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Attorneys for Plaintiff PHILLIP POWELL, individually,  
and on behalf of himself and all others similarly situated

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

PHILLIP POWELL and ANGEL  
GONZALEZ, on behalf of themselves and all  
others similarly situated,

Plaintiffs,

v.

R & S BEVERAGE COMPANY LP, a  
California limited partnership; and DOES 1  
through 50, inclusive,

Defendants.

Case No. 24UC70842

Assigned for All Purposes to:  
Hon. Stephen Place  
Dept: 1

**DECLARATION OF CHRISTINA M.  
LUCIO IN SUPPORT OF PLAINTIFFS'  
MOTION FOR:**

- (1) PRELIMINARY APPROVAL OF  
CLASS ACTION AND PAGA  
SETTLEMENT AGREEMENT;**
- (2) APPROVAL OF NOTICE TO CLASS  
MEMBERS AND RELATED  
MATERIALS;**
- (3) APPROVAL OF SETTLEMENT  
ADMINISTRATOR; AND**
- (4) SETTING HEARING FOR FINAL  
APPROVAL OF SETTLEMENT**

Date: June 12, 2026  
Time: 1:00 PM

COMPLAINT FILED: JUNE 7, 2024  
FAC FILED: APRIL 10, 2026

1 I, Christina M. Lucio, declare as follows:

2 1. I am an individual over the age of 18. I am the founding partner at the law firm of  
3 EmpLaw, LLP. We are the attorneys of record for Plaintiff PHILLIP POWELL, who together with  
4 Plaintiff ANGEL GONZALEZ ("Plaintiffs" or "Class Representatives"), have filed this Class and  
5 PAGA action on behalf of themselves and the proposed settlement class (the "Class") and Aggrieved  
6 Employees in the above-captioned matter against Defendant R&S BEVERAGE COMPANY  
7 ("Defendant" or "R & S") (collectively with Plaintiffs, the "Parties"). I have personal knowledge of  
8 the facts set forth below, and if called to testify regarding them, I could and would do so competently.

9 2. I submit this Declaration in support of Plaintiffs' Motion for Preliminary Approval  
10 of Class Action and PAGA Settlement, Approval of Class Notice, Approval of Settlement  
11 Administrator and Setting Hearing for Final Approval of Settlement (the "Preliminary Approval  
12 Motion"), which is filed concurrently herewith, along with the Memorandum of Points and  
13 Authorities. For the Court's convenience, the Class Action and PAGA Settlement is attached hereto  
14 as **Exhibit 1**, and the Class Notice is attached hereto as **Exhibit 2**.

15 3. I have no knowledge of the existence of any conflicting interests between my firm  
16 and any of its attorneys, and Plaintiffs or any other Class Member.

17 4. After a full-day arms' length mediation facilitated by an experienced neutral (Steve  
18 Paul) and subsequent mediator's proposal, the Plaintiffs and Defendant have entered into the  
19 Stipulation of Settlement ("Settlement") attached hereto as Exhibit 1.

20 5. Pursuant to the terms of the Settlement, Plaintiffs and the Class will fully release and  
21 discharge Defendant from the claims brought against it in this matter in exchange for Defendant's  
22 agreement to pay \$277,500.00 on a non-reversionary, non-claims made basis (each Settlement Class  
23 Member will receive his/her share of the Net Settlement Amount without having to submit a claim  
24 form or taking action, except for those who opt-out). Plaintiffs seek to represent a settlement class  
25 of all persons who are or were employed by Defendant as exempt and non-exempt employees who  
26 worked in the State of California during the Class Period (June 7, 2020 through the date of  
27 preliminary approval) and assert claims for (1) failure to pay minimum wages; (2) failure to pay  
28 overtime owed; (3) failure to provide lawful meal periods; (4) failure to authorize and permit rest

1 periods; (5) failure to timely pay wages during employment; (6) failure to timely pay wages owed  
2 upon separation from employment; (7) failure to reimburse necessary expenses; (8) failure to comply  
3 with itemized wage statement provisions; (9) unfair competition; (10) failure to comply with Labor  
4 Code Sections 212 and 213; (11) failure to produce personnel file and employment records; and (12)  
5 penalties pursuant to the Private Attorneys General Act of 2004, Labor Code § 2698 *et seq*  
6 (“PAGA”). The Parties agree for the purposes of this settlement only that Plaintiffs' allegations meet  
7 the commonality requirement. The claims are as follows:

- 8 a. Failure to Pay Minimum Wages: Plaintiffs allege that they and the Class Members  
9 were mandated to perform work while off the clock, such as responding to emails,  
10 handling client inquiries, and completing company tasks. Plaintiffs and the Class  
11 Members allege they were not fully compensated for this time in violation of the  
12 Labor Code and applicable Wage Orders.
- 13 b. Failure to Pay Overtime Owed: To the extent the aforementioned alleged failure to  
14 compensate for time worked before and after scheduled shifts and during deducted  
15 meal and rest periods, such violations represent an alleged failure to pay overtime.  
16 Furthermore, Plaintiffs allege Defendant failed to pay overtime at the regular rate of  
17 pay because Defendant failed to incorporate non-discretionary bonuses and  
18 incentives into the regular rate of pay for purposes of calculating overtime pay.
- 19 c. Failure to Provide Meal Periods: Plaintiffs alleged that they and other Class Members  
20 were not provided compliant lunch breaks. For instance, due to staffing shortages  
21 and job demands, often eating while driving, and that the employer manipulated time  
22 records to falsely show compliant 30-minute meal periods despite employees not  
23 receiving lawful, duty-free breaks, which caused Plaintiffs and Class Members to  
24 miss taking a timely and full 30-minute meal break in violation of the Labor Code  
25 and Applicable Wage Orders. Plaintiffs also allege that meal periods (including  
26 second meal periods) were not lawfully provided as a matter of policy and practice.  
27 Plaintiffs allege that premiums were not paid for these missed, short, or late lunch  
28 breaks. Plaintiffs allege that to the extent premiums were paid, they were paid at the

1 wrong rate, because such premiums were not paid at the correct regular rate.

- 2 d. Failure to Authorize and Permit Rest Periods: Plaintiffs allege that Defendant failed  
3 to authorize and permit lawful rest periods. Specifically, Plaintiffs and Class  
4 Members were unable to take rest periods due to the volume of work assigned,  
5 unrealistic work requirements, and frequent interruptions of rest breaks. Defendant's  
6 policy put the onus on employees to provide their own breaks. Further, Defendant did  
7 not pay premiums for these late, short, or missed rest periods. Plaintiffs allege that  
8 to the extent premiums were paid, they were paid at the wrong rate, because such  
9 premiums were not pad at the correct rate.
- 10 e. Failure to Timely Pay Wages Owed Upon Separation from Employment: Plaintiffs  
11 assert direct and derivative violations. Plaintiffs allege that Defendant failed to pay  
12 Plaintiffs and the Class Members whose employment ended during the relevant time  
13 period rest period premiums, meal period premiums, and all minimum wages and  
14 overtime wages owed at the time of their termination/separation. As result of  
15 Defendant's policies, Class Members whose employment ended during the relevant  
16 time period were not timely paid their final wages.
- 17 f. Failure to Pay Sick Pay: Plaintiffs allege that Defendant failed to incorporate non-  
18 discretionary incentives and bonuses into the regular rate of pay for purposes of  
19 paying sick pay in violation of the Labor Code and Wage Orders.
- 20 g. Failure to Provide Accurate, Itemized Wage Statements: Plaintiffs allege that  
21 Defendant intentionally and knowingly failed to provide Plaintiffs and employees  
22 with accurate itemized wage statements as required by Labor Code § 226, as Plaintiffs  
23 and others have not been properly compensated by Defendant for all hours worked  
24 and have not been paid all compensation due and owing, including all minimum and  
25 overtime wages, and meal and rest period premiums. Accordingly, the wage  
26 statements issued by Defendant allegedly do not include the correct amount of gross  
27 and net wages earned, total hours worked by the employee, and all applicable hourly  
28 rates in effect during the pay period and the corresponding number of hours worked

at each hourly rate by the employee as required under Labor Code section 226.

- h. Failure to Reimburse Necessary Expenses: Plaintiffs allege that Defendant required Class Members to use their personal cell phones for work purposes and they were not reimbursed for this expense.
- i. Failure to Comply with Labor Code Sections 212 and 213: Plaintiffs allege that Defendant required California employees to receive wages through a pay card/gift cards;
- j. Failure to Produce Personnel File and Employment Records: Plaintiffs allege Defendant failed to produce wage statements, payroll records, personnel files, and documents that relate to employment of the Class Members;
- k. UCL Violations: Plaintiffs alleges that by failing to provide compliant rest and meal periods, rest and meal period premiums, minimum wages, overtime wages, accurate itemized wage statements, reimbursement for business expenses, final pay, and other statutory penalties to Class Members, and committing the above-described Labor Code violations, Defendant engaged in unlawful, unfair, and/or fraudulent business practices and is liable for restitution to the Class Members under the Unfair Competition Law.
- l. PAGA Penalties: Plaintiffs further argue that they and the other Aggrieved Employees were entitled to penalties under the Private Attorneys General Act of 2004, Labor Code § 2698 *et seq.* (“PAGA”).

