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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

MARIA FRANCESCA DE LEON RUANO,
individually, on behalf of all others similarly
situated, and on behalf of the State of California
and other aggrieved persons,

Plaintiff,

v.

PEACHTREE HOSPITALITY MANAGEMENT,
LLC, a limited liability company; and DOES 1
through 10, inclusive,

Defendants.

Case No.: 24CV015204

*[Assigned for all purposes to: Hon. Lauri A.
Damrell, Dept. 8B]*

**DECLARATION OF JOHN G. YSLAS IN
SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT**

Preliminary Approval Hearing:

Date: August 7, 2026

Time: 9:00 a.m.

Dept.: 8B

Complaint filed: July 30, 2024

FAC filed: June 24, 2026

Trial date: Not set

DECLARATION OF JOHN G. YSLAS

I, John G. Yslas, hereby declare as follows:

1. I am an attorney at law licensed to practice before all of the courts of the State of California. I am a senior partner at Wilshire Law Firm, PLC (“WLF”), counsel for Maria Franchesca De Leon Ruano (“Plaintiff”) in this matter. I am thoroughly familiar with and have personal knowledge of all of the facts set forth herein.

2. I submit this declaration in support of Plaintiff’s Motion for Preliminary Approval of Class Action and PAGA Settlement.

Procedural History

3. On July 30, 2024, Plaintiff filed this putative class action against Defendant Peachtree Hospitality Management, LLC (“Defendant”) alleging: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to provide accurate itemized wage statements; (6) failure to indemnify employees for expenditures and (7) unfair business practices.

4. On August 6, 2024, Plaintiff provided written notice to the LWDA and Defendant the specific provisions of the Labor Code alleged to have been violated, including the facts and theories in support. A true and correct copy of Plaintiff’s August 6, 2024, letter to Defendant and the LWDA are attached hereto as **Exhibit 1**. The LWDA did not notify Plaintiff that intended to investigate within 65 days of this written notice. Therefore, on June 24, 2026, Plaintiff filed a First Amended Complaint in this Class Action adding a cause of action for civil penalties under PAGA (the “Operative Complaint”).

5. On February 26, 2026, the Parties subsequently participated in a private full-day mediation with Steven G. Mehta, Esq. The negotiations were adversarial, conducted at arm’s length, and tempered by the efforts of both sides to serve the interests of their clients. The mediator made a proposal, which was accepted by the Parties.

6. The parties negotiated the terms of the Settlement over the next several months, which was finalized on June 8, 2026. A true and correct copy of the Parties’ fully executed Class Action

1 and PAGA Settlement Agreement and Class Notice is attached hereto as **Exhibit 2**. Attached thereto
2 as **Exhibit A** is a true and correct copy of the Parties' proposed Class Notice.

3 7. On July 24, 2026, Plaintiff submitted a copy of the Settlement Agreement to the
4 LWDA. A true and correct copy of the confirmation of submission my office received after
5 submitting the Settlement Agreement to the LWDA is attached hereto as **Exhibit 3**.

6 8. As of the drafting of this Motion, WLF has incurred \$22,735.62 in expenses to
7 litigate this Action. Additionally, we anticipate incurring \$250.00 in anticipated future costs for
8 filing fees and service fees for a total of \$22,985.62 in costs. These expenses were reasonable and
9 necessary in litigating and settling the Action and should be reimbursed in full, as provided in the
10 Agreement. A true and correct copy of WLF's costs breakdown is attached as **Exhibit 4**.

11 **Investigation and Exposure Analysis**

12 9. Prior to attending mediation, Plaintiff's Counsel thoroughly investigated the claims,
13 applicable law, and potential defenses. Plaintiff's Counsel assessed the value to the class claims using
14 the data and documents that Defendant produced in informal discovery, including class data
15 providing the number of Class Members, the number of workweeks in the Class Period, and the
16 number of pay periods in the PAGA Period, Plaintiff's personnel file/documents concerning
17 Plaintiff, Defendant's employee handbook(s), Defendant's written wage-and-hour policies, job
18 descriptions, and a random sampling of time and payroll records. Plaintiff's Counsel engaged a data
19 analysis consultant to quantify the potential exposure using the time and payroll records, and then
20 assessed the risks associated with each claim meriting reductions in the likely success at class
21 certification and likely recovery at trial.

22 10. Defendant's records show that there are approximately 1,085 Class Members, who
23 worked approximately 61,032 Workweeks, making joinder of all Class Members impracticable.
24 Further, given the size and amount of each Class Members' claim, Class Members have little
25 incentive to litigate their claims on an individual basis because the out-of-pocket expenses and
26 personal commitment necessary to litigate each claim likely outweigh any potential recovery.

27 11. Plaintiff has alleged that Defendant maintained common employment policies and/or
28 practices that unlawfully deprived Class Members of wages, meal period, rest periods,

1 reimbursements for business expenses, accurate wage statements, and timely payment of wages upon
2 separation of employment. These allegations present common factual and legal questions of, *inter*
3 *alia*, whether Defendant applied the same scheduling, timekeeping, pay, meal period, rest period,
4 and reimbursement policies to all Class Members, whether these policies and practices resulted in
5 Labor Code violations, whether Defendant's conduct was intentional, and whether Class Members
6 are entitled to damages and/or penalties. These common questions could be resolved using Class
7 Members' time records, payroll records, testimony from Defendant's designated representative(s),
8 and Class Members' testimony.

9 12. Although the exposure Plaintiff's Counsel calculated is substantial, the various risks
10 at succeeding at class certification and through trial affected the valuation of the claims for settlement
11 purposes.

12 13. Minimum and Overtime Wages: Plaintiff's unpaid minimum and overtime wage
13 claims were based on the allegation that Defendant required Class Members to perform work duties
14 while off the clock, without compensation. For example, Plaintiff alleged that Defendant required
15 her and other Class Members to perform employment-related tasks prior to clocking in for the
16 workday, during unpaid meal periods, and after clocking out for the workday. Plaintiff reports that
17 before clocking in, managers would instruct her to ensure certain items were placed in rooms or
18 specific tasks were completed prior to the start of her shift, resulting in uncompensated pre-shift
19 work. While Plaintiff was clocked out for meal periods, supervisors routinely approached her in
20 the break room to ask about guest requests and room tasks, requiring her to engage in work-related
21 discussions and tasks while off the clock. After clocking out for the workday, managers regularly
22 required Plaintiff to return to guest rooms to correct inspection issues, including replacing towels
23 or tissue, adjusting thermostats, and addressing minor cleaning deficiencies. Furthermore, Plaintiff
24 and other employees received frequent work-related messages outside scheduled work hours and
25 on their days off. Plaintiff was expected to monitor and respond to these communications, which
26 required her to remain engaged in work activities even when not clocked in. Finally, Plaintiff also
27 occasionally received notifications that her time sheets had been modified by management to delete
28 recorded overtime work hours. For purposes of calculating Defendant's liability based on a best-

case scenario for Plaintiff and the Class, Plaintiff's Counsel assumed that all unpaid work hours should have been paid at the overtime rate of pay and conservatively estimated that Defendant is liable for at least 2.0 hours of unpaid overtime work per Workweek. This results in potential exposure for this claim of approximately \$3,522,767.04 (61,032 Workweeks $\times$ \$19.24 average hourly rate of pay $\times$ 2.0 hours per Workweek $\times$ 1.5 overtime rate). Because this claim would have relied heavily on Class Member testimony and would not be evidenced in Defendant's time and payroll records, the risk of succeeding at class certification and trial was substantial. Accordingly, Plaintiff's Counsel applied a risk discount based on a 40% chance of succeeding at class certification and a 40% chance of succeeding at trial on the merits, yielding a realistic damage estimate of approximately \$563,642.73 (\$3,522,767.04 $\times$ 40% $\times$ 40%).

14. Meal Periods: Plaintiff's meal period claim was based on the allegation that Defendant failed to provide Class Members with legally compliant meal periods or pay meal period premiums in lieu thereof. For example, Plaintiff alleged that Defendant required her and other Class Members to perform work during meal periods and to interrupt, cut short, or entirely skip meal periods. Additionally, Plaintiff's Counsel's records analysis consultant determined there was approximately a 22.1% meal period violation rate from the sampling of Defendant's time and payroll records, where meal periods were short, late, or missed, after taking into account potential meal waivers. Plaintiff alleges that Defendant did not pay meal period premium wages for these violations. Therefore, potential liability for the meal period claim is approximately \$1,033,164.93 (242,981 shifts over 5 hours $\times$ \$19.24 average hourly rate $\times$ 1 hour of pay owed per violation $\times$ 22.1% violation rate). After taking into account the difficulty of certifying and proving meal period claims, as well as Defendant's contention that the claim lacks merit, issues proving that Defendant was aware and the cause of violations, and the potential for Defendant to produce witnesses to counter Plaintiff's evidence, Plaintiff's Counsel discounted this figure based on a 50% chance of succeeding at class certification and a 40% chance of succeeding at trial, yielding a realistic damage estimate of approximately \$206,632.99 (\$1,033,164.93 $\times$ 50% $\times$ 40%).

