

ALEXANDER HUETE, individually and on
behalf of others similarly situated,

Plaintiff,

vs.

S.J. DISTRIBUTORS LLC, a California
corporation; and DOES 1 through 50,
inclusive,

Defendants.

Assigned for All Purposes to: Hon. Julia Campins, Department 10

Complaint Filed: October 7, 2024
Trial Date: None Set

any other information required by the Settlement Administrator in order to effectuate the terms of the Settlement.

6. “Class” or “Class Members” means all current and former hourly-paid, non-exempt employees of Defendant who were employed by Defendant in the State of California at any time during the Class Period.

7. “Class Period” means the period from July 31, 2022, through March 24, 2026.

8. “Class Representative” means Plaintiff Alexander Huete in his capacity as representative of the Participating Class Members.

9. “Class Representative Enhancement Payment” means the amount that the Court authorizes to be paid to Plaintiff, in addition to his Individual Settlement Payments, in recognition of the efforts and risks he has taken in assisting with the prosecution of the Actions and in exchange for the General Release of his claims as provided herein.

10. “Court” means the Superior Court of the State of California for the County of Contra Costa.

11. “Defendant” means S.J. Distributors, LLC.

12. “Effective Date” means: the later of: (a) if no timely objections are filed or if all objections are withdrawn, the date upon which the Court enters Final Approval; (b) if an objection is filed and not withdrawn, the date for filing an appeal and no such appeal being filed; or (c) if any timely appeals are filed, the date of the resolution (or withdrawal) of any such appeal in a way that does not alter the terms of the settlement.

13. “Final Approval” means the Court entering an order granting final approval of the Settlement Agreement.

14. “Gross Settlement Amount” means the sum of Five Hundred Thousand Dollars (\$500,000.00). The Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Amount will return to Defendant.

15. “Individual Settlement Payment” means the amount payable from the Net Settlement Amount to each Participating Class Member and any payment a PAGA Member is eligible to receive from the employee portion of the PAGA Payment. Individual Settlement

1 Payments shall be paid by a Settlement Check made payable to Participating Class Members
2 and/or PAGA Members.

3 16. “Net Settlement Amount” means the funds available for payments to the Class,
4 which shall be amount remaining after the following amounts are deducted from the Gross
5 Settlement Amount: (1) Class Counsel’s fees, (2) Class Counsel’s costs, (3) Settlement
6 Administration Costs, (4) Class Representative Enhancement Payment to Plaintiff; and (5) the
7 PAGA Payment to the LWDA and PAGA Members.

8 17. “Notice” means the Notice of Class Action Settlement in a form substantially
9 similar to the form attached hereto as **Exhibit A**, that will be mailed to Class Members’ last known
10 addresses and which will provide Class Members with information regarding the Actions and
11 information regarding the settlement of the Action.

12 18. “PAGA” means the California Labor Code Private Attorneys General Act of 2004
13 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”).

14 19. “PAGA Pay Period” means any pay period during which a PAGA Member worked
15 for Defendant for at least one day during the PAGA Period.

16 20. PAGA Payment” means the amount that the Parties have agreed to allocate in order
17 to settle claims arising under the Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698,
18 *et seq.*) (“PAGA”). The Parties have agreed that Twenty-Five Thousand Dollars (25,000.00) of the
19 Gross Settlement Amount will be allocated to the resolution of Plaintiff’s PAGA Claims. Sixty-
20 Five Percent (65%) of this amount (\$16,250.00) will be paid to the California Labor and Workforce
21 Development Agency in accordance with Labor Code §§ 2698 *et seq.* Thirty-Five Percent (35%)
22 of this amount (\$8,750.00), will be distributed to PAGA Members on a *pro rata* basis, based on
23 the total number of Pay Periods worked by each PAGA member during the PAGA Period. PAGA
24 Members will receive payment from the employee portion of the PAGA Payment regardless of
25 their decision to participate in the class action if the PAGA Payment is approved by the Court.

26 21. “PAGA Period” means the period from September 17, 2023, through March 24,
27 2026.

1 22. “PAGA Members” means all current and former hourly-paid non-exempt
2 employees of Defendant who were employed by Defendant in the state of California at any time
3 during the PAGA Period.

4 23. “Parties” means Plaintiff and Defendant, collectively, and “Party” shall mean either
5 Plaintiff or Defendant, individually.

6 24. “Participating Class Members” means all Class Members who do not submit valid
7 and timely Requests for Exclusion.

8 25. “Plaintiff” means Alexander Huete.

9 26. “Preliminary Approval” means the Court order granting preliminary approval of
10 the Settlement Agreement.

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

16 28. “Released Class Claims” means all claims, rights, demands, liabilities and causes
17 of actions that are alleged, or reasonably could have been alleged, based on the facts alleged in the
18 operative complaint in the Action, including factual claims regarding Defendant’s alleged: (i)
19 failure to pay all regular wages, minimum wages and overtime wages due; (ii) failure to provide
20 meal periods or compensation in lieu thereof; (iii) failure to provide rest periods or compensation
21 in lieu thereof; (iv) failure to pay wages timely at time of termination or resignation; (v) failure to
22 provide timely pay wages during employment; (vi) failure to provide complete, accurate wage
23 statements; (vii) failure to reimburse necessary business expenses; and (viii) unfair business
24 practices.

25 29. “Released PAGA Claims” means all claims under the California Labor Code
26 Private Attorneys General Act of 2004 for civil penalties that could have been premised on the
27 facts alleged in Plaintiff’s September 17, 2024 PAGA Letter to the LWDA and in Plaintiff’s
28 operative complaint including but not limited to penalties arising out of violations for (1) failure

1 to pay for all time worked at the correct rates of pay, including minimum wages, straight time
2 wages and overtime wages; (2) failure to provide meal periods and pay meal period premiums; (3)
3 failure to authorize and permit rest periods and pay rest period premiums; (4) failure to timely pay
4 wages during employment; (5) failure to provide accurate itemized wage statements; (6) failure to
5 maintain accurate records; (7) failure to reimburse necessary expenditures; (8) unlawful deduction,
6 withholding, or collection of wages paid; and (9) failure to timely pay all wages upon termination
7 of employment that could have been awarded pursuant to Labor Code sections 210, 226.3, 1197.1,
8 558, and 2699.

9 30. “Released Parties” means Defendant and its past, present and/or future, direct
10 and/or indirect, parent companies, subsidiaries, affiliates, divisions, predecessors, successors,
11 assigns, joint venturers and their officers, directors, members, managers, agents, representatives,
12 attorneys, insurers, partners, investors, shareholders, and administrators.

