

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement”) is reached by and between Plaintiffs Michelle Aceves and Gary Martinez (“Plaintiffs”), individually and on behalf of all members of the Settlement Class (defined below) and all Aggrieved Employees (defined below), on the one hand, and Defendants Atlas Retail Services, Inc., a Texas Corporation (“Atlas”), Jason Parrish, and Kyle Watkins (together, “Defendants”), on the other hand. Plaintiffs and Defendants are sometimes referred to individually as a “Party” and collectively as the “Parties.” Plaintiffs, the Settlement Class, and the Aggrieved Employees are represented by Thomas D. Rutledge of Thomas Rutledge Law and Paul K. Haines and Sean M. Blakely of Haines Law Group, APC (“Class Counsel”). Defendants are represented by Daniel E. Gardenswartz, Mei-Ying Imanaka and Adam R. Scott of Solomon Ward Seidenwurm & Smith, LLP (“Defendants’ Counsel”).

On April 19, 2024, Plaintiff Michelle Aceves filed notice with the Labor Workforce Development Agency (“LWDA”) and an enforcement action under the California Private Attorneys General Act (“PAGA”) in the Superior Court of California for the County of San Diego entitled *Michelle Aceves v. Atlas Retail Services, Inc., et al.*, Case Number 37-2024-00018584-CU-OE-CTL (the “*Aceves Action*”). The initial complaint was amended on June 24, 2024, and then again on July 31, 2024. On or about July 2, 2025, Plaintiff Aceves filed an amendment to her operative complaint, pursuant to Code of Civil Procedure Section 474, to name Jason Parrish (the President of Atlas) and Kyle Watkins (the CEO of Atlas) as individual defendants in the *Aceves Action* (together, the “Individual Defendants”). Defendants contest the validity of that amendment because, among other things, Plaintiff Aceves did not seek leave of Court prior to the filing.

On June 21, 2024, Plaintiff Gary Martinez filed a separate class action complaint against Atlas in the Superior Court of California for the County of San Diego entitled *Gary Martinez v. Atlas Retail Services, Inc.*, Case No. 37-2024-00029333-CU-OE-CTL (the “*Martinez Action*”). That same day, Plaintiff Martinez provided notice to the LWDA and Atlas regarding his intent to file an action for civil penalties under the PAGA. On August 26, 2024, Plaintiff Martinez filed a First Amended Class and Representative Action Complaint to add a cause of action for civil penalties under the PAGA.

On May 30, 2025, the Parties, through counsel, participated in a full day of private mediation before Steven G. Mehta, Esq. On October 18, 2025, Atlas filed a Notice of Related Case in the *Aceves Action* and *Martinez Action*. On November 25, 2025, following months of arm’s-length negotiations, the Parties accepted a mediator’s settlement proposal and proceeded to negotiate and finalize the terms of this Settlement Agreement. On December 19, 2025, the Parties filed a joint stipulation to reassign and consolidate the *Aceves Action* and *Martinez Action* before this Court, with the *Aceves Action* serving as the lead case. As part of this Settlement, the Parties also stipulated to the filing of a Third Amended Individual, Class and Representative PAGA Consolidated Complaint (“TAC”) in the *Aceves Action*, adding Plaintiff Gary Martinez as a named Plaintiff and class representative, adding various causes of action, adding class allegations, and adding certain factual allegations. The operative TAC in the *Aceves Action* alleges the following causes of action: (1) Failure to Provide Access to Employee Personnel Records; (2) Claim for Failure to Pay State Minimum/Regular Wages; (3) Claim for Failure to Pay State Overtime wages; (4) Claim for Failure to Timely Pay Wages; (5) Claim for Meal and Rest Break Labor Code Violations; (6) Inaccurate Wage Statements; (7) Claim for Failure to Maintain Payroll Records; (8) Claim for Failure to Reimburse Business Expenses; (9) Failure to Properly Pay Sick Pay; (10)

Misclassification; (11) Failure to Maintain Workers' Compensation Insurance; (12) Claim for Miscellaneous Labor Code Violations via the PAGA; and (13) Unfair Business Practices. The Parties shall seek settlement approval of this Settlement Agreement through the *Aceves Action*. The TAC, and all of the claims alleged therein, shall hereinafter be referred to as the "Action."

