CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

Sergio Rodriguez and Eduardo Romero v. Sac Pool Pros, Inc., et al.
Sacramento Superior Court Case No. 24CV017124

This Class Action & Representative Private Attorney General Act Settlement Agreement ("Settlement" or "Agreement") is entered into by and between Plaintiffs Sergio Rodriguez and Eduardo Romero ("Plaintiffs"), on behalf of themselves, the State of California, all allegedly aggrieved employees, and all similarly situated individuals, and Defendants Sac Pool Pros, Inc. and David A. Randolph, an individual ("Defendants"). Plaintiffs and Defendants collectively are referred to in this Agreement as the "Parties," and each as a "Party."

I. DEFINITIONS

In addition to other terms defined in this Agreement, the terms below have the following meaning in this Agreement:

A. "Action" means the lawsuit titled: *Sergio Rodriguez and Eduardo Romero v. Sac Pool Pros, Inc., et al.;* Sacramento Superior Court Case No. 24CV017124.

B. "Agreement" or "Settlement Agreement" shall refer to this document.

C. "Class" or "Class Member" or "Settlement Class" means all persons who worked for Defendants as non-exempt employees in the State of California at any time from August 28, 2020 through the date of preliminary approval, or 60 days after acceptance of the Mediator's Proposal (May 9, 2025), whichever is sooner.

D. "Class Counsel" means Marco A. Palau, Joseph D. Sutton, and Eric S. Trabucco – Advocates for Worker Rights LLP.

E. "Class Counsel Fees and Expenses Payment" means the amount awarded to Class Counsel by the Court to compensate them for their attorneys' fees and litigation expenses in connection with the Action, including their pre-filing investigation, their commencement of the Action and all related litigation activities, this Settlement, and all post-Settlement compliance procedures.

F. "Class Member Challenge" or "Challenge" means submission by a Class Member of a challenge to their workweek total.

G. "Class Notice" means the court-approved document, substantially in the form attached to this Settlement Agreement as Exhibit A, which will be sent to Class Members following preliminary approval of the Settlement Agreement to notify Class Members of the Settlement and explain Class Members' options.

H. "Class Notice Packet" means the Class Notice and the Employee Verification Form that will be mailed to each Class Member following the Court's Preliminary Approval Order.

I. "Class Period" means from August 28, 2020 through the date of preliminary approval, or 60 days after acceptance of the Mediator's Proposal (May 9, 2025), whichever is sooner.

J. "Complaint" means the operative Complaint on file in the Action.

K. "Court" or "Superior Court" means the California Superior Court in and for the County of Sacramento.

L. "Defendants' Counsel" means Katie Collins of Duggan McHugh Law Corporation.

M. "Effective Date" means the date by which the Court's order granting Final Approval of this Settlement becomes final. Such order becomes final upon any of the following events: (a) if no Class Member files and serves any timely and valid objection to the Settlement, then the date upon which the Court grants Final Approval of the Settlement; (b) if any Class Member files and serves a timely and valid objection but it is subsequently withdrawn, then the date upon which the Court grants Final Approval of the Settlement; or (c) if any Class Member files and serves a valid and timely objection, then the date which is sixty-five (65) days after (i) service of notice of entry of the Final Approval Order and Judgment on the Parties to the Action and all objectors to the Settlement, if any, without appeals or requests for review being taken, or (ii) an order affirming the Final Approval Order and Judgment or denying review after exhaustion of all appellate remedies, if appeals or requests for review have been taken.

N. "Employee Verification Form" means the Court-approved Employee Verification Form that details the number of workweeks worked that each individual Class Member may complete and submit to the Settlement Administrator

O. "Employer Payroll Contributions" shall mean those payroll taxes and other monetary contributions required by state and federal law to be made by an employer on wage payments, including but not limited to FICA, Medicare, FUTA, and SUTA, and any federal and state unemployment taxes, payable with respect to amounts treated as wages under this Agreement (*i.e.*, the Wage Portion of Class Member Settlement Shares), but not amounts required to be withheld by an employer in satisfaction of an employee's share of federal and state income and other taxes and FICA or other mandated employee insurance contributions.

P. "Final Approval Hearing" means the hearing to be conducted by the Court to determine whether to finally approve and implement the terms of this Agreement.

Q. "Judgment" means the Order Granting Final Approval of Class Action Settlement and Entering Final Judgment entered by the Court.

R. "Gross Settlement Amount" or "GSA" means the total non-reversionary sum of $194,500.00 for payment of all amounts due in connection with this Settlement, including payment of settlement administration expenses; attorneys' fees to Class Counsel; litigation expenses to Class Counsel; Class Representatives' Enhancement Awards; the PAGA Payment; Employer Payroll Contributions, and the individual payments to Class Members as allocated and provided for by the Settlement.

S. "Net Settlement Amount" means the Gross Settlement Amount, less the following, as approved by the Court: (1) the Class Representatives' Enhancement Awards;

(2) the Class Counsel Fees and Expenses Payment (which includes all attorneys' fees and litigation expenses incurred to date and to be incurred in documenting the Settlement, securing court approval of the Settlement, attending to the administration of the Settlement, and obtaining dismissal of the Action); (3) the PAGA Payment; (4) the Employer Payroll Contributions; and (5) the Settlement Administrator's expenses incurred in administrating the Settlement. Any deductions from the forgoing allocations will be retained in the QSF and will be included in the Net Settlement Amount for distribution to the Class, as appropriate. If the Court approves a lesser amount of any of the foregoing amounts, the Net Settlement Amount will increase proportionately. In other words, any reductions from the above-referenced costs will increase the Net Settlement Amount proportionately.

T. "Notice Response Deadline" means the last day by which a Class Member may object to the settlement, or submit a Request for Exclusion. The Notice Response Deadline shall be thirty (30) calendar days following the Settlement Administrator's mailing of Notice Packets. However, for Class Members whose notice packets are sent to a different address subsequent to the initial mailing, the Notice Response Deadline shall be the earlier of thirty (30) calendar days from the date of re-sending or the date that is fourteen (14) calendar days before the Final Approval Hearing.

U. "Objection" means the written statement that a Class Member may submit to the Settlement Administrator in order to object to this Settlement Agreement (as set forth in herein).

V. "PAGA Aggrieved Employees" is defined as all employees of Defendants who were classified as non-exempt and worked within the State of California at any time from June 19, 2023 through the date of preliminary approval, or 60 days after acceptance of the Mediator's Proposal (May 9, 2025), whichever is sooner.

W. "PAGA Aggrieved Employee Award" means the 35% of the PAGA Payment to be paid to PAGA Aggrieved Employees pursuant to Labor Code § 2699(m).

X. "PAGA LWDA Award" means the 65% of the PAGA Payment paid to the California Labor and Workforce Development Agency pursuant to Labor Code § 2699(i).

Y. "PAGA Payment" means the payment in the amount of $10,000 from the Gross Settlement Amount to be paid to the LWDA (65%, or $6,500.00) and the PAGA Aggrieved Employees (35%, or $3,500.00) to settle claims for civil penalties pursuant to PAGA.

Z. "PAGA Period" means the time period from June 19, 2023 through the date of preliminary approval, or 60 days after acceptance of the Mediator's Proposal (May 9, 2025), whichever is sooner.

AA. "PAGA Share" means the amounts to be distributed to each PAGA Aggrieved Employee from the PAGA Aggrieved Employee Award on a pro-rata basis based on the respective number of pay periods worked by each PAGA Aggrieved Employee during the PAGA Period.

BB. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

CC. "Preliminary Approval" means the Court's Order granting preliminary approval of the Settlement without material changes, or with material changes to the Settlement to which the Parties agree.

DD. "Preliminary Approval Date" means the date on which the Court enters an Order granting preliminary approval of the settlement terms set forth in this Settlement Agreement, or such modified terms as may be agreed to by the Parties in order to obtain preliminary approval.

EE. "Preliminary Approval Hearing" means the hearing held on the Motion for Preliminary Approval of this Settlement.

FF. "Qualified Settlement Fund" or "QSF" means the interest-bearing bank account established under this Agreement from which all monies payable under this Settlement shall be paid, as set forth herein.