13 31. “Request for Exclusion” means a valid and timely written statement submitted by
14 a Class Member requesting to be excluded from the Action. To be effective, the Request for
15 Exclusion must contain (a) the Class Member’s name, address, telephone number, and the last four
16 digits of the Class Member’s Social Security number and/or the Employee ID number and (b) a
17 clear statement requesting to be excluded from the settlement of the class claims. To be effective,
18 the Request for Exclusion must be post-marked by the Response Deadline and received by the
19 Settlement Administrator. The Request for Exclusion shall not be effective as to the release of
20 claims arising under the Private Attorneys General Act.

21 32. “Response Deadline” means the date sixty (60) days after the Settlement
22 Administrator mails Notice to Class Members and the last date on which Class Members may
23 submit Requests for Exclusion, written objections to the Settlement, or Workweek Disputes. In the
24 event the 60th day falls on a Sunday or Federal holiday, the Response Deadline will be extended
25 to the next day on which the U.S. Postal Service is open.

26 33. “Settlement” means the disposition of the Actions pursuant to this Agreement.

27 34. “Settlement Administrator” means Phoenix Class Action Administrative Solutions.
28 The Parties each represent that they do not have any financial interest in the Settlement

Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

35. “Settlement Administration Costs” mean the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, calculating/confirming the class member Workweeks from the information contained in the Class List, calculating each Participating Class Member’s Individual Settlement Payment, tax reporting, distributing the Gross Settlement Amount, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties. Settlement Administration Costs shall not exceed Eight Thousand Seven Hundred and Fifty Dollars (\$8,750.00).

36. “Workweek” shall mean any calendar week (i.e. a week beginning on Sunday and ending on Saturday) in which a Class Member worked at least 1 day for Defendant.

TERMS OF AGREEMENT

37. Settlement Consideration: Defendant shall fund the Gross Settlement Amount and all applicable employer-side payroll taxes following Final Approval by the Court and the occurrence of the Effective Date. The following will be paid out of the Gross Settlement Amount: the sum of the Individual Settlement Payments, the Class Representative Enhancement Payment, Class Counsel’s Fees and Costs, the PAGA Payment, and the Settlement Administration Costs, as specified in this Agreement. Except for any employer-side taxes due on the Individual Settlement Payments, or as a result of an increase in the number of workweeks as set forth below, Defendant shall not be required to pay more than the Gross Settlement Amount. The Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Amount will revert to Defendant.

38. Potential Increase to the Gross Settlement Amount or Revision of Class/PAGA Period: Defendant has represented there are approximately 40,000 Workweeks between July 31, 2022, and May 31, 2025. Should the actual number of Workweeks in the Class Period increase by more than ten percent (10%) (i.e. by more than 4,000 Workweeks) Defendant shall increase the Gross Settlement Amount on a *pro-rata* basis equal to the percentage increase in the number of

1 Workweeks worked by the Class Members above 10%. For example, if the number of Workweeks
2 increases by 11%, the Gross Settlement Amount will increase by 1%. In the event this provision
3 is triggered, the Parties shall advise the Court of the revised settlement terms and obtain an order
4 granting approval of the revised terms prior to sending Notice to the proposed settlement class.

5 39. Funding of the Gross Settlement Amount: Within fourteen (14) days of the
6 Effective Date, Defendant will deposit the Gross Settlement Amount and all applicable employer-
7 side payroll taxes into a Qualified Settlement Fund (“QSF”) to be established by the Settlement
8 Administrator. Defendant shall provide all information necessary for the Settlement Administrator
9 to calculate necessary payroll taxes including its official name, 8 digit state unemployment
10 insurance tax ID number, and other information requested by the Settlement Administrator, no
11 later than seven (7) days of the Effective Date.

12 40. Distribution of the Gross Settlement Amount: Within fourteen (14) days of the
13 funding of the settlement, the Settlement Administrator will issue payments for: (a) Individual
14 Settlement Payments; (b) the PAGA Payment to the Labor and Workforce Development Agency;
15 (c) the Class Representative Enhancement Payment; (d) Class Counsel’s Fees and Costs; and (e)
16 Settlement Administration Costs.

17 41. Attorneys’ Fees and Costs: Defendant agrees not to oppose any application or
18 motion by Class Counsel for attorneys’ fees of not more than One-Third of the Gross Settlement
19 Amount i.e. One Hundred and Sixty-Five Thousand Dollars (\$165,000.00) plus the reimbursement
20 of costs and expenses associated with the litigation and settlement of the Action, in an amount not
21 to exceed Thirty Thousand Dollars (\$30,000.00), both of which will be paid from the Gross
22 Settlement Amount. Any portion of the requested fees or costs that is not awarded to the Class
23 Counsel shall be reallocated to the Net Settlement Amount and distributed to Participating Class
24 Members as provided in this Agreement.

25 42. Class Representative Enhancement Payment: Defendant agrees not to oppose or
26 object to any application or motion by Plaintiff for a Class Representative Enhancement Payment
27 of Seven Thousand Five Hundred Dollars (\$7,500.00). The Class Representative Enhancement
28 Payment is in exchange for Plaintiff’s time, effort, and risk in bringing and prosecuting the Action.

Any portion of the requested Class Representative Enhancement Payment that is not awarded to Plaintiff shall be reallocated to the Net Settlement Amount and distributed to Participating Class Members as provided in this Agreement.

43. Settlement Administration Costs: The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Gross Settlement Amount as further set forth in this Agreement. Settlement Administration Costs shall not exceed Eight Thousand Seven Hundred and Fifty Dollars (\$8,750.00)

44. PAGA Payment: Twenty-Five Thousand Dollars (\$25,000.00) shall be allocated from the Gross Settlement Amount for settlement of claims for civil penalties under the PAGA. The Settlement Administrator shall pay sixty-five percent (65%) of the PAGA Payment, i.e. Sixteen Thousand Two Hundred and Fifty Dollars (\$16,250.00), to the California Labor and Workforce Development Agency ("LWDA"). Thirty-five percent (35%) of this amount, i.e. Eight Thousand Seven Hundred and Fifty Dollars (\$8,750.00), will be distributed to PAGA Members on a *pro rata* basis based on the total number of pay periods worked by each PAGA Member during the PAGA Period. PAGA Members shall receive their portion of the PAGA Payment regardless of their decision to opt-out of the class settlement.

