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

FRANCISCO PEREZ, OSCAR
ZARAGOZA, and NIYOM CHETCHEUTH,
individually, and on behalf of all others
similarly situated,

Plaintiffs,

v.

SERVICE CHAMPIONS, LLC, a California
limited liability company; and DOES 1
through 10, inclusive,

Defendants.

Case No. 30-2024-01396861-CU-OE-CXC

*Assigned for All Purposes To:
Hon. David A. Hoffer
Dept. CX-103*

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT**

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiffs Francisco Perez, Oscar Zaragoza, and Niyom Chetcheuth (collectively, “Plaintiffs”) and Defendant Service Champions, LLC (“Service Champions” or “Defendant”). The Agreement refers to Plaintiffs and Defendant collectively as “Parties,” or individually as “Party.”

1. **DEFINITIONS.**

1.1 “Actions” means Plaintiffs’ lawsuit alleging class action wage and hour violations against Defendant captioned *Perez et al. v. Service Champions, LLC*, filed on April 30, 2024 in Orange County Superior Court, Case No. 30-2024-01396861-CU-OE-CXC (“Class Action”) as amended, and Plaintiffs’ representative PAGA action captioned *Perez et al. v. Service Champions, LLC*, filed on August 29, 2024 in Los Angeles County Superior Court, Case No. 24TRCV02890 (“PAGA Action”).

1.2 “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3 “Administration Costs” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4 “Aggrieved Employee” means all non-exempt, hourly individuals that worked for Defendant in California during the PAGA Period.

1.5 “Class” means all non-exempt, hourly individuals that worked for Defendant in California during the Class Period.

1.6 “Class Counsel” means John G. Yslas, Eugene Zinovyev, John Brown, Lisa B. Iturriaga, and Gabriella Solé of Wilshire Law Firm, PLC.

1.7 “Class Counsel Fees Payment” means an award of attorneys’ fees granted to Class Counsel and paid from the Gross Settlement Amount. The Parties have agreed Plaintiffs will request approval from the Court of up to one-third (1/3) of the GSA (currently \$400,000.00 [four hundred thousand dollars and zero cents]).

1.8 “Class Counsel Litigation Expenses Payment” means the amount allocated to Class Counsel for reimbursement of reasonable expenses and costs incurred to prosecute the Action, not to exceed \$25,000.00 (twenty-five thousand dollars and zero cents) and paid from the Gross Settlement Amount.

1.9 “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Workweek(s) and PAGA Pay Period(s).

1.10 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.11 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods, and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.12 “Class Notice” means the Court approved Notice of Settlement and hearing date for Final Approval, to be mailed to Class Members in English attached as Exhibit A and incorporated by reference into this Agreement.

1.13 “Class Period” or “Class Settlement Period” means the period from November 4, 2019 through July 1, 2025 (“Settlement Class Period”).

1.14 “Class Representative” means the named Plaintiffs Francisco Perez, Oscar Zaragoza, and Niyom Chetcheuth in the Actions.

1.15 “Class Representative Service Payment” or “Enhancement Award” means the payment to the Class Representative for initiating the Actions and providing services in support of the Actions.

1.16 “Court” means the Superior Court of California, County of Orange.

1.17 “Defendant” or “Service Champions means named Defendant Service Champions, LLC.

1.18 “Defense Counsel” means Jason Kearnaghan, Raymond Nhan, and Mahmood Jeewa of Sheppard, Mullin, Richter, and Hampton LLP.

1.19 “Effective Date” means the date on which the Final Award becomes final. For purposes of this Section, the Final Award “becomes final” only after the Court grants the Motion for Final Approval and enters Judgment and upon service of the Notice of Entry of Order and/or Judgment, and upon the latter of: (i) if no appeal, or other challenge is filed, the sixty-fifth (65th) day following Notice of Entry of the Court’s Order and/or Judgment; (ii) the date of affirmance of an appeal of the Order Granting Final Approval and/or Judgment becomes final under the California Rules of Court; or (iii) the date of final dismissal of any appeal from the Order Granting Final Approval and/or Judgment or the final dismissal of any proceeding on review of any court of appeal decision relating to the Order Granting Final Approval and/or Judgment, and issuance of remittitur..

1.20 “Employer Paid Taxes” means taxes paid by the employer, including Federal Unemployment Tax Act, Federal Insurance Contributions Act, state unemployment insurance, and Employee Training Tax payments.

1.21 “Final Approval” or “Final Award” means the Court’s order granting final approval of the Settlement.

1.22 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

1.23 “Final Judgment” means the Judgment entered by the Court upon granting Final Approval of the Settlement.

1.24 “Gross Settlement Amount” or “GSA” means one million two hundred thousand dollars and zero cents (\$1,200,000.00), which is the total amount Defendant agrees to pay under the Settlement, except as provided in Paragraph 8 below.

1.25 “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period, less any and all Employee Paid Taxes required by law as a result of the payment of the amount allocated to such Class Member as set forth herein.

1.26 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 35% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.27 “Judgment” means the judgment entered by the Court based upon the Final Approval.

1.28 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

1.29 “LWDA PAGA Payment” means the 65% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.30 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Penalties payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Costs Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.31 “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.32 “Objection to Settlement” means a Class Member’s valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the objector’s full name, address, telephone number, last four digits of the employee’s social security number or employee ID number and (b) a written statement of all grounds for the objection accompanied by legal support, if any, for such objection.

1.33 “Operative Complaint” means the operative Second Amended Class and Representative Action Complaint filed on or about September 11, 2025 in the Actions, a draft of which is attached hereto as Exhibit B.

1.34 “PAGA Pay Period” or “Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.35 “PAGA Period” means the period from June 20, 2023 through July 1, 2025.

1.36 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.37 “PAGA Notice” means Plaintiffs June 20, 2024 letter and the subsequent amended letter sent on July 8, 2025 to the LWDA and Defendant providing notice pursuant to Labor Code section 2699.3, subd.(a), PAGA No. LWDA-CM-1035144-24.

1.38 “PAGA Penalties” means the total amount of \$50,000.00 in PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 35% (\$17,500.00) to the Aggrieved Employees and 65% (\$32,500.00) to the LWDA in settlement of PAGA claims.

1.39 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.40 “Plaintiffs” means Francisco Perez, Oscar Zaragoza, and Niyom Chetcheuth, the named plaintiffs in the Actions.

1.41 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

1.42 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

1.43 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.

1.44 “Released Parties” means Service Champions, LLC and each and all of its past, present and future agents, employees, servants, officers, directors, managing agents, members, owners (whether direct or indirect), partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, joint employers, potential and alleged joint employers, temporary staffing firms (whether direct or indirect), temporary staffing agencies (whether direct or indirect), dual employers, potential and alleged dual employers, co-employers, potential and alleged co-employers, common law employers, potential and alleged common law employers, contractors, affiliates, service providers, alter-egos, potential and alleged alter-egos, vendors, affiliated organizations, any person and/or entity with potential or alleged to have joint liability, and all of their respective past, present and future employees, directors, officers, members, owners, agents, representatives,

1 payroll agencies, attorneys, stockholders, fiduciaries, parents, subsidiaries, other service
2 providers, and assigns, and any and all persons and/or entities acting under, by, through or in
3 concert with any of them.

4 1.45 "Request for Exclusion" means a valid and timely Class Member's submission of a
5 written requesting to be excluded from the settlement of the class claims. The request for
6 exclusion shall contain (a) the Class Member's name, address, telephone number, and the last
7 four digits of the Class Member's Social Security number or their Employee ID number and (b)
8 a clear statement requesting to be excluded from the settlement of the class claims similar to the
9 following: "I wish to exclude myself from the settlement with Service Champions. I understand
10 that by excluding myself, I will not receive money from the settlement of my individual claims."
11 To be effective, the Request for Exclusion must be post-marked by the Response Deadline and
12 received by the Settlement Administrator. The request for exclusion shall not be effective as to
13 the release of claims arising under PAGA.

14 1.46 "Response Deadline" means forty-five (45) calendar days after the Administrator mails
15 Notice to Class Members and Aggrieved Employees and shall be the last date on which Class
16 Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax,
17 email, or mail his or her Objection to the Settlement. Class Members to whom Notice packets are
18 resent after having been returned undeliverable to the Administrator shall have an additional
19 fourteen (14) calendar days beyond the Response Deadline has expired.