Defendants have always and still contend that Plaintiffs' executed valid and enforceable arbitration agreements, which include class action waivers, covering the claims at issue each action ("Plaintiffs' Arbitration Agreements"). Defendants have also repeatedly reserved the right to enforce Plaintiffs' Arbitration Agreements in the future, if necessary. However, given the uncertainty of litigation, Plaintiffs and Defendants wish to settle all disputes between them, both individually and on behalf of the Settlement Class and the Aggrieved Employees, and hereby agree as follows:

1. **Settlement Class.** For the purposes of this Settlement Agreement only, Plaintiffs and Defendants stipulate to the certification of the following Settlement Class:

All current and former non-exempt employees employed by Atlas in California from June 20, 2020 through July 30, 2025 (the "Class Period"), and all current and former individuals classified as independent contractors who performed work in California during the Class Period.

The Parties agree that certification for purposes of this Settlement Agreement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If, for any reason, this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

2. **Release by Settlement Class Members and Plaintiffs.** Plaintiffs and every member of the Settlement Class (except those who opt out and except as to the PAGA Released Claims specified below) will fully release and discharge Defendants, specifically including Jason Parish and Kyle Watkins, and all of Atlas' past and present officers, directors, shareholders, owners, employees, agents, principals, heirs, representatives, accountants, auditors, insurers, consultants, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys (collectively the "Released Parties"), as follows:

A. **Settlement Class Member Release.** Upon the Effective Date and the complete funding of the Gross Settlement Amount, all Settlement Class members, on behalf of themselves and their former and present representatives, agents, attorneys (including Class Counsel), heirs, estates, administrators, successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, representatives and assigns will generally and forever waive and release all claims, demands, rights, liabilities and causes of action that they have or had against Defendants, including the claims and/or causes of action that were alleged, or reasonably could have been alleged, based on the facts contained or contemplated in the *Aceves Action*, the *Martinez Action*, the operative TAC and in Plaintiffs' LWDA notices, and which arose during the Class Period, including claims for: (1) Failure to Provide Access to Employee Personnel Records; (2) Claim for Failure to

Pay State Minimum/Regular Wages; (3) Claim for Failure to Pay State Overtime wages; (4) Claim for Failure to Timely Pay Wages; (5) Claim for Meal and Rest Break Labor Code Violations; (6) Inaccurate Wage Statements; (7) Claim for Failure to Maintain Payroll Records; (8) Claim for Failure to Reimburse Business Expenses; (9) Failure to Properly Pay Sick Pay; (10) Misclassification; (11) Failure to Maintain Workers' Compensation Insurance; (12) Claim for Miscellaneous Labor Code Violations via the PAGA; and (13) Unfair Business Practices (the "Class Released Claims"). The period of the Class Released Claims shall extend to the limits of the Class Period.

- B. **Release of PAGA Claims.** In addition, all Settlement Class members (regardless of whether they opt out) who worked for Defendants at any time from April 19, 2023 through July 30, 2025 (the "PAGA Period") are "Aggrieved Employees" and shall release the Released Parties from all claims for civil penalties under PAGA arising during the PAGA Period as disclosed in Plaintiffs' Notification Letters to the LWDA and as alleged in the Action (the "PAGA Released Claims").
- C. **Releases by Plaintiffs.** Upon Defendants' complete funding of the Gross Settlement Amount, Plaintiffs have agreed to release, individually, the Class Released Claims and PAGA Released Claims described above, as well as any other individual claims they have against Defendants, as part of a separate settlement agreement that shall become effective upon the Effective Date. Further, the Parties understand and agree that Plaintiffs are not, by way of these releases, releasing any workers' compensation claims, unemployment insurance claims, nor any other claims which cannot be released as a matter of law. Notwithstanding the foregoing, Plaintiffs understand that their releases of the Class Released Claims and the PAGA Released Claims include unknown claims related to or arising out of those claims and the TAC, and that Plaintiffs are, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, 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.

3. **Gross Settlement Amount.** As consideration, Atlas agrees to pay a non-reversionary "Gross Settlement Amount" of Five Hundred Seventy Thousand Dollars and Zero Cents (\$570,000.00) in full and complete settlement of the Action, as follows:

- A. The Parties have agreed to engage ILYM Group, Inc. as the "Settlement Administrator" to administer this Settlement.
- B. The Effective Date shall be defined as the later of: (1) date on which the Court enters an Order granting Final Approval of the Settlement Agreement or, (2) solely in the event that there are any objections to the Settlement Agreement (the filing of an objection being a prerequisite to the filing of an appeal), the later of: (i) the last

date on which any appeal might be filed or (ii) the successful resolution of any appeal(s)—including expiration of any time to seek reconsideration or further review.