GG. "Released Claims" means all claims alleged in any Complaint (including any amended Complaint filed prior to final approval) in the Action, or which could have been alleged based on the facts asserted in any such Complaint, whether operative or superseded, regardless of whether such claims arise under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, which occurred during the Class Period. Released Claims also means all claims for civil penalties under PAGA based on the Labor Code violations alleged in any of the Complaints (including any amended Complaint filed prior to final approval) in any of the actions filed by any of the Plaintiffs, or which could have been alleged based on the legal theories, legal authorities, or facts asserted in any such Complaint, whether operative or superseded, and alleged to have occurred during the PAGA Period. The Released Claims include any and all claims, causes of action, damages, wages, premiums, penalties, attorneys' fees, costs, and any other form of relief or remedy in law, equity, of whatever kind or nature and for any relief whatsoever, including monetary, injunctive, or declaratory relief, whether direct or indirect, whether under federal law or the law of any state, which the Plaintiffs have or any Class Member has against the Released Parties for any acts occurring during the Class Period that relate to the substantive claims described in any of the Complaints, including any amended Complaint.

HH. "Released Parties" means Defendants and any of their past or present affiliated and related entities, and all of their past or present partners, members, parents, subsidiaries, trustees, affiliates, divisions, insurers, re-insurers, successors and assigns, past or present directors, officers, owners, principals, attorneys, trustees, heirs, administrators, agents, representatives, employees or assigns (whether acting as agents for any other Released Party or in their individual capacities), any employment benefit plan, and such plans' administrators, fiduciaries, trustees, insurers, and re-insurers.

II. "Representatives Enhancement Awards" means the payments of up to $7,500.00, in addition to their respective Settlement Share, made to the Representative

Plaintiffs in their capacity as Class Representatives, to compensate them for initiating and pursuing the Action, and undertaking the risk of liability for attorneys' fees and litigation costs in the event they were unsuccessful in the prosecution of the Actions.

JJ. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.

KK. "Settlement" means the terms and conditions set forth in this Agreement to resolve the Actions.

LL. "Settlement Administrator" means the administrator proposed by the Parties, ILYM Group, Inc. ("ILYM"), and appointed by the Court, tasked with administering the Settlement.

MM. "Settlement Administrator's Expenses" means the fees, costs, and expenses relating to the administration of the settlement of these Actions, including without limitation, printing and mailing the Notice Packets, receiving and processing Objections, Requests for Exclusion, calculating and determining payments and percentages, regularly updating counsel on the status of administration, and the accounting and maintenance of the Qualified Settlement Fund.

NN. "Settlement Share" means the gross amounts to be distributed to each Participating Class Member from the Net Settlement Amount on a pro-rata basis based on the on the comparative number of weeks each Class Member worked during the Class Period, with the exception that Class Members who were paid on a piece rate basis will have the workweeks in which they were paid a piece rate count as double. The doubling of workweeks for the Class Members who were paid a piece rate is for purposes of determining the amount owed to such Class Members and will not impact the total number of workweeks applicable in this Action or have an effect on the Escalator Clause laid out below.

II. RECITALS

A. **Plaintiffs' Class and Representative Action Complaints.** On June 19, 2024, Plaintiffs sent a notice pursuant to the Private Attorney General Act ("PAGA") to the Labor and Workforce Development Agency ("LWDA") alleging various wage and hours abuses by Defendants. On August 28, 2020, Plaintiffs filed a class action Complaint (Sacramento County Superior Court Case No. 24CV017124) on behalf of themselves and all others similarly situated, asserting causes of action for (1) failure to pay all wages owed; (2) failure to pay overtime wages; (3) failure to separately pay for rest, recovery, and unproductive time; (4) failure to provide meal periods or pay premium wages in lieu thereof; (5) failure to authorize and permit rest breaks or pay premium wages in lieu thereof; (6) failure to furnish accurate wages statements; (7) failure to pay final wages upon cessation of employment; (8) failure to reimburse for legitimate business expenses; (9) violation of California's Unfair Competition Law; and (10) civil penalties pursuant to PAGA. On October 10, 2024 Defendants answered the Complaint. Shortly after the Defendants answered the Complaint, the Parties agreed to early mediation and began to discuss the discovery needed for mediation. On May 8, 2025, the Parties participated in an all day mediation with mediator Doug Leach of M Resolution. At the close of the day of mediation, the mediator made a mediator's proposal, which the Parties accepted by the close of business the following day.

B. **No Admission.** Defendants deny the allegations in the Action; deny they have engaged in any wrongdoing; deny that Plaintiffs' allegations constitute valid claims; deny that a litigation class could properly be certified in the Action; deny that Plaintiffs' claims could properly be maintained as a PAGA representative action; and state it is entering into this Settlement Agreement solely to eliminate the burden, expense, and delay of further litigation, and on the express conditions and agreement with the Plaintiffs that (a) if for any reason the Settlement is not finalized according to the terms of this Agreement, the Settlement and the documents generated as a result of the Settlement shall not be usable for any purpose in the Action, and (b) this Settlement and the documents generated as a result of the Settlement are not admissible or usable in any other civil or administrative proceeding or any arbitration, except to the extent necessary to enforce this Settlement and the orders, judgment and agreements arising from this Settlement.

C. **Bona Fide Dispute.** The Parties agree a bona fide dispute exists as to whether any amount of wages and/or penalties are due from Defendants to Plaintiffs, Settlement Class Members, PAGA Aggrieved Employees or to the LWDA.

Based on these Recitals, the Parties agree as follows:

III. SETTLEMENT TERMS AND CONDITIONS

A. **Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, including but not limited to section III.A.2., *infra*, the Gross Settlement Amount ("GSA") that Defendants are obligated to pay in connection with the Settlement of the Action is one hundred and ninety-four thousand and five hundred dollars and zero cents ($194,500.00). Payment of this amount, as approved by the Court, will cover all monetary benefits and payments to the Settlement Class and all claims for interest, fees, and costs, and will include: (1) the Class Representative Service Awards; (2) the Class Counsel Fees and Expenses Payment; (3) the PAGA Payment; (4) the Settlement Administrator's Fees; and (5) all Settlement Shares paid to Participating Class Members. The GSA also includes the required Employer Payroll Contributions on the Wage Portion of the Settlement (Class Member Settlement Shares). There shall be no reversion of the GSA to Defendants.

B. **Funding the QSF.** Defendants shall make payments to the Settlement Administrator chosen by Plaintiffs for deposit in an interest-bearing qualified settlement account ("QSF") with an FDIC insured banking institution, for distribution in accordance with this agreement and the Court's orders, and subject to the conditions described herein. Defendants shall pay the GSA in two equal payments. The First Payment of $97,250.00 will be made 21 days after the Court's Final Approval of the Class/PAGA Settlement. The Second Payment of $97,250.00 (the "Funding Date") will be made 6 months following the First Payment. The Second Payment shall also include the employer-side payroll taxes.

C. **Payments to Plaintiffs, Class Counsel, and Settlement Administrator.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will make the following payments out of the Gross Settlement Amount as follows:

1. **To Plaintiffs:** In addition to their respective Settlement Share, Representative Plaintiffs will apply to the Superior Court for an award of not more than seven thousand and five hundred dollars ($7,500.00) as Representative Enhancement Awards in consideration for initiating and pursuing the Action, undertaking the risk of liability for attorneys' fees, expenses and litigation costs in the event he was unsuccessful in the prosecution of the Action. Defendants agree to not oppose Plaintiffs' request for Representative Enhancement Awards of up to $7,500.00 each. The Settlement Administrator will pay the Representative Enhancement Awards, as approved by the Court, out of the Gross Settlement Amount. If the Court approves Representative Enhancement Awards of less than $7,500.00, the remainder will be retained in the Net Settlement Amount. Neither Defendants nor the Settlement Administrator shall be responsible for paying the difference between the amount requested here and the amount ultimately approved by the Court. Tax deductions and withholdings will not be taken from the Representative Service Award, and instead a Form 1099 will be issued to Plaintiffs with respect to these payments.

2. **To Class Counsel:** Class Counsel will apply to the Superior Court for an award of (a) attorneys' fees of not more than one-third of the Gross Settlement Amount, or sixty-four thousand eight hundred and thirty-three dollars and thirty-three cents ($64,833.33), and (b) litigation costs not to exceed ten thousand dollars ($10,000.00) incurred in this action by Class Counsel. Defendants will not oppose Class Counsel's request for a Class Counsel Fees and Expenses Payment of these amounts. The Settlement Administrator will pay the amount approved by the Court out of the Gross Settlement Amount. If the Superior Court approves Class Counsel fees and litigation costs of less than the amounts requested herein, the remainder will be retained in the Net Settlement Amount. Tax deductions and withholdings will not be taken from the Class Counsel Fees and Expenses Payment, and instead a Form 1099 will be issued to Class Counsel. In the event the Court does not approve the entirety of the application for the Class Counsel Fees and Expenses Payment, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendants nor the Settlement Administrator shall be responsible for paying the difference between the amount requested here and the amount ultimately awarded as recoverable attorneys fees' and litigation costs.