20 1.47 "Settlement" means the disposition of the Action effected by this Agreement and the
21 Judgment.

22 1.48 "Settlement Payment Check" means the payment to Class Members. The back of the
23 Settlement Payment Check shall state, immediately below the space where the check is to be
24 endorsed by the payee: "By endorsing or otherwise negotiating this check, I acknowledge that I
25 read, understood, and agree to the terms set forth in the Notice of Class Action Settlement and I
26 consent to join in the Fair Labor Standards Act ("FLSA") portion of the [Actions], elect to
27 participate in the settlement of the FLSA claims, and agree to release all of my FLSA claims that
28 are covered by the Settlement."

1.49 “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. **RECITALS.**

2.1 On April 30 , 2024, Plaintiffs Francisco Perez and Oscar Zaragoza filed a Class Action Complaint alleging causes of action against Defendant for (1) Failure to Pay Minimum and Straight Time Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest Periods; (5) Failure to Timely Pay Final Wages at Termination; (6) Failure to Provide Accurate Itemized Wage Statements; (7) Failure to Indemnify Employees for Expenditures; (8) Failure to Produce Requested Employment Records; and (9) Unfair Business Practices.

2.2 On June 20, 2024, pursuant to Labor Code §2699.3, subd.(a), Plaintiffs Francisco Perez and Oscar Zaragoza gave notice to the LWDA and Defendant that Plaintiffs Francisco Perez and Oscar Zaragoza intended to proceed with a representative action under PAGA (LWDA-CM-1035144-24). On August 29, 2024, after the 65-day statutory period passed, Plaintiffs Francisco Perez and Oscar Zaragoza filed the PAGA Action, adding an additional claim for penalties pursuant to Labor Code § 2699, *et seq.*

2.3 Defendant denies the allegations in the Action, denies any failure to comply with the laws identified in the Actions, and denies any and all liability for the causes of action alleged in the Actions.

2.4 On March 4, 2025, Plaintiffs Francisco Perez and Oscar Zaragoza filed a First Amended Class Action Complaint (the “FAC”) in Case No. 30-2024-01396861-CU-OE-CXC, adding Plaintiff Niyom Chetcheuth and removing the cause of action for the failure to produce requested employment records.

2.5 On April 28, 2025, the Parties participated in an all-day mediation presided over by mediator Gig Kyriacou, Esq. The Parties accepted a mediator’s proposal shortly thereafter and agreed on general settlement terms. The Parties memorialized their agreement in a Memorandum of Understanding.

2.6 In advance of mediation, Class Counsel conducted a thorough investigation into the facts of, and applicable law to, the Actions. Prior to mediation, Plaintiffs obtained and analyzed a representative sampling of time and payroll data for Class Members and the necessary policy documents through informal discovery to properly evaluate the strengths and weakness of the claims and engage in meaningful settlement discussions. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.*, 48 Cal.App.4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 129-130 (2008) ("*Dunk/Kullar*").

2.7 On July 8, 2025, Plaintiffs filed an amended PAGA Notice and gave notice to the LWDA and Defendant.

2.8 On or about September 11, 2025, Plaintiffs will file a Second Amended Class and Representative Action Complaint ("SAC") in the lead case (Case No. 30-2024-01396861-CU-OE-CXC) consolidating the Class Action and PAGA Action claims.

2.9 The Court has not granted class certification because the Parties engaged in mediation before any class certification. By entering into this Agreement, Service Champions does not waive any arbitration agreement that any Aggrieved Employee or Class Member has signed.

2.10 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matters or actions asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Service Champions promises to pay one million two hundred thousand dollars and zero cents (the total gross amount of \$1,200,000.00) to fully settle, resolve, and extinguish all claims asserted in the Action, including without limitation all claims asserted in the Actions and no more as the Gross Settlement Amount and to separately pay any and all Employer Paid Taxes required by law on the wage portions of the Individual Class Payments. Service Champions has no obligation to pay the Gross Settlement Amount (or any payroll taxes) before the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or

Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Service Champions.

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

3.2.1 To Plaintiffs: A payment for the Class Representatives Service Payments to Plaintiffs of not more than \$10,000.00 (ten thousand dollars and zero cents) each (for a total of no more than \$30,000) in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member. Defendant will not oppose Plaintiffs' request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for the Class Counsel Fees and Litigation Expenses Payments, Plaintiffs will seek Court approval for any Class Representative Service Payment no later than sixteen (16) court days prior to the Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves the Class Representatives Service Payments less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members. A reduction by the Court of the Class Representative Service Payment shall not be grounds to nullify this Agreement nor appeal the Court Approval Order and Judgment. The Administrator will pay the Class Representatives Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payment. The Class Representative Service Payment will be in addition to Plaintiffs' Individual Settlement Payment paid pursuant to the Settlement, and is conditioned on the execution by Plaintiffs of a stand-alone settlement agreement and general release of all claims.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be four hundred thousand dollars and zero cents (\$400,000.00) and a Class Counsel Litigation Expenses Payment for actual costs, not to exceed \$25,000.00 (twenty-five thousand dollars with zero cents). Defendant will not oppose requests for these payments. Plaintiffs and/or Class Counsel will file a motion for Class Counsel

Fees and Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount for distribution to Participating Class Members. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' counsel arising from any claim to any portion of Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. A reduction by the Court of either the Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment(s) shall not be grounds to nullify this Agreement nor appeal the Court Approval Order and Judgment. A reduction by the Court of the Class Representative Service Payment shall not be grounds to nullify this Agreement nor appeal the Court Approval Order and Judgment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3 To the Administrator: An Administrator Costs Payment not to exceed \$12,600.00 (twelve thousand six hundred dollars and zero cents) except for a showing of good cause and as approved by the Court. To the extent the Administration Costs are less or the Court approves payment of less than \$12,600.00, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members.

3.2.4 To Each Participating Class Member: An Individual Class Payment is calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period, and (b) multiplying the result by each individual Participating Class Member's Workweeks.

3.2.4.1 Tax Allocation of Individual Class Payments. Twenty percent (20%) of each Participating Class Member's Individual Class Payment will be allocated to the Settlement of wage claims (the "Wage Portion"). The Wage Portion is subject to tax withholding and will be

reported on an IRS W-2 Form. The remaining eighty percent (80%) of each Participating Class Member's Individual Class Payment will be allocated to the settlement of claims for interest, reimbursement, and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro-rata basis.

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of fifty thousand dollars and zero cents (\$50,000.00) to be paid from the Gross Settlement Amount, with 65% (\$32,500.00) allocated to the LWDA PAGA Payment and 35% (\$17,500.00) allocated to the Individual PAGA Payments.

3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties of \$17,500.00 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each individual Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount to be distributed to Participating Class Members. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms and 100% of such payments will be allocated as penalties.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, as of April 28, 2025, Service Champions estimates there are 1,303 Class Members who collectively worked a total of approximately 95,717 Workweeks during the Class Period,

1 and approximately 702 Aggrieved Employees who worked a total of approximately 18,568
2 PAGA Pay Periods during the PAGA Period.

3 4.2 Class Data. Not later than fifteen (15) days after the Court grants Preliminary Approval
4 of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a
5 Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must
6 maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement
7 and for no other purpose, and restrict access to the Class Data to Administrator employees who
8 need access to the Class Data to effect and perform under this Agreement. Defendant has a
9 continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted
10 class member identifying information and to provide corrected or updated Class Data as soon as
11 reasonably feasible. Without any extension of the deadline by which Defendant must send the
12 Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts,
13 in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class
14 Data.

15 4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement
16 Amount and the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting
17 the funds to the Administrator no later than sixty-five (65) days after the notice of entry of the
18 Final Approval.

19 4.4 Payments from the Gross Settlement Amount. Within fourteen (14) calendar days after
20 Service Champions funds the Gross Settlement Amount, the Administrator will mail checks for
21 all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the
22 Administration Costs Payment, the Class Counsel Fees Payment, the Class Counsel Litigation
23 Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class
24 Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class
25 Representative Service Payment shall not precede disbursement of Individual Class Payments
26 and Individual PAGA Payments.