45. Net Settlement Amount for Payment of Class Claims: The Net Settlement Amount will be used to satisfy the class portion of Participating Class Members Individual Settlement Payments in accordance with the terms of this Agreement. The estimated Net Settlement Amount is as follows:

Gross Settlement Amount	\$	500,000.00
Enhancement Payments:	\$	7,500.00
Class Counsel's Fees:	\$	165,000.00
Class Counsel's Costs:	\$	30,000.00
PAGA Payment	\$	16,250.00
Settlement Administration Costs:	\$	\$8,750.00
Estimated Net Settlement Amount	\$	272,500.00

1 46. Individual Settlement Payment Calculations: Individual Settlement Payments will
2 be paid from the Net Settlement Amount and the 35% portion of the PAGA Payment allocated for
3 PAGA Members and shall be paid pursuant to the formula set forth herein:

4 a) Calculation of Class Portion of Individual Settlement Payments: The
5 Settlement Administrator will calculate the total Workweeks for all Participating Class Members
6 by adding the number of Workweeks worked by each Participating Class Member during the Class
7 Period. The respective Workweeks for each Participating Class Member will be divided by the
8 total Workweeks for all Participating Class Members, resulting in the Payment Ratio for each
9 Participating Class Member. Each Participating Class Member's Payment Ratio will then be
10 multiplied by the Net Settlement Amount to calculate each Participating Class Member's estimated
11 share of the Net Settlement Amount.

12 b) Calculation of PAGA Portion of Individual Settlement Payments:
13 The Settlement Administrator will calculate the total pay periods for all PAGA Members by adding
14 the number of pay periods worked by each PAGA Member during the PAGA Period. The
15 respective pay periods for each PAGA Member will then be divided by the total pay periods for
16 all PAGA Members, resulting in the Payment Ratio for each PAGA Member. Each PAGA
17 Member's Payment Ratio will then be multiplied by the employee portion of the PAGA Payment
18 to calculate each PAGA Member's estimated share of the PAGA Payment. PAGA Members shall
19 receive this portion of their Individual Settlement Payment regardless of whether they opt out of
20 the participation regarding the class claims.

21 c) Allocation of Individual Settlement Payments: The Class Portion of
22 each Individual Settlement Payments will be allocated as follows: twenty percent (20%) of each
23 Individual Settlement Payment will be allocated as wages, forty percent (40%) shall be allocated as
24 interest, and forty percent (40%) shall be allocated as penalties. The PAGA Portion of each
25 Individual Settlement Payment will be allocated 100% as Penalties. The portion of the Individual
26 Settlement Payment allocated to wages will be reported by the Settlement Administrator on an IRS
27
28

1 Form W-2. The remaining non-wage payments will be reported on an IRS Form-1099 by the
2 Settlement Administrator.

3 47. No Credit Toward Benefit Plans: The Individual Settlement Payments made to
4 Participating Class Members under this Settlement, as well as any other payments made pursuant
5 to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans
6 to which any Class Members may be eligible, including, but not limited to profit-sharing plans,
7 bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and
8 any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not
9 affect any rights, contributions, or amounts to which any Class Members may be entitled under
10 any benefit plans.

11 48. Settlement Administration Process: The Parties agree to cooperate in the
12 administration of the Settlement and to make all reasonable efforts to control and minimize the
13 costs and expenses incurred in administration of the Settlement. The Settlement Administrator will
14 provide the following services:

- 15 a) Establish and maintain a Qualified Settlement Fund.
- 16 b) Calculate the Individual Settlement Payment each Participating Class
17 Member is eligible to receive and the portion of the PAGA Payment each
18 PAGA Member shall receive.
- 19 c) Print and mail the Notice.
- 20 d) Conduct additional address searches for mailed Notices that are returned as
21 undeliverable.
- 22 e) Process Requests for Exclusion, field inquiries from Class Members,
- 23 f) Print and issue and issue Settlement Payment Checks, prepare IRS W2 and
24 1099 Tax Forms and any other filings required by any governmental taxing
25 authority.
- 26 g) Provide declarations and/or other information to this Court as requested by
27 the Parties and/or the Court regarding the settlement administration process.
- 28 h) Provide weekly status reports to counsel for the Parties.

i) Post settlement documents and a notice of final judgment online at Settlement Administrator's website.

j) Translate the Notice from English to Spanish

49. Delivery of the Class List: Within fourteen (14) days of Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator. This is a material term of the Agreement, and if Defendant fails to comply, Plaintiff shall have the right to void the Agreement.

50. Notice by First-Class U.S. Mail: Within fourteen (14) days after receiving the Class List from Defendant, the Settlement Administrator will mail the Notice to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

51. Confirmation of Contact Information in the Class List: Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any Notice returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Notice. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address and/or Social Security number of the Class Member involved, and will then perform a single re-mailing. If any notice sent to a Class Member by the Settlement Administrator is returned as undeliverable to a current employee, then Defendant shall make all reasonable efforts to obtain the current address from the Class Member and provide the same within seven (7) days of notice from the Settlement Administrator. Those Class Members who receive a re-mailed Notice, whether by skip-trace or by request, will have between the later of (a) an additional fifteen (15) days or (b) the Response Deadline to postmark a Request for Exclusion, written objection, or workweek dispute. The Response Deadline may also be extended by express agreement between Class Counsel and Defendant. Under no circumstances, however, will the Settlement Administrator have the authority

1 to unilaterally extend the Response Deadline.

2 52. Notice: All Class Members will be mailed a Notice. Each Notice will provide: (a)
3 information regarding the nature of the Action; (b) a summary of the Settlement's principal terms;
4 (c) the Class definition; (d) the total number of Workweeks each respective Class Member worked
5 for Defendant during the Class Period; (e) each Class Member's estimated Individual Settlement
6 Payment and the formula for calculating Individual Settlement Payments; (f) the dates which
7 comprise the Class Period; (g) instructions on how to opt-out of and object to the Settlement; (h)
8 the deadlines by which the Class Member must postmark Requests for Exclusion, Objections to
9 the Settlement, or Workweek Disputes; (i) the claims to be released, as set forth herein; and (j) the
10 date for the final approval hearing.

11 53. Disputed Information on Notice: Class Members will have an opportunity to
12 dispute the information provided in their Notice. To the extent Class Members dispute the number
13 of Workweeks with which they have been credited or the amount of their Individual Settlement
14 Payment, Class Members may produce evidence to the Settlement Administrator showing that
15 such information is inaccurate. Absent evidence rebutting Defendant's records, Defendant's
16 records will be presumed determinative. However, if a Class Member produces evidence to the
17 contrary by the Response Deadline, the Parties will evaluate the evidence submitted by the Class
18 Member regarding the number of eligible Workweeks that should be applied and/or the Individual
19 Settlement Payment to which the Class Member may be entitled. If the Parties and the Class
20 Member do not agree, the dispute will be submitted to the Court.