3. **To the Settlement Administrator**. The Settlement Administrator will pay to itself out of the Gross Settlement Amount its reasonable fees and expenses as approved by the Superior Court, estimated at $6,550.00. If the Court approves Settlement Administration Costs of less than $6,550.00 total, the remainder will be retained in the Net Settlement Amount.

D. **PAGA Payment.** Ten thousand dollars ($10,000.00) of the Gross Settlement

Amount is allocated to settle claims for civil penalties under California's Private Attorney General Act, Labor Code sections 2698, *et seq.* , as follows:

1. **PAGA LWDA Award.** Sixty-five percent (65%) of the PAGA Payment, or no less than six thousand five hundred dollars ($6,500.00), shall be paid to the LWDA, as required by Labor Code § 2699(m).

2. **PAGA Aggrieved Employee Award.** Thirty-five percent (35%) of the PAGA Payment, or no less than three thousand five hundred dollars ($3,500.00), shall be paid to PAGA Aggrieved Employees as PAGA Shares, as required by Labor Code § 2699(m).

3. **PAGA Share.** Each PAGA Share will equal the PAGA Aggrieved Employee Award amount times the ratio of (a) the number of pay periods worked by each respective PAGA Aggrieved Employee during the PAGA Period, and (b) the total number of pay periods worked by all PAGA Aggrieved Employees during the PAGA Period.

4. **Treatment.** Each PAGA Aggrieved Employee's PAGA Share shall be characterized as penalties and reported on an IRS Form 1099.

5. **PAGA Aggrieved Employees May Object.** Each PAGA Aggrieved Employee will be provided with the Notice Packet that states the total number of pay periods in the PAGA Period, if any, attributable to that PAGA Aggrieved Employee. This total will be based on Defendants' records, and there will be a presumption that Defendants' records are correct, absent evidence produced to the contrary. PAGA Aggrieved Employees may submit a challenge to pay periods to the Settlement Administrator if they believe that the number of pay periods attributed to them is incorrect. PAGA Aggrieved Employees challenging the number of pay periods attributed to them who are also Class Members shall submit any challenges to the workweeks attributed to them for purposes of the Settlement Share calculation on the same form. If the PAGA Aggrieved Employee does not timely dispute the number of pay periods, then the Settlement Administrator will mail that PAGA Aggrieved Employee their PAGA Share within fourteen (14) days after the Funding Date based on the original data provided by Defendants.

6. **PAGA Aggrieved Employees May Not Request Exclusion from the PAGA Share.** A PAGA Aggrieved Employee may not submit a Request for Exclusion from the PAGA Payment.

E. **Settlement Share.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will allocate Settlement Shares from the Net Settlement Amount to Participating Class Members as follows:

1. **Allocation and Payment of Settlement Shares to Participating Class Members:** The Net Settlement Amount will be distributed to Class Members based on the comparative number of weeks each Class Member worked during the Class Period, with the exception that Class Members who were paid on a piece rate basis will have the workweeks in which they were

paid a piece rate count as double. The doubling of workweeks for the Class Members who were paid a piece rate is for purposes of determining the amount owed to such Class Members and will not impact the total number of workweeks applicable in this Action or have an effect on the Escalator Clause laid out below. The entire Net Class Settlement Amount will be disbursed to all Class Members who do not submit timely and valid requests for exclusion. If there are any valid and timely requests for exclusion, the Settlement Administrator shall proportionately increase the Individual Settlement Payment for each Participating Class Member according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Class Settlement Amount.

2. **Treatment of Settlement Shares**.

   a. **Non-Wage Portion:** Eighty percent (80%) of each Settlement Share will be treated as a payment in settlement of the Participating Class Member's claims for statutory penalties and interest (the "Non-Wage Portion"). The Non-Wage Portion will be treated separately from the remaining Wage Portion for purposes of any tax withholding and deductions in accordance with IRS Rev. Ruling 80-364 and PMTA-2009-035, and shall be reported by IRS Form 1099. The Settlement Administrator will issue the appropriate federal and state tax forms.

   b. **Wage Portion:** The remaining twenty percent (20%) of each Settlement Share (the "Wage Portion") will be treated as a payment in settlement of the Participating Class Member's claims for unpaid wages. Accordingly, the Wage Portion shall be subject to all tax withholdings customarily made from employee's wages and all other authorized and required withholdings and shall be reported by IRS Form W-2. The employees' share of payroll tax withholdings shall be withheld from each employee's Wage Portion of the Settlement Share. The Settlement Administrator will issue the appropriate federal and state tax forms.

3. **Class Members May Submit an Objection and Are Not Required to Submit a Claim Form to Receive a Settlement Share.** Class Members will be provided with a Notice Packet that states the total number of workweeks attributed in the Class Period, if any, to that Class Member by Defendants' records. There will be a presumption that Defendants' records are correct, absent evidence produced to the contrary. Class Members may submit an objection to the Settlement Administrator if they believe that the number of workweeks attributed to them is incorrect. Class Members challenging the number of workweeks attributed to them who are also PAGA Aggrieved Employees shall submit any challenges to the pay periods attributed to them for purposes of the PAGA Share calculation on the same form. If the Class Member does not timely dispute the number of workweeks, then the Settlement Administrator will mail that Participating Class Member's Settlement Share within fourteen (14) days after the Funding Date.

4. **Effect of Class Members Who Request to Be Excluded from the Settlement.** A Class Member who submits a valid and timely Request for Exclusion from the Settlement will not receive a Settlement Share but will still receive a PAGA Share. That Class Member's workweeks will not be included in the calculations of Settlement Shares for those Class Members who do not request exclusion; and the Settlement Share that otherwise would have been payable to such Class Member will be retained in the Net Settlement Amount for distribution to all other Participating Class Members who do not request to be excluded from the Settlement.

F. **Appointment of Settlement Administrator.** The Parties will ask the Court to appoint ILYM Groupo, Inc. as Settlement Administrator, which, as a condition of appointment, will agree to be bound by this Agreement with respect to the performance of its duties and its compensation. The Settlement Administrator's duties will include preparing, printing, and mailing to all Class Members the Class Notice Packet; translating the Class Notice Packet from English to Spanish; conducting a National Change of Address search and using Accurint or another reasonable and cost-effective skip trace methods to locate any Class Member whose Class Notice Packet was returned by the U.S. Postal Service as non-deliverable, and re-mailing the Class Notice Packet to the Class Member's new address; setting up a toll-free telephone number to field calls from Class Members in English and Spanish; receiving and keeping track of any challenges to workweeks or Requests for Exclusion in Settlement; providing the Parties with weekly status reports about the delivery of Class Notice Packets and receipt of challenges to workweeks or Requests for Exclusions; calculating any and all payroll tax deductions as required by law; calculating Settlement Shares; providing a due diligence declaration for submission to the Superior Court prior to the Final Approval Hearing; issuing the checks to effectuate the payments due under the Settlement; calculating and mailing the PAGA LWDA Award to the LWDA; distributing the Class Counsel Fees and Expenses Payment to Class Counsel; printing and providing Class Members and Plaintiffs with W-2s and 1099 forms as required under this Agreement and applicable law; providing a due diligence declaration for submission to the Superior Court upon completion of the Settlement; providing any funds remaining in the QSF as a result of uncashed checks to the California State Controller in accordance with California Unclaimed Property Law, including the administration of related tax reimbursements; for such other tasks as the Parties mutually agree; and otherwise administering the Settlement pursuant to this Agreement and its agreement with the Defendants. The Settlement Administrator will have the final authority to resolve all disputes concerning the calculation of all Class Member's Settlement and PAGA Shares, and all those requesting exclusion from the Settlement Class, subject to the dollar limitations set forth in this Agreement. The Settlement Administrator's reasonable fees and expenses, including the cost of printing and mailing the Class Notice Packet, will be paid out of the Gross Settlement Amount. The Parties each represent that they do not have any financial interest in ILYM, or otherwise have a relationship with ILYM that could create a conflict of interest.