15. Rest Periods: Plaintiff's rest period claim was based on the allegation that Defendant failed to provide Class Members with legally compliant rest periods or pay rest period premiums

1 in lieu thereof. For example, Plaintiff alleged that Defendant required her and other Class Members
2 to work without rest breaks and to interrupt rest breaks due to persistent operational demands.
3 Supervisors informed employees that breaks could be taken only if business was “slow,” which
4 was an uncommon occurrence. Based on Plaintiff’s allegations and Plaintiff’s and other Class
5 Members’ experience working for Defendant, Plaintiff’s Counsel applied a 50% violation rate to
6 all qualifying shifts during the Class Period. Plaintiff alleges that Defendant did not pay rest period
7 premium wages for these violations. Therefore, Defendant’s potential liability for the rest period
8 claim is approximately \$2,439,997.56 (253,638 shifts of 3.5 hours or longer $\times$ \$19.24 average
9 hourly rate $\times$ 1 hour of pay owed per violation $\times$ 50% violation rate). However, Plaintiff’s Counsel
10 discounted this figure to account for the difficulty of certifying and proving rest period claims,
11 particularly because rest periods do not have to be recorded, and to account for the possibility of
12 Class Members voluntarily choosing to forego a rest period, issues proving that Defendant was
13 aware and the cause of violations, and the potential for Defendant to produce witnesses to counter
14 Plaintiff’s evidence. Because this claim would have relied exclusively on Class Member testimony,
15 Plaintiff’s Counsel discounted this claim based on a 30% chance of succeeding at class certification
16 and a 20% chance of succeeding at trial, yielding a realistic damage estimate of approximately
17 \$146,399.85 ($\$2,439,997.56 \times 30\% \times 20\%$).

18 16. Reimbursements: Plaintiff’s reimbursement claim was based on the allegation that
19 Defendant failed to indemnify Class Members for expenses incurred as a direct result of performing
20 their job duties for Defendant, such as mandatory use their personal cell phones for work-related
21 communications, including participation in group text threads used by management to assign tasks
22 and communicate operational needs, and the purchase of black slip-resistant shoes as part of their
23 work uniforms. For purposes of calculating Defendant’s liability based on a best-case scenario for
24 Plaintiff and the Class, Plaintiff’s Counsel estimated that Defendant was liable to each Class
25 Member for approximately \$12.50 per Workweek in unreimbursed expenses, for a total amount of
26 approximately \$762,900.00 ($\$12.50$ per Workweek $\times$ 61,032 Workweeks). However, Defendant
27 argued that these expenses were not required by Defendant, and that it could not have known that
28 these expenses were being incurred. Accordingly, Plaintiff’s Counsel discounted this claim based

on a 30% chance of succeeding at class certification and a 30% chance of succeeding at trial, yielding a realistic damage estimate of approximately \$68,661.00 ($\$762,900.00 \times 30\% \times 30\%$).

17. In sum, Plaintiff's Counsel estimated that Plaintiff's maximum recovery for the off-the-clock claim, meal period violations, and rest period violations (i.e., the wage claims) is approximately \$7,758,829.53 ($\$3,522,767.04 + \$1,033,164.93 + \$2,439,997.56 + \$762,900.00$). However, after factoring in the risk and uncertainty of prevailing at certification and trial, Plaintiff's Counsel estimates that Plaintiff's realistic estimated recovery for these non-penalty wage claims is approximately \$985,336.57 ($\$563,642.73 + \$206,632.99 + \$146,399.85 + \$68,661.00$).

18. Derivative Penalties: Plaintiff alleged that as a result of Defendant's failure to pay all wages owed, Defendant owed waiting time penalties and wage statement penalties. With respect to Plaintiff's derivative claims for statutory penalties, Plaintiff's Counsel estimated that Defendant's realistic potential liability is approximately \$544,577.67. Defendant's maximum potential liability for waiting time penalties is approximately \$2,327,097.24 ($[534 \text{ Class Members} \times \$19.24 \text{ average hourly rate of pay} \times 7.4 \text{ hours per day} \times 30 \text{ days}] + [534 \text{ employees} \times \$19.24 \text{ average hourly rate of pay} \times 0.1 \text{ hours of overtime per day} \times 1.5 \text{ overtime rate} \times 30 \text{ days}]$) based on approximately 534 formerly employed Class Members during the 3-year statute of limitations period and an average shift length of 7.4 regular hours and 0.1 overtime hours per workday. Defendant's maximum potential liability for inaccurate wage statements is approximately \$2,211,050.00 ($[795 \text{ Class Members} \times 1 \text{ initial violation per Class Member} \times \$50.00 \text{ for an initial violation}] + [(22,508 \text{ pay periods} - 795 \text{ initial violations}) \times \$100.00 \text{ for each subsequent violation}]$) based on approximately 795 Class Members who worked during the 1-year statute of limitations period and approximately 22,508 pay periods in that statutory timeframe. In light of the foregoing, Plaintiff's Counsel believes that it would be unrealistic to expect the Court to award the full \$4,538,147.24 ($\$2,327,097.24 + \$2,211,050.00$) in statutory penalties given Defendant's defenses, the contested nature of Plaintiff's claims, the challenges of establishing willfulness as applicable, and the discretionary nature of penalties. Considering that the underlying wage claims are realistically estimated to be approximately \$985,336.57, such a disproportionate award would also

1 raise due process concerns. As such, Plaintiff's counsel discounted these figures to account for the
2 risk and uncertainty of obtaining class certification and prevailing at trial, resulting in a realistic
3 evaluation of approximately \$279,251.67 for waiting time penalty claims ($\$2,327,097.24 \times 40\% \times$
4 30%), and approximately \$265,326.00 for wage statement penalty claims ($\$2,211,050.00 \times 40\% \times$
5 30%), or approximately \$544,577.67 total for statutory penalties.

6 19. PAGA: For the PAGA claim, Plaintiff's Counsel determined that Defendant's
7 potential exposure could potentially reach \$2,234,100.00, assuming the initial \$100 penalty would
8 apply for each of the 22,341 pay periods in the PAGA Period. However, even assuming success
9 on the merits of each claim, PAGA gives the Court discretion to reduce penalties for a variety of
10 reasons, including where to do otherwise would result in an award that is unjust, arbitrary and
11 oppressive, or confiscatory. As such, Plaintiff's counsel discounted this figure to account for the
12 risk and uncertainty of prevailing at trial, resulting in a realistic evaluation of approximately
13 \$223,410.00 for PAGA penalties ($\$2,234,100.00 \times 10\%$). The settlement allocates \$100,000.00 of
14 the Gross Settlement Amount to PAGA, therefore the PAGA allocation amounts to 5.26% of the
15 \$1,900,000.00 Gross Settlement Amount and approximately 44.76% of the \$223,410.00 realistic
16 maximum damages for PAGA penalties.

17 20. Using these estimated figures, Plaintiff's Counsel predicted that the realistic
18 maximum recovery for all claims, including penalties, would be approximately \$1,753,324.24
19 ($\$985,336.57 + \$544,577.67 + \$223,410.00$). This means that the Gross Settlement Amount
20 represents approximately 108% of the realistic maximum recovery ($\$1,900,000.00 \div$
21 $\$1,753,324.24$). Considering the risk and uncertainty of prevailing at class certification and at trial,
22 this is an excellent result for the Class. Indeed, because of the proposed Settlement, Class Members
23 will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment.

24 21. Based on the figures in the Settlement Agreement, the Net Settlement Amount
25 available for class settlement payments is currently estimated to be \$1,062,050.00 for
26 approximately 1,085 Class Members. As a result, each Settlement Class Member would be eligible
27 to receive an average net benefit of approximately \$978.85. Based on the estimated Net Settlement
28 Amount available for individual class payments and there being approximately 61,032 Workweeks

1 in the Class Period, the estimated weekly valuation for Individual Class Payments is \$17.40 per
2 Workweek (\$1,062,050.00 ÷ 61,032 Workweeks).

