SETTLEMENT AGREEMENT

This Settlement Agreement ("**Settlement Agreement**," "**Settlement**," or "**Agreement**") is made and entered between Plaintiffs Gerardo Alexander Ortega and Hunter Howells ("**Plaintiffs**," "**Plaintiff Ortega**," and "**Plaintiff Howells**") and Defendant Snoozetown LLC ("**Defendant**") to settle the action entitled *Gerardo Alexander Ortega v. Snooze HIC LLC, et al.* (Case No. 30-2024-01392708-CU-OE-CXC) ("**Lawsuit**"). Plaintiffs and Defendant are collectively referred to herein as the "**Parties**," and each may be individually referred to herein as a "**Party**".

RECITALS

This Agreement is made in consideration of the following facts:

A. Plaintiffs are former hourly-paid, non-exempt employees of Defendant.

B. Plaintiffs contend that they suffered one or more Labor Code violations during their employment with Defendant and that they are "aggrieved employees" under Private Attorneys General Act of 2004 ("**PAGA**").

C. On April 10, 2024, Plaintiff Ortega filed a wage-and-hour class action lawsuit in the Superior Court of California, County of Orange, alleging violations of: (1) Labor Code sections 510 and 1198 (unpaid overtime); (2) Labor Code sections 226.7 and 512(a) (unpaid meal period premiums); (3) Labor Code section 226.7 (unpaid rest period premiums); (4) Labor Code sections 1194 and 1197 (unpaid minimum wages); (5) Labor Code sections 201 and 202 (final wages not timely paid); (6) Labor Code section 226(a) (non-compliant wage statements); (7) Labor Code sections 2800 and 2802 (unreimbursed business expenses); and (8) Business & Professions Code section 17200, *et seq*.

D. On May 13, 2024, Plaintiff Howells provided written notice to the California Labor and Workforce Development Agency ("**LWDA**") and Defendant of the specific provisions of the Labor Code he contends were violated and the theories supporting his contentions.

E. On August 9, 2024, Plaintiff Ortega filed a First Amended Complaint that added Plaintiff Howells as a named plaintiff and added a cause of action for violation of Labor Code section 2698, *et seq*. (PAGA). The PAGA cause of action was predicated on the alleged: (1) failure to pay minimum and overtime wages; (2) failure to provide meal periods and rest breaks; (3) failure to timely pay wages during employment; (4) failure to timely pay wages upon termination; (5) failure to provide complete and accurate wage statements; (6) failure to provide and properly pay paid sick days; and (7) failure to reimburse business expenses.

F. After engaging in informal discovery, investigations, and negotiations, on October 7, 2024, the Parties attended mediation with the mediator Lisa Klerman. While the Parties did not initially settle at mediation, continued negotiation eventually resulted in the settlement of this Lawsuit on a PAGA only basis with the mediator's assistance on or around May 23, 2025, subject to the Court's approval.

G. In line with the settlement, on May 28, 2025, Plaintiff Howells provided an amended written notice to the LWDA and Defendant that added Plaintiff Ortega as a named representative. For settlement purposes only, Plaintiffs then filed a Second Amended Complaint that adjusted the "aggrieved employees" definition, removed all named defendants except for Defendant, and removed all the class action causes of action. The class action claims are dismissed without prejudice.

H. Defendant denies all the allegations in the Lawsuit and any contention that it committed any misconduct, wrongdoing, or any other actionable conduct of any kind, including any violation of the Labor Code. This Settlement Agreement reflects a compromise reached to end litigation.

I. The Parties have each independently analyzed and investigated the facts and law relevant to the Lawsuit. Pursuant to informal discovery, Defendant produced documents and data, including, but not limited to, information pertaining to the employment policies, practices, and procedures implicated by the Lawsuit. This included meal and rest breaks, overtime, timekeeping, and payroll policies, sampling of timekeeping and payroll records, wage statements, and summaries of data pertaining to the number of employees allegedly in the Settlement Group. The Parties had ample opportunity to evaluate their positions on the merits of the claims asserted.

J. The Parties, Plaintiffs' Counsel, and Defendant's counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement Agreement.

In consideration of the promises and agreements contained herein, the Parties agree to seek approval of the following settlement terms.

SETTLEMENT TERMS

1. **Court Approval of the Agreement.** In accordance with Labor Code section 2699(l)(2), the Parties will present this Agreement to the Court for its review and approval via a noticed motion.

2. **Delivery of Agreement to the LWDA.** As required by Labor Code section 2699(l)(2), Plaintiffs will cause this Agreement to be submitted to the LWDA at the same time that this Agreement is submitted to the Court for approval.

3. **Effective Date.** This Agreement shall become fully effective the later of the following: (a) the 61st day after service of notice of entry of the Final Order or Final Judgment, if no appeal, review, or writ has been filed; or (b) if an appeal, review, or writ is sought from the Final Order or Final Judgment, the day after the Final Order or Final Judgment are affirmed or the appeal, review, or writ is dismissed or denied, and the Final Order or Final Judgment are no longer subject to further judicial review. The Effective Date is conditioned upon the Court's having entered a Final Order and Judgment in a form substantially similar to that attached hereto as **Exhibit A**.

4. **No Admission of Liability.**

(a) The Parties acknowledge and agree that this Agreement is the result of a compromise and settlement of disputed claims in the Lawsuit. Defendant denies all allegations made by Plaintiffs in the Lawsuit and denies that it is liable or owes any damages, penalties, or other compensation or remedies to anyone as alleged in the Lawsuit. Defendant denies any liability or wrongdoing of any kind in connection with Plaintiffs' claims and contends that it complied in all respects with applicable state and federal laws and regulations. Defendant agreed to settle the Lawsuit on the terms and conditions set forth in this Agreement to avoid the burden, expense, and uncertainty of litigation.

(b) The Parties concur that this Agreement is a settlement document and shall be inadmissible for any purpose in any proceeding, except an action or proceeding to approve, interpret, or enforce the terms of this Agreement. The Parties agree that, to the extent permitted by law, this Agreement may be pleaded as a full and complete defense to, and may be used as the basis for an injunction against, any action or other proceeding that may be instituted, prosecuted, or attempted in breach of this Agreement.

5. **Settlement Group and Settlement Period.**

(a) **Settlement Group and Settlement Group Members.** This Agreement shall include all current and former hourly-paid employees who worked for Defendant within the State of California at any time during the Settlement Period ("**Settlement Group**" or "**Settlement Group Members**").