27 4.4.1 The Administrator will issue checks for the Individual Class Payments and/or
28 Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail. The

face of each check shall prominently state the date (180 days after the date of mailing) when the check will be voided (“Void Date”). The Administrator will cancel all checks not cashed by the Void Date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom the Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients’ mailing addresses using the National Change of Address Database.

4.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within seven (7) days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the Void Date.

4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and canceled after the Void Date, the Administrator shall transmit the funds represented by such checks to the California Controller’s Unclaimed Property Fund in the name of the Class Member thereby leaving no “unpaid residue” subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the Gross Settlement Amount and funds all Employer Paid Taxes owed on the Wage Portion of the

Individual Class Payments, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiffs' Release. As a condition of receiving any portion of the Class Representative Service Payment, Plaintiffs and each of their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties (which as defined above specifically includes Defendant) from all known and unknown claims, transactions, or occurrences under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, including but not limited to claims arising from or related to their employment with Defendant and their compensation while so employed ("Plaintiffs' Release"). Plaintiffs' Release includes all claims asserted in the Actions and/or arising from or related to the facts and claims alleged in the Actions or the PAGA Notice (including any amended PAGA Notice), or that could have been raised in the Actions or the PAGA Notice based on the facts and claims alleged. Plaintiffs' Release includes, but is not limited to, all claims for unpaid wages, including, but not limited to, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; wages related to alleged illegal time rounding; failure to pay wages at least twice each calendar month; failure to timely pay wages; failure to timely pay final wages; missed/short/late/interrupted meal period, rest period, and/or recovery period wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods and/or recovery periods; the calculation of meal period, rest period, failure to pay sick pay, and/or recovery period premiums; reimbursement for all necessary business expenses; payment for all hours worked, including off-the-clock work; wage statements; deductions; failure to keep accurate records; failure to provide suitable seating; failure to maintain temperature providing reasonable comfort; unlawful deductions and/or withholdings from wages; unfair business practices; penalties, including, but not limited to, recordkeeping penalties, wage statement and payroll reporting penalties, minimum-wage penalties, and waiting-time penalties; and attorneys' fees and costs. Plaintiffs' Release includes all claims arising under the California Labor Code (including, but not limited to, sections 200, 201, 201.1, 201.3, 201.5, 202, 203, 204,

205.5, 206, 210, 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225, 225.5, 226, 226.2, 226.3, 226.7, 226.8, 227.3, 246, 246.5, 247, 247.5, 248.5, 248.6, 248.7, 256, 432, 450, 510, 511, 512, 515, 516, 550, 551, 552, 558, 1174, 1174.5, 1175, 1182.12, 1194, 1194.2, 1194.3, 1197, 1197.1, 1197.2, 1197.5, 1198, 1198.5, 2698 et seq., 2699 et seq., 2802, and 2804); all claims arising under: the Wage Orders of the California Industrial Welfare Commission; the California Equal Pay Act of 1949; the California Fair Pay Act; the California Private Attorneys General Act of 2004 (PAGA); California Business and Professions Code section 17200, et seq.; the California Civil Code, to include sections 3287, 3336 and 3294; 8 CCR §§ 3203, 11070, 11090, 11100; California Code of Civil Procedure § 1021.5; California Code of Civil Procedure § 1281.98; all state and local ordinances related to COVID-19 right of recall; the California common law of contract; the Fair Labor Standards Act, 29 U.S.C. §§ 201, et seq.; 29 CFR 778.223; 29 CFR 778.315; federal common law; and the Employee Retirement Income Security Act, 29 U.S.C. §§ 1001, et seq. (ERISA).

Plaintiffs' Release also includes all claims for lost wages and benefits, emotional distress, retaliation, punitive damages, and attorneys' fees and costs arising under federal, state, or local laws for discrimination, harassment, retaliation, and wrongful termination, such as, by way of example only, (as amended) 42 U.S.C. § 1981, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act (ADA), the Age Discrimination in Employment Act (ADEA), as amended by OWBPA, and the California Fair Employment and Housing Act (FEHA); and the law of contract and tort. This release excludes the release of claims not permitted by law. This release is intended to have the broadest possible application. Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional

1 facts or Plaintiffs' discovery of them. The specific terms of Plaintiffs' Release will be detailed in
2 a stand-alone individual settlement agreement.

3 5.1.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For
4 purposes of Plaintiffs' Release, Plaintiffs expressly waives and relinquishes the provisions, rights,
5 and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

10 5.2 Release by Participating Class Members: Plaintiffs and all Participating Class
11 Members, on behalf of themselves and their respective former and present representatives, agents,
12 attorneys, heirs, administrators, successors, and assigns, shall fully and finally release the
13 Released Parties of the "Released Class Claims." The Released Class Claims include all claims
14 asserted in the Actions, as amended and as described below in Paragraph 6.1, when the Class
15 Action Matter Complaint and the PAGA Matter are consolidated into one operative complaint
16 ("Consolidated Operative Complaint"), and the Released Class Claims are limited to those claims
17 encompassed by the Consolidated Operative Complaint or could have been asserted based on the
18 facts and allegations set forth in the Consolidated Operative Complaint. To the extent permitted
19 by law, the Released Class Claims include all claims for unpaid wages, including, but not limited
20 to, failure to pay minimum wages, straight time compensation, overtime compensation, double-
21 time compensation, and interest; the calculation of the regular rate of pay; wages related to alleged
22 time rounding; missed/short/late/interrupted meal period, rest period, and/or recovery period
23 wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods
24 and/or recovery periods; the calculation of meal period, rest period, and/or recovery period
25 premiums; payment for all hours worked, including off-the-clock work; wage statements; failure
26 to keep accurate records; failure to timely pay wages; failure to timely pay final wages; failure to
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1 pay sick pay; failure to pay vacation or paid time off, failure to provide expense reimbursement,
2 unfair business practices related to the Labor Code violations alleged in the Consolidated
3 Operative Complaint; attorneys' fees and costs associated with recovery of the alleged Labor
4 Code violations alleged in the Consolidated Operative Complaint; and generally all claims that
5 could have been brought based on the facts alleged in the Consolidated Operative Complaint
6 arising under: the California Labor Code (including, but not limited to, sections 200, 201, 202,
7 203, 204, 204b, 206, 210, 218.5, 218.6, 223, 226, 226.3, 226.7, 246, 246.5, 247, 247.5, 248.6,
8 248.7, 256, 432, 510, 512, 516, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1,
9 1198, 1198.5, 1199, 2802, and 2804); the Wage Orders of the California Industrial Welfare
10 Commission; the California Business and Professions Code section 17200, *et seq.*; the California
11 Civil Code, to include but not limited to, sections 3287, 3336 and 3294; 12 CCR § 11040; 8 CCR
12 § 11060; and California Code of Civil Procedure §§ 1021.5; the California common law of
13 contract; the Fair Labor Standards Act ("FLSA"), 29 U.S.C. § 201 *et seq.*; 29 CFR 778.223; 29
14 CFR 778.315; and federal common law. This release excludes the release of claims not permitted
15 by law.
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18 Participating Class Members who timely cash or otherwise negotiate their Settlement
19 Payment Check will be deemed to have opted into the settlement for purposes of the FLSA and,
20 as to those Class Members, the Released Class Claims include any and all claims the Class
21 Members may have under the FLSA asserted in the Actions, arising from or related to the facts
22 and claims alleged in the Actions, or that could have been alleged in the Actions based on the
23 facts and claims alleged in the Actions, as amended, during the Class Period. Only those Class
24 Members who timely cash or otherwise negotiate their Settlement Payment Check will be deemed
25 to have opted into the settlement for purposes of the FLSA and thereby release and waive any of
26 their claims under the FLSA arising under or relating to the alleged claims.
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1 The following language will be printed on the reverse of each Settlement Payment Check,
2 or words to this effect: “By endorsing or otherwise negotiating this check, I acknowledge that I
3 read, understood, and agree to the terms set forth in the Notice of Class Action Settlement and I
4 consent to join in the Fair Labor Standards Act (“FLSA”) portion of the [Actions], elect to
5 participate in the settlement of the FLSA claims, and agree to release all of my FLSA claims that
6 are covered by the Settlement.”

