the Class Settlement or
10 appeal from the Final Approval Order and Judgment. Settlement Class Members, individually or
11 through counsel, may also present their objection orally at the Final Approval Hearing, regardless of
12 whether they have submitted a Notice of Objection.

13 27. Reports by the Settlement Administrator. The Settlement Administrator shall provide
14 weekly reports to counsel for the Parties providing: (a) the number of undeliverable and re-mailed
15 Class Notices; (ii) the number of Class Members who have submitted Workweeks Disputes; (iii) the
16 number of Class Members who have submitted Requests for Exclusion; and (iv) the number of
17 Settlement Class Members who have submitted Notices of Objection. Additionally, the Settlement
18 Administrator will provide to counsel for the Parties any updated reports regarding the administration
19 of the Settlement Agreement as needed or requested, and immediately notify the Parties when it
20 receives a request from an individual or any other entity regarding inclusion in the Class and/or
21 Settlement or regarding a Workweeks Dispute.

22 28. Defendant's Right to Rescind. If more than ten percent (10%) of the Class Members
23 submit timely and valid Requests for Exclusion, Defendant may elect to rescind the Settlement
24 Agreement. Defendant must exercise this right of rescission in writing that is provided to Class
25 Counsel within fourteen (14) calendar days of the Settlement Administrator notifying the Parties of
26 the number of Class Members who have submitted timely and valid Requests for Exclusion following
27 the Response Deadline. If Defendant exercises this option, Defendant shall pay any costs of settlement
28 administration owed to the Settlement Administrator incurred up to that date.

1 ~~29.~~ Certification of Completion. Upon completion of administration of the Settlement, the
2 Settlement Administrator will provide a written declaration under oath to certify such completion to
3 the Court and counsel for all Parties.

4 29. ~~##~~

5 **MOTION FOR PRELIMINARY AND FINAL APPROVAL**

6 30. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.
7 Plaintiff and Class Counsel will obtain a hearing date from the Court for Plaintiff's motion for
8 preliminary approval of the Settlement, which Class Counsel will be responsible for drafting, and will
9 submit this Settlement Agreement to the Court in support of said motion. Class Counsel will provide
10 Defendant's Counsel a draft of the preliminary approval motion before filing it with the Court, and
11 the Parties agree to work together in good faith to resolve any disagreements that arise from the draft
12 motion. Defendant agrees not to oppose the motion for preliminary approval of the Settlement
13 consistent with this Settlement Agreement. By way of said motion, Plaintiff will apply for the entry
14 of the Preliminary Approval Order seeking the following:

- 15 a. Conditionally certifying the Class for settlement purposes only;
- 16 b. Granting Preliminary Approval of the Settlement;
- 17 c. Preliminarily appointing Plaintiff as the representative of the Class;
- 18 d. Preliminarily appointing Class Counsel as counsel for the Class;
- 19 e. Approving as to form and content, the mutually-agreed upon and proposed
20 Class Notice and directing its mailing by First Class U.S. Mail;
- 21 f. Approving the manner and method for Class Members to request exclusion
22 from or object to the Class Settlement as contained herein and within the Class Notice;
- 23 g. Scheduling a Final Approval Hearing at which the Court will determine whether
24 Final Approval of the Settlement should be granted.

25 If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any
26 material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work
27 together on behalf of the Parties by meeting in person or by telephone or email, and in good faith, to
28 modify the Agreement and otherwise satisfy the Court's concerns.

31. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After the Response Deadline, a Final Approval Hearing will be conducted to determine whether Final Approval of the Settlement should be granted, along with the amounts properly payable for: (a) Individual Settlement Shares; (b) Individual PAGA Payments; (c) LWDA Payment; (d) Attorneys' Fees and Costs; (e) Enhancement Payment; and (f) Settlement Administration Costs. The Final Approval Hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Plaintiff and Class Counsel will be responsible for drafting the motion seeking Final Approval of the Settlement. Class Counsel will provide Defendant's Counsel a draft of the final approval motion before filing it with the Court. By way of said motion, Plaintiff will apply for the entry of the Final Approval Order and Judgment, which will provide for, in substantial part, the following:

- a. Approval of the Settlement as fair, reasonable, and adequate, and directing consummation of its terms and provisions;
- b. Certification of the Settlement Class;
- c. Approval of the application for Attorneys' Fees and Costs to Class Counsel;
- d. Approval of the application for Enhancement Payment to Plaintiff;
- e. Directing Defendant to fund all amounts due under the Settlement Agreement and ordered by the Court; and
- f. Entering judgment in the Action, while maintaining continuing jurisdiction, in conformity with California Rules of Court 3.769 and the Settlement Agreement.