(b) **The Settlement Period.** This Agreement shall cover the period from May 13, 2023, through October 7, 2024 ("**Settlement Period**").

(i) Defendant estimates that the Settlement Group Members worked around 22,400 pay periods during the Settlement Period. As of July 2, 2024, Defendant estimates there are about 592 Settlement Group Members.

(ii) There will be no reversion to Defendant and no claims process for the Settlement Group Members to receive payment.

(iii) There will be no right of Settlement Group Members to opt out of or object to the Settlement.

6. **Settlement Administration.**

(a) The Parties will retain ILYM Group, Inc. to serve as the Settlement Administrator.

(b) The Settlement Administrator shall establish a qualified settlement fund pursuant to 26 U.S.C. section 486B, make all payments required by this Agreement, handle all required tax withholding and reporting related thereto to the extent necessary, and issue all appropriate tax forms to Plaintiffs, Plaintiffs' Counsel, Settlement Group, and LWDA resulting from the settlement payments under this Agreement.

7. **Settlement Payments.**

(a) **Gross Settlement Amount.** In consideration of, and subject to, the promises, terms, and conditions set forth in this Agreement, Defendant shall pay the maximum gross sum of $245,000 ("**Gross Settlement Amount**") in the manner and method set forth herein. Excluding the Escalator Clause, nothing in this Agreement shall require Defendant to pay, or make Defendant liable for, more than the Gross Settlement Amount to settle the Lawsuit and all claims alleged therein and all claims released herein.

(b) **Allocation of Gross Settlement Amount.** The Gross Settlement Amount shall consist of the following: (i) award of attorneys' fees to Plaintiffs' Counsel ("**Attorneys' Fees Award**"); (ii) award of litigation costs and expenses to Plaintiffs' Counsel ("**Litigation Costs Award**"); (iii) Enhancement Payments to Plaintiffs ("**Enhancement Payments**"); (iv) payment of settlement administration costs to the Settlement Administrator ("**Administration Costs**"); and (v) payments of civil penalties to the LWDA and Settlement Group ("**PAGA Penalties Fund**").

(i) **Attorneys' Fees Award.**

(A) Plaintiffs' Counsel may submit an application to the Court for the Attorneys' Fees Award not to exceed $81,666.67 (1/3 of the Gross Settlement Amount). Defendant will not oppose or object to this application. Defendant shall have no liability for attorneys' fees except as provided for in this Agreement.

(B) Any Attorneys' Fees Award approved by the Court will be paid out of the Gross Settlement Amount and shall constitute full and complete satisfaction of all claims Plaintiffs and Plaintiffs' Counsel may have for attorneys' fees arising out of the Lawsuit, including work not yet performed.

(C) This Agreement is not contingent upon the Court approving an Attorneys' Fees Award in the amount set forth herein. This Agreement and its terms shall remain fully effective and enforceable notwithstanding any decision by the Court to approve an Attorneys' Fees Award that is less than the amount set forth herein. The Court's refusal to approve the requested Attorneys' Fees Award does not give Plaintiffs, Settlement Group, or Plaintiffs' Counsel any basis to abrogate this Settlement.

(D) If any portion of the Attorneys' Fees Award is not approved by the Court, only the approved amount shall be paid, and payment of that amount shall constitute satisfaction of Defendant's obligations with respect to the Attorneys' Fees Award. Any difference between the requested Attorneys' Fees Award and Court-approved Attorneys' Fees Award will become part of the PAGA Penalties Fund.

(ii) **Litigation Costs Award.**

(A) Plaintiffs' Counsel may submit an application to the Court for the Litigation Costs Award as reimbursement of litigation costs and expenses actually incurred by Plaintiffs' Counsel in connection with the Lawsuit not to exceed $20,000. Defendant will not oppose or object to this application. Defendant shall have no liability for attorneys' costs except as provided for in this Agreement.

(B) Any Litigation Costs Award approved by the Court will be paid out of the Gross Settlement Amount and shall constitute full and complete satisfaction of all claims Plaintiffs may have for litigation costs and expenses arising out of the Lawsuit, including litigation costs and expenses not yet incurred.

(C) This Agreement is not contingent upon the Court approving a Litigation Costs Award in the amount set forth herein. This Agreement and its terms shall remain fully effective and enforceable notwithstanding any decision by the Court to approve a Litigation Costs Award that is less than the amount set forth herein. The Court's refusal to approve the requested Litigation Costs Award amount does not give Plaintiffs, Settlement Group, or Plaintiffs' Counsel any basis to abrogate this Settlement.

(D) If any portion of the Litigation Costs Award is not approved by the Court, only the approved amount shall be paid, and payment of that amount shall constitute full satisfaction of Defendant's obligations with respect to the Litigation Costs Award. Any difference between the requested Litigation Costs Award and Court-approved Litigation Costs Award will become part of the PAGA Penalties Fund.

(iii) **Enhancement Payments.**

(A) Plaintiffs may submit an application to the Court for the Enhancement Payments not to exceed $7,500 to each Plaintiff (totaling $15,000) for the time and effort and risk undertaken in bringing the Lawsuit. Defendant will not oppose or object to this application.

(B) This Agreement is not contingent upon the Court approving the Enhancement Payments in the amount set forth herein. This Agreement and its terms shall remain fully effective and enforceable notwithstanding any decision by the Court to approve the Enhancement Payments in an amount less than the amount set forth herein. The Court's refusal to approve the Enhancement Payments as requested herein does not give Plaintiffs, Settlement Group, or Plaintiffs' Counsel any basis to abrogate this Settlement.

(C) If any portion of the Enhancement Payments set forth herein is not approved by the Court, no more than the approved amount shall be paid to Plaintiffs from the Gross Settlement Amount. Any difference between the requested Enhancement Payments and Court-approved Enhancement Payments will become part of the PAGA Penalties Fund.

(iv) **Administration Costs.**

(A) Subject to approval by the Court, the Administration Costs currently estimated at $10,000 will be paid out of the Gross Settlement Amount to cover the costs of the settlement administration process.

(B) Any Administration Costs approved by the Court will be paid out of the Gross Settlement Amount and shall constitute full and complete satisfaction of any settlement administration costs.

(C) This Agreement is not contingent upon the Court approving Administration Costs in the amount set forth herein. This Agreement and its terms shall remain fully effective and enforceable notwithstanding any decision by the Court to approve Administration Costs in an amount that is less than the amount set forth herein. The Court's refusal to approve the Administration Costs requested does not give Plaintiffs, Settlement Group, or Plaintiffs' Counsel any basis to abrogate this Settlement.