7
8 Upon entry of Judgment, Class Members are precluded from filing a wage and hour action
9 under the Fair Labor Standards Act against the Released Parties for claims and/or causes of action
10 encompassed by the Released Class Claims which are extinguished and precluded pursuant to the
11 holding in *Rangel v. PLS Check Cashers of California, Inc.*, 899 F.3d 1106 (2018). This release
12 excludes the release of claims not permitted by law.

13 5.3 Release by Aggrieved Employees: Plaintiffs, the LWDA, and the State of
14 California through Plaintiffs as its agent and/or proxy, and all Aggrieved Employees, on behalf
15 of themselves and their respective former and present representatives, agents, attorneys, heirs,
16 administrators, successors, and assigns, shall release the Released Parties from all claims for civil
17 penalties under PAGA that were alleged, or could have been alleged, based on the facts asserted
18 in Plaintiffs’ Consolidated Operative Complaint, as amended, and/or in the PAGA Notice and
19 amended PAGA notice described below, including but not limited to, claims relating to failure to
20 pay minimum wages, straight time compensation, overtime compensation, double-time
21 compensation, and interest; the calculation of the regular rate of pay; wages related to alleged
22 illegal time rounding; missed/short/late/interrupted meal period, rest period, and/or recovery
23 period wages/premiums; failure to provide meal periods; failure to authorize and permit rest
24 periods and/or recovery periods; the calculation of meal period, rest period, and/or recovery
25 period premiums; payment for all hours worked, including off-the-clock work; wage statements;
26 failure to keep accurate records; failure to timely pay wages; failure to timely pay final wages;

non-compliant wage statements; failure to pay sick pay; and alleged violations of Labor Code sections 200, 201, 202, 203, 204, 204b, 206, 210, 218.5, 218.6, 223, 226, 226.3, 226.7, 246, 246.5, 247, 247.5, 248.6, 248.7, 256, 510, 512, 516, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802, and 2804; the Wage Orders of the California Industrial Welfare Commission; (“Released PAGA Claims”). The Released PAGA Claims are limited to the PAGA Period. Aggrieved Employees will be bound by the release of the Released PAGA Claims regardless of their decision to participate in or opt out of the release of the Released Class Claims.

6. **MOTION FOR PRELIMINARY APPROVAL**. Plaintiffs will prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”). that complies with the Court’s current requirements for Preliminary Approval. Before filing a Motion for Preliminary Approval, Plaintiffs shall take the following steps to ensure the full release of claims identified during the Parties’ mediation and to ensure a consolidation of the matters.

6.1 **Plaintiffs’ Responsibilities**. Plaintiffs will prepare all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* (providing three business days for Defense Counsel to review before filing) and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (vi) all facts relevant to any actual or potential conflict of interest with Class Members, and/or the Administrator. In their Declarations, Plaintiffs and Class Counsel

1 shall aver that they are not aware of any other pending matter or action asserting claims that will
2 be extinguished or adversely affected by the Settlement.

3 6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible
4 for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30
5 calendar days after the full execution of this Agreement. Defense counsel shall be provided the
6 opportunity to comment and review the Motion for Preliminary Approval at least three business
7 days before filing the Motion for Preliminary Approval. Class Counsel will obtain a prompt
8 hearing date for the Motion for Preliminary Approval, file the Motion for Preliminary Approval
9 no later than sixteen (16) court days before the hearing, unless otherwise ordered by the Court,
10 and deliver the Court's Preliminary Approval Order to the Administrator.

11 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
12 Preliminary Approval and/or the supporting declarations and documents, Class Counsel and
13 Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person
14 or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant
15 Preliminary Approval or conditions Preliminary Approval on any material change to this
16 Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of
17 the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and
18 otherwise satisfy the Court's concerns.

19 **7. SETTLEMENT ADMINISTRATION.**

20 7.1 Selection of Administrator. The Parties have jointly selected ILYM Group to serve as
21 the Administrator and verified that, as a condition of appointment, the Administrator agrees to be
22 bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in
23 exchange for payment of Administration Costs. The Parties and their Counsel represent that they
24 have no interest or relationship, financial or otherwise, with the Administrator other than a
25 professional relationship arising out of prior experiences administering settlements.

26 7.2 Employer Identification Number. The Administrator shall have and use its own
27 Employer Identification Number for purposes of calculating payroll tax withholdings and
28 providing reports to state and federal tax authorities.

1 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that
2 meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation
3 section 468B-1 for the funding of the GSA. Any interest that accrues on the GSA sums paid into
4 the QSF prior to distribution by the Administrator will become part of the NSA for distribution
5 to Participating Class Members.

6 7.4 Notice to Class Members.

7 7.4.1 No later than five (5) calendar days after receipt of the Class Data, the Administrator
8 shall notify Class Counsel that the list has been received and state the number of Class Members,
9 Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.

10 7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14
11 (fourteen) days after receiving the Class Data, the Administrator will send to all Class Members
12 identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class
13 Notice substantially in the form attached to this Agreement as Exhibit A. The first page of the
14 Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment
15 and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks
16 and PAGA Pay Periods used to calculate these amounts. Before mailing Class Notices, the
17 Administrator shall update Class Member addresses using the National Change of Address
18 database.

19 7.4.3 Not later than five (5) calendar days after the Administrator’s receipt of any Class
20 Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice
21 using any forwarding address provided by the USPS. If the USPS does not provide a forwarding
22 address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class
23 Notice to the most current address obtained. The Administrator has no obligation to make further
24 attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the
25 USPS a second time.

26 7.4.4 The deadlines for Class Members’ written objections, challenges to Workweeks
27 and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen days (14)
28 days beyond the forty-five (45) days otherwise provided in the Class Notice for all Class Members

1 whose notice is re-mailed. The Administrator will inform the Class Member of the extended
2 deadline with the re-mailed Class Notice.

3 7.4.5 If the Administrator, Defendant, or Class Counsel is contacted by or otherwise
4 discovers any persons who believe they should have been included in the Class Data and should
5 have received Class Notice, the Parties will expeditiously meet and confer in person or by
6 telephone, and in good faith in an effort to agree on whether to include them as Class Members.
7 If the Parties agree, such persons will be Class Members entitled to the same rights as other Class
8 Members, and the Administrator will send, via email or overnight delivery, a Class Notice
9 requiring them to exercise options under this Agreement not later than fourteen (14) days after
10 receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

11 7.5 Requests for Exclusion (Opt-Outs).

12 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement
13 must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not
14 later than forty-five (45) days after the Administrator mails the Class Notice (plus an additional
15 fourteen (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion
16 is a letter from a Class Member or his/her representative that reasonably communicates (a) the
17 Class Member's name, address telephone number, and the last four digits of the Class Member's
18 Social Security number or the Employee ID number and (b) a clear statement requesting to be
19 excluded from the settlement of the class claims similar to the following: "I wish to exclude
20 myself from the settlement with Service Champions, LLC. I understand that by excluding myself,
21 I will not receive money from the settlement of my individual claims." To be valid, a Request for
22 Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

23 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails
24 to contain all the information specified in the Class Notice. The Administrator shall accept any
25 Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the
26 person as a Class Member and the Class Member's desire to be excluded. The Administrator's
27 determination shall be final and not appealable or otherwise susceptible to challenge. If the
28 Administrator has reason to question the authenticity of a Request for Exclusion, the

1 Administrator may demand additional proof of the Class Member's identity. The Administrator's
2 determination of authenticity shall be final and not appealable or otherwise susceptible to
3 challenge.

4 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion
5 is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and
6 bound by all terms and conditions of the Settlement, including the releases under Paragraphs 5.2
7 and 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives
8 the Class Notice or objects to the Settlement.

9 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a
10 Non-Participating Class Member and shall not receive an Individual Class Payment or have the
11 right to object to the class action components of the Settlement. Because future PAGA claims are
12 subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who
13 are Aggrieved Employees are deemed to release the Released PAGA Claims identified in
14 Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment regardless of
15 their decision to opt-out of the class portion of the Settlement.