RELEASE OF CLAIMS

32. Class Settlement Release. Upon the full funding of the Gross Settlement Amount, Plaintiff and all Settlement Class Members, on behalf of themselves and their former and present representatives, agents, attorneys, heirs, administrators, successors, transferees, and assigns, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

33. PAGA Settlement Release. Upon the full funding of the Gross Settlement Amount, Plaintiff and the State of California (including the LWDA) with respect to all PAGA Employees, ~~and all PAGA Employees~~ will be deemed to have fully, finally, and forever released, settled, compromised,

1 relinquished, and discharged the Released Parties of all Released PAGA Claims.

2 34. Plaintiff's General Release. Plaintiff has entered into a separate settlement agreement
3 regarding his broader, general release of claims.

4 35. Final Approval Order and Judgment. The Parties shall provide the Settlement
5 Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court,
6 and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for
7 sixty (60) calendar days. No individualized notice of the Final Approval Order and Judgment to the
8 Class will be required.

9 **ADDITIONAL PROVISIONS**

10 36. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT
11 (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY
12 TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN
13 "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
14 SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE
15 BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISORS, IS
16 OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE
17 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE
18 MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART
19 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY
20 UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE
21 (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B)
22 HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE
23 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY
24 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR
25 DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY
26 TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
27 ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION
28 THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'S

1 TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY
2 BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX
3 TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY
4 TRANSACTION CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

5 37. Continued Jurisdiction. After entry of the judgment pursuant to the Settlement, the
6 Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and
7 Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the
8 interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters,
9 and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this
10 Settlement Agreement.

11 38. Effects of Termination or Rescission of Settlement. Termination or rescission of the
12 Settlement Agreement shall have the following effects:

13 a. The Settlement Agreement shall be void and shall have no force or effect, and
14 no Party shall be bound by any of its terms;

15 b. In the event the Settlement Agreement is terminated, Defendant shall have no
16 obligation to make any payments to any Party, Class Member, or attorney, except that the terminating
17 Party shall pay the Settlement Administrator for services rendered up to the date the Settlement
18 Administrator is notified that the Settlement has been terminated;

19 c. The Preliminary Approval Order, Final Approval Order and Judgment,
20 including any order certifying the Class, shall be vacated;

21 d. The Settlement Agreement and all negotiations, statements, and proceedings
22 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be
23 restored to their respective positions in the Action prior to the execution of the Settlement Agreement;

24 e. Neither this Settlement Agreement, nor any ancillary documents, actions,
25 statements, or filings in furtherance of the Settlement (including all matters associated with the
26 mediation) shall be admissible or offered into evidence in the Action or any other action for any
27 purpose whatsoever; and

28 f. Any documents generated to bring the Settlement into effect, will be null and

void, and any order or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be treated as void from the beginning.

39. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

40. Exhibits Incorporated by Reference. The terms of this Settlement include the terms set forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Settlement Agreement are an integral part of the Settlement.

41. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the entirety of the Parties' agreement relating to the settlement and transaction completed thereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil Code § 1625 and California Code of Civil Procedure § 1856(a), which provide that a written agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written representations or terms will modify, vary, or contradict the terms of this Settlement Agreement.

42. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in the Action (including with respect to California Code of Civil Procedure § 583.310), except such proceedings necessary to implement and complete this Settlement Agreement, pending the Final Approval Hearing to be conducted by the Court.

43. Amendment or Modification. Prior to the filing of the motion for preliminary approval of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement except by written agreement signed by counsel for all Parties. After the filing of the motion for preliminary approval of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement except by written agreement signed by counsel for all the Parties and subject to Court approval. A waiver or amendment of any provision of this Settlement Agreement will not

1 constitute a waiver of any other provision.

2 44. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
3 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
4 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
5 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
6 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have
7 full authority to enter into this Settlement Agreement, and further intend that this Settlement
8 Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible
9 and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation
10 confidentiality provisions that otherwise might apply under state or federal law.

11 45. Confidentiality Prior to Preliminary Approval. Until the Motion for Preliminary
12 Approval is filed Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree that they
13 and each of them will not disclose, disseminate or publicize, any of the terms of the Agreement,
14 directly or indirectly, to any person, corporation, association, government agency, or other entity
15 except: (a) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep
16 this Agreement confidential; (b) to the extent necessary to report income to appropriate taxing
17 authorities; (c) in response to a court order or subpoena; or (d) in response to an inquiry or subpoena
18 issued by a state or federal government agency. This paragraph does not restrict Class Counsel's
19 communications with Class Members in accordance with Class Counsel's ethical obligations owed to
20 Class Members.