(D) If any portion of the Administration Costs set forth herein is not approved by the Court, no more than the approved amount shall be paid to the Settlement Administrator out of the Gross Settlement Amount. Any difference between the requested Administration Costs and Administration Costs approved by the Court will become part of the PAGA Penalties Fund.

(v) **PAGA Penalties Fund.** The portion of the Gross Settlement Amount remaining after the deduction of the Attorneys' Fees Award, Litigation Costs Award, Enhancement Payments, and Administration Costs are paid shall be designated the PAGA Penalties Fund from which payments deemed to constitute full and complete satisfaction of any and all claims in the Lawsuit under PAGA shall be made. Subject to approval by the Court, the PAGA Penalties Fund shall be allocated and paid as follows:

(A) **The LWDA Payment.** Seventy-five percent (75%) of the PAGA Penalties Fund will be paid to the LWDA.

(B) **Individual Settlement Awards.** Twenty-five percent (25%) of the PAGA Penalties Fund shall be designated as the Net Settlement Amount and will be paid to the Settlement Group on a pro-rata basis. Each Settlement Group Member will receive a pro-rata share of the Net Settlement Amount based on the total number of pay periods the Settlement Group Member worked for Defendant during the Settlement Period.

(C) The Individual Settlement Award that each Settlement Group Member is entitled to receive will be determined by using the formula set forth herein:

(1) Individual Settlement Award = Net Settlement Amount x (total number of pay periods worked by the Settlement Group Member ÷ total number of pay periods worked by all the Settlement Group Members).

(c) **Tax Allocation.**

(i) **Payments to Plaintiffs' Counsel.** The Settlement Administrator shall issue an IRS Form 1099 to Justice Law Corporation in connection with its Attorneys' Fees Award and Litigation Costs Award.

(ii) **Payments to the LWDA.** The seventy-five percent (75%) of the PAGA Penalties Fund payable to the LWDA shall be deemed to consist entirely of civil penalties recovered under PAGA and subject to treatment as IRS Form 1099 income.

(iii) **Payments to the Settlement Group.** An IRS Form 1099 will be issued to each Settlement Group Member in connection with their Individual Settlement Award.

(d) **Tax Liability.** Plaintiffs, Plaintiffs' Counsel, Settlement Group, and applicable governmental authorities (including the LWDA) are solely responsible for all tax obligations, including all reporting and payment obligations, attributable to them that may arise as a consequence of this Agreement and payment of the amounts set forth herein. Neither Defendant nor Defendant's counsel make any express or implied promise, representation, or warranty regarding the tax consequences or tax treatment under federal or state tax laws for any sum paid pursuant to this Agreement.

(e) **No Effect on Employee Benefits.** The payments made to Settlement Group Members herein shall not be utilized to calculate any additional benefits under any benefit plans to which any Settlement Group Members may be eligible, including, but not limited to, any profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, or other benefit plans available to the Settlement Group.

9. **Distribution of Settlement Payments.**

(a) **List of Settlement Group Members**. Within fourteen (14) calendar days of the Effective Date, Defendant shall provide to the Settlement Administrator a list of Settlement Group Members': (i) Social Security numbers; (ii) last known addresses; and (iii) number of pay periods worked during the Settlement Period. Defendant agrees to consult with the Settlement Administrator as required to provide the list in a format reasonably acceptable for the performance of the duties of the Settlement Administrator. The Settlement Administrator will keep the list confidential, use it only for the purposes described herein, take adequate safeguards to protect confidential or private information, and return or certify the destruction of the information upon completion of the Settlement Administration process. The Settlement Administrator shall not reveal any employee information to Plaintiffs or Plaintiffs' Counsel, but the Settlement Administrator can provide Plaintiffs' Counsel with the total pay period count worked by the Settlement Group during the Settlement Period.

(b) **Funding of the Gross Settlement Amount.** Within fourteen (14) calendar days of the Effective Date, Defendant shall deposit the Gross Settlement Amount into the qualified settlement fund created by the Settlement Administrator.

(c) **<u>Disbursing the Payments</u>.** Within fourteen (14) calendar days of the funding of the Gross Settlement Amount, the Settlement Administrator will disburse the payments set forth herein to the appropriate entities or persons. The Settlement Administrator shall first obtain approval of the calculations from all counsel before disbursing the payments.

(d) **<u>Payment of Individual Settlement Awards</u>.**

(i) Individual Settlement Awards will be paid in the form of a check to be delivered to each Settlement Group Member at their last known address. Each Individual Settlement Award will be accompanied by an explanatory letter in English and Spanish substantially in the form attached hereto as **Exhibit B**.

(ii) Checks sent to Settlement Group Members will remain negotiable for one hundred eighty (180) calendar days after the date of their issuance ("**Check Stale Date**"). Any checks sent to Settlement Group Members that are not cashed, deposited, or negotiated after the Check Stale Date will be void. The amount of uncashed checks sent to Settlement Group Members will be directed to the California State Controller for deposit in the Unclaimed Property Fund in the name of the employee.

(iii) Any checks sent to the Settlement Group that are returned as undeliverable on or before the Check Stale Date will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will attempt to determine the correct address using a skip trace or other reasonable method and will then perform a single remailing.

(iv) Any Settlement Group Member who cannot be located after the above procedures are followed will continue to be bound by this Agreement. The funds associated with such Individual Settlement Awards will be directed to the California State Controller for deposit in the Unclaimed Property Fund in the Settlement Group Members' names.

(v) No Settlement Group Member will have any claim against any of the Released Parties, Defendant's counsel, Plaintiffs, or Plaintiffs' Counsel, based on errors in administrating claims or performing the mailing and skip-tracing requirements of the Settlement Administrator under this Agreement.

10. **<u>Release</u>.**

(a) **<u>Released Parties</u>.** The Released Parties include Defendant, Snooze HIC LLC, Snooze Import Export LLC, and Snoozetropolis LLC and their former and present parents, subsidiaries, affiliates, divisions, corporations in common control, predecessors, successors, and assigns, as well as all their past and present officers, directors, employees, partners, members, owners, representatives, shareholders, agents, attorneys, insurers, and any other successors, assigns, or legal representatives, if any, and any individual or entity that could be jointly liable with Defendant for the Released Claims ("**Released Parties**").