6. With respect to Plaintiffs’ claims for meal and rest period violations, Defendant argued that there is no common policy or practice to deprive employees of meal or rest periods and that Defendant’s meal and rest period policies comply with California law, and that rest periods are not recorded which inherently makes certification more difficult.

7. With respect to Plaintiffs’ claims for unpaid minimum and overtime wages, Defendant argued that it properly paid Plaintiffs and the Class Members for all hours worked. Defendant also argued that these claims would fail as they were largely derivative, and they would defeat certification on Plaintiffs’ claims for unpaid overtime wages due to regular rate of pay

1 miscalculations.

2 8. At the time of mediation and settlement, Defendant contended that Plaintiffs' wage  
3 statement claim would fail because it is derivative of Plaintiffs' other claims. Additionally,  
4 Defendant contended that the Class suffered no actual "injury" as required under Labor Code section  
5 226(e) and that any violation of the Labor Code was not "knowing and intentional".

6 9. Defendant also contended that Plaintiffs and the Class were not entitled to waiting  
7 time penalties under Labor Code section 203 in any derivative sense, and also because any Labor  
8 Code violations were not intentional and as a result Plaintiffs would have difficulty proving the  
9 requisite willfulness. Defendant denied that there were certifiable direct violations of Labor Code  
10 sections 201 and 202.

11 10. At the time of mediation, Defendant contended that Plaintiffs would be unable to  
12 certify the expense reimbursement claims since it will involve an individual inquiry as to each  
13 specific situation during which the employee used his or her personal cell phone. Additionally,  
14 Defendant contended that there was no uniform policy or practice requiring or expecting Class  
15 Members to use their cell phones for business purposes.

16 11. Defendant contended that they did not pay wages through pay cards or gift cards.

17 12. Defendant contended they timely responded and produced all wage statements,  
18 payroll records, personnel files, and documents that relate to employment requested by Plaintiffs and  
19 Class Members.

20 13. Plaintiffs estimated Defendant's maximum liability to be approximately  
21 \$3,439,424.80 exclusive of PAGA, and \$3,742,424.80 inclusive of PAGA, based on a class size of  
22 210 individuals who worked approximately 15,868 workweeks during the class period. However,  
23 in light of the foregoing defenses and risks, despite Defendant's potentially massive maximum  
24 exposure, Plaintiffs calculated Defendant's realistic, risk-adjusted exposure at \$662,396.92, inclusive  
25 of PAGA, with each claim separately valued as follows:

- 26 a. Unpaid Wages (Including Overtime and Regular Rate Underpayments): Plaintiffs  
27 calculated Defendant's realistic, risk-adjusted exposure for unpaid wages due to off-  
28 the-clock work, including overtime and due to miscalculations in the regular rate of

1 pay, at \$17,949.80 after taking discounts for the likelihood that Plaintiffs' claim could  
2 fail on the merits, difficulties and risks of attaining and maintaining class  
3 certification, difficulties in proving the full extent of Plaintiffs' claims, and  
4 Defendant's strong defenses, including that Defendant's policy was facially valid,  
5 and that any failure to pay wages was not knowing and willful.

6 b. Unpaid Meal Period Premiums: Plaintiffs calculated Defendant's realistic, risk-  
7 adjusted exposure for unpaid meal period premiums at \$261,655.10, after taking  
8 discounts for the likelihood that Plaintiffs' claim could fail on the merits, difficulties  
9 and risks of attaining and maintaining class certification, difficulties in proving the  
10 full extent of Plaintiffs' claims, and Defendant's strong defenses, including that  
11 Defendant's policy was facially valid, and that any failure to pay meal period  
12 premiums at the full rate was not knowing and willful.

13 c. Unpaid Rest Period Premiums: Plaintiffs calculated Defendant's realistic, risk-  
14 adjusted exposure for rest period premiums at \$163,210.90 after taking discounts for  
15 the likelihood that Plaintiffs' claim could fail on the merits, difficulties and risks of  
16 attaining and maintaining class certification, difficulties in proving the full extent of  
17 Plaintiffs' claims given that rest periods are typically unrecorded, and Defendant's  
18 strong defenses, including that Defendant's policy was facially valid, and that any  
19 failure to authorize and permit rest periods was due to individual choices by  
20 employees to not take rest periods, and that any failure to pay rest period premiums  
21 was not knowing and willful.

22 d. Unreimbursed Expenses: Plaintiffs calculated Defendant's realistic, risk-adjusted  
23 exposure for unreimbursed business expenses at \$45,620.50 after taking discounts for  
24 the likelihood that Plaintiffs' claim could fail on the merits, difficulties and risks of  
25 attaining and maintaining class certification, difficulties in proving the full extent of  
26 Plaintiffs' claims, and Defendant's strong defenses, including that Defendant's policy  
27 did not require cell phone use or other personal expenditures, Defendant had a policy  
28 of reimbursing necessary expenses, and Defendant provided alternative means to

complete work duties than using personal cell phones.

- e. Waiting Time Penalties: Plaintiffs calculated Defendant's realistic, risk-adjusted exposure for waiting time penalties at \$53,963.52 after taking discounts for the likelihood that Plaintiffs' claim could fail on the merits, difficulties and risks of attaining and maintaining class certification, difficulties in proving the full extent of Plaintiffs' claims, and Defendant's strong defenses, including that Plaintiffs' waiting time claims are almost entirely derivative of their other claims, that Defendant's policy is facially valid, and that Defendant's conduct was not knowing and willful.
- f. Wage Statement Penalties: Plaintiffs calculated Defendant's realistic, risk-adjusted exposure for wage statement penalties at \$44,437.50, after taking discounts for the likelihood that Plaintiffs' claim could fail on the merits, difficulties and risks of attaining and maintaining class certification, difficulties in proving the full extent of Plaintiffs' claims, and Defendant's strong defenses, including that Defendant's conduct was not knowing and willful, that Plaintiffs' wage statement claims are entirely derivative, and that Class Members suffered no actual injury.
- g. Sick Pay Penalties: Plaintiffs calculated Defendants' realistic, risk-adjusted exposure for failure to provide and properly compensate sick leave at *de minimis*, after considering the risks associated with proving that sick leave was not properly accrued or paid at the correct rate, challenges in demonstrating willful or systematic violations across the class, the Defendants' strong defenses, including the potential argument that Defendants had a compliant written policy, and the likelihood that Defendants would argue any underpayments were inadvertent.
- h. Failure to Comply with Labor Code Sections 212 and 213: Plaintiffs calculated Defendants' realistic, risk-adjusted exposure for alleged violations of Labor Code sections 212 and 213 at *de minimis*, after considering the risks associated with proving unlawful methods of wage payment or resulting harm, the derivative nature of the claims, challenges in establishing classwide impact, and Defendants' strong defenses that their payroll practices were compliant and any alleged violations were

technical and non-injurious.

- i. Failure to Produce Personnel File and Employment Records: Plaintiffs calculated Defendants' realistic, risk-adjusted exposure for alleged failures to produce personnel files and employment records at *de minimis*, after considering the risks in proving noncompliance with statutory requirements, difficulties in demonstrating harm or penalties on a classwide basis, and Defendants' strong defenses that they maintained compliant procedures and that any delays were inadvertent or isolated.
- j. PAGA Penalties: Plaintiffs calculated Defendant's realistic, risk adjusted for PAGA penalties at \$75,750 or \$25 per PAGA pay period and 3,030 pay periods, based on the Court's likely reduction of PAGA penalties due to Defendant's conduct not being knowing and willful, Defendant's arguments on the merits and issues of proof, and Defendant's arguments that Plaintiffs' PAGA claim is unmanageable, which was a genuine issue at the time of mediation.

14. Under the terms of the Settlement, Defendant will not oppose Class Counsels' application for a reasonable award of attorney's fees not to exceed 33 1/3% of the Settlement Amount, totaling \$92,500.00 (pursuant to class counsel's joint prosecution agreement, 70% of this fee is to be paid to EmpLaw, LLP, and 30% to Otkupman Law Firm), Class Counsels' litigation costs not to exceed \$16,640.00, Settlement Administration Costs not to exceed \$5,790.00, PAGA penalties of \$15,500.00 (of which \$11,625 or 75% will be paid to the LWDA and the remaining \$3,875.00 or 25% will be paid to the Settlement Class Members), and Service Award to Plaintiffs not to exceed \$2,500.00 each.

15. I fully support the Settlement on these terms, and respectfully submit that the Settlement is fair, reasonable, and adequate in light of all known facts.

16. Given the realistic value of Plaintiffs' claims as set forth above, the \$277,500.00 Settlement Amount amounts to approximately 42% of Defendant's realistic maximum liability, is an excellent result for the Settlement Class. Approximately 210 Class Members will be able to participate in the Settlement if they do not request exclusion.

1           17. Preliminary approval is appropriate since the Settlement will provide significant  
2 monetary relief to the Settlement Class.