21 46. Use and Return of Class Data. Information provided to Class Counsel pursuant to
22 Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class
23 Counsel by Defendant in connection with the mediation, other settlement negotiations, or in
24 connection with the Settlement, may be used only with respect to this Settlement, and no other
25 purposes, and may not be used in any way that violates any existing contractual agreement, statute or
26 rule of court. No later than ninety days after the date when the Court discharges the Administrator's
27 obligation to provide a declaration confirming the final pay out of all Settlement Funds, upon
28 Defendant's written request, Plaintiff and the Administrator shall destroy all paper and electronic

versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligations, Defendant makes a written request to Class Counsel for the return, rather than the destructions of Class Data. Plaintiff and Administrator shall provide written certification to Defendant confirming destruction of information pursuant to this paragraph.

47. Signatories. It is agreed that because the members of the Class are so numerous, it is impossible or impractical to have each Settlement Class Member or PAGA Employee execute this Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the Class Settlement as to the Settlement Class Members and the binding nature of the PAGA Settlement as to the PAGA Employees, and the releases provided for by this Settlement Agreement shall have the same force and effect as if this Settlement Agreement were executed by each Settlement Class Member and PAGA Employee.

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

49. California Law Governs. All terms of this Settlement Agreement and attached exhibits hereto will be governed by and interpreted according to the laws of the State of California.

50. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, this Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile, electronic, and scanned copies of the signature page, will be deemed to be one and the same instrument.

51. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement Agreement. In addition, if necessary to obtain approval of the Settlement, the Mediator may execute a declaration supporting the Settlement and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

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

5 53. Plaintiff's Cooperation. Plaintiff agrees to sign this Settlement Agreement and, by
6 signing this Settlement Agreement, is hereby bound by the terms herein and agrees to fully cooperate
7 to implement the Settlement.

8 54. Non-Admission of Liability. The Parties enter into this Settlement Agreement to
9 resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of
10 continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and
11 specifically denies, it has violated any federal, state, or local law; violated any regulations or guidelines
12 promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements;
13 breached any contract; violated or breached any duty; engaged in any misrepresentation or deception;
14 or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement
15 Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be
16 construed as an admission or concession by Defendant of any such violations or failures to comply
17 with any applicable law. The Parties agree to stipulate to class action certification for purposes of
18 settlement purposes only. If, for any reason the Court does not grant Preliminary Approval, Final
19 Approval or enter Judgment, the stipulation to certification will be void, Defendant reserves the right
20 to contest certification of any class for any reasons, Defendant reserves all available defenses to the
21 claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds
22 available and to contest Defendant's defenses. The Parties further agree that certification for purposes
23 of the Settlement is not an admission that class action certification is proper under the standards
24 applied to contested certification motions and that this Agreement will not be admissible in this or any
25 other proceeding as evidence either that a class action should be certified or that Defendant is liable
26 to Plaintiff or any Class Member. Except as necessary in a proceeding to enforce the terms of this
27 Settlement Agreement, this Settlement Agreement and its terms and provisions shall not be offered or
28 received as evidence in any action or proceeding to establish any liability or admission on the part of

1 Defendant or to establish the existence of any condition constituting a violation of, or a non-
2 compliance with, federal, state, local or other applicable law.

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

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

12 57. Representation By Counsel. The Parties acknowledge that they have been represented
13 by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and
14 that this Settlement Agreement has been executed with the consent and advice of counsel, and
15 reviewed in full.

16 58. All Terms Subject to Final Court Approval. All amounts and procedures described in
17 this Settlement Agreement herein will be subject to final Court approval.

18 59. Notices. All notices, demands, and other communications to be provided concerning
19 the Settlement Agreement shall be in writing and deemed to have been duly given as of the third
20 business day after mailing by First Class U.S. Mail, or the day sent by email or messenger, addressed
21 as follows:

22 To Plaintiffs and Class Counsel:
23 Jonathan M. Genish
24 jgenish@blackstonepc.com
25 Barbara DuVan-Clarke
26 BDC@blackstonepc.com
27 Annabel Blanchard
28 ablanchard@blackstonepc.com
BLACKSTONE LAW, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

To Defendant:
Allison B. Moser
amoser@coblentzlaw.com
COBLENTZ PATCH DUFFY & BASS LLP
One Montgomery Street, Suite 3000
San Francisco, California 94104

60. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiff and Defendant:

IT IS SO AGREED.

PLAINTIFF FRANK BRECKENRIDGE

Dated: _____

Frank Breckenridge

**DEFENDANT PACIFIC MATERIAL
HANDLING SOLUTIONS, INC.**

Dated: _____

Full Name: _____

Title: _____
On behalf of Pacific Material Handling
Solutions, Inc.