G. **Procedure for Approving Settlement.**

1. **Motion for Preliminary Approval.**

   a. After the Settlement Agreement is signed by Plaintiffs and Defendants, Plaintiffs will file a Motion for Preliminary Approval with the Court for an order granting Preliminary Approval of the Settlement, conditionally certifying the Class, setting a date for the Final Approval Hearing, appointing Plaintiffs as Class Representatives and their counsel of record in the Action as Class Counsel, and approving the Class Notice.

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

   c. At the hearing on the Motion for Preliminary Approval, the Parties may jointly appear, support the granting of the motion, and submit an order granting the motion.

   d. Should the Court decline to preliminarily approve all material aspects of the Settlement, or order material changes to the Settlement to which the Parties do not agree, the Settlement will be null and void and the Parties will have no further obligations under it.

2. Within seven (7) days of the Preliminary Approval Order, Class Counsel will notify the LWDA of the Preliminary Approval Order.

3. **Notice to Class Members.** After the Court enters its order granting Preliminary Approval of the Settlement, every Class Member will be provided with the Notice Packet (which will include the Class Notice completed to reflect the order granting Preliminary Approval of the Settlement, and a Notice Packet stating the total number of work weeks and pay periods attributed to each Class Member and PAGA Aggrieved Employee, respectively, by Defendants' records) in English and Spanish:

   a. Within fifteen (15) calendar days after the Court enters its order granting Preliminary Approval of the Settlement, Defendants will provide to the Settlement Administrator Class Member Data, preferably in electronic form, containing each Class Member's name, last known address, and Social Security number, the end date for each Class Member's employment, if any, and the number of workweeks worked by the Class Member for Defendants during the Class Period. If any or all of the Class Members' Data are unavailable to Defendants, Defendants will use best efforts to deduce or reconstruct the Class Members' Data prior to when it must be submitted to the Settlement Administrator.

   b. Within seven (7) days after receiving the Class Members' Data, the Settlement Administrator will mail the Class Notice Packets (in English and Spanish) to all identified Class Members via first-class regular U.S. Mail using the mailing address information provided by Defendants, unless modified by any updated address information that the Settlement

Administrator obtains in the course of administration of the Settlement.

c. If a Class Notice Packet is returned because of an incorrect address, the Settlement Administrator will promptly, and not later than seven (7) days from receipt of the returned packet, search for a more current address for the Class Member using Accurint or other reasonable and cost-effective skip trace methods, and re-mail the Class Notice Packet to the Class Member to any new or more current address or addresses discovered. The Settlement Administrator will use the Class Members' Data and otherwise work with Defendants to find a more current address. The Settlement Administrator will be responsible for taking reasonable steps, consistent with its agreed-upon job parameters, court orders, and fee, as agreed to with Class Counsel and according to the following deadlines, to trace the mailing address of any Class Member for whom a Class Notice Packet is returned by the U.S. Postal Service as undeliverable. These reasonable steps shall include, at a minimum, the tracking of all undelivered mail; performing address searches for all mail returned without a forwarding address; and promptly re-mailing to Class Members for whom new addresses are found. If the Class Notice Packet is re-mailed, the Settlement Administrator will note for its own records and notify Class Counsel and Defendants' Counsel of the date and address of each such re-mailing as part of a weekly status report provided to the Parties. Class Counsel and Defendants' Counsel will be entitled to receive from the Settlement Administrator any updated address information about a Class Member as the Settlement Administrator obtains such information.

d. Each week, the Settlement Administrator will provide to Class Counsel and Defendants' Counsel a report showing whether any Class Notice Packets have been returned and re-mailed and the receipt of any requests for exclusion.

e. Not later than eighteen (18) court days prior to the Final Approval Hearing, the Settlement Administrator will serve on the Parties and cause to be filed with the Superior Court a declaration of due diligence setting forth its compliance with its obligations under this Agreement, as well as all timely Objections made to the Settlement by Class Members. Prior to the Final Approval Hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.

4. **Class Member Objections to Settlement; Challenges to Number of Workweeks; Requests for Exclusion.**

a. **Objection to Settlement.** A Class Member who wishes to object to any term of the Settlement may file with the Court and serve on counsel for the Parties a written objection to the Settlement setting forth the grounds for the objection. Further, Class Members, or persons purporting to object on behalf of any Class Members, may be received or considered by the Court at the Final Approval Hearing, regardless of whether a written notice of objection is filed or delivered. Should there be any written objections to the Settlement received by any counsel for the parties or the Settlement Administrator, Class Counsel and Defendants' counsel will file a response to any objection within five (5) days before the Final Approval Hearing. If a Class Member timely submits both a Request for Exclusion and an objection, the Class Member shall be deemed to have submitted only a valid objection, and the opt out shall be deemed null and void. The Settlement Administrator will share all submitted objections with the Parties, and Class Counsel will file a single packet with all objections with the Court.

b. **Right to Challenge the Number of Workweeks; Resolution.** A Class Member who wishes to dispute the number of workweeks they worked outlined in the Class Member Verification Form sent to the Class Member as part of the Class Notice Packet may do so by notifying the Settlement Administrator in writing by either fax, email, or mail postmarked no later than five (5) days before the Response Deadline. The Settlement Administrator will make the final determination as to the correct number of compensable workweeks for such a Class Member. In the event that any Class Member's workweeks are adjusted for purposes of their Settlement Share, any such adjustment shall be applied to the workweeks for which they are credited.

c. **Request for Exclusion.** A Class Member who wishes to exclude themselves from the Settlement must send the Settlement Administrator a written and signed Request for Exclusion which must be postmarked no later than the Response Deadline. To be valid, a Request for Exclusion must contain the name, address, and telephone number of the Class Member requesting exclusion from the Settlement. If a question is raised about the authenticity of any Request for Exclusion, the Settlement Administrator will have the right to demand additional proof of the Class Member's identity. A Class Member who submits a timely Request for Exclusion will not participate in or be bound by the Settlement and the Judgment and will not receive a Settlement Share, and will retain the right, if any, they may have to pursue a claim against Defendant. Notwithstanding the submission of a timely Request for Exclusion, Class Members will still be bound by the Settlement and release of the PAGA Claims or remedies under the Judgment pursuant to *Arias v. Superior Court*, 46 Cal. 4th 969 (2009). Requests for exclusion do not apply to the PAGA Claims, and will not be effective to preclude the release of the PAGA Claims. The Settlement Administrator shall have no authority with regard to Requests for Exclusions beyond what is provided in this paragraph and may not make any representations to Class Members as whether their Request for Exclusion has been accepted or rejected without the express consent of the Parties and/or the Court.

d. **Failure to Timely Request Exclusion.** Class Members who do not submit a timely Request for Exclusion in the manner and by the deadline specified in the Class Notice will automatically be bound by all terms and conditions of the Settlement, if the Settlement is approved by the Superior Court, and by the Judgment, regardless of whether they have objected to the Settlement.

e. **Report.** Not later than five (5) days after the deadline to contest the workweeks and request to be excluded from the Settlement, the Settlement Administrator will provide the Parties with a complete and accurate list of all Class Members who have contested the information in their Notice Packet or requested to be excluded from the Settlement.

f. **Late Submissions.** The Settlement Administrator shall not accept as valid any Request for Exclusion, challenge to workweeks, or Objection postmarked after the Notice Response Deadline specified in the Notice Packet. It shall be presumed that if a Request for Exclusion, challenge to workweeks, or Objection is not postmarked on or before the Notice Response Deadline specified in the Notice Packet, the Class Member did not return it in a timely manner.

5. **No Solicitation of Objection, Appeal, or Election Not to Participate in Settlement.** Neither the Parties nor their respective counsel will solicit or otherwise encourage directly or indirectly any Class Member to object to the Settlement, appeal from the Judgment, or elect not to participate in the Settlement.