16 7.6 Challenges to Calculation of Workweeks. Each Class Member and/or Aggrieved
17 Employee shall have forty-five (45) days after the Administrator mails the Class Notice (plus an
18 additional fourteen (14) days for Class Members whose Class Notice is re-mailed) to challenge
19 the number of Class Workweeks and PAGA Pay Periods allocated to the Class Member in the
20 Class Notice. The Class Member may challenge the allocation by communicating with the
21 Administrator via fax, email or mail. The Administrator must encourage the challenging Class
22 Member to submit supporting documentation. In the absence of any contrary documentation, the
23 Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct
24 so long as they are consistent with the Class Data. The Administrator's determination of each
25 Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or
26 otherwise susceptible to challenge. The Administrator shall promptly provide copies of all
27 challenges to the calculation of Workweeks and/or Pay Periods to Defense Counsel and Class
28 Counsel and the Administrator's determination of the challenges.

1 7.7 Objections to Settlement.

2 7.7.1 Only Participating Class Members may object to the class action components of the
3 Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or
4 amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses
5 Payment and/or Class Representative Service Payment.

6 Participating Class Members may send written objections to the Administrator, by fax,
7 email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an
8 attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A
9 Participating Class Member who elects to send a written objection to the Administrator must do
10 so not later than forty-five (45) days after the Administrator's mailing of the Class Notice (plus
11 an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).

12 7.7.2 Non-Participating Class Members have no right to object to any of the class action
13 components of the Settlement.

14 7.7.3 Aggrieved Employees shall not have the right to object to the PAGA claims, and all
15 Aggrieved Employees, including Non-Participating Class Members, shall be entitled to an
16 Individual PAGA Payment.

17 7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be
18 performed or observed by the Administrator contained in this Agreement or otherwise.

19 7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish,
20 maintain and use an internet website to post information of interest to Class Members including
21 the date, time and location for the Final Approval Hearing and copies of the Settlement
22 Agreement; Motion for Preliminary Approval; Preliminary Approval Order; Class Notice;
23 Motion for Final Approval; Motion for Class Counsel Fees Payment, Class Counsel Litigation
24 Expenses Payment and Class Representative Service Payment; the Final Approval Order; and the
25 Judgment. The Administrator will also maintain and monitor an email address and a toll-free
26 telephone number to receive Class Member calls, faxes and emails.

27 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
28 promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later

1 than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the
2 Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names
3 and other identifying information of Class Members who have timely submitted valid Requests
4 for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class
5 Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for
6 Exclusion from Settlement submitted (whether valid or invalid).

7 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports
8 to Class Counsel and Defense Counsel that, among other things, tally the number of: Class
9 Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether
10 valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods
11 received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA
12 Payments ("Weekly Report"). The Weekly Reports must include the Administrator's assessment
13 of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and
14 objections received.

15 7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to
16 address and make final decisions consistent with the terms of this Agreement on all Class Member
17 challenges over the calculation of Workweeks and/or Pay Periods. The Administrator's decision
18 shall be final and not appealable or otherwise susceptible to challenge.

19 7.8.5 Administrator's Declaration. Not later than fourteen (14) days before the date by
20 which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the
21 Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable
22 for filing in Court attesting to its due diligence and compliance with all of its obligations under
23 this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices
24 returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the
25 total number of Requests for Exclusion from Settlement it received (both valid or invalid), the
26 number of written objections and attach the Exclusion List. The Administrator will supplement
27 its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible
28 for filing the Administrator's declaration(s) in Court.

1 7.8.6 Final Report by Settlement Administrator. Within ten (10) days after the
2 Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide
3 Class Counsel and Defense Counsel with a final report detailing its disbursements by employee
4 identification number only of all payments made under this Agreement. At least fifteen (15) days
5 before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel
6 and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement
7 of all payments required under this Agreement. Class Counsel is responsible for filing the
8 Administrator's declaration in Court.

9 8. **CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE**. Based on its records,
10 Defendant represents that the approximately 1,303 Class Members have worked approximately
11 106,000 Workweeks during the Class Period. If the actual number of Workweeks worked by the
12 Class Members during the Class Period grows by more than ten percent (10%), or more than
13 10,600 Workweeks, Plaintiff has the option to nullify this Agreement. Plaintiff shall provide ten
14 (10) business days' notice of such intent to nullify prior to taking any action with the court.
15 During this 10-day nullification notice period, Defendant, at its exclusive discretion, may agree
16 to increase the Gross Settlement Amount proportionately for any excess increase in the total
17 number of Workweeks worked by Class Members during the Class Period. For example, if the
18 total number of Workweeks worked by Class Members during the Class Period increases by 11%
19 beyond the 106,000 Workweeks, the Gross Settlement Amount will increase by 1% (actual
20 increase minus the 10% tolerated increase). In the alternative, Defendant shall have the exclusive
21 option to modify the applicable Class Period to a date prior to July 1, 2025 to avoid incurring the
22 pro rata increase.

23 9. **DEFENDANT'S RIGHT TO WITHDRAW**. Defendant represents, as of the date of this
24 Settlement Agreement, there are approximately 1,303 Class Members. If the number of valid
25 Requests for Exclusion identified in the Exclusion List is greater than 10%, Defendant may, but
26 is not obligated, to elect to withdraw from the Settlement. The Parties agree that, if Defendant
27 withdraws, the Settlement shall be *void ab initio*, have no force or effect whatsoever, and that
28 neither Party will have any further obligation to perform under this Agreement; provided,

1 however, Defendant will remain responsible for paying all Settlement Administration Costs
2 incurred to that point. Defendant must notify Class Counsel and the Court of its election to
3 withdraw not later than seven (7) days after the Administrator sends the final Exclusion List to
4 Defense Counsel; late elections will have no effect.

5 10. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the
6 calendared Final Approval Hearing, unless otherwise scheduled by the Court, Plaintiffs will file
7 in Court, a Motion for Final Approval of the Settlement that includes a request for approval of
8 the PAGA settlement under Labor Code section 2699, subd. (l); a Proposed Final Approval Order;
9 and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiffs shall provide
10 drafts of these documents to Defense Counsel prior to filing the Motion for Final Approval. Class
11 Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and
12 in good faith, to resolve any disagreements concerning the Motion for Final Approval.

13 10.1 **Response to Objections.** Each Party retains the right to respond to any objection raised
14 by a Participating Class Member, including the right to file responsive documents in Court no
15 later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or
16 accepted by the Court.

17 10.2 **Duty to Cooperate.** If the Court does not grant Final Approval or conditions Final
18 Approval on any material change to the Settlement (including, but not limited to, the scope of
19 release to be granted by Class Members), the Parties will expeditiously work together in good
20 faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final
21 Approval. The Court’s decision to award less than the amounts requested for the Class
22 Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation
23 Expenses Payment, and/or Administrator Costs Payment shall not constitute a material
24 modification to the Agreement within the meaning of this paragraph.

25 10.3 **Continuing Jurisdiction of the Court.** The Parties agree that, after entry of Judgment, the
26 Court will retain jurisdiction over the Parties, the Actions, and the Settlement solely for purposes
27 of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration
28 matters, and (iii) addressing such post-Judgment matters as are permitted by law.

1 10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
2 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
3 Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their respective
4 counsel, and all Participating Class Members who did not object to the Settlement as provided in
5 this Agreement, waive all rights to appeal from the Judgment, including all rights to post-
6 judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new
7 trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the
8 right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties'
9 obligations to perform under this Agreement will be suspended until such time as the appeal is
10 finally resolved and the Judgment becomes final, except as to matters that do not affect the amount
11 of the Net Settlement Amount.

12 10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
13 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material
14 modification of this Agreement (including, but not limited to, the scope of release to be granted
15 by Class Members), this Agreement shall be null and void. The Parties shall nevertheless
16 expeditiously work together in good faith to address the appellate court's concerns and to obtain
17 Final Approval and Entry of Judgment, sharing, on a 50-50 basis, any additional Administration
18 Costs reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the
19 Court's award of the Class Representative Service Payment or any payments to Class Counsel
20 shall not constitute a material modification of the Judgment within the meaning of this paragraph,
21 as long as the Gross Settlement Amount remains unchanged.

22 10.6 Amended Judgment. If any amended judgment is required under Code of Civil
23 Procedure §384, the Parties will work together in good faith to jointly submit a proposed amended
24 judgment.