APPROVED AS TO FORM ONLY:

BLACKSTONE LAW, APC

Dated: _____

Jonathan M. Genish
Barbara DuVan-Clarke

*Attorneys for Plaintiff Frank Breckenridge
and Proposed Class Counsel*

COBLENTZ PATCH DUFFY & BASS LLP

Dated: _____

Allison B. Moser
*Attorneys for Defendant Pacific Material
Handling Solutions, Inc.*

EXHIBIT 4

NOTICE OF CLASS ACTION SETTLEMENT

Breckenridge v. Pacific Material Handling Solutions, Inc.

Superior Court of California for the County of Alameda, Cases No. 24CV070227 and No. 24CV078938

PLEASE READ THIS CLASS NOTICE CAREFULLY.

You have received this Class Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Class Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Workweeks and/or Pay Periods that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiff Frank Breckenridge ("Plaintiff") and Defendant Pacific Material Handling Solutions, Inc. ("Defendant") (Plaintiff and Defendant are collectively referred to as the "Parties") in the case entitled *Breckenridge v. Pacific Material Handling Solutions, Inc.*, Alameda County Superior Court, Cases No. 24CV070227 and No. 24CV078938 ("Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" or "Class Member(s)" means all current and former hourly-paid and/or non-exempt employees who worked for Defendant within the State of California at any time during the Class Period.

"Class Period" means the period from April 3, 2020 through February 20, 2025.

"Class Settlement" means the settlement and resolution of all Released Class Claims.

"PAGA Employee(s)" means all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California at any time during the PAGA Period.

"PAGA Period" means the period from April 1, 2023 through February 20, 2025.

"PAGA Settlement" means the settlement and resolution of all Released PAGA Claims.

II. BACKGROUND OF THE ACTION

On April 1, 2024, Plaintiff provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendant of the specific provisions of the California Labor Code that Plaintiff contends were violated ("PAGA Letter"). On April 3, 2024, Plaintiff commenced a putative class action lawsuit by filing a Class Action Complaint in the Action ("Class Action"). On June 7, 2024, Plaintiff filed a Complaint for Enforcement Action under the Private Attorneys General Act, Cal. Labor Code §§ 2698 *Et Seq* ("PAGA Action").

Plaintiff contends that Defendant failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated waiting-time penalties, provide accurate wage statements, and reimburse business expenses, and thereby engaged in unfair business practices in violation of the California Business and Professions Code section 17200, *et seq.*, and conduct that gives rise to penalties under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698, *et seq.* ("PAGA"). Plaintiff seeks, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys' fees and costs.

Defendant denies all of the allegations in the Action or that it violated any law.

The Parties participated in mediation with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into a Joint Stipulation of Class Action and PAGA Settlement (“Settlement” or “Settlement Agreement”).

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Apex Class Action as the administrator of the Settlement (“Settlement Administrator”), Plaintiff Frank Breckenridge as representative of the Class (“Class Representative”), and the following Plaintiff’s attorneys as counsel for the Class (“Class Counsel”):

Jonathan M. Genish
Barbara DuVan-Clarke
Danielle L. GruppChang
P.J. Van Ert
Annabel Blanchard
Blackstone Law, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

If you are a Class Member, you need not take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks and/or Pay Periods credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are a PAGA Employee, you do not need to take any action to receive an Individual PAGA Payment; you will not have the opportunity to object or seek exclusion from the PAGA Settlement and all PAGA Employees will be bound to the PAGA Settlement if the Court grants final approval of the Settlement.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that the claims in the Action have merit or that Defendant has any liability to Plaintiff, Class Members, or PAGA Employees. Plaintiff and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, the State of California, and PAGA Employees.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is Five Hundred Thousand Dollars (\$500,000) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys’ fees, in an amount not to exceed thirty five percent (35%) of the Gross Settlement Amount (i.e., \$ 175,000), and reimbursement of litigation costs and expenses, in an amount not to exceed Thirty Thousand Dollars (\$30,000) to Class Counsel; (2) Enhancement Payment in an amount not to exceed Ten Thousand Dollars (\$10,000) to Plaintiff for his services in the Action; (3) the amount of Fifty Thousand Dollars (\$50,000) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Amount”), of which the LWDA will be paid 75% (\$37,500) (“LWDA Payment”) and the remaining 25% (\$12,500) will be distributed to PAGA Employees (“PAGA Employee Amount”); and (4) Settlement Administration Costs in an amount not to exceed Six Thousand Dollars (\$6,000.00) to the Settlement Administrator.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) based on the number of weeks each Class Member worked for Defendant as an hourly-paid and/or non-exempt employee in California during the Class Period, which is based on the number of weeks between the latest of the Class Member’s hire date or the beginning of the statute of limitation period and the Class Member’s termination date or end of the class period if the Class Member is a current employee (“Workweeks”). The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek Value,” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek

Value to yield an estimated Individual Settlement Share that each Class Member may be entitled to receive under the Class Settlement (which is listed in Section III.C below). Class Members who do not submit a timely and valid Request for Exclusion (“Settlement Class Members”) will be issued their final Individual Settlement Payment.