6. **Additional Briefing and Final Approval.**

a. Not later than sixteen (16) court days before the Final Approval Hearing, Plaintiffs will file with the Superior Court a motion for final approval of the Settlement and payment of Plaintiffs' Representative Service Awards, Class Counsel's Fees and Expenses Payment, the PAGA Payment, the Settlement Administrator's reasonable fees and expenses, and any additional payments to be made pursuant to this Settlement.

b. Not later than five (5) court days before the Final Approval Hearing, the Plaintiffs may file a reply in support of the motion for final approval of the Settlement and payment of the Settlement Administrator's reasonable fees and expenses to the extent that any opposition to the motion is filed; and Plaintiffs and Class Counsel may file replies in support of their motions for the Representative Service Awards and the Class Counsel Fees and Expenses Payment.

c. If the Court does not grant final approval of the Settlement or grants final approval conditioned on any material change to the Settlement to which the Parties do not agree, then either Party will have the right to void the Settlement; if that occurs, the Parties will have no further obligations under the Settlement, including any obligation by

Defendants to pay the Gross Settlement Amount, except that Defendants will pay the Settlement Administrator's reasonable fees and expenses incurred as of the date that the Party exercises the right to void the Settlement under this paragraph. However, an award by the Court of a lesser amount than that sought by Plaintiffs and Class Counsel for the Representative Service Awards or the Class Counsel Fees and Expenses Payment will not constitute a material change to the Settlement within the meaning of this Agreement.

d. Orders for the preliminary approval of the Settlement, conditional certification of the Settlement Class and final approval of the proposed Settlement, and all actions associated with them, are entered and accepted by the Parties hereto on the condition that they may be vacated at either Party's option if the Settlement Agreement is terminated or material terms as defined herein are disapproved in whole or in part by the Court, or by any appellate court and/or other court of review, in which event the Agreement and the fact that it was entered into shall not be offered, received, or construed as an admission or as evidence for any purpose, including but not limited to an admission by any Party of liability or non-liability or of any misrepresentation or omission in any statement or written document approved or made by any Party, or of the certifiability of a litigation class or the appropriateness of maintaining a PAGA representative action, as further provided in this Settlement Agreement. In the event that: (i) the Court denies, with prejudice, approval of the Settlement, (ii) the Court's approval of the Settlement is overturned on appeal, (iii) the Judgment does not become final, or (iv) this Settlement Agreement is terminated, cancelled, or fails to become effective for any reason, then: (a) the Parties stipulate and agree that at either Party's option the Settlement, this Agreement, the Class Information, the list of Class Members who objected or excluded themselves (or attempted to do so) from the Settlement, and all documents exchanged and filed in connection with the Settlement shall be treated as privileged mediation communications under Evid. Code §§ 1115, *et seq.*; (b) the Settlement shall be without force and effect upon the rights of the Parties hereto, and none of its terms shall be effective or enforceable, with the exception of this Paragraph, which shall remain effective and enforceable; (c) the Parties shall be deemed to have reverted nunc pro tunc to their respective status prior to execution of this Agreement, including with respect to any Court-imposed deadlines; (d) all Orders entered in connection with the Settlement, including the certification of the Settlement Class, shall be vacated without prejudice to any party's position on the issue of class certification, the issue of amending the complaint, or any other issue, in the Action or any other action, and the parties shall be restored to their litigation positions existing on the date of execution of this Agreement; and (e) the Parties shall proceed in all respects as if the Settlement Agreement and related documentation and orders had not been executed, and without prejudice in any way from the negotiation or fact of the Settlement or the terms of the Settlement Agreement. The Settlement Agreement, the Settlement, all documents, orders, and evidence relating to the Settlement, the fact of their existence, any of their terms, any press release or other statement or report by the Parties or by others concerning the Settlement Agreement, the Settlement, their existence, or their terms, any negotiations, proceedings, acts performed, or documents executed pursuant to or in furtherance of the Settlement Agreement or the Settlement shall not be admissible in any proceeding, and shall not be offered, received, or construed as evidence of a presumption, concession, or an admission of liability, of the certifiability of a litigation class, or of any misrepresentation or omission in any statement or written document approved or made, or otherwise used by any person for any purpose whatsoever, in any trial of the Action or any other action or proceedings.

e. Upon final approval of the Settlement by the Court, Plaintiffs will present to the Court an Order for its approval and entry of Judgment. After entry of the Judgment, the Superior Court will have continuing jurisdiction over the Action and the Settlement solely for purposes of (1) enforcing this Agreement, (2) addressing settlement administration matters, and (3) addressing such post-judgment matters as may be appropriate under court rules or applicable law.

7. **Waiver of Right to Appeal.** Provided that the Judgment is consistent with the material terms of this Agreement, Plaintiffs, Class Members who did not timely submit an Objection to the Settlement, Defendants, and their respective counsel hereby waive any and all rights to appeal from the Judgment, including all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate judgment, a motion for new trial, and any extraordinary writ, and the Judgment therefore will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceedings or post-judgment proceedings. This paragraph does not preclude Plaintiffs or Class Counsel from appealing a refusal by the Court to award the full Representative Service Award or the Class Counsel Fees and Expenses Payment sought by them, but not the approval of the Settlement otherwise. If an appeal is taken from the Judgment, the time for consummating the Settlement (including making payments to Class Members under the Settlement) will be suspended until such time as the appeal is finally resolved and the Judgment becomes Final, as defined in this Agreement.

8. **Vacation, Reversal, or Material Modification of Judgment on Appeal or Review.** If, after a notice of appeal or a petition for certiorari, or any other motion, petition, or application, the reviewing court vacates, reverses, or modifies the Judgment such that there is a material change to the Settlement, as the term "material change" is defined herein, and that court's

decision is not completely reversed and the Judgment approving the material terms of this Settlement is not fully affirmed on review by a higher court, then either Plaintiffs or Defendants will have the right to void the Settlement, which the Party must do by giving written notice to the other Parties, the reviewing court, and the Superior Court not later than thirty (30) days after the reviewing court's decision vacating, reversing, or materially modifying the Judgment becomes Final. A vacation, reversal, or modification of the Superior Court's award of the Representative Enhancement Award or the Class Counsel Fees and Expenses Payment will not constitute a vacating, reversal, or material modification of the Judgment within the meaning of this Agreement

9. **Timing of Settlement Payments.** Within seven (7) calendar days after receiving the final payment for the Gross Settlement Amount from Defendants, the Settlement Administrator will, based on how the Court rules at the Final Approval Hearing, pay the following: to Plaintiffs, the Representative Enhancement Awards; to Class Counsel, the Class Counsel Fees and Expenses Payment; to the Settlement Administrator, its reasonable fees and expenses; to the LWDA, the PAGA LWDA Award. Within seven (7) calendar days after receiving the final payment of the Gross Settlement Amount from Defendants, and after making the payments specified above, the Settlement Administrator will, based on how the Court rules at the Final Approval Hearing, calculate and distribute the Net Settlement Amount as follows: to PAGA Aggrieved Employees, their respective PAGA Shares; and to Participating Class Members, their respective Settlement Shares.

10. No Settlement Class Member shall have any claim against Plaintiffs, Class Counsel, Defendants, or the Settlement Administrator based on distributions made substantially in accordance with this Settlement Agreement and/or orders of the Court. No Settlement Class Member shall have any claim against any Released Party or its counsel relating to distributions made under this Settlement.

11. **Uncashed Settlement Share Checks.** A Class Member and/or PAGA Aggrieved Employee must cash their Settlement Share check within ninety (90) calendar days after it is mailed to them. If a check is returned to the Settlement Administrator, the Settlement Administrator will make all reasonable efforts to re-mail it to the Class Member at his or her correct address. If any Class Member's Settlement Share check is not cashed within sixty (60) days after its last mailing to the Class Member, the Settlement Administrator will send the Class Member a letter or postcard informing them that unless the check is cashed in the next thirty (30) days, it will expire and become non-negotiable, and offering to replace the check if it was lost or misplaced but not cashed. If one or more Class Members fail to cash the check for their Settlement Shares within ninety (90) days after it is mailed to their last known address, and if the aggregate funds represented by the uncashed checks total $2,500 or more, such remaining funds will be redistributed to each Participating Class Member who cashed their original

check, applying the same pro rata formula for the original Settlement Shares. This distribution shall take place within fifteen (15) business days of the check-cashing deadline. If the aggregate funds represented by the uncashed checks total less than $2,500, or any funds remain after a second disbursement, they will be donated to Centro Legal de la Raza of Oakland California with approval of the Court.