25 11. **ADDITIONAL PROVISIONS.**

26 11.1 No Admission of Liability, Class Certification or Representative Manageability for
27 Other Purposes. This Agreement represents a compromise and settlement of highly disputed
28 claims. Nothing in this Agreement is intended or should be construed as an admission by

1 Defendant that any of the allegations in the Operative Complaint has merit or that Defendant has
2 any liability for any claims asserted; nor should it be intended or construed as an admission by
3 Plaintiffs that Defendant's defenses in the Actions have merit. The Parties agree that class
4 certification and representative treatment is for purposes of this Settlement only. If, for any
5 reason, the Court does grant Preliminary Approval, Final Approval, or enter Judgment, Defendant
6 reserves the right to contest certification of any class for any reason, Defendant reserves all
7 available defenses to the claims in the Actions, and Plaintiffs reserve the right to move for class
8 certification on any grounds available and to contest Defendant's defenses. The Settlement, this
9 Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be
10 admissible in connection with, any litigation (except for proceedings to enforce or effectuate the
11 Settlement and this Agreement).

12 11.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant, and
13 Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement
14 is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit
15 another person to disclose, disseminate or publicize, any of the terms of the Agreement directly
16 or indirectly, specifically or generally, to any person, corporation, association, government
17 agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom
18 will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the
19 extent necessary to report income to appropriate taxing authorities; (4) in response to a court order
20 or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government
21 agency. Each Party agrees to immediately notify the other Party of any judicial or agency order,
22 inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant, and Defense
23 Counsel separately agree not to, directly or indirectly, initiate any conversation or other
24 communication, before the filing of the Motion for Preliminary Approval, with any third party
25 regarding this Agreement or the matters giving rise to this Agreement except to respond only that
26 "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's
27 communications with Class Members in accordance with Class Counsel's ethical obligations
28 owed to Class Members.

1 11.3 No Solicitation. The Parties separately agree that they and their respective counsel and
2 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal
3 from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability
4 to communicate with Class Members in accordance with Defense Counsel's and Class Counsel's
5 ethical obligations and Class Counsel's fiduciary duties owed to Class Members.

6 11.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
7 together with its attached exhibits shall constitute the entire agreement between the Parties
8 relating to the Settlement, superseding any and all oral representations, warranties, covenants, or
9 inducements made to or by any Party.

10 11.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
11 represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate
12 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate
13 its terms, and to execute any other documents reasonably required to effectuate the terms of this
14 Agreement including any amendments to this Agreement.

15 11.6 Cooperation. The Parties and their counsel will cooperate with each other and use their
16 best efforts, in good faith, to implement the Settlement by, among other things, modifying the
17 Settlement Agreement, submitting supplemental evidence and supplementing points and
18 authorities as requested by the Court. In the event the Parties are unable to agree upon the form
19 or content of any document necessary to implement the Settlement, or on any modification of the
20 Agreement that may become necessary to implement the Settlement, the Parties will seek the
21 assistance of a mediator and/or the Court for resolution.

22 11.7 No Prior Assignments. The Parties separately represent and warrant that they have not
23 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
24 encumber to any person or entity and portion of any liability, claim, demand, action, cause of
25 action, or right released and discharged by the Party in this Settlement.

26 11.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendant nor Defense Counsel are
27 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied
28

upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

11.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

11.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

11.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

11.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

11.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

11.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Following the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, and within 14 calendar days of written request by Defendant, Plaintiffs shall destroy, all paper and electronic versions of Class Data, if any, received from Defendant.

11.15 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

11.16 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

11.17 Notice. All notices, demands, or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

John G. Yslas
john.yslas@wilshirelawfirm.com
 Eugene Zinovyev
eugene.zinovyev@wilshirelawfirm.com
 John Brown
john.brown@wilshirelawfirm.com
 Gabriella Solé
gabriella.sole@wilshirelawfirm.com
 Lisa B. Iturriaga
lisa.iturriaga@wilshirelawfirm.com
WILSHIRE LAW FIRM
 660 S. Figueroa St., Sky Lobby
 Los Angeles, California 90017
 Telephone: (213) 381-9988
 Facsimile: (213) 381-9989

To Defendant:

Jason W. Kearnaghan, Esq.
 Raymond J. Nhan, Esq.
 Mahmood Jeewa, Esq.
SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
 350 South Grand Ave., 40th Floor
 Los Angeles, CA 90071-3460
 Telephone: (213) 620-1780
 Facsimile: (213) 620-1398
jkearnaghan@sheppardmullin.com
rnhan@sheppardmullin.com
mjeewa@sheppardmullin.com

11.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or by email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be

one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

11.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

11.20 Binding Agreement. The Parties intend that this Agreement shall be fully enforceable and binding upon all Parties within the provisions of Cal. Civil Proc. § 664.6, and that it shall be admissible and subject to disclosure in any proceeding to enforce its terms pursuant to Cal. Evid. Code §§ 1122(a)(1) and 1123(b), notwithstanding the confidentiality provisions that otherwise might apply under federal or state law. The Parties further agree and intend that the Orange County Superior Court may enforce this Agreement pursuant to Code of Civil Procedure § 664.6.

IT IS SO AGREED.

By the Parties:

DATED: 10/3/2025

Signed by:

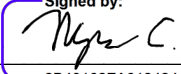
 B35A49901A954FC...
 Plaintiff Francisco Perez

DATED: 10/2/2025

Signed by:

 B51E0BC536EE430...
 Plaintiff Oscar Zaragoza

DATED: 10/7/2025

Signed by:

 2B40162FA613434...
 Plaintiff Niyom Chetcheuth

1 DATED: 10/2/2025

DocuSigned by:
Jenny Wang
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2 Defendant Service Champions, LLC

3 By: Jenny Wang

4 Position: Chief Legal Officer

5 Approved by counsel:

6 DATED:

WILSHIRE LAW FIRM

7
8 BY: _____

9 John G. Yslas

10 Eugene Zinovyev

Counsel for Plaintiffs

11
12 DATED:

SHEPPARD, MULLIN, RICHTER & HAMPTON
LLP

13
14 BY: _____

15 Jason W. Kearnaghan

16 Raymond J. Nhan

Mahmood Jeewa

17 Counsel for Defendant

1 DATED: _____

2 Defendant Service Champions, LLC

3 By: Jenny Wang

4 Position: Chief Legal Officer

5 Approved by counsel:

6 DATED: October 1, 2025

WILSHIRE LAW FIRM

7
8 BY:  _____

9 John G. Yslas

10 Eugene Zinovyev

Counsel for Plaintiffs

11
12 DATED:

SHEPPARD, MULLIN, RICHTER & HAMPTON
LLP

13
14 BY: _____

15 Jason W. Kearnaghan

16 Raymond J. Nhan

17 Mahmood Jeewa

Counsel for Defendant

1 DATED: _____

2 Defendant Service Champions, LLC

3 By: Jenny Wang

4 Position: Chief Legal Officer

5 Approved by counsel:

6 DATED:

WILSHIRE LAW FIRM

7
8 BY: _____

9 John G. Yslas

Eugene Zinovyev

10 Counsel for Plaintiffs

11
12 DATED: 10/14/2025

SHEPPARD, MULLIN, RICHTER & HAMPTON
LLP

13
14 DocuSigned by:

15 BY: _____

Raymond Nhan

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16 Jason W. Kearnaghan

Raymond J. Nhan

17 Mahmood Jeewa

Counsel for Defendant

COURT APPROVED NOTICE OF CLASS ACTION AND PAGA REPRESENTATIVE ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

Perez, et al. v. Service Champions, LLC

Orange County Superior Court Case No. 30-2024-01396861-CU-OE-CXC

The Superior Court for the State of California authorized this Notice. Read it carefully! It's not junk mail, spam, an advertisement or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Service Champions, LLC (“Defendant”) for alleged wage and hour violations. The Action was filed by a former employees of Defendant, Francisco Perez, Oscar Zaragoza, and Niyom Chetcheuth (collectively “Plaintiffs”), and seeks payment of (1) unpaid wages and other relief for a class of individuals who worked for Defendant in California as hourly non-exempt employees (“Class Members”) during the period from November 4, 2019, through July 1, 2025 (“Class Period”); and (2) penalties under the California Private Attorneys General Act (“PAGA”) for all individuals who worked for Defendant in California as hourly non-exempt employees (“Aggrieved Employees”) during the period from June 20, 2023, through July 1, 2025 (“PAGA Period”).