3 **Plaintiff's Counsel's Qualifications**

4 22. Plaintiff is represented by WLF. The attorneys at WLF performed significant work
5 and expended litigation costs in prosecuting this matter with no guarantee of payment.

6 23. WLF was selected by Best Lawyers and U.S. News & World Report as one of the
7 nation's Best Law Firms since 2020 and is comprised of more than 100 attorneys and over 600
8 employees. WLF is actively and continuously practicing in employment litigation, representing
9 employees in both individual and class actions in both state and federal courts throughout California.

10 24. WLF is qualified to handle this Litigation because its attorneys are experienced in
11 litigating Labor Code violations in individual, class action, and representative action cases. WLF
12 has handled, and is currently handling, numerous wage and hour class action lawsuits, as well as
13 class actions involving consumer rights and data privacy litigation.

14 25. I graduated from the University of California, Santa Barbara with High Honors in
15 1991 with Bachelor of Arts degrees in Psychology. I received my Juris Doctor from UCLA Law
16 School in 1996.

17 26. Upon graduating from law school in 1996, I worked for a boutique law firm practicing
18 general litigation which included employment law matters. Since 2000 (that is, the last 25 years) my
19 practice has been exclusively focused on labor and employment matters including handling wage
20 and hour class, collective and representative actions (including the California Private Attorneys'
21 General Act, or "PAGA"), including in the international law firms of Morgan, Lewis & Bockius LLP
22 (where I was a senior associate), Foley & Lardner LLP (where I was a partner and a national Vice
23 Chair of the Labor and Employment Group), Norton Rose Fulbright LLP (where I was a partner) and
24 Seyfarth Shaw LLP (where I was a partner and member of the Wage and Hour Practice Group).
25 During my time at these law firms, I was the primary attorney or took a major leading role in
26 defending employers on numerous wage and hour class, collective and representative actions.

27 27. In late June 2022 I left Seyfarth Shaw LLP and joined my current firm, Wilshire Law
28 Firm, PLC, to represent plaintiff employees. I have been and am handling many wage and hour class

1 and representative actions litigating such matters on behalf of plaintiff employees in numerous
2 Superior Courts and District Courts. From matters representing both plaintiffs and defendants, I have
3 successfully mediated the resolution of many wage and hour class, collective, and representative
4 actions. Just since starting to settle cases in late April 2023 I have already successfully mediated
5 matters in which I have been counsel or co-counsel resulting in **well over \$265 million** in settlements
6 and verdicts which are in the process of being finalized, and with numerous upcoming mediations
7 scheduled. In those and numerous other matters, I have managed and assisted with the litigation and
8 settlement of many wage and hour PAGA and class actions. In those actions, I performed similar
9 tasks as those performed in the course of prosecuting this action. Indeed, I recently tried and prevailed
10 in achieving a jury verdict in a certified wage and hour class action in the matter of *Aguilar-Flores*
11 *v. Javier's – CC LLC*, Los Angeles County Superior Court, Case No. 19STCV36438 (settled after
12 verdict).

13 28. I have received numerous awards for my legal work. For example, from 2015 to 2018,
14 I was listed in Los Angeles Super Lawyers for Employment Litigation (Thomson Reuters). I have
15 also served on numerous prominent boards and in other leadership positions, including serving as
16 Southern California Regional President for the Hispanic National Bar Association and on the board
17 of directors of the Mexican American Bar Foundation. I also previously served on the 5-member Los
18 Angeles Civil Service Commission, which generally oversees the personnel decisions for the City of
19 Los Angeles.

20 29. I have also published numerous blogs on labor and employment issues including on
21 wage and hour issues. For example, I published “Headline News: Wal-Mart v. Dukes-Impact on
22 Class Action Litigation” (while a partner with Foley & Lardner LLP) and “Are You Really Protected
23 From Wage-and-Hour Successor Liability in an Asset Purchase” (while a partner with Seyfarth Shaw
24 LLP). I have also been a presenter at numerous conferences, including being a presenter involving
25 the “Employment Law Update” at a National Employment Law Council conference.

26 30. Arrash T. Fattahi is a Partner at WLF. He was admitted to practice law in the State
27 of California in 2021 and is also admitted to the United States District Courts for the Central,
28 Southern, Eastern, and Northern Districts of California. He graduated from the University of

California, Los Angeles with a Bachelor of Arts in Political Science, *summa cum laude*. He received his Juris Doctor from The George Washington University Law School. During law school, he was a member of the student editorial board for the Federal Circuit Bar Journal. His practice is focused on advocating for the rights of consumers and employees in class action litigation. He is currently the managing attorney in charge of litigating several class action cases in state and federal courts in California. He was selected as a “Southern California Rising Star” in 2025 and 2026.

31. Alan Wilcox is a Senior Attorney at WLF. He graduated from the University of California, Berkeley in 2007, and graduated from Pepperdine University’s School of Law and became a member of the California State Bar in 2012. Throughout his career, Alan has represented clients in both state and federal Courts in a wide variety of matters, including contract disputes, wrongful foreclosure, unlawful detainer, divorce, product defect, tort, and employment matters. From 2014 to the present, he has exclusively practiced complex civil litigation representing plaintiff employees in employment matters. He has handled both individual wrongful discharge and collective wage and hour actions, with the class action and PAGA matters including *Flores v. Aqua Terra Culinary, Inc.*, Monterey Superior Court Case No. 17CV002672, *Garcia v. Construction Innovations Group, LLC*, Sacramento Superior Court Case No. 34-2020-00285239, *Kim v. Sheraton Operating Corp.*, Central District of California Case No. 2:17-cv-09247-FMO-E, *Pease v. Wattrans, Inc.*, San Bernardino Superior Court Case No. CIVDS1919832, and *Lachman v. Berlitz Languages, Inc.*, Los Angeles Superior Court Case No. 19STCV01533, among others.

32. John Bishay (“Mr. Bishay”) is a second-year Associate Attorney at Wilshire Law Firm, PLC. He was admitted to practice law in the State of California in December 2024. Mr. Bishay graduated from the University of California, Riverside with a Bachelor of Arts in Philosophy and received his Juris Doctor from the Chapman University Dale E. Fowler School of Law. Since his admission to the State Bar, his practice has focused on wage and hour class action litigation.

No Conflicts

33. WLF has no actual or potential conflicts of interest with Class Members or the proposed Administrator, ILYM Group, Inc.

34. WLF is not aware of any pending matter or action against Defendant that may be extinguished or adversely affected by this Settlement.

Administrator

35. Plaintiff's Counsel sought bids from three (3) administrators to administer this Settlement. The Parties selected the bid with the lowest cost, which was from ILYM Group, Inc. A true and correct copy of the will-not-exceed bid from ILYM Group, Inc. to administer this Settlement is attached hereto as **Exhibit 5**.

36. Class Counsel has reviewed the Checklist for Approval of Class Action and/or Private Attorneys General Act (“PAGA”) Settlements found in Local Rule 2.99.05 and the briefing complies with the Checklist.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on July 24, 2026 at Los Angeles, California.


John G. Ysler

John G. Yslas

Exhibit 1

WILSHIRE LAW FIRM, PLC

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Arlene Elyasi, Esq.
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Bradford Smith, Esq.
Arman A. Salehi, Esq.

August 6, 2024

LWDA

Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
(Via Online Submission)

Peachtree Hospitality Management, LLC
3500 Lenox Road, Suite 625
Atlanta, GA 30326
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6620 2799 21

Cogency Global Inc.
Agent for Service of Process for:
Peachtree Hospitality Management, LLC
1325 J St. Ste. 1550
Sacramento, CA 95814
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6620 2799 38

Re: ***Maria Franchesca De Leon Ruano v. Peachtree Hospitality Management, LLC***
Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Maria Franchesca De Leon Ruano ("Plaintiff") to pursue a Labor Code Private Attorneys General Act ("PAGA") representative action (Cal. Lab. Code §§ 2699, *et seq.*) against her former employer, Peachtree Hospitality Management, LLC ("Defendant"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Defendant engaged in with respect to Plaintiff and all of Defendant's Aggrieved Employees.

Plaintiff wishes to pursue this action on behalf of herself as an aggrieved employee, on behalf of the State of California, as well as on behalf of all other persons who worked for Defendant in

California as a non-exempt or hourly-paid employee at any time within the applicable statutory period (hereafter, the “Aggrieved Employees”).

Plaintiff and the Aggrieved Employees suffered the Labor Code violations described below.