H. **Release and Waiver of Claims.**

1. **Plaintiffs.** In consideration of their Settlement Shares, PAGA Shares, and the other relevant terms and conditions of the Settlement, Plaintiffs hereby provide a general release of claims for themselves, their spouses, heirs, successors and assigns and forever releases, remises, and discharges any and all claims, charges, complaints, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, penalties and expenses of any nature whatsoever, arising from the beginning of time through the date the Superior Court grants Final Approval, known or unknown, suspected or unsuspected, whether in tort, contract, equity, or otherwise, for violation of any federal, state or local statutes, rule, ordinance or regulation, including but not limited to all claims arising out of, based upon, or relating to their employment with Defendants or the remuneration for, or termination of, such employment against Defendants and the Released Parties, their related persons and entities, including but not limited to those raised in the Action; those released by Class Members as set forth below; and those arising from or related to their employment with Defendants (the "Plaintiff's Released Claims"). Plaintiffs' Released Claims include all claims, whether known or unknown. Thus, even if Plaintiffs discover facts in addition to or different from those that he now knows or believes to be true with respect to the subject matter of Plaintiffs' Released Claims, those claims will remain released and forever barred. This release includes, without limiting the generality of the foregoing: any and all claims, demands, causes of actions, obligations, charges, liabilities, attorneys' fees, costs, actual, compensatory and punitive damages, and all claims for any other type of relief relating to, arising out of, or based upon: all claims of harassment, discrimination, and/or retaliation in violation of local, state or federal law; all claims of violation of employment; all claims based on tort and/or breach of contract, whether written or oral, express or implied, and any covenant of good faith and fair dealing; all claims for misrepresentation, fraud, fraudulent inducement, detrimental reliance, and other similar claims; all claims for unpaid commissions, wages, or other benefits, including minimum wage, overtime, double time, vacation, associated penalties and/or premiums; any claim for unlawful or unfair business practices; all claims for emotional distress; any and all claims which were or could have been asserted by Plaintiffs and all claims generally relating to Plaintiffs including any alleged violation of any federal, state or other governmental statute, regulation, ordinance, or executive order.

Therefore, because Plaintiffs are granting a general release, they expressly waive and relinquish the provisions, rights and benefits of section 1542 of the California Civil Code, which reads:

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

Thus, notwithstanding the provisions of section 1542, and to implement a full and complete release and discharge of the Released Parties, Plaintiffs expressly acknowledge this Agreement is intended to include in its effect, without limitation, all claims Plaintiffs do not know or suspect to exist in Plaintiffs' favor at the time of signing this Agreement, and that this Agreement contemplates the extinguishment of any such claims. Plaintiffs warrant that they has read this Agreement, including this waiver of California Civil Code section 1542, and that Plaintiffs have consulted with or had the opportunity to consult with counsel of Plaintiffs choosing about this Agreement and specifically about the waiver of section 1542, and that Plaintiffs understand this Agreement and the section 1542 waiver, and so Plaintiffs freely and knowingly enter into this Agreement. Plaintiffs further acknowledge that Plaintiffs later may discover facts different from or in addition to those Plaintiffs now know or believe to be true regarding the matters released or described in this Agreement, and even so Plaintiffs agree that the releases and agreements contained in this Agreement shall remain effective in all respects notwithstanding any later discovery of any different or additional facts. Plaintiffs expressly assume any and all risk of any mistake in connection with the true facts involved in the matters, disputes, or controversies released or described in this Agreement or with regard to any facts now unknown to Plaintiffs relating thereto.

2. **Class Members.** In consideration of the Settlement, each Class Member who does not timely request to be excluded from the Settlement (or "Participating Class Member") releases the Released Parties from all claims alleged in any Complaint (including any amended Complaint filed prior to final approval) in the Action, or which could have been alleged based on the facts asserted in any such Complaint, whether operative or superseded, regardless of whether such claims arise under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, which occurred during the Class Period. Released Claims also includes all claims for civil penalties under PAGA based on the Labor Code violations alleged in any of the Complaints (including any amended Complaint filed prior to

final approval) in any of the actions filed by any of the Plaintiffs, or which could have been alleged based on the legal theories, legal authorities, or facts asserted in any such Complaint, whether operative or superseded, and alleged to have occurred during the PAGA Period. The Released Claims include any and all claims, causes of action, damages, wages, premiums, penalties, attorneys' fees, costs, and any other form of relief or remedy in law, equity, of whatever kind or nature and for any relief whatsoever, including monetary, injunctive, or declaratory relief, whether direct or indirect, whether under federal law or the law of any state, which the Plaintiffs have or any Class Member has against the Released Parties for any acts occurring during the Class Period that relate to the substantive claims described in any of the Complaints, including any amended Complaint;

Any claims for injunctive relief, declaratory relief, restitution, or fraudulent business practices alleged or which could have been alleged under the facts, allegations and/or claims pleaded in the complaints filed as part of the Action; and

Any and all other claims under California or federal law that were or could have been alleged under the same or similar facts, allegations and/or claims pleaded in the Action (collectively referred to as the "Released Claims").

I. **Miscellaneous Terms.**

1. **Escalator Clause.** Defendants estimate the Settlement Class Members worked approximately 12,050 workweeks in aggregate, and this estimate serves as the basis for Plaintiffs accepting the settlement. If the number of actual workweeks at the close of the Class Period is more than 10% higher than the estimated workweeks (i.e., exceeds 13,255 workweeks), Defendants may, at their election, opt to (a) increase the GSA in the exact proportionate amount as to any additional workweeks over 10% (*i.e.*, 12% more workweeks than estimated will result in a 2% proportionate increase in the GSA) or (b) end the Class Period on the date that the total work weeks equals 12,050 Work Weeks. The option to change the end date of the Class Period must be made no later than hearing date for Plaintiffs' Motion for Preliminary Approval to ensure that the Class Notice is distributed to the correct individuals. If this provision is triggered, and Defendants elect to increase the GSA, the Parties agree that the portion of the GSA allocated to attorneys' fees will increase proportionally such that the total amount of attorneys' fees remains one-third of the GSA after the upward adjustment required by this provision is implemented..

2. **Stipulation for Class Certification.** Plaintiffs shall move for, and Defendants will not oppose, certification of the Settlement Class as defined herein, including all Class Members for purposes of settlement only, and for appointment of Named Plaintiffs as Class Representatives, and Marco A. Palau, Joseph D. Sutton, and Eric S. Trabucco of Advocates for Worker

Rights, LLP as Class Counsel. If, however, the Settlement does not become final for any reason, the Parties' Settlement Agreement, including this Stipulation for Class Certification, shall become null and void *ab initio* and shall have no bearing on, and shall not be admissible in connection with, whether class certification would be appropriate in any other context in this litigation.

3. **Dismissal of Action with Prejudice.** Upon entry of the Superior Court's Order granting Final Approval of the Settlement, and following 180 days after the Funding Date of the Settlement, the Plaintiffs shall dismiss the Action with prejudice within thirty (30) days of receiving confirmation from the Settlement Administrator that all payments required pursuant to this Agreement have been made.

4. **No Admission of Liability.** The Parties enter into this Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense and risk of continued litigation. In entering into this Agreement, Defendants do not admit, and specifically deny, violation of any federal, state, or local law; violation of any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breach of any contract; violation or breach of any duty; any misrepresentation or deception; or any other unlawful conduct with respect to its employees or any other person or entity. Neither this Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendants of any such violation(s) or failure(s) to comply with any applicable law. Defendants reserve the right to contest any issues relating to class certification and liability if the Settlement is not approved.

5. **References.** Defendants agree that any request for information or a reference related to Plaintiffs' employment with Defendants will be responded to with only the Plaintiffs' dates of employment, position(s) held, and most recent rate of pay.

6. **Revocation Period.** Plaintiffs understand that, after executing this Agreement, they have the right to revoke it within seven (7) days after execution. Plaintiffs understand that this Agreement will not become effective and enforceable unless and until the 7 day revocation period has expired. The release provided for in this Agreement by Plaintiffs shall become effective and enforceable as of the Effective Date of this Agreement, provided that the Effective Date of this Agreement occurs after the 7 day revocation period has expired.

7. **Enforcement.** The Parties agree that the Sacramento County Superior Court shall have continuing jurisdiction to enforce the terms of this Agreement pursuant to California Civil Procedure Code section 664.6. In the event that a motion to enforce this Agreement is required to be filed to a Party's failure to comply with the terms herein, the prevailing party shall be awarded reasonable attorney's fees and costs.

8. **Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement will constitute the entire agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any Party concerning this or other than the representations, warranties, covenants, and inducements expressly stated in this Agreement.

9. **Attorney Authorization.** Class Counsel and Defendants' Counsel warrant and represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the Superior Court, and in all cases all such documents, supplemental provisions and assistance of the Superior Court will be consistent with this Agreement.

10. **Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Action in abeyance, including any outstanding written discovery, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval hearing to be conducted by the Superior Court.

11. **Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their successors-in-interest.