(b) **Release of the PAGA Claims.** In exchange for the consideration provided for by this Settlement Agreement, and upon Defendant's funding of the Gross Settlement Amount, Plaintiffs, on behalf of the LWDA, and Settlement Group Members (including Plaintiffs), on behalf of themselves and their former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from all claims for relief under PAGA that were alleged, or reasonably could have been alleged, based on the facts alleged in the Second Amended Complaint and/or amended written notice sent to the LWDA that occurred during the Settlement Period ("**Released Claims**").

(i) The Released Claims include, but are not limited to, claims under PAGA based upon or arising out of: (1) failure to pay for all hours worked; (2) failure to pay minimum wages for all hours worked; (3) failure to calculate and pay all overtime wages earned; (4) failure to provide meal periods and pay meal period premiums at the regular rate of pay; (5) failure to provide rest breaks and pay rest break premiums at the regular rate of pay; (6) failure to pay all wages in full and on time during employment; (7) failure to maintain accurate records; (8) failure to pay all wages due upon termination; (9) failure to provide accurate itemized wage statements; (10) failure to reimburse employees for necessary expenditures incurred in discharge of duties; and (11) failure to provide and properly pay paid sick days.

(ii) Without limiting the generality of the foregoing, the Released Claims include, but are not limited to, claims under PAGA based upon or arising out of the alleged violation of Labor Code sections 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, 202.5, 203, 204, 210, 218.5, 221, 226, 226(a), 226.3, 226.7, 246 *et seq.*, 432.5, 432.6, 510, 512(a), 551, 552, 558, 558.1, 1174(d), 1194, 1197, 1197.1, 1198, 1199, 1776, 2800, and 2802; all related provisions of the Code of Regulations; and all related provisions of the applicable IWC Wage orders.

(c) **Plaintiffs' General Release and Waiver of Rights Under Civil Code Section 1542.** Upon Defendant's funding of the Gross Settlement Amount, Plaintiffs and their former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally release and discharge the Released Parties from all claims (known or unknown), transactions, or occurrences that occurred from the beginning of time through the date Plaintiffs sign this Agreement. This includes, but is not limited to: (i) all claims that were, or could have been, alleged based on the facts contained in the Second Amended Complaint; (ii) all PAGA Claims that were, or could have been, alleged based on facts contained in the amended written notice sent to the LWDA; and (iii) all claims regarding any aspect of their employment including, but not limited to, the Released Claims, any common law or statutory torts, any federal, state, or governmental constitution, statute, regulation, or ordinance, and any claim for wages or any other compensation or benefit ("**Plaintiffs' General Release**").

(i) Plaintiffs' General Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time.

(ii) Plaintiffs acknowledge that they may discover facts or law different from, or in addition to, the facts or law Plaintiffs now know or believe to be true. But Plaintiffs agree that Plaintiffs' General Release shall remain effective in all respects, notwithstanding such different or additional facts or the discovery of them.

(iii) Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of Civil Code section 1542, which provides:

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

(iv) Plaintiffs are deemed by operation of the Final Order or Judgment to have agreed not to sue or otherwise make any claim against any of the Released Parties based upon any action, event, or occurrence prior to the date the Plaintiffs sign this Settlement Agreement.

11. **Confidentiality.** Plaintiffs and Plaintiffs' Counsel agree that the terms of this Settlement Agreement (including, but not limited to, the Gross Settlement Amount), negotiations leading to the execution of this Settlement Agreement, and this Settlement Agreement itself, shall not be discussed with or publicized or promoted to the media, or the public at large, without the advance written consent of Defendant. The Parties intend this paragraph to prohibit Plaintiffs and Plaintiffs' Counsel from discussing, answering questions about, promoting or publicizing the Settlement Agreement, its terms, or negotiations leading to the Settlement Agreement with anyone other than the Court or those individuals necessary to effectuate the terms of the Agreement. Plaintiffs and Plaintiffs' Counsel: (a) may tell the public in general only that certain claims "have been resolved by the Parties;" and (b) may disclose the terms of the Settlement Agreement: (i) in appropriate filings with the Court in this case; (ii) where required by law (*e.g.*, income tax returns); and (iii) to accountants or other tax professionals for the purpose of preparing tax returns. Plaintiffs' Counsel may respond to questions received from, and discuss any aspect of this Agreement with the Settlement Group Members. For the limited purpose of establishing adequacy of counsel in future actions, Plaintiffs' Counsel may reference the Action only by name and case number in a declaration establishing adequacy as class or representative counsel.

12. **No Other Representation**. At the time of the execution of this Agreement, Plaintiffs' Counsel represents that, other than Plaintiffs, they are not currently representing any current or former employee of Defendant with respect to any type of claim, complaint, or administrative charge and are not aware of any Defendant employee seeking to bring legal action against Defendant. Plaintiffs' Counsel's representation in this regard is a material term of this Agreement and Defendant would not have entered into this Agreement absent this representation.

13. **Waiver of Appeal Rights.** By accepting this Settlement and upon the Court granting approval of the settlement, Plaintiffs and Plaintiffs' Counsel waive any and all rights they may have to appeal any judgment, ruling, or order made by the Court including any order granting approval of this Settlement or dismissing the Lawsuit. The waiver of appeal includes all rights to any post-judgment proceeding and appellate proceeding, such as, but not limited to, a motion to vacate judgment, a motion for new trial, a motion for relief, and any extraordinary writ. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceedings, or post-judgment proceedings. If an appeal is taken from the approval, the time for consummation of

the Settlement (including making payments under the Settlement) will be suspended until such time as the appeal is finally resolved and approval becomes final.

14. **Acknowledgement of Fair and Reasonable Settlement.** The Parties have arrived at this Agreement after arm's-length negotiations between experienced counsel. The Parties acknowledge, agree, and believe that this Agreement is a fair, adequate, and reasonable settlement. The Parties 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 Agreement. The Parties to this Agreement agree and represent that they investigated the facts relevant to this Agreement and all matters pertaining thereto to the full extent that each Party deems necessary. The Parties agree that this Agreement reflects their good faith compromise of the claims raised in the Lawsuit based on their assessment of the mutual risks and costs of further litigation and assessments of their counsel.