Plaintiff’s Employment with Defendant

Defendant owns/owned and operates/operated an industry, business, and establishment within the State of California, including Sacramento County. As such, and based upon all the facts and circumstances incident to Defendant’s business in California, Defendant are subject to the California Labor Code, Wage Orders issued by the Industrial Welfare Commission (“IWC”), and the California Business & Professions Code.

Plaintiff Maria Franchesca De Leon Ruano is a resident of Sacramento County, California who worked for Defendant in Sacramento County, California as an hourly-paid, non-exempt employee from approximately January 2024 to the present. Defendant typically scheduled Plaintiff to work at least five days in a workweek and at least eight hours per day, but Plaintiff mostly worked more than eight hours in a workday and/or more than forty (40) hours in a workweek.

Throughout Plaintiff’s employment, Defendant failed to pay for all hours worked (including minimum, straight time, and overtime wages), failed to provide Plaintiff with legally compliant meal periods, failed to authorize and permit Plaintiff to take rest periods, failed to furnish accurate wage statements to Plaintiff, and failed to indemnify Plaintiff for expenditures. As discussed below, Plaintiff’s experience working for Defendant was typical and illustrative.

Defendant Failed to Pay for All Hours Worked, Including Minimum, Straight Time, and Overtime Wages

Under California law, an employer must pay for all hours worked by an employee. “Hours worked” is the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In addition, Labor Code § 510 provides that employees in California shall not be employed more than eight hours in any workday or forty (40) hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198 states that the employment of an employee for longer hours than those fixed by the IWC is unlawful.

Throughout the statutory period, Defendant maintained a policy and practice of not paying Plaintiff and the Aggrieved Employees for all hours worked, including minimum, straight time, and overtime wages. Defendant required Plaintiff and the Aggrieved Employees to work “off-the-

clock”, uncompensated, by, for example, requiring Plaintiff and the Aggrieved Employees to perform work after clocking out for the workday. Some of this unpaid work should have been paid at the overtime rate. In failing to pay for all hours worked, Defendant also failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked.

Throughout the statutory period, Defendant used a system of time rounding and/or synthetic timekeeping that resulted, over a period of time, in failing to compensate Plaintiff and the Aggrieved Employees properly for all the time they have actually worked, even though the realities of Defendant’s operation is such that it is possible, practical, and feasible to count and pay for work time to the minute. Accordingly, Defendant frequently paid Plaintiff and the Aggrieved Employees less than all their work time. Some of this unpaid work also should have been paid at the overtime rate. In failing to pay for all hours worked, Defendant also failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s).

Despite these legal requirements, Defendant wrongfully failed to provide Plaintiff and the Aggrieved Employees with legally compliant meal periods. Defendant regularly, but not always, required Plaintiff and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, uninterrupted, and duty-free meal period for every five hours of work, or without compensating Plaintiff and the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Instead, Defendant continued to assert control over Plaintiff and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Plaintiff and the Aggrieved Employees permission to take a meal period. Accordingly, Defendant’s policy and practice was not to provide meal periods to Plaintiff and the Aggrieved Employees in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not provided with all required meal period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for meal periods and that were not provided.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers are required by California law to authorize and permit breaks of ten uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than two hours). Thus, for example, if an employee's work time is six hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws.

Throughout the statutory period, Defendant has wrongfully failed to authorize and permit Plaintiff and the Aggrieved Employees to take legally compliant rest periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendant authorizing and permitting them to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiff and the Aggrieved Employees for rest periods that were not authorized or permitted. Instead, Defendant continued to assert control over Plaintiff and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or by denying Plaintiff and the Aggrieved Employees permission to take a rest period. Accordingly, Defendant's policy and practice was to not authorize and permit Plaintiff and the Aggrieved Employees to take rest periods in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for rest periods and that they were not authorized and permitted to take.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Pay All Earned Wages Twice Per Month

Based on its failure to pay Plaintiff and the Aggrieved Employees for all wages as discussed above, Defendant also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However,

during all such times, Defendant systematically failed and refused to pay the employees all wages due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendant, all wages for all rest periods not authorized and permitted by Defendant, and all wages for all hours worked. As a result, Defendant owe employees the legally required wages for unpaid wages, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

Plaintiff seeks penalties under California Labor Code § 1174(d). Pursuant to California Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by California Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

Defendant, however, failed to maintain accurate records of hours worked and all meal periods taken or missed by Plaintiff and the Aggrieved Employees.

Defendant's failure to provide and maintain records required by the California Labor Code and the applicable IWC Wage Orders deprived Plaintiff and the Aggrieved Employees the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Defendant's records. Therefore, Plaintiff and the Aggrieved Employees had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Defendant. As a direct result, Plaintiff and the Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorney's fees in seeking to compel Defendant to fully perform its obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Defendant's knowing failure to comply with the California Labor Code and applicable IWC Wage Orders, Plaintiff and the Aggrieved Employees have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions,

provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Lab. Code § 226(e)(2)(B)(iii).)

The statute further provides: “An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorney’s fees.” (Lab. Code § 226(e)(1).)

Throughout the statutory period, Defendant failed to furnish Plaintiff and the Aggrieved Employees with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law).

Because Defendant violated Labor Code § 226, Plaintiff and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights. Accordingly, Plaintiff and similarly Aggrieved Employees are entitled to recover from Defendant the greater of their actual damages caused by Defendant’s failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding four thousand dollars (\$4,000) per employee.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 226.3 for failing to furnish accurate itemized wage statements.

Failure to Indemnify for Necessary Expenditures

Labor Code § 2802(a) provides that employers shall indemnify his or her employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of his or her duties. Throughout the statute of limitations period applicable to this cause of action, Defendant wrongfully required Plaintiff and the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Defendant. Plaintiff and the Aggrieved Employees regularly paid out-of-pocket for necessary employment-related expenses, including, without limitation, use of personal cell phones. Plaintiff and the Aggrieved Employees incurred substantial expenses as a direct result of performing their job duties for Defendant, but Defendant failed to indemnify Plaintiff and the Aggrieved Employees for these employment-related expenses.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 2802 and 2699(f)(2) for failing to indemnify Plaintiff and the Aggrieved Employees for necessary business expenditures.

Action for Civil Penalties Under PAGA

In light of the above, Plaintiff alleges that Defendant violated the following provisions of the Labor Code with respect to the Aggrieved Employees:

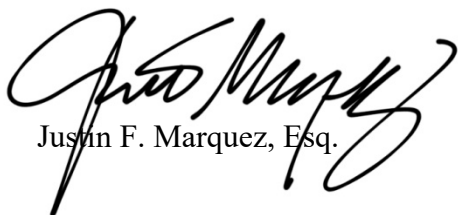
1. Labor Code § 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code § 226.7 and applicable Wage Orders by failing to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing to authorize and permit rest periods;
4. Labor Code § 204 by failing to pay all earned wages two times per month;
5. California Labor Code § 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;
6. Labor Code § 226 by failing to provide accurate itemized wage statements; and
7. Labor Code § 2802 by failing to indemnify for necessary expenditures.

Therefore, on behalf of all Aggrieved Employees, Plaintiff seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 1174.5, 1197.1, and 2699(f)(2).

Plaintiff has placed Defendant on notice by mailing a certified copy of this correspondence, as indicated on the first page. Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

WILSHIRE LAW FIRM



Justin F. Marquez, Esq.

Exhibit 2

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Maria Franchesca De Leon Ruano (“Plaintiff”) and defendant Peachtree Hospitality Management, LLC (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1 “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant, captioned *Maria Franchesca De Leon Ruano v. Peachtree Hospitality Management, LLC*, initiated on July 30, 2024, and pending in Superior Court of the State of California, County of Sacramento, Case No. 24CV015204.

1.2 “Administrator” means ILYM Group, Inc., 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 a person employed by Defendant in California and classified as an hourly-paid, non-exempt employee who worked for Defendant during the PAGA Period.

1.5 “Class” means all persons employed by Defendant in California and classified as an hourly-paid non-exempt employee who worked for Defendant during the Class Period.

1.6 “Class Counsel” means John G. Yslas, Arrash T. Fattahi, and John O. Bishay of Wilshire Law Firm, PLC.

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 Action.

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, with a Spanish translation, 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 the period from February 3, 2020 to April 27, 2026.

1.13 “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.

1.14 “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

1.15 “Court” means the Superior Court of California, County of Sacramento.

1.16 “Defendant” means named Defendant Peachtree Hospitality Management, LLC.

1.17 “Defense Counsel” means Gabriel N. Rubin and Ronald Q. Tran of Jackson Lewis P.C.