3           18. The Settlement was the product of extensive arm's length negotiations between  
4 counsel and was facilitated by Steve Paul, an experienced wage-and-hour class action mediator, over  
5 the course of a full day mediation on June 9, 2025. The Parties agreed to mediation and informal  
6 discovery in order settle Plaintiffs' claims and to avoid the uncertainty and expense of litigation. In  
7 connection with the anticipated mediation, the Parties exchanged extensive informal discovery,  
8 including production of time and pay records for a sizable sample of the Putative Class. In advance  
9 of mediation, Defendant provided a sampling of class-wide redacted payroll and time data and  
10 relevant policy documents. Though cordial and professional, the Settlement negotiations were  
11 adversarial and non-collusive in nature. The Parties did reach an agreement at mediation which was  
12 memorialized in a Memorandum of Understanding ("MOU"), and thereafter incorporated into a  
13 long-form Stipulation of Settlement. The Settlement reached is the product of substantial effort by  
14 the Parties and their counsel. Although Plaintiffs and Class Counsel believed that there was a  
15 possibility of certifying the claims, they recognized the potential risk, expense, and complexity posed  
16 by litigation, such as unfavorable decisions on class certification, summary judgment, at trial and/or  
17 on the damages awarded, and/or on an appeal that can take several more years to litigate. In addition,  
18 if Defendant prevailed on any of its defenses, the Settlement Class Members may not have received  
19 any substantial monetary recovery.

20           19. The Settlement will result in a fair payment to each Settlement Class Member based  
21 on the number of Weeks Worked during the Class Period. Plaintiffs and their counsel have diligently  
22 investigated the claims and defenses on behalf of the Settlement Class Members and worked to  
23 achieve a resolution of the claims to maximize the recovery by avoiding further expenditure of  
24 attorneys' fees and costs. After evaluating the significant risks attendant with further litigation  
25 described above and weighing them against the benefits of a known compromise and settlement as  
26 set forth in the Settlement Agreement, settlement on the terms agreed to is believed to be in the best  
27 interest of Plaintiffs and the Settlement Class, and is a fair and reasonable resolution of the claims  
28 alleged.

1           20.     Plaintiffs' counsel brought to bear a great deal of collective experience in negotiating  
2 the settlement of this case and investigating the claims and defenses. Plaintiffs' counsel engaged in  
3 necessary informal discovery, investigation, sampling and expert evaluation, disclosures, document  
4 review (e.g., documents pertaining to Defendant's policies and procedures, personnel documents,  
5 wage statements, time records, among others) and conducted an extensive analysis and extrapolation  
6 of the sampling of class-wide data provided by Defendant. Plaintiffs' counsel also conducted  
7 extensive investigation and research into the elements of each of the claims asserted and the defenses  
8 submitted by Defendant. The extensive preparation made it possible to exercise informed judgment  
9 throughout the litigation and settlement process.

10           21.     Based on our experience in other cases, including wage and hour matters, I believe  
11 my co-counsel and I are qualified to evaluate the class claims and viability of defenses in this class  
12 action. In this case, the recovery for each Settlement Class Member is reasonable, fair and adequate,  
13 and a settlement at this time on the terms in the Agreement is in the best interest of the Settlement  
14 Class. The Settlement provides each Settlement Class Member with compensation for the alleged  
15 violations when viewed in relation to the costs and risks inherent in obtaining class certification and  
16 proceeding to trial.

17           22.     Plaintiffs' counsel fully endorse the terms and conditions of the Settlement as set  
18 forth in the abovementioned Settlement Agreement.

19           23.     Of course, the Settlement Amount represents a compromise figure, taking into  
20 account the various risks surrounding class certification and the merits of Defendant's asserted  
21 defenses. Nevertheless, the Settlement provides for fair and adequate payments to the Settlement  
22 Class Members, with no reversion to Defendant.

23           24.     Plaintiffs seek Service Awards in an amount of \$2,500.00 each to Plaintiffs Phillip  
24 Powell and Angel Gonzalez, which we believe are fair and warranted. Plaintiffs agreed to come  
25 forward in an effort to effectuate a policy and practice change that benefitted all other Settlement  
26 Class Members, and to recover unpaid wages and penalties. They assumed significant risk in  
27 bringing this litigation, namely, had they lost, they could be ordered to pay Defendant's costs.  
28

1           25.     Plaintiffs provided invaluable assistance to the investigation and prosecution of this  
2 case, including: providing factual background for the Complaints which were consolidated and gave  
3 rise to this action; reviewing the litigation documents; providing information and documentation  
4 about Defendant's policies and practices; participating in phone calls to discuss litigation and  
5 settlement strategy; assisting with the litigation of this matter; locating documents; assisting  
6 attorneys in mediation and preparation for mediation; and reviewing the settlement documents.  
7 Plaintiffs agreed to participate in this case with no guarantee of personal benefit. Plaintiffs'  
8 comprehensive declaration setting forth all of the reasons why they believe that the Service Awards  
9 should be approved has been filed herewith.

10           26.     When this case was taken on a contingency fee basis, with our firm agreeing to  
11 assume responsibility for all litigation costs, the ultimate result was far from certain. In the course  
12 of this litigation, we paid all costs including the filing fees, court costs, research/database fees,  
13 mediation costs, and expert costs. There was never a guarantee that our firms would recoup these  
14 expenditures.

15           27.     It is our experience that an attorneys' fee awards of thirty three and a third percent of  
16 a common fund settlement is within the are the standard in California. Defendant does not oppose  
17 this fee request. The fee is further warranted because it is within the range of reasonableness typically  
18 awarded in class actions. Our collective costs as Class Counsel will not exceed \$16,640.00 and will  
19 be based on the actual amount incurred at the time of final approval.

20           28.     For the foregoing reasons, it is respectfully requested that the Court grant preliminary  
21 approval of the Settlement as being fair, reasonable, and in the best interests of the Settlement Class,  
22 as well as preliminarily approve the requested attorneys' fees and costs, and service awards to the  
23 Class Representatives.

24                   **Plaintiffs' Counsel Is Experienced in Wage and Hour Litigation**

25           25.     I am an attorney at law licensed to practice before the Courts of the State of  
26 California and before this Court.

27           26.     In 2003, I graduated magna cum laude from the University of California, Riverside  
28 with a Bachelor of Arts Degree. Following graduation, I attended the University of Southern

1 California, Gould School of Law (USC Law School). At various points during law school, I  
2 worked with the USC Post-Conviction Justice Project, the Western Center for Disability Rights  
3 and the Barrister's Domestic Violence Clinic. During the Summer of 2005, I was a law clerk for  
4 the Law Offices of Bruce Austin (Safeco Insurance). In 2007, while a full-time law student, I was  
5 also a Judicial Extern for the Honorable Sandra Ikuta, United States Court of Appeals, Ninth  
6 Circuit. Thereafter, in 2007, I graduated from the USC Law School. The same year, I was  
7 admitted to practice law in the State of California.

8 27. Since I was admitted to practice law, I have litigated a wide variety of matters on  
9 both the plaintiff and defense side. Much of my early experience involved the litigation of general  
10 business and labor & employment matters on an individual and class-wide basis. I assisted with  
11 the representation of both employers and employees in various capacities, and assisted employers  
12 on issues related to compliance with employment laws.

13 28. Since 2012, my work has largely been focused on individual employment litigation  
14 and complex wage and hour class actions and representative action. In my practice as a class  
15 action plaintiffs' attorney, I have been involved in litigating, mediating and settling numerous  
16 wage and hour class actions dealing with class sizes ranging from several hundred to over 18,000  
17 class members. I have been involved in obtaining settlements ranging up to eight figure  
18 settlements.

19 29. Since 2015, in addition to maintaining my own law practice, I have also been Of  
20 Counsel to the law firm of James Hawkins APLC.

21 30. I have successfully litigated dozens of class and PAGA actions both directly and  
22 with James Hawkins APLC, as one of the counsels of record. Each of the following cases  
23 successfully resolved on a class-wide or PAGA basis. This is not an all-inclusive list. My  
24 experience includes, without limitation:

- 25 ○ *Arteaga-Villagomez v. Insultech, LLC*, Orange County Superior Court Case No.  
26 30-2012-00617802-CU-OE-CXC;
- 27 ○ *Quevedo v. Mercial, Inc.*, Orange County Superior Court Case No. 30-2015-  
28 00776171-CU-OE-CXC;

- *Placencia v. Amcor Packaging Distribution, Inc.*, Orange County Superior Court Case No. 30-2013-00694012-CU-OE-CXC;
- *Trani v. Lisi Aerospace, et al.*, Los Angeles Superior Court Case No. BC495527;
- *Galvan v. Goodwin Co.*, Orange County Superior Court Case No. 30-2013-00637062-CU-OE-CXC;
- *Reyes v. Bristol Fiberlite*, Orange County Superior Court Case No. 30-2013-00653425-CU-OE-CXC;
- *Gutierrez v. HMT Tank*, USDC Central Dist. Case No. CV14-1967-CAS(MANx);
- *Vigueras v. Red Robin International, Inc.*, USDC Central Dist. Case No. SACV 17-1422 JVS (DFMx);
- *Smith v. Space Exploration Technologies Corp.*, Los Angeles Superior Court, Case No. BC55429;
- *Williams v. Il Fornaio America Corp.*, Sacramento County Superior Court Case No., 34-2011-0009616;
- *Aguilar v. 7-Eleven, Inc.*, Orange County Superior Court Case No. 30-2009-002687141-CU-OE-CXC;
- *Madrigal v. Huntington Beach Market Broiler, Inc.*, Orange County Superior Court Case No. 30-2012-00611260;
- *Vang v. Jazz Semiconductor, Inc.*, Orange County Superior Court Case No. 30-2011-00460278;
- *Cano v. Financial Statement Services, Inc.*, Orange County Superior Court, Case No. 30-2013-00653349-CU-OE-CXC;
- *Mendez v. Liberty Glass Fabricators, Inc.*, Riverside County Superior Court Case No. RIC1800119;
- *Attia v. Neiman Marcus Group, Inc.*, United States District Court for the Central District of California Case No. 8:16-cv-001504-DOC-FFM;
- *Dougan v. Healthy Living at Home*, San Diego Superior Court, Case No. 37-2020-00018447-CU-OE-CTL;