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

13. **No Prior Assignment.** Plaintiffs hereby represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged.

14. **Applicable Law.** All terms and conditions of this Agreement will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.

15. **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.

16. **Fair, Adequate, and Reasonable Settlement.** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arm's length negotiations, taking into account all relevant factors, current and potential.

17. **No Tax or Legal Advice.** The Parties understand and agree that the Parties are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Agreement, and that Class Members will assume any such tax obligations or consequences that may arise from this Agreement, and that Class Members shall not seek any indemnification from the Parties or any of the Released Parties in this regard. The Parties agree that, in the event that any taxing body determines that additional taxes are due from any Class Member, such Class Member assumes all responsibility for the payment of such taxes.

18. **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.

19. **Notice.** All notices, demands or other communications given under this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by U.S. Mail, addressed as follows:

CLASS COUNSEL

Marco A. Palau
Joseph D. Sutton
Eric S. Trabucco
Advocates for Worker Rights LLP
212 9th Street, Suite 314
Oakland, CA 94607
Tel: (510) 269-4200 / Fax: (408) 657-4684

DEFENDANTS' COUNSEL

Katie Collins
Duggan McHugh
641 Fulton Ave Ste 100
Sacramento, CA 95825
Tel: (916) 550-5309

20. **Spanish Translation.** Class Counsel represent that they have translated this Agreement into Spanish and made that translation available to Plaintiffs before they executed this Agreement.

21. **Invalidity of Any Provision; Severability.** Before declaring any provision of this Agreement invalid, the Parties request that the Superior Court first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable. In the event any provision of this Agreement shall be found unenforceable, the unenforceable provisions shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

22. **Execution in Counterpart.** This Agreement may be executed in one or more counterparts. All executed counterparts and each of them will be deemed to be one and the same instrument. Facsimile and electronic signatures will be accepted in accordance with California law. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

IV. EXECUTION BY PARTIES AND COUNSEL

The Parties hereby execute this Agreement.

Dated: 06/05/2025

By Plaintiff Sergio Rodriguez: ______________________________

Dated: 06/04/2025

By Plaintiff Eduardo Romero: Eduardo Romero Vazquez

Dated: 06 / 11 / 2025

Defendant Sac Pool Pros, Inc.

By David A. Randolph : David Randolph

Dated: 06 / 11 / 2025

Defendant David A. Randolph

By David A. Randolph : David Randolph

Approved as to Form:

Dated: 06/05/2025

Advocates for Worker Rights LLP, Counsel for Plaintiffs Sergio Rodriguez and Eduardo Romero

By Joseph D. Sutton: Joseph D. Sutton

Dated: 06.11.2025
Duggan McHugh

By Katie Collins:

EXHIBIT A

Superior Court of California of Sacramento County

Sergio Rodriguez and Eduardo Romero v. Sac Pool Pros, Inc., et al.

Case No. 24CV017124

Class Action Notice

Authorized by the Superior Court of Sacramento County

Did you work for Sac Pool Pros, Inc. as a non-exempt employee within the State of California at any time from August 28, 2020 through __________?

There is a $194,500.00 settlement of a lawsuit.

You may be entitled to money.

To be part of this settlement, you should:

Read this notice.

Respond by [date].

Important things to know:

- If you take no action, you will be bound by the settlement, and your rights will be affected.

Table of Contents

About This Notice

Why did I get this notice?

This notice is to tell you about the settlement of a class action lawsuit, *Sergio Rodriguez and Eduardo Romero v. Sac Pool Pros, Inc., et al.* brought for people who worked for Sac Pool Pros, Inc. as non-exempt workers within the State of California at any time from August 28, 2020 through ___________, 2025. **You received this notice because you may be a member of the group of people affected, called the "class."** This notice gives you a summary of the terms of the proposed agreement, explains what rights class members have, and helps class members make decisions about what action to take.

What do I do next?

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** ____________	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. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees (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 except with respect to the PAGA 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 Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable.
You Can Participate in	The Court's Final Approval Hearing is scheduled to take place on ____________. You don't have to attend but

the ____________ Final Approval Hearing	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.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by ____________	The amount of your Individual Class Payment and Individual PAGA Payment (if any) depend 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 Pay Periods you worked according to Defendant's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by ____________.

What are the most important dates?

Your deadline to opt out: **[date]**
Settlement final approval hearing: **[date]**

Learning About the Lawsuit

What is this lawsuit about?

Where can I learn more?
You can get a complete copy of the proposed settlement and other key documents in this lawsuit at: [website]

On August 28, 2024, Plaintiffs Eduardo Romero and Sergio Rodriguez ("Plaintiffs") filed a class action Complaint in Sacramento County Superior Court (Case No. 24CV017124) on behalf of themselves and all others similarly situated, against Sac Pool Pros, Inc. and David A. Randolph ("Defendants") asserting causes of action for (1) failure to pay all wages owed; (2) failure to pay overtime wages; (3) failure to separately pay for rest, recovery, and unproductive time; (4) failure to provide meal periods or pay premium wages in lieu thereof; (5) failure to authorize and permit rest breaks or pay premium wages in lieu thereof; (6) failure to furnish accurate wages statements; (7) failure to pay final wages upon cessation of employment; (8) failure to reimburse for legitimate business expenses; (9) violation of California's Unfair Competition Law; and (10) civil penalties pursuant to PAGA.

After engaging in investigation, as well as a full-day mediation session before an experienced mediator, the Parties agreed on the proposed Settlement that was preliminarily approved by the Court on [DATE OF PRELIM. APPROVAL].

Defendants deny all liability arising from the Action and are confident they have strong legal and factual defenses to Plaintiffs' claims. Defendants contend that, at all relevant times, Defendants properly compensated all employees and fully complied with all applicable laws. Defendants also deny that the Action is appropriate to maintain as a class or representative action.

Why is there a settlement in this lawsuit?

In May 2025, the Parties agreed to settle, which means they have reached an agreement to resolve the lawsuit. Both sides want to avoid the cost and risk of continuing the case in court.

The settlement is for people who worked for Sac Pool Pros Inc. as non-exempt employees within the State of California at any time from August 28, 2020 through ___________, 2025. The Court has not decided this case in favor of either side.

What happens next in this lawsuit?

The Court will hold a Final Approval Hearing to decide whether to approve the proposed settlement. The hearing will be held at:

Where: Department 23 of Sacramento County Superior Court, 720 9th Street, Sacramento, California 95814.

When: [time] on [date].

The Court has directed the parties to send you this notice about the proposed settlement. Because the settlement of a class action decides the rights of all members of the proposed class, the Court must give final approval to the settlement before it can take effect. Payments will only be made if the Court approves the settlement.

You don't have to attend the hearing, but you may at your own expense. You may also ask the Court for permission to speak and express your opinion about the settlement. If the Court does not approve the settlement, it will not take effect and the lawsuit will continue. The date of the hearing may change without further notice to members of the class. To learn more and confirm the hearing date, go to

Learning About the Settlement

What does the settlement provide?

Defendants have agreed to pay $194,500.00 into a settlement fund. Defendants will fully fund the settlement by approximately seven (7) months after the Court grants final approval of the settlement.

This money will be divided among the class members and will also be used to pay for costs and lawyer fees approved by the Court, and for the cost of administering this settlement. Members of the settlement class will "release" their claims as part of the settlement, which means they cannot sue Defendants for the same issues and legal violations raised in this lawsuit. The full terms of the release can be found at ________________________.

The settlement also provides up to $7,500 each to Class Representatives Eduardo Romero and Sergio Rodriguez, to compensate them for their work on the case. These awards are called "service payments."

If one or more Class Members fail to cash the check for their Settlement Shares within 90 days after it is mailed to their last known address, and if the aggregate funds represented by the uncashed checks total two thousand five hundred dollars ($2,500) or more, such remaining funds will be redistributed to each Participating Class Member who did cash their original check, applying the same pro rata formula for the original Settlement Shares. If the aggregate funds represented by the uncashed checks total less than $2,500, or any funds remain after a second distribution, they will be donated to Centro Legal de la Raza of Oakland, CA with approval of the Court.

How much will my payment be?

You will receive an estimated $ [individual amount.] Your payment amount is based on the following factors:

- The number of workweeks you worked for Defendants as a non-exempt employee during the time period between August 28, 2020 and _______________, 2025. If you were an employee who was paid a piece rate, these workweeks will be weighted in the calculation of your settlement payment.
- The amount of the lawyer fees, costs, and service payments approved by the Court.