1.18 “Effective Date” means the date by when the Court enters a Judgment on its Order Granting Final Approval of the Settlement.

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 \$1,900,000.00, which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 5.1.1 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual

PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment 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 Aggrieved Employees' share 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 to civil penalties, under Labor Code section 2699.

1.27 "LWDA PAGA Payment" means the share of the PAGA Penalties paid to the LWDA under Labor Code section 2699.

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 Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder 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 August 6, 2023 through April 27, 2026.

1.32 "PAGA" means the Private Attorneys General Act (Lab. Code, § 2698, *et seq.*).

1.33 "PAGA Notice" means Plaintiff's August 6, 2024 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).

1.34 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 35% to the Aggrieved Employees (\$35,000.00) and the 65% to LWDA (\$65,000.00) in settlement of 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 “Plaintiff” means Maria Franchesca De Leon Ruano, the named plaintiff in the Action.

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 3.3 below.

1.40 “Released PAGA Claims” means the claims being released as described in Paragraph 3.4 below.

1.41 “Released Parties” means Defendant and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, and assigns.

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 60 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 his, her, or their Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 15 calendar days beyond the Response Deadline has expired.

1.44 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

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

2. RECITALS.

2.1 On July 30, 2024, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for failure to pay minimum and straight time wages, failure to pay overtime wages, failure to provide meal periods, failure to authorize and permit rest periods, failure to provide accurate itemized wage statements, failure to indemnify employees for expenditures, and unfair business practices.

Plaintiff will file an amended complaint adding a cause of action for civil penalties under PAGA (the “Operative Complaint”). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged.

2.2 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

2.3 On February 26, 2026, the Parties participated in an all-day mediation presided over by Steven G. Mehta, Esq., which led to this Agreement to settle the Action.

2.4 Prior to negotiating the Settlement, Plaintiff obtained, through informal discovery, sufficient information, including a sample of Defendant’s timekeeping records, policies, and other information. Plaintiff’s investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).

2.5 The Court has not granted class certification.

2.6 Once the Operative Complaint has been filed, Plaintiff’s separately filed PAGA action (Sacramento County Superior Court, Case No. 25CV028086) will be dismissed without prejudice. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. RELEASES OF CLAIMS.

Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

3.1 Plaintiff’s Release. Plaintiff and her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors and assigns generally, release and discharge Released Parties from all claims, transactions or occurrences that occurred during the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint; and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint and Plaintiff’s PAGA Notice (“Plaintiff’s Release”).

Plaintiff’s Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers’ compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or

in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

3.1.1 Plaintiff's Waiver of Rights Under Civil Code Section 1542.

For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the Civil Code, which reads:

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

3.2 Release by Participating Class Members (Class Release): All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint. Except as set forth in Section 3.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation or claims based on facts occurring outside the Class Period.

3.3 Release by Non-Participating Class Members Who Are Aggrieved Employees (PAGA Release): All Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts contained in the Operative Complaint and/or the PAGA Notice.

4. MONETARY TERMS.

4.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 5.1.1 below, Defendant promises to pay \$1,900,000.00 and no more as the Gross Settlement Amount, and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 5.3 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.

4.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts

specified by the Court in the Final Approval Order:

4.2.1 To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$10,000.00 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff 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 a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

4.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than 35%, which is currently estimated to be \$665,000.00, and a Class Counsel Litigation Expenses Payment of not more than \$50,000.00. Defendant will not oppose requests for these payments provided that do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class 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 Plaintiff's Counsel arising from any claim to any portion 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.

4.2.3 To the Administrator: An Administrator Expenses Payment not to exceed \$12,950.00, 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 \$12,950.00, the Administrator will retain the remainder in the Net Settlement Amount.

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

4.2.4.1 Tax Allocation of Individual Class Payments. Twenty percent (20%) of each Participating Class Member's Individual Class Payment will be allocated to 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. Eighty percent (80%) 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.

4.2.4.2 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.

4.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$100,000.00 to be paid from the Gross Settlement Amount, with 65% (\$65,000.00) allocated to the LWDA PAGA Payment and 35% (\$35,000.00) allocated to the Individual PAGA Payments.

4.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties (\$35,000.00) 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.

4.2.5.2 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.

5. SETTLEMENT FUNDING AND PAYMENTS.

5.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 1,085 Class Members who collectively worked a total of 61,032 Workweeks, and 792 Aggrieved Employees who worked a total of 22,341 of PAGA Pay Periods.

5.1.1 If the total number of Workweeks as of the end of the Class Period exceeds the above figure (61,032 Workweeks) by greater than 10% (i.e. an increase of more than 6,103 workweeks), then Defendant shall have the option to

either: (1) have the Gross Settlement Amount increase pro rata based on the number of additional Workweeks above 10% (i.e., if the number of Workweeks is 15% greater than 61,032 Workweeks, then the Gross Settlement Amount shall increase by 5%); or (2) have the end date of the Class Period become the date one day prior to the date on which the total number of workweeks exceeds 67,135. Defendant must notify Class Counsel and the Administrator of its election within 7 days after receiving the final Class Data from the Administrator. If this Escalator clause is triggered, and if Defendant, at its sole discretion, elects to pay the pro rata increase in excess of 10% of the GSA to include the additional workweeks, the Parties agree that the portion of the GSA allocated to attorneys' fees will increase proportionally such that the total amount of attorneys' fees remains 35% of the GSA after the upward adjustment required by this provision is implemented.

5.2 Class Data. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously 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 it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data 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.

5.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount and also fund the amounts necessary to fully pay Defendant's share of payroll taxes. Within 65 days after the Effective Date, Defendant will transmit half of the Gross Settlement Amount to the Administrator. Within 60 days thereafter, Defendant will transmit the remaining half of the Gross Settlement Amount as well as Defendant's share of payroll taxes.

5.4 Payments from the Gross Settlement Amount. Within 14 days after Defendant fully 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 Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

5.4.1 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 Settlement 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.

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

5.4.3 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 Code of Civil Procedure section 384, subdivision (b).

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

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 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code section 2699; (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 Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members and the Administrator; (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Lab. Code, § 2699.3, subd. (a)), Operative Complaint (Lab. Code, § 2699), this Agreement (Lab. Code, § 2699); and (vii) all facts relevant to any actual or potential conflict of interest with Class Members, and the Administrator. In their Declarations, Plaintiff and Class Counsel Declaration shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

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; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court’s Preliminary Approval to the Administrator. Class Counsel’s supporting declaration must attest to compliance with Sacramento Superior Court Local Rule 2.99.05 and review of the Court’s settlement checklist.

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 ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, the Administrator 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 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 three (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, PAGA Members, 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 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice, with Spanish translation, substantially 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, the Administrator shall update Class Member addresses using the National Change of Address database. The face of each check issued to Class Members shall prominently state the void date, which shall be not less than 180 days after the date of mailing.

7.4.3 Not later than 3 business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the 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 the 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 15 days beyond the 60 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, Defendant 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 60 days after the Administrator mails the Class Notice (plus an additional 15 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her/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.

7.5.2 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 3.2 and 3.3 of this Agreement, regardless of 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 3.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 15 day 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 provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

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 Payment.

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 oral 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 60 days after the Administrator's mailing of the Class Notice (plus an additional 15 day 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.

7.8 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 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also 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 five (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 names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

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 include provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

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 Plaintiff is 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. 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 as set forth in the final Class Data provided by the Administrator, Defendant may, but is not obligated, 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 seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

9. MOTION FOR FINAL APPROVAL.

Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff 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, a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel 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.

9.1 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 five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

9.2 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 Payment, 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.

9.3 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.

9.4 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 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.

9.5 Appellate Court Orders to Vacate, Reverse or Materially Modify Judgment. If the reviewing 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, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse or modify the Court's award of the Class Representative Service Payment 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.

10. 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 file a proposed amended judgment.

11. ADDITIONAL PROVISIONS.

11.1 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 Plaintiff that Defendant's defenses in the Action 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 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 Action, and Plaintiff reserves 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 Action 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).

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

11.3 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.

11.4 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.

11.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff 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.

11.6 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 Settlement 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.

11.7 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 any portion of any liability, claim, demand, action, cause of action or right released and discharged by the Party in this Settlement.

11.8 No Tax Advice. Neither Plaintiff, 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.

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

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

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

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

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

11.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence 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 California Rules of Court rule. Not later than 60 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, Plaintiff 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 destruction, of Class Data.