15. **Duty to Cooperate.** The Parties agree that they will abide by this Agreement and that the Parties and their counsel will cooperate to effect the implementation of this Agreement. The Parties pledge their good faith and fair dealing in supporting the approval of this Agreement by the Court. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Agreement or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties may seek the assistance of the mediator who facilitated the negotiations. If the Parties cannot resolve their dispute with the assistance of the mediator, the Parties may seek the assistance of the Court.

16. **Governing Law and Interpretation.** This Agreement shall be governed in accordance with the laws of the State of California. The Agreement shall be interpreted per the plain meaning of its terms and shall not be strictly interpreted for or against any of the Parties to this Agreement. Given that all Parties hereto had the opportunity to draft, review, and edit the language of this Agreement, the Parties expressly waive the benefit of any legal principle or rule that provides in cases of uncertainty the language of a contract should be interpreted against the Party who caused the uncertainty to exist.

17. **Defendant's Option to Revoke.** If the settlement, or any terms therein, is modified, vacated, altered, or becomes otherwise subject to challenge by law, including, but not limited to, any law that became effective after the execution of this Agreement, so that this Agreement is not approved by the Court in its entirety and the intent of the Parties cannot be accomplished after jointly taken reasonable efforts to enforce it have been reasonably exhausted, Defendant shall have the option to revoke this Agreement at its sole discretion, whereby the Parties will revert to their respective positions immediately prior to reaching the settlement.

18. **Discovery of Documents and Information.** Plaintiffs and Plaintiffs' Counsel agree that they will destroy all documents and information provided to them by Defendant during this Lawsuit within sixty (60) calendar days after the completion of the administration of the Settlement. Plaintiffs' Counsel agree that none of the documents and information provided to them by Defendant shall be used for any purpose other than Settlement of the Lawsuit.

19. **Authority to Enter the Agreement.** The Parties represent and warrant that they have the right and authority to execute this Agreement. It is agreed that the Settlement Group Members are so numerous that it is impossible or impractical to have each member execute this Agreement. It is agreed that this Agreement may be executed on behalf of the Settlement Group Members by Plaintiffs and Plaintiffs' Counsel.

20. **Authorization of Counsel.** The Parties' counsel warrant and represent that they are authorized by the Parties whom they represent to negotiate this Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms and to execute any other documents required to effectuate its terms.

21. **Invalidation.** Invalidation of any material term of this Agreement will invalidate this Agreement in its entirety unless the Parties subsequently agree in writing that the remaining provisions will remain in full force and effect.

22. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures sent by facsimile transmission or scanned e-mail transmission and electronic signatures have the same force, validity, and effect as original signatures.

23. **Binding on Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the Parties and their agents, employees, representatives, officers, directors, parents, subsidiaries, assigns, heirs, executors, administrators, insurers, and successors in interest. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement. The Settlement Group Members are deemed by operation of the Final Order or Judgment to 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, cause of action, or rights released and discharged by this Agreement.

24. **Nullification of Agreement.** If: (a) the Court should for any reason fail to enter the Final Order or Judgment after the Parties have made a reasonable effort to convince the Court to enter the Final Order or Judgment; or (b) the Court's Final Order or Judgment is reversed or modified as to any material term as defined above, or declared or rendered void as to any material term as defined above, then the Parties shall be returned to their original positions as though this Agreement had never been entered into at all. If any settlement administration costs are due and payable, the Parties agree to split those costs.

25. **Ownership of Claims.** The Parties represent that they have not transferred assigned, or purported to transfer or assign, to any person or entity any portion of any liability, claim, demand, action, cause of action, or right herein released and discharged.

26. **Continuing Jurisdiction of the Court.** Pursuant to Code of Civil Procedure section 664.6, the Court shall retain continuing jurisdiction over the Lawsuit and Parties to the fullest extent necessary to enforce and effectuate the terms and intent of this Agreement.

27. **Amendment and Modification.** This Agreement may not be modified, altered, or changed, except by a written instrument signed by either the Parties or their successors-in-interest or counsel for all Parties and approved by the Court.

28. **Admissibility of the Agreement.** Pursuant to Evidence Code section 1123, the Parties agree that this Agreement is admissible for the purposes of proving up and or enforcing the terms of the Agreement as set forth herein.

29. **No Representations.** Except as expressly set forth herein, the Parties acknowledge that no representation of any kind or character has been made to induce the execution of this Settlement Agreement.

30. **Attorneys' Fees.** Except as set forth in this Agreement, each side shall bear its own costs and attorneys' fees, and will not seek reimbursement thereof from any Party to this Settlement Agreement.

31. **Escalator Clause.** If it is determined that the number of pay periods within the Settlement Period exceeds 22,400 by more than ten percent (10%) (*i.e.*, the number exceeds 24,640 pay periods), then the Gross Settlement Amount shall increase proportionally over the ten percent (10%) increase (*e.g.*, if the number of pay periods exceeds 22,400 by 12%, then the Gross Settlement Amount shall increase by 2%).

32. **Entire Agreement**. This Settlement Agreement constitutes the entire integrated agreement between the Parties relating to the Lawsuit, and no oral representations, warranties, or inducements have been made to any Party regarding this Settlement Agreement other than the representations, warranties, and covenants contained and memorialized in this Settlement Agreement.

* * *

IN WITNESS WHEREOF, the Parties knowingly and voluntarily accept the terms of this Settlement Agreement by affixing their signatures below.

Dated: 08/06/2025

Gerardo Alexander Ortega

By: ______________________

Dated: 08/12/2025

Hunter Howells

By: Hunter Howells

Dated: 08/12/2025

Justice Law Corporation

By: Shelby Miner

Douglas Han, Esq.
Shunt Tatavos-Gharajeh, Esq.
Shelby Miner, Esq.
Attorneys for Plaintiffs

Dated: July 31, 2025

Snoozetown LLC

By: ______________________

On behalf of Snoozetown LLC

Dated: August 4, 2025

Rutan & Tucker, LLP [Approving as to Form Only]

By: Kimberly Nayagam

Maria Z. Stearns, Esq.
Kimberly A. Nayagam, Esq.
Attorneys for Defendant

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

GERARDO ALEXANDER ORTEGA, individually, and on behalf of other members of the general public similarly situated; Plaintiff, v. SNOOZE HIC LLC, a Colorado limited liability company; SNOOZE IMPORT EXPORT LLC, a Colorado limited liability company; SNOOZETOWN LLC, a Delaware limited liability company; SNOOZETROPOLIS LLC, a Delaware limited liability company; and DOES 1 through 100, inclusive; Defendants.	Case No.: 30-2024-01392708-CU-OE-CXC Assigned for All Purposes to: Honorable David A. Hoffer Department CX-103 **[PROPOSED] ORDER GRANTING APPROVAL OF PRIVATE ATTORNEYS GENERAL ACT OF 2004 (LABOR CODE § 2698, *ET SEQ.*) SETTLEMENT AGREEMENT** Hearing Date: Hearing Time: Hearing Place: Department CX-103 Complaint Filed: April 10, 2024 FAC Filed: August 9, 2024 Trial Date: None Set