Each Individual Settlement Share will be allocated as twenty percent (20%) as wages, which will be reported on an IRS Form W-2, and eighty percent (80%) as penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s share of payroll taxes and withholdings with respect to the wages portion of the Individual Settlement Shares resulting in a net payment to the Settlement Class Member (“Individual Class Settlement Payment”). The employer’s share of taxes and contributions in connection with the wages portion of Individual Settlement Shares (“Employer Taxes”) will be paid by Defendant separately and in addition to the Gross Settlement Amount.

PAGA Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the PAGA Employee Amount (“Individual PAGA Payment”) based on the number of pay periods each PAGA Employee worked for Defendant as an hourly-paid or non-exempt employee in California during the PAGA Period (“Pay Periods”). The Settlement Administrator had divided the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the Pay Periods of all PAGA Employees to yield the “PAGA Pay Period Value,” and multiplied each PAGA Employee’s individual Pay Periods by the Pay Period Value to yield each PAGA Employee’s Individual PAGA Payment.

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject to taxes or withholdings, and will be reported on IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to PAGA Employees at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Your Workweeks and Pay Periods (if applicable) Based on Defendant’s Records

According to Defendant’s records:

- **From April 3, 2020 through February 20, 2025 (i.e., the Class Period), you are credited as having worked [REDACTED] Workweeks.**
- **From April 1, 2023 through February 20, 2025 (i.e., the PAGA Period), you are credited as having worked [REDACTED] Pay Periods.**

If you wish to dispute the Workweeks and/or Pay Periods credited to you, you must submit your dispute in writing to the Settlement Administrator (“Dispute”). The Dispute must: (a) contain the case name and number of the Action (*Breckenridge v. Pacific Material Handling Solutions, Inc.*, Case No. 24CV070227); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of the Class Member’s Social Security number; (c) clearly state that the Class Member disputes the number of Workweeks and/or Pay Periods credited to the Class Member/PAGA Employee and what the Class Member/PAGA Employee contends is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B below, postmarked **on or before [Response Deadline]**.

C. Your Estimated Individual Settlement Share and Individual PAGA Payment (if applicable)

As explained above, your estimated Individual Settlement Share and Individual PAGA Payment (if applicable) is based on the number of Workweeks and Pay Periods (if applicable) credited to you.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED]. The Individual Settlement Share is subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED] and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Share and Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and Individual PAGA Payment (if applicable) may be higher or lower.

D. Release of Claims

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff and all Settlement Class Members, on behalf of themselves and their former and present representatives, agents, attorneys, heirs, administrators, successors, transferees, and assigns, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff and the State of California with respect to all PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

“Released Class Claims” any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys’ fees, damages, or causes of action which were alleged or which could have been alleged based on the factual allegations in the Class Action, arising during the Class Period, under any federal, state, or local law, and shall specifically include claims for Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide compliant wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission Wage Orders, including *inter alia*, applicable Wage Order(s), and all claims for attorneys’ fees and costs and statutory interest in connection therewith, California Business and Professions Code sections 17200, *et seq.*, and any other claims, including claims for statutory penalties (excluding civil penalties pursuant to PAGA), pertaining to the Class Members.

“Released PAGA Claims” means any and all claims arising from any of the factual allegations in the PAGA Letter, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.*, including all claims for attorneys’ fees and costs related thereto, for Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide compliant wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission Wage Orders, including *inter alia*, applicable Wage Order(s).

“Released Parties” means Defendant and its current and former officers, directors, members, insurers, shareholders, subsidiaries, affiliates, predecessors, successors, and assigns.

E. Attorneys’ Fees and Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount not to exceed thirty five percent (35%) of the Gross Settlement Amount (i.e., \$ 175,000) and reimbursement of litigation costs and expenses in an amount not to exceed Thirty Thousand Dollars (\$30,000) (collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and Costs granted by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiff, Class Members, and PAGA Employees on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Enhancement Payment to Plaintiff

Plaintiff will seek the amount of Ten Thousand Dollars (\$10,000) (“Enhancement Payment”), in recognition of his services in connection with the Action. The Enhancement Payment will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, it will be paid to Plaintiff in addition to his Individual Settlement Payment and Individual PAGA Payment that he is entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Six Thousand Dollars (\$6,000) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Notices of Objection, and Workweeks Disputes, calculating Individual Settlement Shares, Individual Class Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Class Settlement and receive money from the Class Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement and if the Court grants final approval of the Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released Class Claims against the Released Parties as described in Section III.D above.