The proposed settlement has two main parts: (1) a class settlement requiring Defendant to fund individual class payments, and (2) a PAGA settlement requiring Defendant to fund individual PAGA payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendant’s records, and the parties’ current assumptions, **your individual class payment is estimated to be \$ [REDACTED] (less withholding) and your individual PAGA payment is estimated to be \$ [REDACTED]**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your individual PAGA payment, then according to Defendant’s records you are not eligible for an individual PAGA payment under the settlement because you didn’t work during the PAGA Period.)

The above estimates are based on Defendant’s records showing that **you worked [REDACTED] workweeks during the Class Period and you worked [REDACTED] pay periods during the PAGA Period**. If you believe that you worked more workweeks during the Class Period or pay periods during the PAGA Period, you can submit a challenge by the deadline date. See Section IV of this Notice.

The Court has already preliminarily approved the proposed settlement and approved this notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. Read this notice carefully. You will be deemed to have carefully read and understood it. At the final approval hearing, the Court will decide whether to finally approve the settlement and how much of the settlement will be paid to Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

If you worked for Defendant during the Class Period and/or the PAGA Period, you have two basic options under the settlement:

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed settlement and be eligible for an individual class payment and/or an individual PAGA payment. As a participating Class Member, though, you will give up your right to assert Class Period wage claims against Defendant.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the class settlement (opt-out) by submitting the written request for exclusion or otherwise notifying the Administrator in writing. If you opt-out of the settlement, you will not receive an individual class payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendant, and, if you are an Aggrieved Employee, remain eligible for an individual PAGA payment. You cannot opt-out of the PAGA portion of the proposed settlement.

Defendant will not retaliate against you for any actions you take or do not take with respect to the proposed settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an individual class payment and an individual PAGA payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this settlement ("Released Claims").
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is [45 days from mailing]	If you don't want to fully participate in the proposed settlement, you can opt-out of the class settlement by sending the Administrator a written request for exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an individual class payment. Non-Participating Class Members cannot object to any portion of the proposed settlement. See Section VI of this notice. You cannot opt-out of the PAGA portion of the proposed settlement. Defendant must pay individual PAGA payments to all Aggrieved Employees, and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed settlement. The Court's decision whether to finally approve the settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members.

[45 days from mailing]	You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section VII of this notice.
You Can Participate in the [redacted] Final Approval Hearing	The Court's final approval hearing is scheduled to take place on [redacted]. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the settlement at the final approval hearing. See Section VIII of this notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by [45 days from mailing]	The amount of your individual class payment and individual PAGA payment (if any) depends on how many workweeks you worked at least one day during the Class Period and how many pay periods you worked at least one day during the PAGA Period, respectively. The number of Class Period workweeks and number of PAGA Period pay periods you worked according to Defendant's records is stated on the first page of this notice. If you disagree with the number of Class Period workweeks, you must challenge it by [45 days from mailing]. See Section IV of this notice.

I. WHAT IS THE ACTION ABOUT?

Plaintiffs are former employees of Defendant. The Action accuses Defendant of violating California labor laws by failing to pay minimum and straight time wages, failing to pay overtime wages, failing to provide meal periods, failing to provide rest periods, failing to timely pay final wages upon separation of employment, failing to provide accurate itemized wage statements. Based on the same claims, Plaintiffs have also asserted a claim for unfair business practices and for civil penalties under the California Private Attorneys General Act (Lab. Code, § 2698, et seq.).

Plaintiffs are represented by attorneys in the Action: John G. Yslas, Eugene Zinovyev, John Brown, Gabriella Solé, Emily K. Borman, and Courtney M. Miller of Wilshire Law Firm, PLC.

Defendant strongly denies violating any laws or failing to pay any wages and contends it fully complied with all applicable laws.

II. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far the Court has made no determination whether Defendant or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendant hired a mediator in an effort to resolve the Action by negotiating an agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a settlement agreement and agreeing to ask the Court to enter a judgment ending the Action, Plaintiffs and Defendant have negotiated a proposed settlement that is subject to the Court's final approval. Both sides agree the proposed settlement is a compromise of disputed claims. By agreeing to

settle, Defendant does not admit any violations or concede the merit of any claims. Plaintiffs and Class Counsel strongly believe the settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) settlement is in the best interests of the Class Members. The Court preliminarily approved the proposed settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine final approval.

III. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendant Will Pay \$1,200,000.00 as the Gross Settlement Amount (“Gross Settlement”). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the settlement. The Administrator will use the Gross Settlement to pay the individual class payments, individual PAGA payments, a class representative service payment, Class Counsel’s attorneys’ fees and expenses, the Administrator’s expenses, and penalties to be paid to the LWDA. Assuming the Court grants final approval, Defendant will fund the Gross Settlement not more than 65 days after the notice of entry of the Final Approval. The judgment will be final on the date the Court enters judgment, or a later date if Participating Class Members object to the proposed settlement or the judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the final approval hearing, Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court:
 - A. Up to one third (1/3) of the Gross Settlement Amount, which is currently estimated to be \$400,000.00, to Class Counsel for attorneys’ fees and up to \$25,00.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$10,000.00 to each of the Plaintiffs (\$30,000.00 total) as a class representative award for filing the Action, working with Class Counsel and representing the Class. A class representative award will be the only monies each Plaintiff will receive other than each Plaintiff’s individual class payment and any individual PAGA payment.
 - C. Up to \$12,600.00 to the Administrator for services administering the settlement.
 - D. Up to \$50,000.00 for PAGA penalties, allocated 65% to the LWDA (\$32,500.00) and 35% to individual PAGA payments to Aggrieved Employees (\$17,500.00) based on their pay periods during the PAGA Period.

Participating Class Members have the right to object to any of these deductions except the PAGA penalties. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross

Settlement (the “Net Settlement”) by making individual class payments to Participating Class Members based on their Class Period workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiffs and Defendant are asking the Court to approve an allocation of twenty percent (20%) of each individual class payment to taxable wages (“Wage Portion”) and eighty percent (80%) to interest and penalties (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The individual PAGA payments are counted as penalties rather than wages for tax purposes. The Administrator will report the individual PAGA payments and the Non-Wage Portions of the individual class payments on IRS 1099 Forms.

Although Plaintiffs and Defendant have agreed to these allocations, neither side is giving you any advice on whether your payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any payments received from the proposed settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for individual class payments and individual PAGA payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller’s Unclaimed Property Fund in your name.

If the monies represented by your check is sent to the Controller’s Unclaimed Property Fund, you should consult the rules of the fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the class settlement, unless you notify the Administrator in writing, not later than [45 days from mailing], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed request for exclusion by the [45 days from mailing] response deadline. The request for exclusion should be a letter from the Class Member or Class Member’s representative setting forth the Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the settlement. Class Members who opt out will not receive individual class payments, but will preserve their rights to personally pursue wage and hour claims against Defendant.

You cannot opt-out of the PAGA portion of the settlement. Class Members who opt out of the class settlement remain eligible for individual PAGA payments and are required to give up their right to assert PAGA claims against Defendant based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will not grant final approval of the settlement or not enter a judgment. It is also possible the Court will enter a judgment that is reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the settlement will be void, Defendant will not pay any money, and Class Members will not release any claims against Defendant.

8. Administrator. The Court has appointed a neutral company, (the “Administrator”) to send this notice, calculate and make payments, and process Class Members’ requests for exclusion. The Administrator will also decide Class Member challenges over workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the settlement. The Administrator’s contact information is contained in Section IX of this notice.
9. Participating Class Members’ Release. After the judgment is final and Defendant has fully funded the Gross Settlement (and separately paid all employer payroll taxes), Participating Class Members will be legally barred from asserting any of the claims released under the settlement. This means that unless you opted out by validly excluding yourself from the class settlement, you cannot sue, continue to sue or be part of any other lawsuit against Defendant or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this settlement.