- C. The Gross Settlement Amount shall be deposited with the Settlement Administrator as follows: (1) Atlas shall make an initial installment payment of \$270,000.00 within 61 days of the Effective Date, or by January 8, 2027, whichever is later; (2) Atlas shall make a second installment payment of \$90,000.00 within 90 days of the first installment payment; (3) Atlas shall make a third installment payment of \$90,000.00 within 90 days of the second installment payment; (4) Atlas shall make a fourth installment payment of \$90,000.00 within 90 days of the third installment payment; and (5) Atlas shall make a fifth and final installment payment of \$30,000.00 within 60 days of the fourth installment payment.
- D. This is a non-reversionary settlement. The Gross Settlement Amount includes:
- i. All payments (including interest) to the Settlement Class;
 - ii. Reasonable costs for settlement administration by an approved Settlement Administrator. Under no circumstances shall Defendants be obligated to pay the Settlement Administrator any amounts greater than what is allocated from the Gross Settlement Amount;
 - iii. Up to Five Thousand Dollars and Zero Cents (\$5,000.00) to each Plaintiff, for a total of Ten Thousand Dollars and Zero Cents (\$10,000.00), for Plaintiffs' Class Representative Service Awards, in recognition of their contributions to the Action and their service to the Settlement Class. Even in the event that the Court reduces or does not approve the requested Class Representative Service Awards, Plaintiffs shall not have the right to revoke this Settlement Agreement, and it will remain binding;
 - iv. Up to one-third of the Gross Settlement Amount in Class Counsel's attorneys' fees, plus actual costs and expenses incurred by Class Counsel related to the Action as supported by declaration, which are currently estimated to be no greater than Forty Thousand Dollars and Zero Cents (\$40,000.00). In the event that the Court reduces or does not approve the requested Class Counsel attorneys' fees or costs, Class Counsel shall not have the right to revoke this Settlement Agreement, and it will remain binding; and
 - v. Forty Thousand Dollars and Zero Cents (\$40,000.00) of the Gross Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Thirty Thousand Dollars and Zero Cents (\$30,000.00) will be payable to the LWDA, and the remaining twenty-five percent (25%), or Ten Thousand Dollars and Zero Cents (\$10,000.00), will be payable to certain Settlement Class members as the "PAGA Amount," as described below.

- vi. Any difference between these requested amounts and the amounts approved by the Court will revert to the Net Settlement Amount for the benefit of the Settlement Class members who do not opt out.
 - vii. Any required changes that may be necessary for preliminary or final Court approval shall not require any increase to the Gross Settlement Amount.
- D. **Escalator Clause.** The Gross Settlement Amount is based on Defendants' representations that Settlement Class members worked approximately 5,390 workweeks during the Class Period. If, at the time of preliminary approval, the number of workweeks has increased by 11% or more (i.e., if there are 5,983 or more workweeks), then (i) the Gross Settlement Amount shall increase proportionally with the increase in workweeks (e.g., if there was 18% increase in the number of estimated workweeks during the Class Period, then the Gross Settlement Amount would increase by 7%) or (ii) Defendants may limit the scope of this Settlement Agreement to a lower amount that does not trigger the escalator provision contemplated above.
- E. Defendants' share of employer payroll taxes shall be paid by Defendants separately from, and in addition to, the Gross Settlement Amount.
4. **Payments to the Settlement Class.** Settlement Class members are not required to submit a claim form to receive a payment ("Individual Settlement Award") from the Settlement. Individual Settlement Awards will be determined and paid as follows:
- A. The Settlement Administrator shall first deduct from the Gross Settlement Amount the amounts approved by the Court for Class Counsel's attorneys' fees, Class Counsel's costs and expenses, Plaintiffs' Class Representative Service Awards, the Settlement Administrator's fees and expenses for administration, and the total amount designated as PAGA civil penalties (i.e., the "PAGA Amount"). The remaining amount shall be known as the "Net Settlement Amount."
 - B. From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class member's Individual Settlement Award based on the following formula:
 - i. Payments to Participating Settlement Class Members. The Net Settlement Amount will be distributed to all participating Settlement Class members based on each participating Settlement Class member's proportionate Workweeks worked during the Class Period, and will be calculated by multiplying the Net Settlement Amount by a fraction, the numerator of which is the participating Settlement Class member's number of Workweeks worked during the Class Period, and the denominator of which is the total Workweeks worked by all participating Settlement Class members during the Class Period.