If you are a PAGA Employee and the Court grants final approval of the Settlement, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims against the Released Parties as described in Section III.D above.

As a Class Member and PAGA Employee (if applicable), you will not be separately responsible for the payment of attorney’s fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney’s fees and expenses.

B. Request Exclusion from the Class Settlement

Class Members may request to be excluded from the Class Settlement by submitting a letter (“Request for Exclusion”) to the Settlement Administrator, at the following address:

[Settlement Administrator]
[Mailing Address]

A Request for Exclusion must: (a) contain the case name and number of the Action (*Breckenridge v. Pacific Material Handling Solutions, Inc.*, Case No. 24CV070227); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security number; (c) clearly state that you do not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address above, postmarked **on or before** [Response Deadline].

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be issued an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit a timely and valid Request for Exclusion will be deemed Settlement Class Members and will be bound by all terms of the Class Settlement, including those pertaining to the release of claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. PAGA Employees will be bound to the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above) and will still be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

C. Object to the Class Settlement

You can object to the Class Settlement as long as you have not submitted a Request for Exclusion by submitting a written objection (“Notice of Objection”) to the Settlement Administrator.

The Notice of Objection must: (a) contain the case name and number of the Action (*Breckenridge v. Pacific Material*

Handling Solutions, Inc., Case No. 24CV070227); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before [Response Deadline]**.

You may also appear at the Final Approval Hearing and present your objection orally, regardless of whether you have submitted a Notice of Objection.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 21 of the Alameda County Superior Court, located at 1225 Fallon Street, Oakland, CA 94612, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and grant the Attorneys' Fees and Costs to Class Counsel, Enhancement Payment to Plaintiff, and Settlement Administration Costs to the Settlement Administrator.

The Final Approval Hearing may be continued without further notice to the Class Members and PAGA Employees. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers, which are on file with the Court.

You may view the Settlement Agreement and other documents filed in the Action by visiting the court's website at <https://portal.alameda.courts.ca.gov/>

You may also visit the Settlement Administrator's website at **[redacted]** for key documents in the Action.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: **[INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.**

EXHIBIT 5

NOTICE OF CLASS ACTION SETTLEMENT

Breckenridge v. Pacific Material Handling Solutions, Inc.

Superior Court of California for the County of Alameda, Cases No. 24CV070227 and No. 24CV0789638

PLEASE READ THIS CLASS NOTICE CAREFULLY.

You have received this Class Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Class Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Workweeks and/or Pay Periods that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiff Frank Breckenridge ("Plaintiff") and Defendant Pacific Material Handling Solutions, Inc. ("Defendant") (Plaintiff and Defendant are collectively referred to as the "Parties") in the case entitled *Breckenridge v. Pacific Material Handling Solutions, Inc.*, Alameda County Superior Court, Cases No. 24CV070227 and No. 24CV0789638 ("Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" or "Class Member(s)" means all current and former hourly-paid and/or non-exempt employees who worked for Defendant within the State of California at any time during the Class Period.

"Class Period" means the period from April 3, 2020 through February 20, 2025.

"Class Settlement" means the settlement and resolution of all Released Class Claims.

"PAGA Employee(s)" means all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California at any time during the PAGA Period.

"PAGA Period" means the period from April 1, 2023 through February 20, 2025.

"PAGA Settlement" means the settlement and resolution of all Released PAGA Claims.

II. BACKGROUND OF THE ACTION

On April 1, 2024, Plaintiff provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendant of the specific provisions of the California Labor Code that Plaintiff contends were violated ("PAGA Letter"). On April 3, 2024, Plaintiff commenced a putative class action lawsuit by filing a Class Action Complaint in the Action ("Class Action"). On June 7, 2024, Plaintiff filed a Complaint for Enforcement Action under the Private Attorneys General Act, Cal. Labor Code §§ 2698 *Et Seq* ("PAGA Action").

Plaintiff contends that Defendant failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated waiting-time penalties, provide accurate wage statements, and reimburse business expenses, and thereby engaged in unfair business practices in violation of the California Business and Professions Code section 17200, *et seq.*, and conduct that gives rise to penalties under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698, *et seq.* ("PAGA"). Plaintiff seeks, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys' fees and costs.