This matter has come before Honorable David A. Hoffer on Plaintiffs Gerardo Alexander Ortega and Hunter Howells's ("Plaintiffs") Motion for Approval of Private Attorneys General Act (Labor Code § 2698, *et seq*.) ("PAGA") Settlement Agreement. This Court reviewed the papers submitted in support of approval of the Settlement Agreement ("Settlement Agreement," "Settlement," and "Agreement") pursuant to Labor Code section 2698, *et seq*. (Private Attorneys General Act of 2004 ("PAGA")). The Settlement Agreement is attached hereto as **Exhibit 1**. Based upon this review, the Court finds good cause to enter this Order.

FINDINGS:

Unless otherwise specified, defined terms in this Order have the same definition as the terms in the Settlement Agreement.

The Court has jurisdiction over the subject matter of this litigation brought by Plaintiffs, individually and in the capacity as the private attorney general proxy or agent of the State of California, against Defendant Snoozetown LLC ("Defendant").

Pursuant to Labor Code section 2699.3, on May 13, 2024 and May 28, 2025, Plaintiffs submitted a written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendant to provide notification of the alleged Labor Code violations.

On August 9, 2024, Plaintiffs filed a First Amended Complaint against Defendant, individually and on behalf of California and all Settlement Group Members.

After engaging in informal discovery, investigations, and negotiations, on October 7, 2024, the Parties attended mediation. While the Parties did not initially settle at mediation, continued negotiations eventually resulted in the settlement of this matter with the mediator's assistance on or around May 23, 2025, subject to this Court's approval.

The Parties expressly acknowledge that the Settlement Agreement is entered solely for the purpose of compromising the significantly disputed PAGA claim and that nothing contained therein is an admission of liability or wrongdoing by Defendant.

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The Court finds that the Settlement Agreement was entered in good faith. The Court also finds that the Parties have satisfied the standards and applicable requirements for the approval of a settlement of the PAGA claim.

Pursuant to Labor Code sections 2699(l)(2) and (l)(4), the Court finds that the LWDA was given timely notice of the Agreement. On __________, Plaintiffs submitted a Notice of Settlement to the LWDA, attached to which was a copy of the Agreement.

Having reviewed the evidence and papers submitted and considered any argument of counsel, the Court grants the motion and approves the terms of the settlement as set forth in the Settlement under Labor Code section 2699(l)(2) as fair, adequate, and reasonable.

IT IS ORDERED THAT:

1. The Settlement is approved under Labor Code section 2699(l)(2).

2. The "Settlement Group Members" are defined as all current and former hourly-paid employees who worked for Defendant within the State of California at any time during the period from May 13, 2023, through October 7, 2024 ("Settlement Group," "Settlement Group Members," and "Settlement Period"), as set forth in the Agreement.

3. ILYM Group, Inc. is appointed as the Settlement Administrator.

4. Defendant shall pay the Gross Settlement Amount of $245,000 in accordance with the Settlement Agreement.

5. The Court approves the: (a) Attorneys' Fees Award of $81,666.67 (1/3 of the Gross Settlement Amount) to Plaintiffs' Counsel; (b) Litigation Costs Award of $16,817.01 to Plaintiffs' Counsel; (c) Enhancement Payments of up to $7,500 to each Plaintiff (totaling $15,000); and (d) Administration Costs of up to $10,000 to the Settlement Administrator, all payable from the Gross Settlement Amount. The Court finds that the amounts requested are fair and reasonable.

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6. After deducting the above-mentioned payments, the balance of the settlement amount will be $121,516.32 ("PAGA Penalties Fund"). Under the terms of the Settlement Agreement, seventy-five percent (75%) of the PAGA Penalties Fund ($91,137.24) will be paid to the LWDA ("LWDA Payment"), and the remaining twenty-five percent (25%) of the PAGA Penalties Fund ($30,379.08) will be paid to the Settlement Group Members ("Individual Settlement Awards") using the formula set forth in the Settlement Agreement.

7. The Court authorizes the Settlement Administrator to calculate and pay the Individual Settlement Awards in accordance with the terms set forth in the Settlement.

8. Within fourteen (14) calendar days of the Effective Date, Defendant shall provide to the Settlement Administrator a list of Settlement Group Members': (a) Social Security numbers; (b) last known addresses; and (c) number of pay periods worked during the Settlement Period.

9. Within fourteen (14) calendar days of the Effective Date, Defendant shall deposit the Gross Settlement Amount into the qualified settlement fund created by the Settlement Administrator.

10. Within fourteen (14) calendar days of the funding of the Gross Settlement Amount, the Settlement Administrator will disburse the payments set forth herein to the appropriate entities or persons as specified in the Agreement. The Settlement Administrator shall first obtain approval of the calculations from all counsel before disbursing the payments.

11. Checks sent to Settlement Group Members will remain negotiable for one hundred eighty (180) calendar days after the date of their issuance ("Check Stale Date"). Any checks sent to Settlement Group Members that are not cashed, deposited, or negotiated after the Check Stale Date will be void. The amount of uncashed checks sent to Settlement Group Members will be directed to the California State Controller for deposit in the Unclaimed Property Fund in the name of the employee.

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12. Any checks sent to the Settlement Group that are returned as undeliverable on or before the Check Stale Date will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will attempt to determine the correct address using a skip trace or other reasonable method and will then perform a single remailing.

13. Any Settlement Group Member who cannot be located after the above procedures are followed will continue to be bound by this Order and the Agreement. The funds associated with such Individual Settlement Awards will be directed to the California State Controller for deposit in the Unclaimed Property Fund in the Settlement Group Members' names.

14. The Court approves, as to form and content, the explanatory letter to be mailed to the Settlement Group Members attached as **Exhibit B** to the Agreement. Each Individual Settlement Award check will be accompanied by a copy of the explanatory letter to the Settlement Group Members. The explanatory letter will be mailed to the Settlement Group Members in English and Spanish.