The Participating Class Members will be bound by the following release:

Plaintiffs and all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, shall fully and finally release the Released Parties of the “Released Class Claims.” The Released Class Claims include all claims asserted in the Actions, as amended and as described below in Paragraph 6.1, when the Class Action Matter Complaint and the PAGA Matter are consolidated into one operative complaint (“Consolidated Operative Complaint”), and the Released Class Claims are limited to those claims encompassed by the Consolidated Operative Complaint or could have been asserted based on the facts and allegations set forth in the Consolidated Operative Complaint. To the extent permitted by law, the Released Class Claims include all claims for unpaid wages, including, but not limited to, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; wages related to alleged time rounding; missed/short/late/interrupted meal period, rest period, and/or recovery period wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods and/or recovery periods; the calculation of meal period, rest period, and/or recovery period premiums; payment for all hours worked, including off-the-clock work; wage statements; failure to keep accurate records; failure to timely pay wages; failure to timely pay final wages; failure to pay sick pay; failure to pay vacation or paid time off, failure to provide expense reimbursement, unfair business practices related to the Labor Code violations alleged in the Consolidated Operative Complaint; attorneys’ fees and costs associated with recovery of the alleged Labor Code violations alleged in the Consolidated Operative Complaint; and generally all claims that could have been brought based on the facts alleged in the Consolidated Operative Complaint arising under: the California Labor Code (including, but not limited to, sections 200, 201, 202, 203, 204, 204b, 206, 210, 218.5, 218.6, 223, 226, 226.3, 226.7, 246, 246.5, 247, 247.5,

248.6, 248.7, 256, 432, 510, 512, 516, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2802, and 2804); the Wage Orders of the California Industrial Welfare Commission; the California Business and Professions Code section 17200, et seq.; the California Civil Code, to include but not limited to, sections 3287, 3336 and 3294; 12 CCR § 11040; 8 CCR § 11060; and California Code of Civil Procedure §§ 1021.5; the California common law of contract; the Fair Labor Standards Act (“FLSA”), 29 U.S.C. § 201 et seq.; 29 CFR 778.223; 29 CFR 778.315; and federal common law. This release excludes the release of claims not permitted by law.

Participating Class Members who timely cash or otherwise negotiate their Settlement Payment Check will be deemed to have opted into the settlement for purposes of the FLSA and, as to those Class Members, the Released Class Claims include any and all claims the Class Members may have under the FLSA asserted in the Actions, arising from or related to the facts and claims alleged in the Actions, or that could have been alleged in the Actions based on the facts and claims alleged in the Actions, as amended, during the Class Period. Only those Class Members who timely cash or otherwise negotiate their Settlement Payment Check will be deemed to have opted into the settlement for purposes of the FLSA and thereby release and waive any of their claims under the FLSA arising under or relating to the alleged claims.

The following language will be printed on the reverse of each Settlement Payment Check, or words to this effect: “By endorsing or otherwise negotiating this check, I acknowledge that I read, understood, and agree to the terms set forth in the Notice of Class Action Settlement and I consent to join in the Fair Labor Standards Act (“FLSA”) portion of the [Actions], elect to participate in the settlement of the FLSA claims, and agree to release all of my FLSA claims that are covered by the Settlement.”

Upon entry of Judgment, Class Members are precluded from filing a wage and hour action under the Fair Labor Standards Act against the Released Parties for claims and/or causes of action encompassed by the Released Class Claims which are extinguished and precluded pursuant to the holding in *Rangel v. PLS Check Cashers of California, Inc.*, 899 F.3d 1106 (2018). This release excludes the release of claims not permitted by law.

10. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and Defendant has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the class settlement, cannot sue, continue to sue or participate in any other PAGA claim against Defendant or its related entities based on the PAGA Period facts alleged in the Action and resolved by this settlement.

The Aggrieved Employees’ Release Is as follows:

Plaintiffs, the LWDA, and the State of California through Plaintiffs as its agent and/or proxy, and all Aggrieved Employees, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, shall release the Released Parties from all claims for civil penalties under PAGA that were alleged, or could have been alleged, based on the facts asserted in Plaintiffs' Consolidated Operative Complaint, as amended, and/or in the PAGA Notice and amended PAGA notice described below, including but not limited to, claims relating to failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; wages related to alleged illegal time rounding; missed/short/late/interrupted meal period, rest period, and/or recovery period wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods and/or recovery periods; the calculation of meal period, rest period, and/or recovery period premiums; payment for all hours worked, including off-the-clock work; wage statements; failure to keep accurate records; failure to timely pay wages; failure to timely pay final wages; non-compliant wage statements; failure to pay sick pay; and alleged violations of Labor Code sections 200, 201, 202, 203, 204, 204b, 206, 210, 218.5, 218.6, 223, 226, 226.3, 226.7, 246, 246.5, 247, 247.5, 248.6, 248.7, 256, 510, 512, 516, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802, and 2804; the Wage Orders of the California Industrial Welfare Commission; ("Released PAGA Claims"). The Released PAGA Claims are limited to the PAGA Period. Aggrieved Employees will be bound by the release of the Released PAGA Claims regardless of their decision to participate in or opt out of the release of the Released Class Claims.

IV. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate individual class payments by (a) dividing the Net Settlement Amount by the total number of workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate individual PAGA payments by (a) dividing \$17,500.00 by the total number of PAGA Period pay periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period pay periods worked by each individual Aggrieved Employee.
3. Workweek Challenges. The number of workweeks you worked during the Class Period, as recorded in Defendant's records, is stated in the first page of this notice. You have until [45 days from mailing] to challenge the number of workweeks credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section IX of this notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of workweeks based on Defendant's

records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

V. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the individual class payment and the individual PAGA payment (if any).
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single individual PAGA payment check to every Aggrieved Employee who opts out of the class settlement.

Your check will be sent to the same address as this notice. If you change your address, be sure to notify the Administrator as soon as possible. Section IX of this notice has the Administrator's contact information.

VI. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

To opt out of the class action settlement, submit a written and signed letter with your name, present address, telephone number and a simple statement that you do not want to participate in the settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Perez, et al. v. Service Champions, LLC*, and include your identifying information (full name, address, telephone number, approximate dates of employment and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. You must send your request to be excluded to the Administrator by [45 days from mailing], or it will be invalid. Section IX of the notice has the Administrator's contact information.

VII. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Defendant are asking the Court to approve. At least 16 court days before the final approval hearing, Class Counsel and/or Plaintiffs will file in Court a Motion for Final Approval that includes, among other things, the reasons why the proposed settlement is fair and states (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as class representative service awards. Upon reasonable request, Class Counsel (whose contact information is in Section IX of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's website [URL] or the Court's website <https://civilwebshopping.occourts.org/Login.do?sessionId=E6E62E7EB6B2DD6C6BAAE1EF4>

2B97ADD.

A Participating Class Member who disagrees with any aspect of the settlement or the Motion for Final Approval may wish to object, for example, that the proposed settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. The deadline for sending written objections to the Administrator is [45 days from mailing]. Be sure to tell the Administrator what you object to, why you object and any facts that support your objection. Make sure you identify the Action, *Perez, et al. v. Service Champions, LLC*, and include your name, current address, telephone number and approximate dates of employment for Defendant and sign the objection. Section IX of this notice has the Administrator's contact information.

A Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the final approval hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section VIII of this notice (immediately below) for specifics regarding the final approval hearing.

VIII. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the final approval hearing on [REDACTED] at [REDACTED] in Department CX-103 of the Superior Court of California, County of Orange, located at 751 W. Santa Ana Boulevard, Santa Ana, California 92701. At the hearing, the judge will decide whether to grant final approval of the settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs and the Administrator. The Court will invite comment from objectors, Class Counsel and defense counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually (<https://www.occourts.org/general-information/remote-appearance-information>). Check the Court's website for the most current information.

It's possible the Court will reschedule the final approval hearing. You should check the Administrator's website [URL] beforehand or contact Class Counsel to verify the date and time of the final approval hearing.

IX. HOW CAN I GET MORE INFORMATION?

The settlement agreement sets forth everything Defendant and Plaintiffs have promised to do under the proposed settlement. The easiest way to read the settlement agreement, the judgment or any other settlement documents is to go to ILYM Group Inc.'s website at [URL]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to <https://civilwebshopping.occourts.org/Login.do?sessionId=E6E62E7EB6B2DD6C6BAAE1EF42B97ADD> and entering the Case Number for the Action, Case No. 30-2024-01396861-CU-OE-CXC.

DO NOT TELEPHONE THE COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT

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Facsimile: (213) 381-9989

Settlement Administrator:

ILYM Group Inc.

[Email Address]

[Mailing Address]

[Telephone]

[Fax Number]

X. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

XI. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.