21 54. Defective Submissions: If a Class Member's Request for Exclusion is defective as
22 to the requirements listed herein, that Class Member will be given an opportunity to cure the
23 defect(s). The Settlement Administrator will mail the Class Member a cure letter within three (3)
24 business days of receiving the defective submission to advise the Class Member that his or her
25 submission is defective and that the defect must be cured to render the Request for Exclusion valid.
26 The Class Member will have until the later of (a) the Response Deadline or (b) fifteen (15) days
27 from the date of the cure letter, whichever date is later, to postmark a revised Request for
28 Exclusion. If a Class Member responds to a cure letter by filing a defective claim, then the

Settlement Administrator will have no further obligation to give notice of a need to cure. If the revised Request for Exclusion is not postmarked within that period, it will be deemed untimely.

55. Request for Exclusion Procedures: Any Class Member wishing to opt-out from the Class Settlement must sign and postmark a written Request for Exclusion to the Settlement Administrator by the Response Deadline. The Request for Exclusion must include (a) the Class Member's name, address, telephone number, and the last four digits of the Class Member's Social Security number and/or the Employee ID number and (b) a clear statement requesting to be excluded from the settlement of the class claims. The date of the postmark on the return mailing envelope receipt confirmation will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. All Requests for Exclusion will be submitted to the Settlement Administrator, who will certify jointly to Class Counsel and Defendant's Counsel the Requests for Exclusion that were timely submitted. All Class Members who do not request exclusion from the Class Settlement will be bound by all terms of the Settlement Agreement if the Settlement is granted final approval by the Court. The Request for Exclusion shall not be effective as to the release of claims arising under the Private Attorneys General Act.

56. Defendant's Right to Rescind: If ten percent (10%) or more of the Class Members (rounded to the next whole number) elect not to participate in the Settlement, Defendant may, at its election, rescind the Settlement Agreement and all actions taken in furtherance of it will be thereby null and void. Defendant must meet and confer with Class Counsel prior to exercising this right and must make clear their intent to rescind the Agreement within fourteen (14) days of the Settlement Administrator notifying the Parties of all opt-outs. If Defendant exercises its right to rescind the Agreement, Defendant shall be responsible for all Settlement Administration Costs incurred to the date of rescission.

57. Settlement Terms Bind All Class Members Who Do Not Opt-Out: Upon the occurrence of the Effective Date, any Class Member who does not affirmatively opt-out of the Settlement by submitting a timely and valid Request for Exclusion will be bound by all of its terms, including those pertaining to the Released Class Claims, as well as any Judgment that may be entered by the Court if it grants final approval to the Settlement. Class Members who opt-out of

1 the Settlement shall not be bound by such Judgment or the Class Release. However, the opt-out
2 shall not be effective as to the release of claims arising under the Private Attorneys General Act.
3 The names of Class Members who have opted-out of the settlement shall be disclosed to the
4 Counsel for both Plaintiff and Defendant and noted in the proposed Judgment submitted to the
5 Court.

6 58. Objection Procedures: To object to the Settlement, a Participating Class Member
7 must postmark a valid Objection to the Settlement Administrator on or before the Response
8 Deadline. The Objection must be signed by the Participating Class Member and contain all
9 information required by this Settlement Agreement including the employees full name, address,
10 telephone number, the last four digits of their social security number and/or Employee ID number,
11 the name of the case and case number, and the specific reason including any legal grounds for the
12 Participating Class Members objection. The postmark date will be deemed the exclusive means
13 for determining that the Notice of Objection is timely. Participating Class Members who fail to
14 object in the manner specified above will be foreclosed from making a written objection, but shall
15 still have a right to appear at the Final Approval Hearing in order to have their objections heard by
16 the Court. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage
17 Participating Class Members to submit written objections to the Settlement or appeal from the
18 Order and Judgment. Class Counsel will not represent any Class Members with respect to any
19 objections to this Settlement.

20 59. Certification Reports Regarding Individual Settlement Payment Calculations: The
21 Settlement Administrator will provide Defendant's Counsel and Class Counsel a weekly report
22 which certifies: (a) the number of Class Members who have submitted valid Requests for
23 Exclusion; (b) the number of Notices returned and re-mailed and (c) whether any Class Member
24 has submitted a challenge to any information contained in the Notice. Additionally, the Settlement
25 Administrator will provide to counsel for both Parties any updated reports regarding the
26 administration of the Settlement Agreement as needed or requested.

27 60. Uncashed Settlement Checks: Any checks issued by the Settlement Administrator
28 to Participating Class Members and PAGA Members will be negotiable for at least one hundred

eighty (180) days. If a Participating Class Member or PAGA Member does not cash his or her Settlement Check or PAGA payment check within 180 days, the uncashed funds, subject to Court approval, shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code §1500, *et. seq.* for the benefit of those Participating Class Members and PAGA Members who did not cash their checks until such time that they claim their property. The Parties agree that this disposition results in no “unpaid residue” under California Civil Procedure Code § 384, as the entire Net Settlement Amount will be paid out to Participating Class Members and the entire 35% portion of the PAGA Payment will be paid out to the PAGA Members, whether or not they all cash their Settlement Checks or PAGA payment checks. Therefore, Defendant will not be required to pay any interest on such amounts. The Individual Settlement Payments provided to Participating Class Members and to PAGA Members shall prominently state the expiration date or a statement that the Settlement Check will expire in one hundred eighty (180) days, or alternatively, such a statement may be made in a letter accompanying the Individual Settlement Payment. Expired Individual Settlement Payments will not be reissued, except for good cause and as mutually agreed by the Parties in writing. The parties agree no unclaimed funds will result from the settlement.

61. Administration of Taxes by the Settlement Administrator: The Settlement Administrator will be responsible for issuing to Plaintiff, Participating Class Members, PAGA Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes and penalties to the appropriate government authorities.

62. Tax Liability: Defendant makes no representation as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiff and Participating Class Members are not relying on any statement, representation, or calculation by Defendant or by the Settlement Administrator in this regard. Plaintiff and Participating Class Members understand and agree that they will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein. Defendant’s share of any employer payroll taxes and other required employer withholdings due on the Individual Settlement Payments, including, but not limited to, Defendant’s

1 FICA and FUTA contributions, shall be paid separate and apart from the Gross Settlement
2 Amount.

3 63. Circular 230 Disclaimer: Each Party to this Agreement (for purposes of this section,
4 the “acknowledging party” and each Party to this Agreement other than the acknowledging party,
5 an “other party”) acknowledges and agrees that: (1) no provision of this Agreement, and no written
6 communication or disclosure between or among the Parties or their attorneys and other advisers,
7 is or was intended to be, nor shall any such communication or disclosure constitute or be construed
8 or be relied upon as, tax advice within the meaning of United States Treasury Department circular
9 230 (31 CFR part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon
10 his, her or its own, independent legal and tax counsel for advice (including tax advice) in
11 connection with this Agreement, (b) has not entered into this Agreement based upon the
12 recommendation of any other Party or any attorney or advisor to any other Party, and (c) is not
13 entitled to rely upon any communication or disclosure by any attorney or advisor to any other party
14 to avoid any tax penalty that may be imposed on the acknowledging party, and (3) no attorney or
15 adviser to any other Party has imposed any limitation that protects the confidentiality of any such
16 attorney’s or adviser’s tax strategies (regardless of whether such limitation is legally binding) upon
17 disclosure by the acknowledging party of the tax treatment or tax structure of any transaction,
18 including any transaction contemplated by this Agreement.