Defendant denies all of the allegations in the Action or that it violated any law.

The Parties participated in mediation with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into a Joint Stipulation of Class Action and PAGA Settlement (“Settlement” or “Settlement Agreement”).

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Apex Class Action as the administrator of the Settlement (“Settlement Administrator”), Plaintiff Frank Breckenridge as representative of the Class (“Class Representative”), and the following Plaintiff’s attorneys as counsel for the Class (“Class Counsel”):

Jonathan M. Genish
Barbara DuVan-Clarke
Danielle L. GruppChang
P.J. Van Ert
Annabel Blanchard
Blackstone Law, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

If you are a Class Member, you need not take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks and/or Pay Periods credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are a PAGA Employee, you do not need to take any action to receive an Individual PAGA Payment; you will not have the opportunity to object or seek exclusion from the PAGA Settlement and all PAGA Employees will be bound to the PAGA Settlement if the Court grants final approval of the Settlement.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that the claims in the Action have merit or that Defendant has any liability to Plaintiff, Class Members, or PAGA Employees. Plaintiff and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, the State of California, and PAGA Employees.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is Five Hundred Thousand Dollars (\$500,000) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys’ fees, in an amount not to exceed thirty five percent (35%) of the Gross Settlement Amount (i.e., \$ 175,000), and reimbursement of litigation costs and expenses, in an amount not to exceed Thirty Thousand Dollars (\$30,000) to Class Counsel; (2) Enhancement Payment in an amount not to exceed Ten Thousand Dollars (\$10,000) to Plaintiff for his services in the Action; (3) the amount of Fifty Thousand Dollars (\$50,000) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Amount”), of which the LWDA will be paid 75% (\$37,500) (“LWDA Payment”) and the remaining 25% (\$12,500) will be distributed to PAGA Employees (“PAGA Employee Amount”); and (4) Settlement Administration Costs in an amount not to exceed Six Thousand Dollars (\$6,000.00) to the Settlement Administrator.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) based on the number of weeks each Class Member worked for Defendant as an hourly-paid and/or non-exempt employee in California during the Class Period, which is based on the number of weeks between the latest of the Class Member’s hire date or the beginning of the statute of limitation period and the Class Member’s termination date or end of the class period if the Class Member is a current employee (“Workweeks”). The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek Value,” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek

Value to yield an estimated Individual Settlement Share that each Class Member may be entitled to receive under the Class Settlement (which is listed in Section III.C below). Class Members who do not submit a timely and valid Request for Exclusion (“Settlement Class Members”) will be issued their final Individual Settlement Payment.

Each Individual Settlement Share will be allocated as twenty percent (20%) as wages, which will be reported on an IRS Form W-2, and eighty percent (80%) as penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s share of payroll taxes and withholdings with respect to the wages portion of the Individual Settlement Shares resulting in a net payment to the Settlement Class Member (“Individual Class Settlement Payment”). The employer’s share of taxes and contributions in connection with the wages portion of Individual Settlement Shares (“Employer Taxes”) will be paid by Defendant separately and in addition to the Gross Settlement Amount.

PAGA Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the PAGA Employee Amount (“Individual PAGA Payment”) based on the number of pay periods each PAGA Employee worked for Defendant as an hourly-paid or non-exempt employee in California during the PAGA Period (“Pay Periods”). The Settlement Administrator had divided the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the Pay Periods of all PAGA Employees to yield the “PAGA Pay Period Value,” and multiplied each PAGA Employee’s individual Pay Periods by the Pay Period Value to yield each PAGA Employee’s Individual PAGA Payment.

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject to taxes or withholdings, and will be reported on IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to PAGA Employees at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Your Workweeks and Pay Periods (if applicable) Based on Defendant’s Records

According to Defendant’s records:

- **From April 3, 2020 through February 20, 2025 (i.e., the Class Period), you are credited as having worked [REDACTED] Workweeks.**
- **From April 1, 2023 through February 20, 2025 (i.e., the PAGA Period), you are credited as having worked [REDACTED] Pay Periods.**

If you wish to dispute the Workweeks and/or Pay Periods credited to you, you must submit your dispute in writing to the Settlement Administrator (“Dispute”). The Dispute must: (a) contain the case name and number of the Action (*Breckenridge v. Pacific Material Handling Solutions, Inc.*, Case No. 24CV070227); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of the Class Member’s Social Security number; (c) clearly state that the Class Member disputes the number of Workweeks and/or Pay Periods credited to the Class Member/PAGA Employee and what the Class Member/PAGA Employee contends is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B below, postmarked **on or before [Response Deadline]**.