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

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

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

To Plaintiff:

John G. Yslas, Esq.
Arrash T. Fattahi, Esq.
John O. Bishay, Esq.
WILSHIRE LAW FIRM, PLC
660 S. Figueroa St., Sky Lobby
Los Angeles, California 90017
Telephone: (213) 784-3830
Facsimile: (213) 381-9989
john.yslas@wilshirelawfirm.com
arrash.fattahi@wilshirelawfirm.com
john.bishay@wilshirelawfirm.com

To Defendant:

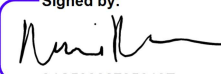
Gabriel N. Rubin, Esq.
Ronald Q. Tran, Esq.
JACKSON LEWIS P.C.
50 California Street, 9th Floor
San Francisco, California 94111
Telephone: (415) 394-9400
Facsimile: (415) 394-9401
gabriel.rubin@jacksonlewis.com
ronald.tran@jacksonlewis.com

11.18 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.

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

PLAINTIFF

Date: 5/13/2026

Signed by:

34C59802735646E...

Maria Franchesca De Leon Ruano

DEFENDANT PEACHTREE HOSPITALITY
MANAGEMENT, LLC

Date: _____

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

WILSHIRE LAW FIRM, PLC

Date: 5/13/2026



John G. Yslas
Arrash T. Fattahi
John O. Bishay

Attorneys for Plaintiff

JACKSON LEWIS P.C.

Date: _____

Gabriel N. Rubin, Esq.
Ronald Q. Tran, Esq

Attorneys for Defendant

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PLAINTIFF

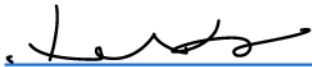
Date: 5/13/2026



Maria Franchesca De Leon Ruano

DEFENDANT PEACHTREE HOSPITALITY
MANAGEMENT, LLC

Date: 06/08/2026


By: Jenelle Zadik (Jun 8, 2026 13:37:39 EDT)
Name: Jenelle Zadik
Title: SVP People, Culture & Workplace Initiatives

APPROVED AS TO FORM:

WILSHIRE LAW FIRM, PLC

Date: 5/13/2026



John G. Yslas
Arrash T. Fattahi
John O. Bishay

Attorneys for Plaintiff

JACKSON LEWIS P.C.

Date: 6/8/2026



Gabriel N. Rubin, Esq.
Ronald Q. Tran, Esq

Attorneys for Defendant

EXHIBIT A

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

Maria Franchesca De Leon Ruano v. Peachtree Hospitality Management, LLC
(Sacramento County Superior Court, Case No. 24CV015204)

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

You may be eligible to receive money from an employee class action lawsuit (“Action”) against *Peachtree Hospitality Management, LLC* (“Defendant”) for alleged wage and hour violations. The Action was filed by a former employee of Defendant, *Maria Franchesca De Leon Ruano* (“Plaintiff”), and seeks payment for (1) unpaid minimum and straight time wages, (2) unpaid overtime, (3) unpaid meal period premiums, (4) unpaid rest break premiums, (5) inaccurate wage statements, (6) unreimbursed business expenses, and (7) unfair business practices for a class of hourly-paid or non-exempt employees (“Class Members”) who worked for Defendant during the Class Period (February 3, 2020 to April 27, 2026); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all hourly-paid or non-exempt employees who worked for Defendant during the PAGA Period (August 6, 2023 to April 27, 2026) (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendant to fund Individual Class Payments, and (2) a PAGA Settlement requiring Defendant to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

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

The above estimates are based on Defendant’s records showing that **you worked [REDACTED] workweeks** during the Class Period and **you worked [REDACTED] pay periods** during the PAGA Period. If you believe that you worked more workweeks/pay periods during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or 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 Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

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

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

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.
The Opt-out Deadline is	You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).

Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [REDACTED]	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the [REDACTED] Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on [REDACTED]. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by [REDACTED]	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendant’s records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [REDACTED]. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendant. The Action accuses Defendant of violating California labor laws by (1) failing to pay all minimum and straight time wages, (2) failing to pay all overtime wages, (3) failing to provide meal periods (4) failing to authorize and permit rest periods, (5) failing to provide accurate itemized wage statements, (6) failing to indemnify employees for expenditures, and (7) engaging in unfair business practices. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Lab. Code, § 2698, *et seq.*) (“PAGA”). Plaintiff is represented by attorneys in the Action: John G. Yslas, Arrash T. Fattahi, and John O. Bishay of Wilshire Law Firm (“Class Counsel.”)

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

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

So far, the Court has made no determination whether Defendant or Plaintiff is correct on the merits.

In the meantime, Plaintiff and Defendant hired an experienced, neutral mediator 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. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff 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.

The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. Defendant Will Pay \$1,900,000.00 as the Gross Settlement Amount (Gross Settlement). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel’s attorneys’ 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 Gross Settlement not more than 125 days after the Judgment entered by the Court becomes final.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff 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 \$665,000.00 (35% of the Gross Settlement) to Class Counsel for attorneys’ fees and up to \$50,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$10,000.00 as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff’s Individual Class Payment and any Individual PAGA

Payment.

C. Up to \$12,950.00 to the Administrator for services administering the Settlement.

D. Up to \$100,000.00 for PAGA Penalties, allocated 65% to the LWDA PAGA Payment and 35% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

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

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement Amount”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages (“Wage Portion”) and 80 % to interest and penalties (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Non-Wage Portions of the Individual Class Payments and the Individual PAGA Payments on IRS 1099 Forms.

Although Plaintiff 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, which is not less than 180 days after the date of mailing). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller’s Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller’s Unclaimed Property, 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 by the [REDACTED] Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her/their representative setting forth a Class

Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. 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. You cannot opt out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendant based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff 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, ILYM Group, Inc. (the "Administrator"), to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.
9. Participating Class Members' Release. After the Judgment is final and Defendant has fully funded the Gross Settlement (and separately paid all employer payroll taxes), Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue or be part of any other lawsuit against Defendant or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

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

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint. Except as set forth in Section 3.3 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

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

The Aggrieved Employees' Release is as follows:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and/or the PAGA Notice.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$35,000.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated on 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 9 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 Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and

Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

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

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 9 of this Notice has the Administrator's contact information.

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

Submit a written and signed letter with your name, present address, telephone number and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Maria Franchesca De Leon Ruano v. Peachtree Hospitality Management, LLC*, Case No. 24CV015204, and include your identifying information (full name, address, telephone number, approximate dates of employment and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by [REDACTED], or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendant are asking the Court to approve. At least 16 days before the Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court: (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, the amount Class Counsel is requesting for attorneys' fees and litigation expenses, and the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website [REDACTED] or the Court's website (<https://www.saccourt.ca.gov/indexes/new-portal-info.aspx>).

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish

to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **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. Make sure you identify the Action as *Maria Franchesca De Leon Ruano v. Peachtree Hospitality Management, LLC*, Case No. 24CV015204, and include your name, current address, telephone number and approximate dates of employment for Defendant, and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [REDACTED] at [REDACTED] in Department 22 of the Sacramento Superior Court, located at 720 9th Street, Sacramento, CA 95616. 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, Plaintiff and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via the Department's Zoom link ([insert Zoom link for Department]) or phone number ([insert Zoom phone number and ID for Department]). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website ([REDACTED]) beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiff 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 [REDACTED] website at [REDACTED]. 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.saccourt.ca.gov/indexes/new-portal-info.aspx>). You can also make an appointment to personally review court documents in the Civil Records Unit in the Gordon D. Schaber Sacramento County Courthouse Room 102 or by calling (916) 874-7186.

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

Class Counsel:

John G. Yslas
john.yslas@wilshirelawfirm.com
Arrash T. Fattahi
arrash.fattahi@wilshirelawfirm.com
John O. Bishay
john.bishay@wilshirelawfirm.com
WILSHIRE LAW FIRM, PLC
660 S. Figueroa Street, Sky Lobby
Los Angeles, California 90017
Telephone: (213) 784-3830
Fax Number: (213) 381-9989

Settlement Administrator:

Name of Company: ILYM Group, Inc.

Email Address:

Mailing Address:

Telephone:

Fax Number:

10. 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 will have no way to recover the money.

11. 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.