19 64. No Prior Assignments: The Parties and their counsel represent, covenant, and
20 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to
21 assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand,
22 action, cause of action or right herein released and discharged.

23 65. Release by Participating Class Members: Upon the complete funding of the Gross
24 Settlement Amount and all applicable employer-side payroll taxes by Defendant, Participating
25 Class Members shall fully release and discharge the Released Parties from the Released Class
26 Claims that arose during the Class Period. This release shall be binding on all Participating Class
27 Members.

28 66. Release by the State of California and LWDA: Upon the complete funding of the

1 Gross Settlement Amount and all applicable employer-side payroll taxes by Defendant, the LWDA
2 and the State of California, through Plaintiff as its agent and/or proxy, shall release and discharge
3 the Released Parties from the Released PAGA Claims that arose during the PAGA Period. The
4 Parties intend for this PAGA settlement to have claim preclusion, issue preclusion, or otherwise
5 bar a representative action if an aggrieved employee were to bring a subsequent claim on behalf
6 of the LWDA based on the same factual predicate as the Released PAGA Claims and covering the
7 same time period.

8 67. Release of Additional Claims & Rights by Plaintiff: Upon the complete funding of
9 the Gross Settlement Amount and all applicable employer-side payroll taxes by Defendant,
10 Plaintiff on behalf of himself only to the fullest extent possible and subject to any administrative
11 claims made with any government agencies and any claims made under the California Worker's
12 Compensation Act, fully and forever release, waives, discharge and promise not to sue or otherwise
13 institute or cause to be instituted any charges, complaints, claims or legal proceedings against S.J.
14 Distributors, LLC, or any of their affiliated entities, as well as any of its past, present and future
15 officers, agents, directors, shareholders, principals, partners, owners, trustees, supervisors, cabinet
16 members, faculty, employees, contractors, representatives, predecessors, successors, heirs and
17 assigns, parents, subsidiaries, benefit plan fiduciaries, attorneys, sureties, or bonding companies,
18 insurers, risk pooling trust and its members, legal successors, heirs, executors, administrators,
19 assigns, and all persons acting by, through, under, or in concert with any of them (hereinafter
20 collectively referred to as "RELEASED PARTIES") with respect to any and all liabilities, claims,
21 demands, contracts, debts, obligations and causes of action of any nature, kind, and description,
22 whether in law, equity or otherwise, whether or not now known or ascertained, which currently do
23 or may exist, including without limitation any matter, cause or claim arising out of or related to
24 facts or events occurring prior to the execution of this AGREEMENT, and/or arising from and
25 relating to Plaintiff's employment with the RELEASED PARTIES, Plaintiff's hiring therefor, or
26 the separation therefrom, including, but not limited to all claims and causes of action set forth in
27 the Class Action Complaint, Representative Action Complaint or that could have been presented
28 in any legal action, and including, but not limited to, those claims arising under any federal, state

1 or local law or statute, including without limitation those arising under the Fair Labor Standards
2 Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, Employee
3 Retirement Income Security Act, National Labor Relations Act, Family and Medical Leave Act,
4 Worker Adjustment and Retraining Notification Act, California Labor Code, California
5 Corporations Code, California Business and Professions Code, California Fair Employment and
6 Housing Act, California Worker Adjustment and Retraining Notification Act, California Family
7 Rights Act, California Constitution (all as amended); federal and state wage and hour laws, laws
8 of contract and tort; all claims for discrimination, harassment, retaliation, wrongful termination,
9 emotional distress, defamation, libel, slander, invasion of privacy, or unfair business practices; any
10 claim for recovery of lost wages (including front pay and back pay), benefits, other employment
11 compensation, misrepresentation, fraud, emotional distress, medical expenses, other economic and
12 non-economic damages, penalties, liquidated damages, compensatory damages, punitive damages,
13 injunctive relief, reinstatement, attorneys' fees, costs, expenses and any other statutory or common
14 law claims relating to employment or the recruitment therefor or the termination thereof, as well
15 as recovery of any other type arising under federal, state or local law. This release shall not extend
16 to claims or potential claims the factual basis for which arises following the execution of this
17 agreement or claims that are not subject to waiver by private agreement, including, without
18 limitation, claims arising under state unemployment insurance and/or claims for workers'
19 compensation benefits, except that this release specifically includes any claims under Labor Code
20 Section 132a. Plaintiff understands and agrees that the release above, applies to claims known and
21 presently unknown by him, and that this means that if he hereafter discovers facts different from
22 or in addition to those which he now knows or believes to be true, that all of the releases, waivers,
23 discharges and promises not to sue or otherwise institute legal action shall be and remain effective
24 in all respects notwithstanding such different or additional facts or the discovery of such facts.
25 Accordingly, Plaintiff hereby agree that he fully and forever waives any and all rights and benefits
26 conferred upon her by the provisions of Section 1542 of the Civil Code of the State of California
27 which states as follows (parentheticals added):
28

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR

68. Neutral Employment Reference: Defendant agrees that it will adopt a neutral reporting policy regarding any future employment references related to Plaintiff. In the event that any potential or future employers of Plaintiff request a reference regarding Defendant's employment of Plaintiff, Defendant shall only provide the requested Plaintiff's dates of employment and job title. Defendant shall not refer to the Action or this Settlement

69. Nullification of Settlement Agreement: In the event that: (a) the Court does not finally approve the Settlement as provided herein, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void, all amounts deposited into the QSF will be returned to Defendant, and the Parties shall be returned to their original respective positions with agreement as described in the memorandum of understanding to return to mediation in an effort to reach a settlement that will be approved by the court. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be treated as void from the beginning. Should the Court fail to approve this settlement for any reason, the Parties agree that they will work together cooperatively in an effort to reach a settlement that may be approved by the Court.