15. The Released Parties include Defendant, Snooze HIC LLC, Snooze Import Export LLC, and Snoozetropolis LLC and their former and present parents, subsidiaries, affiliates, divisions, corporations in common control, predecessors, successors, and assigns, as well as all their past and present officers, directors, employees, partners, members, owners, representatives, shareholders, agents, attorneys, insurers, and any other successors, assigns, or legal representatives, if any, and any individual or entity that could be jointly liable with Defendant for the Released Claims ("Released Parties"), as specified in the Agreement.

16. The Court approves the release of claims that Plaintiffs have brought under PAGA as set forth in, and in conformity with, the Settlement Agreement. As set forth in the Settlement Agreement, in exchange for the consideration provided for by the Settlement Agreement, and upon Defendant's funding of the Gross Settlement Amount, Plaintiffs, on behalf of the LWDA, and Settlement Group Members (including Plaintiffs), on behalf of

themselves and their former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from the Released Claims.

17. Upon Defendant's funding of the Gross Settlement Amount, Plaintiffs and their former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally release and discharge the Released Parties from all claims (known or unknown), transactions, or occurrences that occurred from the beginning of time through the date Plaintiffs sign the Agreement. Plaintiffs also expressly waive and relinquish the provisions, rights, and benefits, if any, of Civil Code section 1542.

18. The Court confirms the approval of the Settlement as to the LWDA and the Settlement Group Members.

19. The Court confirms that each Settlement Group Member, in accordance with the Settlement, releases all the Released Claims against the Released Parties.

20. Plaintiffs' compliance with the notice procedures described in the Settlement Agreement shall constitute due and sufficient notice to the LWDA and shall be deemed to satisfy any requirement of due process. Nothing else shall be required of, or done by, the Parties, Plaintiffs' Counsel, or Defendant's counsel to provide notice of the settlement.

21. Nothing in this Order or Settlement Agreement shall be construed as evidence of an admission or concession by any of the Parties. This Order and Settlement Agreement only represent a compromise of significantly disputed allegations.

22. Without affecting the finality of this Order and entry of judgment, pursuant to Code of Civil Procedure section 664.6, the Court shall fully retain continuing jurisdiction over this matter and the Parties necessary to enforce and effectuate the terms and intent of the Settlement Agreement.

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23. Plaintiffs' Counsel will not seek or be entitled to any attorneys' fees and/or expenses related to the claims encompassed by the Agreement other than those set forth above. The Attorneys' Fees Award shall constitute full and complete satisfaction of all claims that Plaintiffs and Plaintiffs' Counsel may have for attorneys' fees arising out of the Lawsuit, including for work not yet performed.

24. The Court enters final judgment in accordance with the terms of the Settlement Agreement and this Order.

25. Pursuant to Labor Code section 2699(l)(3) and (l)(4), within ten (10) calendar days of entry of this Order, Plaintiffs shall provide a copy of this Order to the LWDA.

26. Upon completion of the settlement administration process, the Settlement Administrator will provide written certification of the completion to the Court and counsel for the Parties which shall be filed with the Court at least five (5) business days before the non-appearance case review that is set for ____________.

IT IS SO ORDERED.

Dated: ____________________

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HONORABLE DAVID A. HOFFER
JUDGE OF THE SUPERIOR COURT

EXHIBIT B

NOTICE OF PAGA SETTLEMENT

Gerardo Alexander Ortega v. Snooze HIC LLC, et al.
Superior Court of California, County of Orange
Case No. 30-2024-01392708-CU-OE-CXC

Dear [Settlement Group Member's Name]:

Enclosed in this letter is the information regarding the settlement of the lawsuit filed in the Superior Court of California, County of Orange, entitled *Gerardo Alexander Ortega v. Snooze HIC LLC, et al.*, Case Number 30-2024-01392708-CU-OE-CXC ("Lawsuit"). The purpose of this letter is to provide you with basic information about the Lawsuit and effect of the settlement on your legal rights.

I. What is a Representative PAGA Action

A representative Private Attorneys General Act of 2004 ("PAGA") action is a type of representative lawsuit authorized by the Labor Code section 2698 that allows alleged aggrieved employees to file lawsuits to recover civil penalties on behalf of themselves, other employees, and State of California for alleged violations of the Labor Code. An employee who files a representative PAGA action is acting as an agent of the State of California's labor law enforcement agencies, who have the power to initiate an enforcement action directly.

In a PAGA action, the named plaintiff is acting as an agent of the State of California to seek penalties for themself and aggrieved employees for Labor Code violations allegedly committed against those employees pursuant to PAGA. A portion of the penalties in a PAGA action (75%) must be paid to the State of California. Finally, aggrieved employees do not have the right to opt out of (or object to) a representative PAGA action settlement.

II. The Lawsuit

In the Lawsuit, Plaintiffs Gerardo Alexander Ortega and Hunter Howells ("Plaintiffs") sought civil penalties pursuant to PAGA.

Defendant Snoozetown LLC ("Defendant") strongly disputes Plaintiffs' allegations and maintains that it has fully complied with all applicable laws. The Court has not issued any ruling regarding the merits of the Lawsuit. Nonetheless, to avoid the cost and distraction of litigation, Defendant has made a business decision to settle the Lawsuit that was approved by the Court on __________.

III. Who are the Settlement Group Members

The Settlement Group, Settlement Group Members, and Settlement Period are defined as:

All current and former hourly-paid employees who worked for Defendant within the State of California at any time during the period from May 13, 2023, through October 7, 2024.

IV. Why This Letter Is Being Sent to You

The settlement approved by the Superior Court of California, County of Orange, involves payment for the release of PAGA claims. In accordance with PAGA, seventy-five percent (75%) of the civil penalties paid under the settlement goes to the LWDA. The remaining twenty-five percent (25%) of the civil penalties paid under the settlement will be distributed to all Settlement Group Members. This letter is being sent to you because you have been identified as a Settlement Group Member.

V. Summary of the Settlement Payments

Pursuant to the settlement, Defendant agreed to pay $245,000 ("Gross Settlement Amount"). Since you have been determined to be a Settlement Group Member, you will receive your portion of the settlement after the following payments have been deducted from the Gross Settlement Amount:

1) $81,666.67 (1/3 of the Gross Settlement Amount) as the Attorneys' Fees Award to Plaintiffs' Counsel and $20,000 as the Litigation Costs Award to Plaintiffs' Counsel for their time and effort expended on this Lawsuit;

2) $7,500 to each Plaintiff (totaling $15,000) for the time and effort and for the risk undertaken in bringing and prosecuting this Lawsuit; and

3) $10,000 as the Administration Costs to the Settlement Administrator for assisting the Parties with administering this Lawsuit.