- ii. Payments to Participating PAGA Members. In addition to the Net Settlement Amount, the PAGA Amount will be allocated as follows: Each Settlement Class member who was employed by and/or worked for Defendants in California at any time during the PAGA Period (including those who submit a valid and timely Request for Exclusion from the class action settlement) (the “Aggrieved Employees”), shall receive a portion of the PAGA Amount proportionate to the number of Workweeks worked during the PAGA Period, and which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the Settlement Class member’s gross number of Workweeks worked during the PAGA Period, and the denominator of which is the total number of Workweeks worked by all Aggrieved Employees (including those who submit a valid and timely Request for Exclusion from the class action settlement) during the PAGA Period.
- C. Within ten (10) calendar days following Defendants’ deposit of the fifth and final installment payment, the Settlement Administrator will calculate Individual Settlement Award amounts and provide the same to the Parties’ counsel for review and approval. Within seven (7) calendar days of approval by the Parties’ counsel, the Settlement Administrator will prepare and mail Individual Settlement Awards, less applicable taxes and withholdings, to participating Settlement Class members. The Settlement Administrator shall simultaneously pay the withholdings to the applicable authorities with the necessary reports, submitting copies to Defendants’ Counsel.
- D. For purposes of calculating applicable taxes and withholdings, each Settlement Award shall be allocated as follows: Any payment from the Net Settlement Amount shall be allocated as follows: (i) 80% shall be treated as penalties and interest and shall be subject to 1099 reporting; and (ii) 20% shall be treated as wages and shall be subject to W2 reporting. 100% of all payments made from the PAGA Amount shall be treated as penalties and shall be subject to 1099 reporting. The Settlement Administrator will be responsible for issuing to participating Settlement Class members IRS Forms W-2 for amounts deemed “wages” and IRS Forms 1099 for the amounts allocated as penalties and interest. Notwithstanding the treatment of the payments to each Settlement Class member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans.
- E. Each member of the Settlement Class who receives a Settlement Award must cash that check within 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class members whose checks are not cashed within 180 days after mailing shall be sent to the Unclaimed Property Fund with the California State Controller's Office.

- F. Neither Plaintiffs nor Defendants shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

5. **Attorneys' Fees and Costs.** Defendants will not object to Class Counsel's request for a total award of attorneys' fees of one-third of the Gross Settlement Amount, which is currently estimated to be One Hundred Ninety Thousand Dollars and Zero Cents (\$190,000.00). Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed Forty Thousand Dollars and Zero Cents (\$40,000.00) from the Gross Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when the Settlement Administrator pays the fee award allowed by the Court.

6. **Class Representative Service Awards.** Defendants will not object to a request for Class Representative Service Awards of up to Five Thousand Dollars and Zero Cents (\$5,000.00) for Plaintiff Aceves and Five Thousand Dollars and Zero Cents (\$5,000.00) for Plaintiff Martinez, for a total of Ten Thousand Dollars and Zero Cents (\$10,000.00), for their time and risk in prosecuting this case, and their service to the Settlement Class. These awards will be in addition to Plaintiffs' respective Settlement Awards as Settlement Class members and shall be reported on an IRS Form 1099 issued by the Settlement Administrator. In the event that the Court reduces or does not approve the requested Service Awards, Plaintiffs shall not have the right to revoke this Settlement, and it will remain binding.

7. **Settlement Administrator.** Defendants will not object to the appointment of ILYM Group, Inc. as Settlement Administrator. Defendants will not object to Plaintiffs' request to the Court to pay up to Fifteen Thousand Dollars and Zero Cents (\$15,000.00) for its services from the Gross Settlement Amount. The Settlement Administrator shall be responsible for sending notices and for calculating Individual Settlement Awards and preparing all checks and mailings, calculating Defendants' share of taxes payable on the wage portion of the Individual Settlement Awards, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Amount by Class Counsel only after Individual Settlement Awards have been mailed to all participating Settlement Class members. The Settlement Administrator shall also be responsible for posting the Final Judgment to its website.

8. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiffs shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;
- B. Appointing Thomas D. Rutledge of Thomas Rutledge Law and Paul K. Haines and Sean M. Blakely of Haines Law Group, APC, as Class Counsel;

- C. Appointing Plaintiffs as Class Representatives for the Settlement Class;
- D. Approving ILYM Group, Inc. as Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and confirming that its terms are fair, reasonable, and adequate;
- F. Approving the form and content of the Notice Packet (which is comprised of the Class Notice and Notice of Estimated Settlement Award, drafts of which are attached hereto as **Exhibits A** and **B**, respectively), and directing the mailing of the same; and
- G. Scheduling a Final Approval hearing.

9. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

- A. Within thirty (30) business days after entry of an order preliminarily approving this Settlement, Defendants will compile and provide the Settlement Administrator with sufficient information about the Settlement Class to administer this Settlement, including: employee/contractor names, last known addresses, social security numbers (if available), and dates of employment and/or contractual relationship during the Class Period and PAGA Period (the “Class Data”). The Class Data shall be provided to the Settlement Administrator in an electronic format satisfactory to the Settlement Administrator.
- B. Within ten (10) business days from receipt of this information, the Settlement Administrator shall: (i) run the names of all Settlement Class members through the National Change of Address (“NCOA”) database to determine any updated addresses for Settlement Class members; (ii) update the address of any Settlement Class member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Individual Settlement Award for each Settlement Class member; and (iv) mail a Notice Packet to each Settlement Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. **Requests for Exclusion.** Any Settlement Class member who wishes to opt-out of the Settlement must complete and mail a Request for Exclusion (defined below) to the Settlement Administrator within sixty (60) calendar days of the date of the initial mailing of the Notice Packets (the “Response Deadline”).
 - i. The Notice Packet shall state that Settlement Class members who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class member; (2) contain a statement that the Settlement Class member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class member; and (4) be

postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(4), it will not be deemed valid for exclusion from the Settlement, except a Request for Exclusion not containing a Settlement Class member's telephone number and/or last four digits of the Social Security number will be deemed valid, so long as the Settlement Administrator has sufficient information to identify the Class member. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the Settlement or have any right to object, appeal or comment thereon. Notwithstanding the foregoing, the PAGA settlement and release provisions will apply to all Settlement Class members whether or not they exclude themselves from the class action settlement. Settlement Class members who were employed by Defendants at any time during the PAGA Period and submit a valid and timely Request for Exclusion shall still receive their portion of the PAGA Amount described above, and will release all PAGA Released Claims, whether they submit a valid and timely Request for Exclusion or not.

- ii. For the avoidance of doubt, no Party or their counsel shall seek to solicit or otherwise encourage Settlement Class members to file or serve written objections to the Settlement or to appeal any order issued by the Court, including the Final Judgment of the Action.

- D. **Objections.** Members of the Settlement Class who do not request exclusion may object to this Settlement Agreement as explained in the Class Notice by filing a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendants' Counsel, as well as file all such objections with the Court). Defendants' Counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval, unless the objections are filed within ten (10) days of the Motion for Final Approval filing deadline, in which case Defendants' Counsel and Class Counsel shall have ten (10) days to file a response to the objections. To be valid, any written objection should: (1) contain the objecting Settlement Class member's full name and current address, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (4) be postmarked no later than the Response Deadline. Members of the Settlement Class who do not request exclusion may alternatively object to the Settlement by appearing at the Final Approval Hearing. Members of the Settlement class who request exclusion *may not* object to the Settlement.

- E. **Notice of Estimated Settlement Award / Disputes.** Each Notice Packet mailed to a Settlement Class member shall disclose the amount of the Settlement Class member's estimated Individual Settlement Award as well as all of the information that was used from Defendants' records in order to calculate the Settlement Award. Settlement Class members will have the opportunity, should they disagree with Defendants' records regarding the information stated in the Notice of Estimated Settlement Award, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Awards under the terms of this Settlement Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Individual Settlement Award shall be binding upon the Settlement Class member and the Parties.

- F. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class member immediately, and in any event within five (5) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class member. Settlement Class members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, to submit a Request for Exclusion, Objection, or dispute. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline. If a Settlement Class member's Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet shall not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defendants' Counsel to provide notice of the proposed settlement.