- *Mauleon v. Hanken Cono Assad & Co.*, San Diego Superior Court, Case No. 37-2020-00015364-CU-OE-CTL;
- *Johnson v. U.S. Bank National Association*, United States District Court for the Southern District of California Case No. 19-CV-00286-JLS-LL;
- *McGrath v. Wyndham Resort Development*, United States District Court for the Southern District of California Case No. 15-CV-1631-JM (KSC);
- *Ainsworth v. Sea Coast Hospice Care, Inc., et al.*, San Diego County Superior Court Case No. 37-2020-00039584;
- *Payne v. Marriott Ownership Resorts, Inc.*, San Diego Superior Court Case No. 37-2018-0015175-CU-OE-CTL;
- *Keody v. Davis Trucking, LLC*, San Diego County Superior Court Case No. 37-2014-00029149-CU-OE-CTL;
- *O'Brien, et al. v. Cerida Investment Corp.*, Santa Clara Superior Court Case No. 21CV384527;
- *Gonzalez v. Quality Aluminum Forge, LLC*, Orange County Superior Court Case No. 30-2015-00817941;
- *Shay v. Apple, Inc.*, United States District Court for the Southern District of California Case No. 3:20-cv-1629-JO-BLM;
- *Milligan v. CWI, Inc.*, San Bernardino Superior Court Case No. CIVDS 2013999;
- *Aguilar v. LDI Mechanical, Inc.*, Riverside County Case No. RIC1610019;
- *Abron v. University Healthcare Alliance*, Alameda County Superior Court Case No. RG20066438;
- *Benson v. F21 Opco, LLC*, San Diego Superior Court Case No. 37-2021,00024619-CU-OE-CTL;
- *Allen v. Creative Stone Mfg., Inc.*, San Bernardino County Superior Court Case No. CIVSB2201498;
- *Santamaria v. Bright Horizons Children's Center*, San Bernardino County Superior Court Case No. CIVSB2210140;

- *Yniguez v. Airgas USA, LLC*, Los Angeles County Superior Court Case No. 20STCV18190;
- *Cervantez v. Genuine Parts Company*, Los Angeles County Superior Court Case No. 22STCV00981;
- *Robles v. Jetro Holdings, LLC*, San Diego Superior Court Case No. 37-2021-00015414-CU-OE-CTL;
- *Hernandez v. Euromarket Designs, Inc.*, Santa Clara County Superior Court Case No. 20CV3770922;
- *Ayala v. Veg-Land, et al.*, Orange County Superior Court Case No. 30-2014-00738775-CU-OE-CXC;
- *Puente v. Sully-Miller Contracting Co.*, Orange County Superior Court Case No. 30-2015-00792088-CU-OE-CXC;
- *Garcia v. Revolution Foods, Inc.*, Los Angeles Superior Court Case No. BC579142;
- *Attaway, et al. v. Alliance Residential, LLC*, Santa Clara County Superior Court Case No. 20CV365134;
- *Bowman v. Delta Dental of California*, Alameda County Superior Court Case No. RG21108230;
- *Hernandez v. Burrtec Waste & Recycling Services, LLC*, United States District Court for the Central District of California Case No. 5:21-CV-001490-JWH-SP;
- *Grant v. T-Mobile USA, Inc.*, United States District Court for the Central District of California Case No. 2:21-CV-02268;
- *Dawson v. Wonderful Pistachios and Almonds, LLC*, Kern County Superior Court Case No. BCV-17-100848;
- *Hamilton, et al. v. Michael Kors Stores (California), Inc.*, Los Angeles County Superior Court Case NO. 19STCV37061;
- *Ross v. Stater Bros.*, San Bernardino Superior Court Case No. CIVDS1902518;
- *Walker v. Barrett Business Services, Inc., et al.*, Los Angeles County Superior Court Case No. 20STCV39172;

- *Benitez, et al. v. Medtronic, Inc., et al.*, Orange County Superior Court Case No. 30-2019-01069185-CU-OE-CXC;
- *Montgomery v. Copart, Inc.*, Sacramento County Superior Court Case No. 34-2020-00280733-CU-OE-GDS;
- *Vizcarra-McNamee v. Nordstrom, Inc.*, Orange County Superior Court Case No. 30-2020-01141916-CU-OE-CXC;
- *Ayers v. Cherry Hill Programs, Inc.*, Fresno County Superior Court Case No. 20CECG00821;
- *Sleeper v. Boot Barn, Inc.*, Sacramento County Superior Court Case No. 34-2019-00272000-CU-OE-GDS;
- *Pulido-Dias v. Dirt Cheap, Inc.*, San Bernardino County Superior Court Case No. CIVDS1719694;
- *Villanueva v. Nordstrom, Inc.*, San Bernardino County Superior Court Case No. CIVDS1918706;
- *Bryson v. Madame Tussauds, et al.*, Los Angeles County Superior Court Case No. 19STCV33514
- *Hightower v. Levy Premium, et al.*, Santa Clara County Superior Court Case No. 19CV359262;
- *Marquez v. Maxim Crane Works, L.P., et al*, Los Angeles County Superior Court Case No. 19STCV39548;
- *Rovira v. Silverado Senior Living Management, Inc.*, Orange County Superior Court Case No. 30-2020-01136565-CU-OE-CXC;
- *Hallum, et al. v. FCA US, LLC*, San Bernardino County Case No. CIVDS1936782;
- *Martinez v. Placer Title Co., et al.*, Kern County Case No. BCV-19-103486;
- *Torres v. Van Law Food Products, Inc.*, Orange County Case No. 37-2017-00946312-CU-OE-CXC;
- *Holmes v. Pet Food Express, LLC*, Alameda County Case No. 22CV014140;

- *Ventura v. Conduent Commercial Solutions, LLC*, Kern County Case No. BCV-22-102043;
- *Ramirez v. CSI Electrical Contractors, Inc.*, Fresno County Superior Court Case No. 18CECG04150;
- *Magana v. Eibach Springs, Inc.*, Riverside County Superior Court Case No. RIC1708917;
- *Knox v. Express Messenger Systems, Inc.*, San Bernardino County Superior Court Case No. CIVDS1932323;
- *Corona, et al. v. G&M Oil Company, Inc.*, Los Angeles County Superior Court Case No. BC640876
- *Aguilar v. Peach Home Services, Inc., et al.*, Riverside County Superior Court Case No. RIC1823057;
- *Wilson v. M.C. LLC*, Orange County Superior Court Case No. 30-2019-01103382-CU-OE-CXC;
- *Nunez v. Nevell Group, Inc.*, Orange County Superior Court Case No. 30-2015-00783269.

31. I am currently litigating at least forty other wage and hour class and PAGA actions in State and Federal courts in the state of California.

32. Based on my experience, I believe that I am qualified to evaluate the strength of the claims and viability of the defenses raised by the Parties. Based on the history of this case and given our firm's extensive experience as class and representative action employment and wage and hour litigators, it is my view that the settlement is fair, reasonable, and adequate, and in the best interest of the Class.

33. I have no conflicts of interest with the Class Representative. I am not related to the Class Representative. I have not previously represented Defendants in any matter.

34. Based on our experience, demonstrated competence, resources to prosecute the claims at issue and reputation among our colleagues in the both the defense and plaintiffs' bar, I respectfully submit our firm's experience in the field of wage and hour cases provides us the

1 ability to prosecute claims swiftly and often times without the need for protracted litigation.

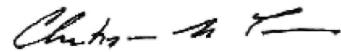
2 Although, we do not give up fighting for class members when challenged and necessary.

3 35. As is the case with many wage and hour cases, conditional class certification is  
4 vastly superior to the litigation of numerous individual claims because most of the claims are too  
5 small to litigate outside of the class context. As such, the superiority requirement is met for  
6 purposes of conditional certification.

7 36. Further, based on our experience, we consider ourselves experienced and qualified  
8 to evaluate the claims and viability of the defenses. Based on the history of this case and given our  
9 firm's extensive experience as class and representative action employment and wage and hour  
10 litigators, it is our view that the Settlement is fair, reasonable, and adequate, and in the best  
11 interest of the Class.

12 I declare under penalty of perjury that the foregoing is true and correct.

13  
14 Executed on April 30, 2026 in Encinitas, California.

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17 Christina M. Lucio, Esq.  
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# Exhibit 1

## STIPULATION OF SETTLEMENT

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiffs Phillip Powell (“Powell”) and Angel Gonzalez (“Gonzalez”) (“Plaintiffs”) and Defendant R&S Beverage Company (“Defendant”). The Agreement refers to Plaintiffs and Defendant collectively as “Parties,” or individually as “Party.”