The portion of the Gross Settlement Amount remaining after the Attorneys' Fees Award, Litigation Costs Award, Enhancement Payments, and Administration Costs are paid shall be designated the PAGA Penalties Fund. Seventy-five percent (75%) of the PAGA Penalties Fund will be paid to the LWDA for enforcement of labor laws, and twenty-five percent (25%) of the PAGA Penalties Fund shall be designated as the Net Settlement Amount and will be paid to the Settlement Group on a pro rata basis. The portion of the settlement that the Settlement Group Members are entitled to receive is known as the Individual Settlement Awards.

VI. How the Amount of Your Settlement Payment Was Determined

Based on Defendant's records, it was determined that you worked ____ pay periods during the Settlement Period. Based on the total number of pay periods allocated to you, your settlement payment is calculated to be $_____.

Each Settlement Group Member will receive a pro-rata share of the Net Settlement Amount based on the total number of pay periods the Settlement Group Member worked for Defendant during the Settlement Period. The Individual Settlement Award that each Settlement Group Member is entitled to receive will be determined by using the formula set forth herein:

1) Individual Settlement Award = Net Settlement Amount x (total number of pay periods worked by the Settlement Group Member ÷ total number of pay periods worked by all Settlement Group Members).

The enclosed settlement check represents your *pro-rata* portion of the Court-approved PAGA settlement. **You will not be retaliated against for cashing your check.**

The settlement check enclosed with this letter will remain negotiable for one hundred eighty (180) calendar days after the date of its issuance ("Check Stale Date"). If your settlement check is not cashed, deposited, or negotiated on or before the Check Stale Date, it will be voided and directed to the California State Controller's Unclaimed Property Fund in your name.

VII. Consequences of the Settlement

The Lawsuit was filed exclusively as a representative action under PAGA, which functions as a substitute for an enforcement action by the State of California. As stated above, you cannot exclude yourself from this settlement.

The Court's order and judgment approving the settlement of the Lawsuit binds the State of California and all persons, including nonparty employees, who would be bound by a judgment in an action brought by the State of California itself. As a result, although you are not a "party" to the Lawsuit, the judgment entered upon settlement of the Lawsuit is binding on you with respect to any claims under PAGA encompassed by the settlement. That is true regardless of whether you choose to cash, deposit, or negotiate your settlement check. In other words, even if you do not cash your settlement check, you will still be bound by the release set forth below.

The Released Parties include Defendant, Snooze HIC LLC, Snooze Import Export LLC, and Snoozetropolis LLC and their former and present parents, subsidiaries, affiliates, divisions, corporations in common control, predecessors, successors, and assigns, as well as all their past and present officers, directors, employees, partners, members, owners, representatives, shareholders, agents, attorneys, insurers, and any other successors, assigns, or legal representatives, if any, and any individual or entity that could be jointly liable with Defendant for the Released Claims ("Released Parties").

Upon Defendant's funding of the Gross Settlement Amount, Plaintiffs, on behalf of the LWDA, and Settlement Group Members (including Plaintiffs), on behalf of themselves and their former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from all claims for relief under PAGA that were alleged, or reasonably could have been alleged, based on the facts alleged in the Second Amended Complaint and/or amended written notice sent to the LWDA that occurred during the Settlement Period ("Released Claims").

1) The Released Claims include, but are not limited to, claims under PAGA based upon or arising out of: (a) failure to pay for all hours worked; (b) failure to pay minimum wages for all hours worked; (c) failure to calculate and pay all overtime wages earned; (d) failure to provide meal periods and pay meal period premiums at the regular rate of pay; (e) failure to provide rest breaks and pay rest break premiums at the regular rate of pay; (f) failure to pay all wages in full and on time during employment; (g) failure to maintain accurate records; (h) failure to pay all wages due upon termination; (i) failure to provide accurate itemized wage statements; (j) failure to reimburse employees for necessary expenditures incurred in discharge of duties; and (k) failure to provide and properly pay paid sick days.

2) Without limiting the generality of the foregoing, the Released Claims include, but are not limited to, claims under PAGA based upon or arising out of the alleged violation of Labor Code sections 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, 202.5, 203, 204, 210, 218.5, 221, 226, 226(a), 226.3, 226.7, 246 *et seq.*, 432.5, 432.6, 510, 512(a), 551, 552, 558, 558.1, 1174(d), 1194, 1197, 1197.1, 1198, 1199, 1776, 2800, and 2802; all related provisions of the Code of Regulations; and all related provisions of the applicable IWC Wage orders.

VIII. Taxation of Your Individual Settlement Award and Your Tax Responsibilities

You will be issued an IRS Form 1099 in connection with the funds paid to you via your settlement check if the amount is $600 or more. You are solely responsible for all tax obligations attributable to you that may arise because of receiving your settlement check. If you have any tax-related questions regarding your settlement check, you should direct them to your own tax advisor.

IX. Where to Get More Information

Do not call or contact the Superior Court of California, County of Orange, about this letter, settlement, your settlement check, or Lawsuit in general. If you have questions, you may contact ILYM Group, Inc. the Settlement Administrator, at ______________.

Dated: INSERT DATE

PROOF OF SERVICE
1013A(3) CCP

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 751 N. Fair Oaks Ave., Ste. 101 Pasadena, California 91103. My electronic service address is nalonsoesteban@justicelawcorp.com

On August 26, 2025, I served the foregoing document described as

SETTLEMENT AGREEMENT

for the following case:	**Gerardo Alexander Ortega v. Snooze HIC LLC, et al.**
LWDA/Court Case No.:	**LWDA Case No.: CM-1028095-24** **Case No.: 30-2024-01392708-CU-OE-CXC** **Orange County Superior Court**

on interested parties in this action by electronically submitting as follows:

State of California
Labor & Workforce Development Agency
800 Capitol Mall, MIC-55
Sacramento, California 95814

[X] BY ELECTRONIC SUBMISSION
Pursuant to California Senate Bill No. 836, I caused the documents described above to be electronically submitted by and through the procedure stated on the website of the State of California Labor and Workforce Development Agency.

[X] STATE
I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on August 26, 2025, at Pasadena, California.

Noelia Alonso Esteban