70. Preliminary Approval Hearing: Plaintiff will obtain a hearing before the Court to request Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval Order for: (a) conditional certification of the Class for settlement purposes only, (b) Preliminary Approval of the proposed Settlement Agreement, and (c) setting a date for a Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for the Notice to be sent to all Class Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will submit this Agreement, which sets forth the terms of the Settlement, and will include the proposed Notice attached as Exhibit A. Defendant agrees that it will not oppose Plaintiff's motion for Preliminary Approval. Any failure by the Court to fully and

1 completely approve the Agreement as to the Actions will result in this Settlement Agreement and
2 the Memorandum of Understanding entered into by the Parties, and all obligations under this
3 Settlement Agreement and the Memorandum of Understanding being nullified and voided.

4 71. Final Settlement Approval Hearing and Entry of Judgment: Upon expiration of the
5 deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with
6 the Court's permission, a Final Approval/Settlement Fairness Hearing will be conducted to
7 determine the Final Approval of the Settlement Agreement along with the amounts properly
8 payable for: (a) Individual Settlement Payments; (b) the Attorneys' Fees and Costs; (c) the Class
9 Representative Enhancement Payment; and (d) the Settlement Administration Costs. Class
10 Counsel will be responsible for drafting all documents necessary to obtain Final Approval. Any
11 failure by the Court to fully and completely approve the Settlement Agreement as to all of the
12 Actions, or the entry of any Order by another Court with regard to any of the Actions which has
13 the effect of modifying material terms of this Agreement or preventing the full and complete
14 approval of the Settlement Agreement as written and agreed to by the Parties, will result in this
15 Agreement and all obligations under this Agreement being null and void. Defendant agrees it shall
16 not oppose the granting of the Motion for Final Approval, provided Defendant has not exercised
17 its right to rescind pursuant to the terms of this Agreement.

18 72. Judgment and Continued Jurisdiction: Upon Final Approval of the Settlement by
19 the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the
20 Judgment to the Court for its approval. After entry of the Judgment, the Court will have continuing
21 jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement of the terms
22 of the Settlement, (b) Settlement administration matters, and (c) such post-Judgment matters as
23 may be appropriate under court rules or as set forth in this Settlement.

24 73. Exhibits Incorporated by Reference: The terms of this Settlement include the terms
25 set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth
26 herein. Any Exhibits to this Settlement are an integral part of the Settlement.

27 74. Entire Agreement: This Settlement Agreement and any attached Exhibits constitute
28 the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral

1 agreements may be deemed binding on the Parties.

2 75. Amendment or Modification: This Settlement Agreement may be amended or
3 modified only by a written instrument signed by counsel for all Parties or their successors-in-
4 interest and approved by the Court.

5 76. Authorization to Enter Into Settlement Agreement: Counsel for all Parties warrant
6 and represent they are expressly authorized by the Parties whom they represent to negotiate this
7 Settlement Agreement and to take all appropriate action required or permitted to be taken by such
8 Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other
9 documents required to effectuate the terms of this Settlement Agreement. The Parties and their
10 counsel will cooperate with each other and use their best efforts to affect the implementation of
11 the Settlement. If the Parties are unable to reach agreement on the form or content of any document
12 needed to implement the Settlement, or on any supplemental provisions that may become
13 necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court
14 to resolve such disagreement.

15 77. Binding on Successors and Assigns: This Settlement Agreement will be binding
16 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously
17 defined.

18 78. California Law Governs: All terms of this Settlement Agreement and Exhibits
19 hereto will be governed by and interpreted according to the laws of the State of California.

20 79. Execution and Counterparts: This Settlement Agreement is subject only to the
21 execution of all Parties. However, the Settlement Agreement may be executed in one or more
22 counterparts. All executed counterparts and each of them, including facsimile and scanned copies
23 of the signature page, will be deemed to be one and the same instrument.

24 80. Acknowledgement that the Settlement is Fair and Reasonable: The Parties believe
25 this Settlement Agreement is a fair, adequate, and reasonable settlement of the Actions and have
26 arrived at this Settlement after arm's-length negotiations and in the context of adversarial
27 litigation, taking into account all relevant factors, present and potential. The Parties further
28 acknowledge that they are each represented by competent counsel and that they have had an

1 opportunity to consult with their counsel regarding the fairness and reasonableness of this
2 Settlement.

3 81. Invalidity of Any Provision: Before declaring any provision of this Agreement
4 invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible
5 consistent with applicable precedents so as to define all provisions of this Agreement valid and
6 enforceable.

7 82. Waiver of Certain Appeals: The Parties agree to waive appeals and to stipulate to
8 class certification for purposes of this Settlement only; except, however, that either party may
9 appeal any court order that materially alters the Settlement Agreement's terms.

10 83. Class Action Certification for Settlement Purposes Only: The Parties agree to
11 stipulate to class action certification only for purposes of the Settlement. If, for any reason, the
12 Settlement is not approved, the stipulation to certification will be void. The Parties further agree
13 that certification for purposes of the Settlement is not an admission that class action certification
14 is proper under the standards applied to contested certification motions and that this Agreement
15 will not be admissible in this or any other proceeding as evidence that either: (a) a class action
16 should be certified or (b) Defendant is liable to Plaintiff or any Class Member, other than according
17 to the Settlement's terms.

18 84. Non-Admission of Liability: The Parties enter into this Agreement to resolve the
19 dispute that has arisen between them and to avoid the burden, expense and risk of continued
20 litigation. In entering into this Agreement, Defendant does not admit, and specifically denies, it
21 has violated any federal, state, or local law; violated any regulations or guidelines promulgated
22 pursuant to any statute or any other applicable laws, regulations or legal requirements; breached
23 any contract; violated or breached any duty; engaged in any misrepresentation or deception; or
24 engaged in any other unlawful conduct with respect to their employees. Neither this Agreement,
25 nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed
26 as an admission or concession by Defendant of any such violations or failures to comply with any
27 applicable law. Except as necessary in a proceeding to enforce the terms of this Agreement, this
28 Agreement and its terms and provisions shall not be offered or received as evidence in any action

1 or proceeding to establish any liability or admission on the part of Defendant or to establish the
2 existence of any condition constituting a violation of, or a non-compliance with, federal, state,
3 local or other applicable law.

4 85. Captions: The captions and section numbers in this Agreement are inserted for the
5 reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
6 provisions of this Agreement.

7 86. Waiver: No waiver of any condition or covenant contained in this Settlement
8 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered
9 to imply or constitute a further waiver by such party of the same or any other condition, covenant,
10 right or remedy.

11 87. Enforcement Action: In the event that one or more of the Parties institutes any legal
12 action or other proceeding against any other Party or Parties to enforce the provisions of this
13 Settlement or to declare rights and/or obligations under this Settlement, the successful Party or
14 Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees
15 and costs, including expert witness fees incurred in connection with any enforcement actions.