Deciding What to Do

How do I get a payment if I am a class member?

If you wish to receive money, you don't have to do anything. If the proposed settlement is granted approval by the Court your payment will be mailed to the last known address Defendants have for you.

Do I have a lawyer in this lawsuit?

In a class action, the court appoints lawyers to work on the case and represent the interests of all the class members. In this case, the Court has appointed the following lawyers.

Your lawyers: Marco A. Palau, Joseph D. Sutton and Eric S. Trabucco of Advocates for Worker Rights LLP. These are the lawyers who negotiated this settlement on your behalf.

If you want to be represented by your own lawyer, you may hire one at your own expense.

Do I have to pay the lawyers in this lawsuit?

Lawyers' fees and costs will be paid from the Settlement Fund. **You will not have to pay the lawyers directly.**

To date, your lawyers have not been paid any money for their work or the expenses that they have paid for the case. To pay for some of their time and risk in bringing this case without any guarantee of payment unless they were successful, your lawyers will request, as part of the final approval of this Settlement, that the Court approve a payment of up to $64,833.33 in attorneys' fees plus the reimbursement of out-of-pocket expenses.

Lawyers' fees and expenses will only be awarded if approved by the Court as a fair and reasonable amount. You have the right to object to the lawyers' fees even if you think the settlement terms are fair.

Your lawyers will also ask the Court to approve a payment of $7,500 each to the Class Representatives Eduardo Romero and Sergio Rodriguez for the time and effort they contributed to the case. If approved by the Court, the Service Awards will be paid from the Settlement Fund.

Opting Out

How do I opt out?

To opt out of the settlement, you must complete the opt out form included with this notice and mail it by [date] to the Settlement Administrator at:

[ILYM Group, Inc.]
[Street address]
[City, State, Zip Code]
[Phone Number]

Be sure to include your name, address, telephone number, and signature.

Objecting

What if I disagree with the settlement?

If you disagree with any part of the settlement (including the lawyers' fees) but don't want to opt out, you may object. You may give reasons why you think the Court should not approve the settlement and say whether your objection applies to just you, a part of the class, or the entire class. The Court will consider your views. The Court can only approve or deny the settlement — it cannot change the terms of the settlement. You may, but don't have to, hire your own lawyer to help you.

To object, you may send a letter to the Settlement Administrator that:

(1) is postmarked by [date];
(2) includes the case name and number (*Sergio Rodriguez and Eduardo Romero v. Sac Pool Pros, Inc., et al.*, Case No. 24CV017124)
(3) includes your full name, address and telephone number, and email address (if you have one);
(4) states the reasons for your objection; and
(5) your signature.

Mail the letter to:

[ILYM Group, Inc.]
[Street address]
[City, State, Zip Code]
[Phone Number]

You may also object to the Settlement by appearing at the approval hearing and stating your objection to the Court. The approval hearing will take place in Department 23 of the Sacramento County Superior Court, 720 9th Street, Sacramento, California 95814 on ______________ at _______ a.m. You may also appear remotely at the final approval hearing via the following:

To join by Zoom link: - https://saccourt-ca-gov.zoomgov.com/my/sscdept23
To join by phone: (833) 568-8864 / ID: 16108301121

Doing Nothing

What are the consequences of doing nothing?

If you do nothing, you will receive money (your settlement share) and release your right to bring similar claims against Defendants. That means you won't be able to start, continue, or be part of any other lawsuit against Defendants about the issues in this case. A full description of the claims and persons who will be released if this settlement is approved can be found at ___________________________

Key Resources

How do I get more information?

This notice is a summary of the proposed settlement. The complete settlement with all its terms can be found at ________________________________ To get a copy of the settlement agreement or get answers to your questions:

- contact the lawyer for the settlement class (information below)
- visit the case website at ________________________________
- access the Court's Public Portal online (https://www.saccourt.ca.gov/indexes/new-portal-info.aspx) or by visiting the clerk's office of the Court (address below)

Resource	Contact Information
Case website	___________________
Settlement Administrator	[ILYM Group, Inc.] [Street address] [City, State, Zip Code] [Phone Number]
Your Lawyers	Advocates for Worker Rights LLP info@advocatesforworkers.com 212 9th Street, Suite 314 Oakland, CA 94607 info@advocatesforworkers.com

Defendants' Lawyers	Laura C. McHugh, Esq. Katie A. Collins, Esq. **DUGGAN MCHUGH LAW CORPORATION** 641 Fulton Ave., Suite 100 Sacramento, CA 95825 Telephone: (916) 550-5309 Facsimile: (916) 404-5900 Email: Laura@dugganmchugh.com Email: Katie@dugganmchugh.com
Court (DO NOT CONTACT)	Department 23 of the Sacramento County Superior Court 720 9th Street Sacramento, California 95814

REQUEST FOR EXCLUSION/OPT-OUT FORM

Sergio Rodriguez and Eduardo Romero v. Sac Pool Pros, Inc., et al.
(Sacramento County Superior Court Case No. 24CV017124)

ONLY RETURN THIS FORM IF YOU DO NOT WANT TO PARTICIPATE IN THE SETTLEMENT. RETURNING THE FORM AND CHOOSING NOT TO PARTICIPATE MEANS YOU WILL NOT RECOVER ANY SETTLEMENT AMOUNT FOR THE CLASS CLAIMS RAISED AND THAT YOU WILL NOT BE COVERED BY THE RELEASE IN THIS CASE FOR THE CLASS CLAIMS. IF YOU WERE EMPLOYED DURING THE PAGA PERIOD, YOU WILL RECEIVE A PORTION OF THE PAGA PAYMENT AND WILL BE CONSIDERED TO HAVE RELEASED THE PAGA CLAIM.

DEADLINE TO RETURN THIS FORM TO SETTLEMENT ADMINISTRATOR (POSTMARK, FAX OR EMAIL AT THE ADDRESS PROVIDED AT THE BOTTOM OF THE FORM) BY **[DATE].**

I do NOT want to participate in the above-described settlement in connection with the class and representative action lawsuit against Sac Pool Pros, Inc. and David A. Randolph.

___________________________ Date: ______________________________

Signed

___________________________ (____) ___________________________

Printed Name Telephone Number

____

Last 4 Digits of Social Security # or ITIN

Address:____

Sergio Rodriguez and Eduardo Romero v. Sac Pool Pros, Inc., et al.
ILYM Group, Inc.
MAILING ADDRESS 1
MAILING ADDRESS 2
PHONE
FAX
EMAIL ADDRESS

<u>CLASS MEMBER VERIFICATION FORM</u>

Sergio Rodriguez and Eduardo Romero v. Sac Pool Pros, Inc., et al.
(Sacramento County Superior Court Case No. 24CV017124)

ONLY RETURN THIS FORM IF you believe Sac Pool Pros, Inc.'s records of the number of workweeks you worked during Class Period in the Class Notice is inaccurate. If you believe this information is inaccurate you may submit this Dispute Form to the Settlement Administrator by email, FAX, or mail, *including supporting documents* (such as paycheck stubs) to the Settlement Administrator at:

Sergio Rodriguez and Eduardo Romero v. Sac Pool Pros, Inc., et al.
ILYM Group, Inc.
MAILING ADDRESS 1
MAILING ADDRESS 2
PHONE
FAX
EMAIL ADDRESS

This Class Member Dispute Form and supporting documents must be postmarked, faxed, or emailed by no later than [**<u>DISPUTE DATE</u>**]. The Settlement Administrator will inform the Class Member regarding the final determination of their total number of workweeks.

Name: ____

Phone Number: ______________________________________

Social Security #: ____________________________________

Email: ____

I believe the number of workweeks indicated in the Class Notice sent to me is inaccurate. I worked _______________ workweeks for Defendants between August 28,2020 through __________, 2025.

____

Signature

____

Date

Please list supporting documentation that you are attaching to this Form:

____

____

____

NOTICE OF RE-MAILING

Sergio Rodriguez and Eduardo Romero v. Sac Pool Pros, Inc., et al.
(Sacramento County Superior Court Case No. 24CV017124)

Class Member's Name
Class Member's Address
Class Member's Address

Dear Class Member,

Earlier, a Class Notice was mailed to you at another address, which was returned to the Settlement Administrator because that address was invalid. Enclosed please find a Class Notice that contains important information, including your rights pertaining to a settlement in the above-referenced case and deadlines for you to act.