### 1. DEFINITIONS

- 1.1. “Actions” means the Plaintiffs’ lawsuits alleging wage and hour violations against Defendant captioned as:
  - a. *Phillip Powell v. R&S Beverage Company*, filed in the Superior Court of the State of California, County of Inyo, Case No. 24UC70842, and any operative complaint.
  - b. *Phillip Powell v. R&S Beverage Company*, filed in the Superior Court of the State of California, County of Inyo, Case No. 24UC71165, and any operative complaint.
  - c. *Angel Gonzalez v. R&S Beverage Company*, filed in the Superior Court of the State of California, County of San Bernardino, Case No. CIVSB2436579, and any operative complaint.
- 1.2. “Administrator” means Apex Class Action Administration, LLC, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” 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 persons who are or were employed by Defendant as exempt and non-exempt employees who worked in the State of California at any time during the PAGA Period.
- 1.5. “Class” means all persons who are or were employed by Defendant as exempt and non-exempt employees who worked in the State of California at any time during the Class Period.
- 1.6. “Class Counsel” means Christina M. Lucio, Mitchell J. Murray, Nicholas W. Schieffelin of EmpLaw, LLP, and Roman Otkupman of Oktupman Law Firm.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Actions.

- 1.8. “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 Class Period Workweeks and PAGA Pay Periods.
- 1.9. “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).
- 1.10. “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.
- 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12. “Class Period” means the period from June 7, 2020 through the date of preliminary approval.
- 1.13. “Class Representatives” means the named Plaintiffs in the Actions seeking Court approval to serve as Class Representatives.
- 1.14. “Class Representative Service Payments” means the payments to the Class Representatives for initiating the Actions and providing services in support of the Actions.
- 1.15. “Court” means the Superior Court of California, County of Inyo.
- 1.16. “Defendant” means named R&S Beverage Company LP, a California limited partnership.
- 1.17. “Defense Counsel” means Lara P. Besser and Annalyse E. Butler of Jackson Lewis P.C.
- 1.18. “Effective Date” means the date when all of the following events have occurred: (1) the Court has entered a final Order and Judgment certifying the Class, and approving the Agreement; (2) 66 calendar days have passed since the Court has entered a final Order and Judgment, and approving the Agreement; and (3) five calendar days after the period for filing any appeal, writ or other appellate proceeding opposing the Court’s Entry of Judgment has elapsed without any appeal, writ or other appellate proceeding having been filed; or, if any appeal, writ or other appellate proceeding opposing or seeking to vacate the Court’s Judgment or final Order approving the Agreement has been filed, five calendar days after any appeal, writ or other appellate proceedings opposing the Agreement or seeking to vacate

the Judgment has been finally and conclusively dismissed with no right to pursue further remedies or relief.

- 1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22. “Gross Settlement Amount” means Two Hundred Seventy-Seven Thousand Five Hundred Dollars And Zero Cents (\$277,500.00) which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payments and the Administrator’s Expenses.
- 1.23. “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.
- 1.24. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.25. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.26. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.27. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.28. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses. The Net Settlement Amount is to be paid to Participating Class Members as Individual Class Payments.
- 1.29. “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.
- 1.30. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

- 1.31. "PAGA Period" means the period from June 7, 2023 through the date of preliminary approval.
- 1.32. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.33. "PAGA Notices" means Powell's June 7, 2024 and Gonzalez's October 2, 2024 letters to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a).
- 1.34. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$3,875.00) and the 75% to the LWDA (\$11,625.00) in settlement of the PAGA claims.
- 1.35. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36. "Plaintiffs" means Phillip Powell and Angel Gonzalez, the named Plaintiffs in the Actions.
- 1.37. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.
- 1.38. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39. "Released Class Claims" means the claims being released as described in Paragraph 5.1 below.
- 1.40. "Released PAGA Claims" means the claims being released as described in Paragraph 5.2 below.
- 1.41. "Released Parties" means: Defendant and all its present and former parent companies, direct and indirect subsidiaries, affiliates, joint ventures, owners, principals, agents, successors, and related parties and all of their directors, officers, shareholders, members, managers, joint employers, co-employers, integrated enterprises, representatives, employees, and any individual or entity which could be liable for any of the Released Class Claims and/or Released PAGA Claims.
- 1.42. "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.
- 1.43. "Response Deadline" means 45 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail their Objection to the Settlement. Class Members to whom Notice Packets are re-sent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline expiration date.

- 1.44. "Settlement" means the disposition of the Actions effected by this Agreement and the Judgment.
- 1.45. "Workweek" means the 7-day workweek used by Defendant for payroll purposes in which a Class Member worked for Defendant any amount of time during the Class Period.

## **2. RECITALS**

- 2.1. Pursuant to Labor Code section 2699.3, subd. (a), Plaintiffs submit that they gave timely written notice to Defendant and the LWDA by sending the PAGA Notices.
- 2.2. On June 7, 2024, Plaintiff Phillip Powell commenced a putative class action by filing a complaint against Defendant in the Superior Court of California, County of Inyo (Case No. 24UC70842), asserting causes of action against Defendant for: (1) failure to pay minimum wages; (2) failure to pay overtime; (3) failure to provide lawful meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay wages during employment; (6) failure to timely pay wages owed upon separation from employment; (7) failure to furnish accurate itemized wage statements; (8) failure to reimburse necessary expenses; and (9) violation of the Unfair Competition Law (hereinafter, "Class Action Complaint"). Defendant denies all allegations and claims in the Class Action Complaint.
- 2.3. On August 14, 2024, Plaintiff Phillip Powell filed a separate, parallel action for civil penalties under PAGA in the Superior Court of California, County of Inyo (Case No. 24UC71165) (hereinafter, "PAGA Action Complaint"). Defendant denies all allegations and claims in the PAGA Action Complaint.
- 2.4. On December 9, 2024, Plaintiff Angel Gonzalez commenced a putative class and representative action by filing a complaint against Defendant in the Superior Court of California, County of San Bernardino (Case No. CIVSB2436579), asserting causes of action against Defendant for: (1) failure to provide meal periods in violation of (Labor Code § 226.7, 512 and 558); (2) failure to provide rest periods in violation of (Labor Code §§ 226.7, 512 and 558); (3) failure to pay all wages in violation of (Labor Code §§ 510, 1194, 1194.2); (4) knowing and intentional failure to comply with itemized employee wages statement provisions (Labor Code § 226(a), (e), 1174(d)); (5) failure to timely pay wages due at termination (Labor Code §§ 201-203); (6) failure to timely pay employees in violation of Labor Code § 204(a)(b); (7) failure to reimburse for business expenses in violation of (Labor Code § 2802); (8) violation of Labor Code § 212(a)(2), 213; (9) failure to pay for all hours worked, including overtime hours worked in violation of (Labor Code § 210, 218); (10) violation of business and professions code § 17200; (11) failure to produce personnel file and employment records (Labor Code §§ 226(b), (c), 1198.5); and (12) penalties pursuant to Labor Code Section 2699(f) for violations of Labor Code §§ 226.7, 512, 558, 510, 1194, 1194.2, 1194(a), 226(a), (e), 1174(d), 201-203, 204(a)(b), 2802,

212(a)(2), 213, 210, 218 (hereinafter, “Gonzalez Complaint”). Defendant denies all allegations and claims in the Gonzalez Complaint.

- 2.5. On June 9, 2025, Plaintiffs and Defendant, by and through the Class Counsel and Defense Counsel respectively, participated in an all-day mediation presided over by Steve Paul, which led to this Agreement to settle the Action.
- 2.6. Prior to mediation, Plaintiffs obtained, through informal discovery, policy and procedure documents, personnel records, time records, pay records, and other information relating to the size and scope of the Class, as well as data permitting Plaintiffs to fully understand the nature and scope of the allegations. Plaintiffs’ investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).
- 2.7. The Court has not granted class certification.

### **3. MONETARY TERMS**

- 3.1. First Amended Complaint. The Parties agree to stipulate to consolidate the Actions into a single action. The Parties will seek approval of the settlement in the Superior Court of the State of California, County of Inyo. The Settlement approval process and the administration of the Settlement will be before the Superior Court of California, County of Inyo. To effectuate this consolidation, the Parties agree to stipulate to the filing of a First Amended Complaint (“FAC”) in the action pending in the Superior Court of the State of California, County of Inyo, Case No. 24UC70842, which consolidates the parties, claims and allegations set forth in the Actions into a single operative complaint. The Parties agree to the filing of the FAC by stipulation. Defendant agrees to file an Answer to the FAC within five (5) business days of the Court’s approval of the Parties’ stipulation to allow Powell to file his FAC.
- 3.2. Other Actions. The Parties agree to stipulate to dismiss the PAGA Action (Case No. 24UC71165) and the Gonzalez Action (Case No. CIVSB2436579) upon the Court’s approval granting the filing of Powell’s FAC. The Parties agree to work cooperatively to achieve these purposes.
- 3.3. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay Two Hundred Seventy-Seven Thousand Five Hundred Dollars And Zero Cents (\$277,500.00) and no more as the Gross Settlement Amount, except that Defendant will make additional payments to the Class Administrator representing their share of any employer payroll taxes to be paid in connection with the Settlement (*e.g.*, FICA, FUTA, payroll taxes, or any similar tax or charge). Defendant has no obligation to pay the Gross Settlement Amount (or any employer payroll taxes) prior to 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 Defendant.