Exhibit 3



Thank you for your Proposed Settlement Submission

From no-reply@formassembly.com <no-reply@formassembly.com>

Date Fri 7/24/2026 11:13 AM

To Dariane Rose <dariane.rose@wilshirelawfirm.com>

07/24/2026 11:12:58 AM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

On 07/24/2026 11:12:58 AM your Proposed Settlement was successfully processed for case number LWDA-CM-1043918-24

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate_Attorneys_General_Act.htm&data=05%7C02%7Cdariane.rose%40wilshirelawfirm.com%7C06e76eb877274c7d45bb08dee9af3bdd%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639205136009080342%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRy.dWUsIiYiOiIwLjAuMDAwMCIiIAiOiJXaW4zMilskFOIjoiTWfPbClldUljoyfQ%3D%3D%7C0%7C%7C%7C&sdata=5q%2FAy7O0DF25XpYDulyGdUzF55JPSiH4MEu0BJ29Ej0%3D&reserved=0

IMPORTANT NOTICE OF REDACTION RESPONSIBILITY: All filers must redact: Social Security or taxpayer identification numbers; personal addresses, personal telephone numbers, personal email addresses, dates of birth; names of minor children; & financial account numbers. This requirement applies to all documents, including attachments.



Private Attorneys General Act (PAGA) – Filing

Proposed Settlement of PAGA case

PAGA Number (LWDA-CM-) : *

Please enter only the numbers after "LWDA-CM-" in the following format, "XXXXXXXX-XX".

[Search for PAGA Case number](#)

The timing of the deposit of settlement checks is governed by the provisions of the State Administrative Manual. This ministerial, administrative act of depositing a settlement check mandated by state procedures should not be construed as nor does it constitute an unconditional, voluntary and/or absolute acceptance of settlement proceeds or approval of the terms of any settlement agreement or judgment related to that check.

Your Information (Person Who is Filing)

Your First Name *

Your Last Name *

Your Email Address *

Your Street Name, Number and Suite/Apt *

Your Mobile Phone Number

Your City *

Your Work Phone Number

Your State *

Your Zip/Postal Code *

Court and Hearing Information

Court *

Sacramento County Superior Court ▼

Court Case Number *

24CV015204

Hearing Date *

08/07/2026

Hearing Time *

09:00

HH:MM

Hearing Location *

Sacrament Superior

Number of aggrieved employees *

792

Net Amount to Aggrieved Employees *

35000.00

Gross settlement amount *

1900000.00

Gross penalty *

100000.00

Penalties to LWDA *

65000.00

Date of proposed settlement *

06/08/2026

Other PAGA Notices

[Search for PAGA Case number](#)

- ☒ I have searched LWDA's database for other PAGA claims filed against the employer(s) named in my NEW PAGA Claim Notice.
- ☒ There are no other PAGA claims which may be affected by this proposed settlement.
- ☐ The proposed settlement may affect other PAGA claims.
- ☐ A Notice of Related Cases has been filed in all related actions.
- ☐ Plaintiff has provided copies of proposed settlement and moving papers to plaintiffs with claims that are affected by this proposed settlement agreement.
- ☒ Plaintiff has submitted to LWDA the court complaint(s) on which this settlement is based.

Proposed Settlement and Other Documents

Proposed Settlement (must be .pdf or .xlsx) *

Choose File 2026 06-08 P... Exec.pdf.pdf

Other Attachment (if any, must be .pdf or .xlsx)

Choose File No file chosen

[Add Another Attachment](#)

LWDA requests that settling parties provide copies of supporting documents, including memorandum of points and authorities and declaration of counsel filed with the court, to assist LWDA in evaluating proposed settlement agreements.

IMPORTANT NOTICE OF REDACTION RESPONSIBILITY: All filers must redact: Social Security or taxpayer identification numbers; personal addresses, personal telephone numbers, personal email addresses, dates of birth; names of minor children; & financial account numbers. This requirement applies to all documents, including attachments.

☐ **I understand that, if I file, I must comply with the redaction rules consistent with this notice.**

Should you have questions regarding this online form, please contact PAGInfo@dir.ca.gov

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Previous Page

Submit

Exhibit 4

Wilshire Law Firm, PLC
Transaction Detail by Account
All Transactions

11/8/2024
Accrual Basis

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Memo</u>	<u>Description</u>	<u>Amount</u>	<u>Balance</u>
COS						
Mediation Fees						
	07/25/2025	20128	Mehta & Mann	Mediation Fee	\$11,000.00	\$11,000.00
Total MEDIATION FEES					\$11,000.00	\$11,000.00
Consultant Fees						
	03/05/2026	13673	Berger Consulting Group LLC	13.10 hours of work	\$8,842.50	\$8,842.50
Total CONSULTANT FEES					\$8,842.50	\$8,842.50
Filing Fees						
	07/31/2024	81702	One Legal LLC	Complaint	\$1,495.76	\$1,495.76
	08/05/2024		Department of Industrial Relations	PAGA Letter	\$75.00	\$1,570.76
	09/04/2024	23422852	One Legal LLC	Notice	\$20.02	\$1,590.78
	09/17/2024	81671	Valpro Attorney Services, LLC	Serve - Peachtree	\$140.00	\$1,730.78
	09/18/2024	81702	Valpro Attorney Services, LLC	File POS	\$45.00	\$1,775.78
	04/15/2025	25137252	One Legal LLC	Jury Fees	\$177.02	\$1,952.80
	09/19/2025	CC093025TA-1673	One Legal LLC	CMC	\$21.11	\$1,973.91
	09/19/2025	CC093025TA-1682	One Legal LLC	Change of Address	\$21.11	\$1,995.02
	11/21/2025	CC113025TA-2324	One Legal LLC	PAGA - Complaint	\$471.28	\$2,466.30
	12/22/2025	VAL14610	Valpro Attorney Services LLC	PAGA - Serve Peachtree	\$139.00	\$2,605.30
	12/23/2025	VAL14680	Valpro Attorney Services LLC	PAGA - Proof of Service	\$45.00	\$2,650.30
	03/06/2026	CC033126TA-0416	One Legal LLC	CMS	\$22.20	\$2,672.50
	04/16/2026	CC043026TA-1408	One Legal LLC	Notice	\$22.20	\$2,694.70
	06/08/2026	CC063026TA-0450	One Legal LLC	PAGA - Stip and Order	\$43.94	\$2,738.64
	06/16/2026	CC063026TA-1544	One Legal LLC	Stip and Order	\$43.94	\$2,782.58
	06/22/2026	CC063026TA-1965	One Legal LLC	PAGA - Notice	\$22.20	\$2,804.78
	06/25/2026	CC063026TA-2284	One Legal LLC	Amended Complaint	\$22.20	\$2,826.98
	07/14/2026	CC073126TA-1109	One Legal LLC	Stip and Order	\$43.94	\$2,870.92
	07/17/2026	CC073126TA-1616	One Legal LLC	PAGA - Req. for Dismissal	\$22.20	\$2,893.12
	FUTURE		One Legal LLC	MPA	\$85.00	\$2,978.12
	FUTURE		One Legal LLC	Notice of Ruling MPA	\$25.00	\$3,003.12
	FUTURE		One Legal LLC	MFA	\$85.00	\$3,088.12
	FUTURE		One Legal LLC	Notice of Ruling MFA	\$25.00	\$3,113.12
	FUTURE		One Legal LLC	Admin Complainece Dec	\$30.00	\$3,143.12
Total FILING FEES					\$3,143.12	\$3,143.12
TOTAL					\$22,985.62	\$22,985.62

Exhibit 5

ILYM | GROUP, Inc.

CLASS ACTION ADMINISTRATION

Case Name: Ruano v. Peachtree Hospitality Management, LLC
Wednesday, March 25, 2026

Requesting Attorney:

John Bishay, Esq.
Wilshire Law Firm, PLC
john.bishay@wilshirelawfirm.com
213.381.9988

ILYM Group Contact:

Lisa Mullins
ILYM Group, Inc.
lisa@ilymgroup.com
714.878.8836

Estimate For Administrative Solutions: Class & PAGA

KEY ASSUMPTIONS	
Total Number of Class Members	1,125
Estimated Percentage of Remains	15%
Certified Spanish Translation	Yes
ILYM Group Static Website	Yes
Case Duration (Years)	1

Summary of ILYM Group, Inc.'s Fees & Expenses

Case Startup:	\$650.00
Project Management:	\$3,670.00
Notification & Mailing:	\$2,795.32
Distribution (Includes EIN, Bank Acct * /QSF Setup):	\$4,819.69
Case Conclusion:	\$1,015.00

Estimated ILYM Fees & Expenses: \$12,950.00

ILYM | GROUP, Inc.

CLASS ACTION ADMINISTRATION

Case Name: Ruano v. Peachtree Hospitality Management, LLC

Wednesday, March 25, 2026

Requesting Attorney's Name: John Bishay, Esq.