C. Your Estimated Individual Settlement Share and Individual PAGA Payment (if applicable)

As explained above, your estimated Individual Settlement Share and Individual PAGA Payment (if applicable) is based on the number of Workweeks and Pay Periods (if applicable) credited to you.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED]. The Individual Settlement Share is subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED] and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Share and Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and Individual PAGA Payment (if applicable) may be higher or lower.

D. Release of Claims

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff and all Settlement Class Members, on behalf of themselves and their former and present representatives, agents, attorneys, heirs, administrators, successors, transferees, and assigns, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff ~~and~~ the State of California with respect to all PAGA Employees, ~~and all PAGA Employees~~ will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

“Released Class Claims” any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys’ fees, damages, or causes of action which were alleged or which could have been alleged based on the factual allegations in the Class Action, arising during the Class Period, under any federal, state, or local law, and shall specifically include claims for Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide ~~compliant~~~~complaint~~ wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission Wage Orders, including *inter alia*, applicable Wage Order(s), and all claims for attorneys’ fees and costs and statutory interest in connection therewith, California Business and Professions Code sections 17200, *et seq.*, and any other claims, including claims for statutory penalties (excluding civil penalties pursuant to PAGA), pertaining to the Class Members.

“Released PAGA Claims” means any and all claims arising from any of the factual allegations in the PAGA Letter ~~or PAGA Action~~, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.*, including all claims for attorneys’ fees and costs related thereto, for Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide ~~compliant~~~~complaint~~ wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission Wage Orders, including *inter alia*, applicable Wage Order(s).

“Released Parties” means Defendant and its current and former officers, directors, members, insurers, shareholders, subsidiaries, affiliates, predecessors, successors, and assigns.

E. Attorneys’ Fees and Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount not to exceed thirty five percent (35%) of the Gross Settlement Amount (i.e., \$ 175,000) and reimbursement of litigation costs and expenses in an amount not to exceed Thirty Thousand Dollars (\$30,000) (collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and Costs granted by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiff, Class Members, and PAGA Employees on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Enhancement Payment to Plaintiff

Plaintiff will seek the amount of Ten Thousand Dollars (\$10,000) (“Enhancement Payment”), in recognition of his services in connection with the Action. The Enhancement Payment will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, it will be paid to Plaintiff in addition to his Individual Settlement Payment and Individual PAGA Payment that he is entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Six Thousand Dollars (\$6,000) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Notices of Objection, and Workweeks Disputes, calculating Individual Settlement Shares, Individual Class Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Class Settlement and receive money from the Class Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement and if the Court grants final approval of the Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released Class Claims against the Released Parties as described in Section III.D above.

If you are a PAGA Employee and the Court grants final approval of the Settlement, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims against the Released Parties as described in Section III.D above.

As a Class Member and PAGA Employee (if applicable), you will not be separately responsible for the payment of attorney’s fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney’s fees and expenses.

B. Request Exclusion from the Class Settlement

Class Members may request to be excluded from the Class Settlement by submitting a letter (“Request for Exclusion”) to the Settlement Administrator, at the following address:

[Settlement Administrator]
[Mailing Address]

A Request for Exclusion must: (a) contain the case name and number of the Action (*Breckenridge v. Pacific Material Handling Solutions, Inc.*, Case No. 24CV070227); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security number; (c) clearly state that you do not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address above, postmarked **on or before** [Response Deadline].

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be issued an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit a timely and valid Request for Exclusion will be deemed Settlement Class Members and will be bound by all terms of the Class Settlement, including those pertaining to the release of claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. PAGA Employees will be bound to the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above) and will still be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

C. Object to the Class Settlement

You can object to the Class Settlement as long as you have not submitted a Request for Exclusion by submitting a written objection (“Notice of Objection”) to the Settlement Administrator.

The Notice of Objection must: (a) contain the case name and number of the Action (*Breckenridge v. Pacific Material*

Handling Solutions, Inc., Case No. 24CV070227); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before [Response Deadline]**.

You may also appear at the Final Approval Hearing and present your objection orally, regardless of whether you have submitted a Notice of Objection.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 21 of the Alameda County Superior Court, located at 1225 Fallon Street, Oakland, CA 94612, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and grant the Attorneys' Fees and Costs to Class Counsel, Enhancement Payment to Plaintiff, and Settlement Administration Costs to the Settlement Administrator.

The Final Approval Hearing may be continued without further notice to the Class Members and PAGA Employees. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers, which are on file with the Court.

You may view the Settlement Agreement and other documents filed in the Action by visiting the court's website at <https://portal.alameda.courts.ca.gov/>

You may also visit the Settlement Administrator's website at **[redacted]** for key documents in the Action.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: **[INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.**