10. **Final Approval.** Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiffs shall apply to the Court for entry of an Order:

- A. Granting final approval of the Settlement and adjudging its terms to be fair, adequate, and reasonable;

- B. Approving Plaintiffs' and Class Counsel's request for attorneys' fees and reimbursement of costs, Class Representative Service Awards, and settlement administration costs; and

- C. Entering Final Judgment pursuant to California Rule of Court 3.769. Said Judgment shall be posted on the Settlement Administrator's website.

11. **Non-Admission of Liability.** Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152.

12. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

13. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendants: Daniel E. Gardenswartz (dgardenswartz@swsslaw.com); Mei-Ying M. Imanaka (mimanaka@swsslaw.com); Adam R. Scott (ascott@swsslaw.com), Solomon Ward Seidenwurm & Smith LLP, 401 B Street, Suite 1200, San Diego, California 92101.

if to Plaintiffs: Thomas D. Rutledge, Law Offices of Thomas D. Rutledge, 16956 Via de Santa Fe, Suite 1847, Rancho Santa Fe, California 92091-4606; thomasrutledgelaw@gmail.com; Paul K. Haines, Haines Law Group, APC, 2155 Campus Drive, Suite 180, El Segundo, California 90245; phaines@haineslawgroup.com.

14. **Confidentiality.** To the extent permitted by law, all agreements made and/or orders entered with respect to this Settlement Agreement or the settlement of the Action, including any prior agreements entered into by and between Plaintiffs and Defendants, shall be confidential and shall survive the execution of this Agreement. Similarly, no Party shall issue any press release or disclose any information regarding this Settlement Agreement other than as necessary to obtain Court approval or effectuate the terms contemplated in this Agreement. Nothing in this provision will prevent Class Counsel from disclosing information as necessary to attest to their qualifications in other cases, as may be required by any state and/or federal court.

15. **Cooperation.** The Parties agree to work cooperatively, diligently and in good faith to ensure that all documents necessary to effectuate this Settlement are properly and timely filed.

16. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the Action and supersedes all prior negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

17. **California Law.** All terms of this Settlement Agreement, including the exhibits attached hereto, shall be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.

18. **Representation.** The Parties have each been represented by counsel and have cooperated in the drafting and preparation of this Settlement Agreement. This Settlement Agreement shall not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

19. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

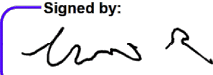
20. **Enforcement Action.** Consistent with the class action procedure, the Parties agree that the San Diego County Superior Court shall have jurisdiction to enforce this Settlement pursuant to California Code of Civil Procedure section 664.6, and California Rule of Court 3.769. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

[Signatures on Following Page]

APPROVED AND AGREED:

DATED: 6/5/2026, 2026

PLAINTIFF MICHELLE ACEVES

Signed by:

By: 7D7A630E5BF84DC...
Plaintiff and Settlement Class Representative

DATED: _____, 2026

PLAINTIFF GARY MARTINEZ

By: _____
Plaintiff and Settlement Class Representative

DATED: 7/8/2026 | 12:44:45 PM PDT, 2026

DEFENDANT ATLAS RETAIL SERVICES, INC.

Kyle Watkins

DocuSigned by:

By: 8CBF8460F8024D5...

Title: Chief Executive Officer

APPROVED AND AGREED:

DATED: _____, 2026

PLAINTIFF MICHELLE ACEVES

By: _____
Plaintiff and Settlement Class Representative

DATED: 06/29 _____, 2026

PLAINTIFF GARY MARTINEZ

By: Gary Martinez
Gary Martinez (Jun 29, 2026 20:22:45 PDT)
Plaintiff and Settlement Class Representative

DATED: _____, 2026

DEFENDANT ATLAS RETAIL SERVICES, INC.

By: _____

Title: _____

APPROVED AS TO FORM:

DATED: June 30, 2026

HAINES LAW GROUP, APC

By: 

Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiff Gary Martinez

DATED: _____, 2026

THOMAS RUTLEDGE LAW

By: _____
Thomas D. Rutledge
Attorneys for Plaintiff Michelle Aceves

DATED: July 8, 2026

SOLOMON WARD SEIDENWURM & SMITH, LLP

By: 

Daniel E. Gardenswartz
Mei-Ying Imanaka
Adam R. Scott
Attorneys for Defendants