Activity	Rate Type	Unit Cost	Volume	Amount
CASE STARTUP				
Initial Setup - Import and Formatting of Data*	Hourly	\$150.00	2	\$300.00
Programming of Class Database	Hourly	\$175.00	2	\$350.00

**ILYM assumes that data will be in a standard format. Client will be notified immediately if not in standard format to correct data or ILYM can convert to standard format @ \$150.00 per hour.*

Subtotal \$650.00

PROJECT MANAGEMENT				
Project Manager (Case notification and maintenance)	Hourly	\$120.00	5	\$600.00
Staff Hours for Processing Returned Mail	Hourly	\$70.00	2	\$140.00
Staff Hours for Processing Opt-Outs, Disputes & Objection(s)	Hourly	\$70.00	2	\$140.00
Report Processing	Hourly	\$70.00	2	\$140.00
Certified Spanish Translation	Flat Fee	\$1,250.00	1	\$1,250.00
ILYM Group Static Website	Flat Fee	\$750.00	1	\$750.00
NCOA	Flat Rate	\$300.00	1	\$300.00
Toll Free Customer Service Representative	Flat Fee	\$350.00	1	\$350.00
Weekly Reports	Flat Rate	\$750.00	1	Waived

Subtotal \$3,670.00

NOTIFICATION & MAILING				
Fulfillment of Notice, English & Spanish	Per Piece	\$1.25	1,125	\$1,406.25
USPS First Class Postage	Per Piece	\$0.85	1,125	\$956.25
Re-Mails (Forward/Skip trace Undeliverables)	Per Piece	\$1.50	158	\$236.25
Storage, Photocopies, Deliveries	Flat Fee	\$196.57	1	\$196.57

Subtotal \$2,795.32

ILYM | GROUP, Inc.

CLASS ACTION ADMINISTRATION

Case Name: Ruano v. Peachtree Hospitality Management, LLC

Wednesday, March 25, 2026

Requesting Attorney's Name: John Bishay, Esq.

Activity	Rate Type	Unit Cost	Volume	Amount
DISTRIBUTION (Includes EIN, Bank Acct * /QSF Setup)				
Distribution Setup & Management	Hourly	\$150.00	3	\$450.00
Account Reconciliation & Distribution Reporting	Hourly	\$125.00	3	\$375.00
Check, Stub & Release - Print & Mail (W2/1099)	Per Check	\$1.00	1,125	\$1,125.00
USPS First Class Postage	Per Piece	\$0.74	1,125	\$832.50
Re-Mails (Forward/Skip trace Undeliverables up to 10%)	Per Piece	\$1.50	118	\$177.19
Preparation of Taxes	Hourly	\$120.00	3	\$360.00
Annual Filing of Tax Return	Per Year	\$1,500.00	1	\$1,500.00

**Additional Bank fees may apply*

Subtotal \$4,819.69

CASE CONCLUSION				
Data Manager Final Reporting	Hourly	\$100.00	1	\$100.00
Project Manager Final Reporting	Hourly	\$120.00	2	\$240.00
Process Unclaimed Funds to the State	Flat Fee	\$550.00	1	\$550.00
Declaration	Hourly	\$125.00	1	\$125.00

Subtotal \$1,015.00

Estimated ILYM Fees & Expenses: \$12,950.00

ILYM Group's Terms and Conditions

All services to be provided by ILYM Group, Inc. (hereinafter, "ILYM") to Client shall be subject to the following terms and conditions:

Services: Subject to the terms hereof, ILYM agrees to provide the Client with Administration Services (hereinafter, "services") as specified in the Proposal provided to Client to which these Terms and Conditions are attached. The estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make provision for any services or class members/size not delineated in the request for proposal or stipulations. Such services do not in any way constitute legal services or advice. ILYM is performing its services as an Independent Contractor and neither it nor its employees shall be deemed to be employees of the Client.

Mailing and Data Conversion: ILYM's database administration assumes the Client will provide complete data that includes all information required to send notifications and complete the administration process. Data must be provided in a complete, consistent, standardized electronic format. ILYM's standard format is Microsoft Excel, however, ILYM may accept other formats at its discretion. Further developments or enhancements to non-standardized data will be billed to Client by ILYM on a time and materials basis, according to ILYM's Standard Rates.

Charges for Services: Charges to the Client for services shall be on a time and materials basis at our prevailing rates, as the same may change from time to time. Any fee estimates set forth in the proposal are estimates only, based on information provided by Client to ILYM. Actual fees charged by ILYM to Client may be greater or less than such estimate, and Client shall be responsible for the payment of all such charges and expenses in accordance with Section 5 hereof. Charges incurred related to resolving post distribution withholdings and related corrective files due to voids and re-issues of payments and related correspondence with state and federal taxing authorities will not be charged to the Client to the extent that funds are received from the taxing authorities offset these charges. ILYM may derive financial benefits from financial institutions in connection with the deposit and investment of settlement funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.

Indemnification: Client will indemnify and hold ILYM (and the officers, employees, affiliates and agents harmless against any Losses incurred by ILYM, arising out of, in connection with, or related to (i) any breach of the terms by Client; (ii) the processing and handling of any payment by ILYM in accordance with Client's instructions, including without limitation, the imposition of any stop payment or void payment on any check or the wrongful dishonor of a check by ILYM pursuant to Client's instructions.

Payment of Charges: ILYM reserves the right to request payment of postage charges and 50% of the final administration charges at the start of the case. ILYM bills are due upon receipt unless otherwise negotiated and agreed to with the Client. In the event settlement terms provide that ILYM is to be paid out of the Settlement Fund, ILYM will request that Counsel endeavor to make alternate payment arrangements for ILYM charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the Settlement Account is funded by, or no later than the time of disbursement. Decisions of the court and actions of the parties, including disapproval or withdrawal of a settlement, do not affect the Client's liability to ILYM for payment of services. Services are not provided on a contingency fee basis.

Confidentiality: ILYM maintain reasonable and appropriate security measures and safeguards to protect the security and confidentiality of Client data provided to ILYM by Client in connection herewith. Should ILYM ever be notified of any judicial order or other proceedings in which a third party seeks to obtain access to the confidential data created by or for the Client, ILYM will promptly notify the Client, unless prohibited by applicable law. The Client shall have the option to (1) provide legal representation at the Client's expense to avoid such access or (2) promptly reimburse ILYM for any of its costs, including attorneys' fees, reasonably incurred in avoiding, attempting to avoid or providing such access and not paid by the entity seeking the data. If ILYM is required, pursuant to a court order, to produce documents, disclose data, or otherwise act in contravention of the obligations imposed by this Agreement, or otherwise, with respect to maintaining the confidentiality, proprietary nature and secrecy of the produced documents or disclosed data, ILYM will not be liable for breach of said obligation.

Data Rights: ILYM does not convey nor does the Client obtain any right in the programs, system data, or materials utilized or provided by ILYM in the ordinary course of business in the performance of this Agreement.

Document Retention: Unless directed otherwise in writing by Client, ILYM will destroy undeliverable mail on the effective date of the settlement or the date that the disposition of the case is no longer subject to appeal or review, whichever is later. ILYM will maintain claim forms and other correspondence for one year after final distribution of funds or benefits, or until the date that the disposition of the case is no longer subject to appeal or review, whichever is later.

Limitation of damages: ILYM is not responsible to the Client for any special, consequential or incidental damages incurred by Client. Any liability of ILYM to the Client shall not exceed the total amount billed to the Client for the particular services that give rise to any loss.

Termination: The services to be provided under this Agreement may be terminated, at will by the Client upon at least 30 calendar days' prior written notice to ILYM. The Client's obligation to pay for services or projects in progress at the time of notice of withdrawal shall continue throughout that 30 day period. ILYM may terminate this Agreement (i) with 10 calendar days' prior written notice, if the Client is not current in payment of charges or (ii) in any event, upon at least 3 months' prior written notice to the Client.

Notice: Any notice required or permitted hereunder shall be in writing and shall be delivered personally, or sent by registered mail, postage prepaid, or overnight courier service to the responsible officer or principal of ILYM or the Client, as applicable, and shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service.

Force Majeure: To the extent performance by ILYM of any of its obligations hereunder is substantially prevented by reason of any act of God or by reason of any other matter beyond ILYM's reasonable control, then such performance shall be excused and this Agreement, at ILYM's option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.

Waiver of Rights: No failure or delay on the part of a party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in a signed writing.

Jurisdiction: The parties hereto submit to the jurisdiction of the Court of the applicable case for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby waive any objection to the laying of venue of any such suit, action or proceeding in the Court.

Entire Agreement: These terms and conditions and the proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. No changes in, additions to, or waivers of, the terms and conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.