16 88. Mutual Preparation: The Parties have had a full opportunity to negotiate the terms
17 and conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly
18 against one Party than another merely by virtue of the fact that it may have been prepared by
19 counsel for one of the Parties, it being recognized that, because of the arms-length negotiations
20 between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

21 89. Representation By Counsel: The Parties acknowledge that they have been
22 represented by counsel throughout all negotiations that preceded the execution of this Agreement,
23 and that this Agreement has been executed with the consent and advice of counsel and reviewed
24 in full. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the
25 Agreement.

26 90. All Terms Subject to Final Court Approval: All amounts and procedures described
27 in this Settlement Agreement herein will be subject to final Court approval.

28 91. Cooperation and Execution of Necessary Documents: The Parties agree to

1 cooperate to promote participation in the Settlement, and in seeking court approval of the
2 Settlement. The Parties and their counsel agree not to take any action to encourage any Class
3 Members to opt out of and/or object to the Settlement. Defendant agrees not to obtain any
4 settlement agreement waivers, Pick Up Stix agreements or arbitration agreements from any Class
5 Member prior to the funding of the Gross Settlement Amount concerning claims released via this
6 Agreement, or enter into any arbitration agreement with any Class Member that covers the claims
7 released via this Agreement during the Settlement approval process prior to the funding of the
8 Gross Settlement Amount and that the Parties will work in good faith to reach an agreement
9 approved by the Court.

10 92. Confidentiality: The Parties and their counsel agree to keep the terms of the
11 Settlement confidential until the filing of Plaintiff's Motion for Preliminary Approval. Plaintiff,
12 Class Counsel, Defendant and their counsel agree that they will not issue any press releases, initiate
13 any contact with the press, respond to any press inquiry or have any communication with the press
14 about the amount or terms of the Settlement Agreement. Nothing in this Settlement Agreement
15 shall limit Defendant's ability to fulfill disclosure obligations reasonably required by law or in
16 furtherance of business purposes, including the fulfillment of obligations stated in this Settlement
17 Agreement or limit Class Counsel's communications with the Class Members in furtherance of
18 approval of this Settlement.

19 93. Binding Agreement: The Parties warrant that they understand and have full
20 authority to enter into this Settlement, and further intend that this Settlement Agreement will be
21 fully enforceable and binding on all Parties, and agree that it will be admissible and subject to
22 disclosure in any proceeding to enforce its terms, notwithstanding any settlement confidentiality
23 provisions that otherwise might apply under federal or state law.

24
25 [SIGNATURES ON FOLLOWING PAGE]
26
27
28

1 Dated: 07/21/2026

PLAINTIFF

2
3 By: 
Alexander Huete (Jul 21, 2026 09:44:55 PDT)
4 ALEXANDER HUETE

5 Dated: _____

DEFENDANT

6 S.J. DISTRIBUTORS, LLC

7 By: _____

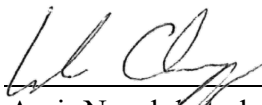
8 Name: _____

9 Title: _____

10
11 APPROVED AS TO FORM

12
13 Dated: 7/27/2026

PROTECTION LAW GROUP, LLP.

14
15 By: 
16 Amir Nayebdash, Esq.
17 Heather Davis, Esq.
18 D. Luke Clapp, Esq.
Attorneys for Plaintiff

19 Dated: _____

JOEL GLASER APC

20
21
22 By: _____
23 Joel Glaser, Esq.
24 Attorneys for Defendant
25
26
27
28

1 Dated: _____

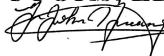
PLAINTIFF

2
3 By: _____
4 ALEXANDER HUETE

5 Dated: 07/20/2026

DEFENDANT

S.J. DISTRIBUTORS, LLC

7 
8 By: _____

9 Name: John Huang

10 Title: Director of Human Resources

11 **APPROVED AS TO FORM**

12
13 Dated: _____

PROTECTION LAW GROUP, LLP.

14
15 By: _____
16 Amir Nayebdadash, Esq.
17 Heather Davis, Esq.
18 D. Luke Clapp, Esq.
Attorneys for Plaintiff

19 Dated: 07/20/2026

JOEL GLASER APC

20
21
22 
23 By: _____
24 Joel Glaser, Esq.
Attorneys for Defendant

EXHIBIT A

NOTICE OF PROPOSED CLASS AND REPRESENTATIVE ACTION SETTLEMENT

Alexander Huete v. S.J. Distributors LLC
Contra Costa Superior Case No. C24-02697

**THIS IS A COURT-AUTHORIZED NOTICE. IT IS NOT A SOLICITATION.
PLEASE READ THIS NOTICE CAREFULLY.
YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT.**

To:	All current and former hourly-paid, non-exempt employees of S.J. Distributors, LLC who were employed by S.J. Distributors, LLC in the State of California at any time from July 31, 2022, through March 24, 2026.
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BASIC INFORMATION

1. What is this settlement about?

A lawsuit was commenced by Alexander Huete (“Plaintiff”), a former employee of S.J. Distributors, LLC (“Defendant”) on October 7, 2024. This case, *ALEXANDER HUETE vs. S.J. DISTRIBUTORS LLC* Contra costa County Superior Case No.C24-02697 is currently pending in the Contra Costa County Superior Court. The lawsuit claims that Defendant violated sections of the California Labor Code and California Business and Professions Code. Specifically, Plaintiff alleges that Defendant failed to provide compliant meal and rest periods and associated premium pay, did not properly pay employees all wages owed for time worked, did not pay employees all overtime wages owed, did not provide accurate wage statements, did not timely pay all wages during employment and all wages owed at termination of employment, failed to reimburse employees for necessary business expenses, and maintained unfair business practices. The lawsuit also seeks penalties under the Private Attorneys General Act for violations of the claims alleged above.

Defendant denies all alleged violations and denies that it owes Class Members any remedies. The Court has not made a ruling on the merits of the case. However, the Parties have entered into a proposed settlement to resolve the alleged claims.

2. Why is this a class action?

In a class action, one or more people called the Class Representative (in this case Alexander Huete, also known as “Plaintiff”), sues on behalf of people who appear to have similar claims. All these people are referred to here as Class Members. In a class action, one court resolves the issues for all Class Members in one lawsuit, except for those who exclude themselves from the Class. The Contra Costa Superior Court is in charge of this class action.