3.4. 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: Class Representative Service Payments to the Class Representatives of not more than Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00) each, in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as Participating Class Member. Defendant will not oppose Plaintiffs' request for a Class Representative Service Payments that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves Class Representative Service Payments for less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the individual Class Representative Service Payments.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than one-third (33 1/3%), which is currently estimated to be Ninety-Two Thousand Five Hundred Dollars and Zero Cents (\$92,500.00) and a Class Counsel Litigation Expenses Payment of not more than Sixteen Thousand Six Hundred Forty Dollars and Zero Cents (\$16,640.00). Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. 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. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. 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 Expenses Payment not to exceed \$5,790.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$5,790.00, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Participating Class Members' Individual Workweeks by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by the Net Settlement Amount.
  - 3.2.4.1. Tax Allocation of Individual Class Payments: 15% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The other 85% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest 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 Fifteen Thousand Dollars And Zero Cents (\$15,500.00) to be paid from the Gross Settlement Amount, with 75% (\$11,625.00) allocated to the LWDA PAGA Payment and 25% (3,875.00) 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' 25% share of PAGA Penalties (\$3,875.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the

result by each 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. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

#### **4. SETTLEMENT FUNDING AND PAYMENTS**

- 4.1. Class Workweeks: Based on a review of its records, Defendant estimates Class Members collectively worked a total of 15,868 Workweeks between June 7, 2020 and June 9, 2025.
- 4.2. Class Data: Not later than 21 calendar days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if they discover that the Class Data omitted class member identifying information and to provide corrected or updated Class Data to the Administrator as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
- 4.3. Funding of Gross Settlement Amount: Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 14 calendar days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount: Within 14 calendar days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
- 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via

First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Class Payments to all Participating Class Members (including those for whom 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 5 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 cancelled 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). Any fees or costs associated with depositing the uncashed checks with the California Controller's Unclaimed Property Fund shall be paid from the Gross Settlement Amount.
- 4.4.4. All Individual Class Payments to Class Members and all Individual PAGA Payments to Aggrieved Employees shall be deemed to be paid to such Class Members and Aggrieved Employees solely in the year in which such payments actually are received by the Class Members and Aggrieved Employees. It is expressly understood and agreed that the receipt of such Individual Class Payments and Individual PAGA Payments will not entitle any Class Member or Aggrieved Employee to additional compensation or additional benefits under any compensation or benefit plans to which any

Class Member or Aggrieved Employee may be eligible, including, but not limited to: bonus, contest or commissions plans, profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, deferred compensation plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the intent of this Settlement that the Individual Class Payments and the Individual PAGA Payments provided for in this Settlement are the sole payments to be made by Defendant to the Class Members and Aggrieved Employees, will not affect any rights, contributions, or amounts to which any Class Members or Aggrieved Employees may be entitled under any compensation or benefit plans, and that the Class Members and Aggrieved Employees are not entitled to any new or additional compensation or benefits as a result of having received the Individual Class Payments and the Individual PAGA Payments (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the period covered by this Settlement).

**5. RELEASE OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

- 5.1. Release by Participating Class Members: All Participating Class Members, who do not opt out of the Settlement, will be bound by a release of all claims alleged or which reasonably could have been alleged based on the facts alleged in the operative Complaint, which arose during the Class Period, whether known or unknown, including failure to pay minimum wages; failure to pay overtime; failure to provide lawful meal periods; failure to authorize and permit rest periods; failure to timely pay wages during employment; failure to timely pay wages owed upon separation from employment; failure to furnish accurate itemized wage statements; failure to reimburse necessary expenses; unfair competition law; violation of Labor Code §§ 212 and 213; and failure to produce personnel file and employment records, and any other claims whatsoever that were or could have been alleged in this case based upon the facts alleged in the operative Complaint, including without limitation all related claims for restitution and other equitable relief under Business and Professions Code § 17200, conversion, liquidated damages, punitive damages, waiting-time penalties, and Labor Code sections 201, 202, 203, 204, 210, 212, 213, 218, 218.5, 218.6, 221, 222, 223, 226, 226.3, 226.7, 510, 512, 558, 1174, 1194, 1194(a), 1194.2, 1195, 1197, 1197.1, 1198, 2698 *et seq.*, and 2802, and Code of California Civil Procedure section 1021.5; related California Code of Regulations, Title 8, Sections 11000 *et seq.*, and all other related claims under local, state and/or federal law that could have been asserted based on the factual allegations in the operative Complaint, and any other related claims and/or penalties. Upon entry of final judgment and contingent upon payment of the Gross Settlement Amount and

employer's side payroll taxes, the Released Parties shall be entitled to a release from the Released Class Claims.

- 5.2. Release by Aggrieved Employees: All Aggrieved Employees who were employed by Defendant in California during the PAGA Period shall be deemed to have released all claims against Released Parties under the Private Attorney Generals Act of 2004 ("PAGA") based on the exhaustion letters submitted by the Plaintiffs to the LWDA, which include any claims under PAGA arising out of or related to allegations set forth in the operative complaint, including but not limited to failure to pay minimum wages; failure to pay overtime; failure to provide lawful meal periods; failure to authorize and permit rest periods; failure to timely pay wages during employment; failure to timely pay wages owed upon separation from employment; failure to furnish accurate itemized wage statements; failure to reimburse necessary expenses; unfair competition law; violation of Labor Code §§ 212 and 213; and failure to produce personnel file and employment records, and any other claims whatsoever that were or could have been alleged in this case, including claims predicated upon violations of Labor Code sections 201, 202, 203, 204, 210, 212, 213, 218, 218.5, 218.6, 221, 222, 223, 226, 226.3, 226.7, 510, 512, 558, 1174, 1194, 1194(a), 1194.2, 1195, 1197, 1197.1, 1198, 2698 *et seq.*, and 2802, and Code of California Civil Procedure section 1021.5; related California Code of Regulations, Title 8, Sections 11000 *et seq.*, and all other related claims under local, state and/or federal law that could have reasonably been asserted based on the factual allegations in the operative complaint, and any other related claims and/or penalties. The Parties agree that there is no statutory right for any Aggrieved Employee to opt out or otherwise exclude himself or herself from the PAGA payment and the associated release of claims and rights under PAGA.

6. **MOTION FOR PRELIMINARY APPROVAL**. The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

- 6.1. Plaintiffs' Responsibilities: Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, giving Defendant at least five business days to review, 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* 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 the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship

with Plaintiffs, Class Counsel or Defense Counsel; (v) signed declarations 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) signed declarations from Class Counsel's firms attesting to their 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. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); and (vi) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator.

- 6.2. Responsibilities of Counsel: Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; and obtaining a prompt hearing date for the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.
- 6.3. Duty to Cooperate: If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

## **7. SETTLEMENT ADMINISTRATION.**

- 7.1. Selection of Administrator: The Parties have jointly selected Apex Class Action Administration, LLC to serve as the Administrator and verified that, as a condition of appointment, Apex Class Action Administration, LLC, agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2. Employer Identification Number: The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.
- 7.3. Qualified Settlement Fund: The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

7.4. Notice to Class Members:

- 7.4.1. No later than 3 business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.
- 7.4.2. Using best efforts to perform as soon as possible, and in no event later than 35 days after the Court grants Preliminary Approval of the Settlement, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 7.4.3. Not later than 3 business days after the Administrator’s receipt of any Class Notice returned by USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by USPS. If USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by USPS a second time.
- 7.4.4. The deadlines for Class Members’ written objections, challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 45 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 7.4.5. If the Administrator, Defense Counsel or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5. Requests for Exclusion (Opt-Outs):

- 7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 45 days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or their representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline. Aggrieved Employees are prohibited from requesting exclusion from the Released PAGA Claims.
- 7.5.2. Although the Administrator must reject a Request for Exclusion if it is untimely per Section 7.5.1 above, the Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 7.5.3. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- 7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.2 of this Agreement and are eligible for an Individual PAGA Payment.

- 7.6. Challenges to Calculation of Workweeks: Each Class Member shall have 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly inform Defense Counsel and Class Counsel of all challenges to calculation of Workweeks and/or Pay Periods to and the Administrator's determination the challenges, but shall not disclose the identity of such Class Members.
- 7.7. Objections to Settlement:
- 7.7.1. Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payments.
- 7.7.2. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).
- 7.7.3. Non-Participating Class Members have no right to object to any of the class action components of the Settlement.
- 7.7.4. Aggrieved Employees are not permitted to object to any of the PAGA components of the Settlement.
- 7.8. Administrator Duties: The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.
- 7.8.1. Email Address and Toll-Free Number: The Administrator will maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

- 7.8.2. Requests for Exclusion (Opt-outs) and Exclusion List: The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the total number of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); and (b) the total number of Class Members who have submitted invalid Requests for Exclusion.
- 7.8.3. Weekly Reports: The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must provide the Administrator’s assessment of the validity of Requests for Exclusion and identify the total number of all Requests for Exclusion and objections received, both on a weekly and total basis.
- 7.8.4. Workweek and/or Pay Period Challenges: The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- 7.8.5. Administrator’s Declaration: Not later than 14 days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.
- 7.8.6. Final Report by Settlement Administrator: Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to

Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. **CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE.** Based on its records, Defendant estimates that, as of the date of the mediation, Class Members collectively worked a total of 15,868 Workweeks between June 7, 2020 to June 9, 2025. In the event that the actual number of workweeks worked by all Class Members in the Class Period increases by more than 10 percent (1,587), then, at Defendant's option, either (1) the Class Period and the PAGA Period shall end on the date that the total Class Workweeks equals 17,455, or (2) lengthen the Class Period by paying, on a pro-rata basis, if the total number of weeks worked by the Class during the Class Period exceeds the representations by more than 10%.
9. **DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members and/or if the combined workweeks worked by Class Members who timely exclude themselves amounts to more than 10% of the total workweeks worked by all Class Members, Defendant may, but is not obligated to, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void *ab initio*, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than thirty (30) calendar days after receipt of the Exclusion List.
10. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide drafts of these documents to Defense Counsel no later than 5 business days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.
  - 10.1. **Response to Objections:** Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
  - 10.2. **Duty to Cooperate:** If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties

will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

- 10.3. Continuing Jurisdiction of the Court: The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
- 10.4. Waiver of Right to Appeal: Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-Judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
- 10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment: If the reviewing appellate court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment.. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payments or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

**11. AMENDED JUDGMENT**. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

## **12. ADDITIONAL PROVISIONS.**

- 12.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes: This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Actions have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Actions, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Actions will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
- 12.2. Confidentiality: The Parties and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry or have any communications with the press about the facts, amount, or terms of the Settlement.
- 12.3. No Solicitation: The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.4. Integrated Agreement: Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 12.5. Attorney Authorization: Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, 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 reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 12.6. Cooperation: The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the

Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

- 12.7. No Prior Assignments: The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 12.8. No Tax Advice: Neither Plaintiffs, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.9. 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.
- 12.10. Agreement Binding on Successors: This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11. 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.
- 12.12. 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.
- 12.13. Confidentiality: To the extent permitted by law, all agreements made, and orders entered during Actions and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14. Use and Return of Class Data: Information provided to Class Counsel pursuant to Cal. Evid. Code section 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. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

- 12.15. 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.
- 12.16. 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.
- 12.17. 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, to the other Party’s respective counsel of record.
- 12.18. Execution in Counterparts: This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or 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.
- 12.19. 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 that 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.

***Signatures on the Following Page***

IT IS SO AGREED.

Dated: February 5, 2026

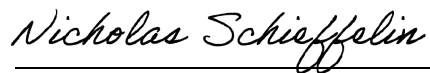
PLAINTIFF

  
Philip Powell (Feb 5, 2026 12:46:07 EST)

Philip Powell

Dated: February 5, 2026

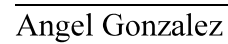
EMPLAW LLP



Christina Lucio  
Nick Schieffelin  
Attorneys for Philip Powell

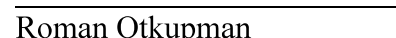
Dated: February \_\_\_, 2026

PLAINTIFF

  
Angel Gonzalez

Dated: February \_\_\_, 2026

OKTUPMAN LAW FIRM

  
Roman Otkupman  
Attorney for Angel Gonzalez

IT IS SO AGREED.

Dated: January \_\_, 2026

PLAINTIFF

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Philip Powell

Dated: January \_\_, 2026

EMPLAW LLP

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Christina Lucio  
Nick Schieffelin  
Attorneys for Philip Powell

Dated: January \_\_, 2026

02 / 04 / 2026

PLAINTIFF

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Angel Gonzalez

Dated: January \_\_, 2026  
02 / 04 / 2026

OTKUPMAN LAW FIRM



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Roman Otkupman  
Attorney for Angel Gonzalez

Dated: January \_\_, 2026

R & S BEVERAGE COMPANY

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Michael Ramirez  
On behalf of Defendant

Dated: January \_\_, 2026

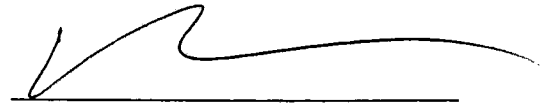
JACKSON LEWIS P.C.

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Lara P. Besser  
Annalyse E. Butler  
Attorneys for Defendant

Dated: February 13, 2026

R & S BEVERAGE COMPANY

A handwritten signature in black ink, appearing to read 'Michael Ramirez', written over a horizontal line.

Michael Ramirez  
On behalf of Defendant

Dated: February 18, 2026

JACKSON LEWIS P.C.

A handwritten signature in blue ink, appearing to read 'A. Butler', written over a horizontal line.

Lara P. Besser  
Annalyse E. Butler  
Attorneys for Defendant

# Exhibit 2

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

*Powell and Gonzalez v. R & S Beverage Company LP, Case No. 24UC70842*

***The Superior Court for the State of California authorized this Notice. Read it carefully!  
It is 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 and representative action lawsuit (“Action”) against R & S BEVERAGE COMPANY LP (“Defendant”) for alleged violations of the California Labor Code. The Action was filed by former employees of Defendant, Phillip Powell and Angel Gonzalez (“Plaintiffs”), and seeks payment of (1) alleged unpaid wages, penalties, liquidated damages, attorneys’ fees and costs, and interest for a class of all persons who are or were employed by Defendant as exempt and non-exempt employees who worked in the State of California during the Class Period (June 7, 2020 through [REDACTED]) (“Class Members”) and (2) penalties under the California Private Attorneys General Act (“PAGA”) for all persons who are or were employed by Defendant as exempt and non-exempt employees in the State of California during the PAGA Period (June 7, 2023 through [REDACTED]) (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendant to fund Individual Class Settlement Payments based on the number of Workweeks worked during the Class Period; and (2) a PAGA Settlement requiring Defendant to fund Individual PAGA Payments to PAGA Employees based on the number of Pay Periods worked during the PAGA Period.

Based on Defendant’s records, and the Parties’ current assumptions, **your estimated payment is \$ [REDACTED]**. The actual amount you may receive likely will be different and will depend on a number of factors.

The above estimate is based on Defendant’s records showing that **you worked [REDACTED] Workweeks during the Class Period and [REDACTED] Pay Periods during the PAGA Period**. If no amount is stated for your Pay Periods during the PAGA Period, then according to Defendant’s records you are not eligible for an Individual PAGA Payment under the Settlement because you did not work during the PAGA Period. If you believe that you worked more Workweeks and/or Pay Periods than indicated, you can submit a challenge to the administrator by the deadline date. See Section IV of this Notice.

The Court has preliminarily approved the proposed Settlement and this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or 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 claims against Defendant for the claims released in the Settlement.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting a 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 claims against Defendant, and if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. Aggrieved Employees cannot opt-out of the PAGA portion of this Settlement and will receive Individual PAGA Payments based on the number of Pay Periods worked during the PAGA Period.

**Defendant will not retaliate against you for any actions you take with respect to the proposed Settlement.**

**SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT**

|                                                                        |                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>You Don’t Have to Do Anything to Participate in the Settlement.</b> | If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and Individual PAGA Payment (if any). In exchange, you will give up your right to assert the claims against Defendant that are covered by this Settlement (Released Claims). |
|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>You Can Opt-out of the Class Settlement but not the PAGA Settlement.</b></p> <p><b>The Opt-out Deadline is [REDACTED] .</b></p>                                      | <p>If you don't want to 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 <b>Section VI</b> of this Notice. If you are also an Aggrieved Employee, you cannot opt out of the PAGA portion of the Settlement. You will receive your Individual PAGA Payment and give up your right to assert any PAGA claims against Defendant that are covered by this Settlement.</p> |
| <p><b>Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement.</b></p> <p><b>Written Objections Must be Submitted by [REDACTED]</b></p> | <p>All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement, including how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See <b>Section VII</b> of this Notice.</p>                                                                                                                                                                                                                                                                                   |
| <p><b>You Can Challenge the Calculation of Your Workweeks/Pay Periods</b></p> <p><b>Written Challenges Must be Submitted by [REDACTED]</b></p>                             | <p>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. The number of Class Period Workweeks and PAGA Period 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 [REDACTED]. See <b>Section IV</b> of this Notice.</p>                                                                                                                                            |

## I. WHAT IS THE ACTION ABOUT?

Plaintiffs are former exempt and non-exempt employees who worked in distribution centers for Defendant. They brought this action alleging that Defendant (1) failed to pay minimum wages; (2) failed to pay overtime owed; (3) failed to provide lawful meal periods; (4) failed to authorize and permit rest periods; (5) failed to timely pay wages during employment; (6) failed to timely pay wages owed upon separation from employment; (7) failed to reimburse necessary expenses; (8) knowingly and intentionally failed to comply with itemized wage statement provisions; (9) violated of Labor Code sections 212 and 213; and (10) failed to produce personnel file and employment records. Plaintiffs also seek penalties for unfair competition and pursuant to the Private Attorneys General Act of 2004, Labor Code § 2698 *et seq* ("PAGA"). Plaintiffs are represented by Christina M. Lucio, Mitchell J. Murray, and Nicholas W. Schieffelin of EmpLaw, LLP and Roman Otkupman and Nidah Farishta of Otkupman Law Firm ("Class Counsel").

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

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

The Court has made no determination whether Defendant or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendant hired a mediator, Steve Paul, in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. On June 9, 2025, the parties participated in an all-day mediation with Mr. Paul, which led to this Agreement to settle the Action. By signing a written settlement agreement ("Settlement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Settlement, 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) the Settlement is in the best interests of the Class Members and Aggrieved Employees. 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 \$277,500.00 as the Gross Settlement Amount (GSA). Defendant has agreed to deposit the GSA 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, Class Representative Service Payments, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendant will fund the GSA not more than 21 days after the Judgment entered by the

Court becomes final. The Judgment will be final 65 calendar days after 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, Plaintiffs and/or 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 at the Final Approval Hearing:

- A. Up to \$92,500.00 (33 and 1/3% of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$16,640.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
- B. Up to \$2,500.00 each to Plaintiffs Phillip Powell and Angel Gonzalez (\$5,000.00 total) as Class Representative Service Payments for filing the Action, working with Class Counsel and representing the Class. The Class Representative Service Payment will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class and/or PAGA Payments.
- C. Up to \$5,790.00 to the Administrator for services administering the Settlement.
- D. \$15,500.00 for settlement of claims for civil penalties under PAGA ("PAGA Fund"), 75% of which shall be paid to the LWDA, and 25% paid to the Aggrieved Employees.

3. Net Settlement Amount and PAGA Fund Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the GSA (the "Net Settlement Amount" or "NSA") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks. The portion of the PAGA Fund allocated to the Aggrieved Employees shall be paid based on their PAGA Period Pay Periods.

4. Taxes Owed on Payments to Class Members. For the Individual Class Payments, Plaintiffs and Defendant are asking the Court to approve an allocation of 85% statutory penalties and interest, and 15% as wages for tax purposes. The Individual PAGA Payments shall be considered 100% statutory penalties for tax purposes. The Administrator will report Individual Class Payments on IRS 1099 and W-2 Forms, and the Individual PAGA 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 California 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 [REDACTED], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion to the Administrator by the [REDACTED] Response Deadline. The Request for Exclusion must include the Class Member's name, present address, email address or telephone number, and a simple statement electing to be excluded from the Class Settlement. The Request for Exclusion must be signed by the Class Member. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendant.

If you are an Aggrieved Employee, you cannot opt-out of the PAGA portion of this Settlement. All Aggrieved Employees will receive a portion of the PAGA Fund based on their PAGA Period Pay Periods even if they opt out of the Class Settlement.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to 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, Apex Class Action LLC (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 regarding Workweeks and/or Pay Periods, 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 and Aggrieved Employees' Release. After the Judgment is final and Defendant has fully funded the Gross Settlement, 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, as alleged in the Action and resolved by this Settlement.

Upon Final Approval, the Participating Class Members will be bound by the following release:

All Participating Class Members, who do not opt out of the Settlement, will be bound by a release of all claims alleged or which reasonably could have been alleged based on the facts alleged in the operative Complaint, which arose during the Class Period, whether known or unknown, including failure to pay minimum wages; failure to pay overtime; failure to provide lawful meal periods; failure to authorize and permit rest periods; failure to timely pay wages during employment; failure to timely pay wages owed upon separation from employment; failure to furnish accurate itemized wage statements; failure to reimburse necessary expenses; unfair competition law; violation of Labor Code §§ 212 and 213; and failure to produce personnel file and employment records, and any other claims whatsoever that were or could have been alleged in this case based upon the facts alleged in the operative Complaint, including without limitation all related claims for restitution and other equitable relief under Business and Professions Code § 17200, conversion, liquidated damages, punitive damages, waiting-time penalties, and Labor Code sections 201, 202, 203, 204, 210, 212, 213, 218, 218.5, 218.6, 221, 222, 223, 226, 226.3, 226.7, 510, 512, 558, 1174, 1194, 1194(a), 1194.2, 1195, 1197, 1197.1, 1198, 2698 *et seq.*, and 2802, and Code of California Civil Procedure section 1021.5; related California Code of Regulations, Title 8, Sections 11000 *et seq.*, and all other related claims under local, state and/or federal law that could have been asserted based on the factual allegations in the operative Complaint, and any other related claims and/or penalties. Upon entry of final judgment and contingent upon payment of the Gross Settlement Amount and employer's side payroll taxes, the Released Parties shall be entitled to a release from the Released Class Claims.

Upon Final Approval, all Aggrieved Employees will be bound by the following release:

All Aggrieved Employees who were employed by Defendant in California during the PAGA Period shall be deemed to have released all claims against Released Parties under the Private Attorney Generals Act of 2004 ("PAGA") based on the exhaustion letters submitted by the Plaintiffs to the LWDA, which include any claims under PAGA arising out of or related to allegations set forth in the operative complaint, including but not limited to failure to pay minimum wages; failure to pay overtime; failure to provide lawful meal periods; failure to authorize and permit rest periods; failure to timely pay wages during employment; failure to timely pay wages owed upon separation from employment; failure to furnish accurate itemized wage statements; failure to reimburse necessary expenses; unfair competition law; violation of Labor Code §§ 212 and 213; and failure to produce personnel file and employment records, and any other claims whatsoever that were or could have been alleged in this case, including claims predicated upon violations of Labor Code sections 201, 202, 203, 204, 210, 212, 213, 218, 218.5, 218.6, 221, 222, 223, 226, 226.3, 226.7, 510, 512, 558, 1174, 1194, 1194(a), 1194.2, 1195, 1197, 1197.1, 1198, 2698 *et seq.*, and 2802, and Code of California Civil Procedure section 1021.5; related California Code of Regulations, Title 8, Sections 11000 *et seq.*, and all other related claims under local, state and/or federal law that could have reasonably been asserted based on the factual allegations in the operative complaint, and any other related claims and/or penalties. The Parties agree that there is no statutory right for any Aggrieved Employee to opt out or otherwise exclude himself or herself from the PAGA payment and the associated release of claims and rights under PAGA.

#### **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 (the remaining Amount after deducting from the GSA the PAGA Fund, Attorneys' Fees and Costs, the Class Representative Service Award, and the Administrator's Fees) by the total number of Class Period Workweeks worked by all Class Members and (b) multiplying the result by the number of Class Period Workweeks worked by each individual Class Member.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing the 25% portion of the PAGA Fund to be paid to Aggrieved Employees 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. Workweeks/Pay Period Challenges. The number of Workweeks you worked during the Class Period and Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until [REDACTED] to challenge the number of Workweeks and/or Pay Periods 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 and/or Pay Periods 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 Workweeks/Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members and Aggrieved Employees) 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 and All Aggrieved Employees. The Administrator will send, by U.S. mail, a single check to every Participating Class Member and Aggrieved Employee (i.e., every Class Member who doesn't opt-out and all Aggrieved Employees). The single check will combine the Individual Class Payment and/or the Individual PAGA Payment.

2. Non-Participating Class Members. Non-participating Class Members (i.e. Class Members who opt out of the settlement) will not be eligible for any payment under the Class Settlement. If a Non-Participating Class Member is also an Aggrieved Employee, the Administrator will send, by U.S. mail, a single Individual PAGA Payment check.

**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?

You will be treated as a Participating Class Member, participating fully in the Settlement, unless you notify the Administrator in writing, not later than [REDACTED], that you wish to opt-out. The easiest way to notify the Administrator is to send the Administrator, by fax, email, or mail, a signed written Request for Exclusion by the [REDACTED] **Response Deadline**. The Request for Exclusion must be a letter from a Class Member or their representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number, and a simple statement that you do not want to participate in the Settlement. The Request for Exclusion must be signed by the Class Member.

The Administrator will exclude you based on any writing communicating your request to be excluded. Be sure to personally sign your request, identify the Action as ***Powell, et al. v. R & S Beverage Company, Case No. 24UC70842***, and include your identifying information (full name, address, email address or telephone number) for verification purposes.

You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by [REDACTED], or it will be invalid.** Section IX of the Notice has the Administrator's contact information. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendant.

## VII. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Class Settlement. A Participating Class Member who disagrees with any aspect of the Settlement Agreement, or feels that the proposed Class Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low may choose to submit a written objection to the Administrator. **The deadline for sending written objections to the Administrator is [REDACTED]**. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Include any documents which you believe support your position. Make sure you identify the Action as ***Powell, et al. v. R & S Beverage Company, Case No. 24UC70842***, and include your full name, current address, email address or telephone number, and sign the objection. Section IX of this Notice has the Administrator's contact information.

Participating Class Members cannot object to the PAGA portion of the Settlement.

If you submit a written objection, you may also choose to attend (or personally retain a lawyer to object at your own cost) the Final Approval Hearing. You are not required to attend the hearing, however, to have the Court consider your written objection. 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] a.m. in Department 1 of the Inyo Superior Court, located at the Independence Courthouse, 168 North Edwards Street, Independence, CA 93526. 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 comments from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually. Check the Court's website for the most current information.

It is possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website, <https://apexclassaction.com>, beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

## **IX. HOW CAN I GET MORE INFORMATION?**

The Agreement sets forth everything Defendant and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to Apex Class Action LLC's website at <https://apexclassaction.com>. 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://www.inyo.courts.ca.gov> and entering the Case Number for the Action, Case No. 24UC70842. You can also make an appointment to personally review court documents in the Clerk's Office at the Independence Courthouse by calling (760) 872-3038.

### **DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.**

#### Class Counsel:

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Mitchell J. Murray  
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**OTKUPMAN LAW FIRM, A LAW CORPORATION**  
5743 Corsa Ave., Suite 123,  
Westlake Village, CA 91362  
Telephone: (818) 293-5623  
Facsimile: (818) 850-1310

#### Settlement Administrator:

**APEX CLASS ACTION, LLC**  
Email Address: [claims@apexclassaction.com](mailto:claims@apexclassaction.com)  
Mailing Address: 18 Technology Drive, Suite 164, Irvine, CA 92618  
Telephone: 800-355-0700  
Fax Number: 949-878-3536

## **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 California Controller's 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.