3. Why is there a settlement?

The Court has not decided in favor of the Plaintiff or Defendant. Instead, both sides agreed to a settlement which is memorialized in the Joint Stipulation of Class Action and PAGA Settlement (“Agreement” or “Settlement”). On [DATE OF PRELIMINARY APPROVAL] the Court granted preliminary approval of the Settlement, appointed Plaintiff the Class Representative, and appointed his attorneys at Protection Law Group, as counsel for the Class (“Class Counsel”). The Court has not made a final ruling on whether the settlement is fair, adequate, and reasonable. Instead, the Court has found that the settlement is within the range of reasonableness that could ultimately be approved. A Final Determination on whether to approve the settlement will be made at the hearing on [REDACTED].

WHO IS IN THE SETTLEMENT?

4. How do I know if I am part of the settlement?

You are part of the Settlement, and a Class Member, if you were employed by Defendant as an hourly-paid, non-exempt employee in the state of California at any time between July 31, 2022, through March 24, 2026.

THE SETTLEMENT BENEFITS—WHAT YOU GET

5. What does the settlement provide?

The Settlement provides that Defendant will pay a maximum of Five Hundred Thousand Dollars (\$500,000.00) (“Gross Settlement Amount”). This includes all costs and attorneys’ fees for Class Counsel.

The “Net Settlement Amount” is the portion of the Gross Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion in exchange for the release of their class claims. The Net Settlement Amount is the Gross Settlement Amount less the following amounts (which are subject to Court approval):

- A. **Attorneys’ Fees to Class Counsel** not to exceed one-third (1/3) of the Gross Settlement Amount or One Hundred and Sixty-Five Thousand Dollars (\$165,000.00);
- B. **Litigation Costs/Expenses to Class Counsel** not to exceed Thirty Thousand Dollars (\$30,000.00);
- C. **Incentive Payment to the Class Representative** in an amount not to exceed Seven Thousand Five Hundred Dollars (\$7,500.00);
- D. **Settlement Administration Costs** which are currently estimated to be Eight Thousand Seven Hundred and Fifty Dollars (\$8,750.00); and
- E. **PAGA Payment** in the amount of Twenty-Five Thousand Dollars (\$25,000.00) for the settlement of claims arising under the Private Attorney’s General Act of 2004 (PAGA). Sixty-Five percent (65%) of this amount, Sixteen Thousand Two Hundred and Fifty Dollars (\$16,250.00), shall be paid to the LWDA. The remaining thirty-five percent (35%), Eight Thousand Seven Hundred and Fifty Dollars (\$8,750.00), will be distributed to hourly-paid, non-exempt employees who worked for Defendant at any time between September 17, 2023, through March 24, 2026, for the release of their claims arising under PAGA.

The amount you are eligible to receive from the settlement, your “Individual Settlement Payment” will be determined on a *pro rata* basis, based on the number of weeks you worked in California as an hourly-paid, non-exempt employee of Defendant from July 31, 2022, through March 24, 2026 (“Workweeks”). Your Individual Settlement Payment includes both your estimated share of the Net Settlement Amount and, if eligible, your share of the PAGA Payment based on the number of pay periods you worked.

The Class Portion of your Individual Settlement Payment will be apportioned as twenty percent (20%) wages, forty percent (40%) interest, and forty percent (40%) penalties. The PAGA Portion of your Individual Settlement Payment will be allocated 100% as penalties. The wage portion of the Individual Settlement Payment will be subject to withholding for the employee taxes and will be reported on a W-2 Form. Employer-side payroll taxes shall be paid separately from and in addition to the Gross Settlement Amount. The penalties and interest portions of each class member’s settlement payment will not be subject to any withholdings and will be reported on an IRS Form 1099.

You worked XXX workweeks during the Class Period. The Class Portion of your Individual Settlement Payment is \$XXX.XX. The amount of the payment may change depending on the number of timely and valid requests for exclusions submitted in the Settlement, if any.

You worked XXX pay periods during the PAGA Period. The PAGA Portion of your Individual Settlement Payment is \$XXX.XX.

This Amount was determined based on Defendant's record of your employment between July 31, 2022, and March 24, 2026, and is presumed correct. If you dispute the accuracy of Defendant's records as to the number of weeks worked during the Class Period, you must contact the Settlement Administrator and provide any documentation you have supporting such dispute by [DATE]. All disputes regarding your workweeks will be resolved and decided by the Parties or if you and the Parties cannot agree, the Court, after you submit evidence to the Settlement Administrator. The Settlement Administrator's contact information is listed below:

[Settlement Administrator]

[Address]

[Telephone No].

HOW TO GET A PAYMENT FROM THE SETTLEMENT

6. How can I get a payment?

You do not have to do anything to qualify for a payment of your portion of the Settlement.

7. What am I giving up if I do not request to be excluded from the Settlement?

Upon the funding of the Gross Settlement Amount by Defendant, in exchange for the consideration set forth by the Settlement, Class Members who do not submit a timely request for exclusion will release the "Released Parties" from the "Released Class Claims" that arose during the "Class Period."

The "Released Parties" include Defendant S.J. Distributors, LLC and its past, present and/or future, direct and/or indirect, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, joint venturers and their officers, directors, members, managers, agents, representatives, attorneys, insurers, partners, investors, shareholders, and administrators.

The "Released Class Claims" means all claims, rights, demands, liabilities and causes of actions that are alleged, or reasonably could have been alleged, based on the facts alleged in the operative complaint in the Action, including factual claims regarding Defendant's alleged: (i) failure to pay all regular wages, minimum wages and overtime wages due; (ii) failure to provide meal periods or compensation in lieu thereof; (iii) failure to provide rest periods or compensation in lieu thereof; (iv) failure to pay wages timely at time of termination or resignation; (v) failure to provide timely pay wages during employment; (vi) failure to provide complete, accurate wage statements; (vii) failure to reimburse necessary business expenses; and (viii) unfair business practices.

The "Class Period" during which the release of Released Class Claims pertains is from July 31, 2022, through March 24, 2026.

Additionally, all current and former non-exempt employees of Defendant who were employed by Defendant in the state of California between September 13, 2023, and March 24, 2026, shall release the Released PAGA Claims that arose during the PAGA Period. You cannot opt-out of the release of the claims alleged under PAGA.

The "Released PAGA Claims" include all claims under the California Labor Code Private Attorneys General Act of 2004 for civil penalties that could have been premised on the facts alleged in Plaintiff's September 17, 2024 PAGA Letter to the LWDA and in Plaintiff's operative complaint including but not limited to penalties arising out of violations for (1) failure to pay for all time worked at the correct rates of pay, including minimum wages, straight

time wages and overtime wages; (2) failure to provide meal periods and pay meal period premiums; (3) failure to authorize and permit rest periods and pay rest period premiums; (4) failure to timely pay wages during employment; (5) failure to provide accurate itemized wage statements; (6) failure to maintain accurate records; (7) failure to reimburse necessary expenditures; (8) unlawful deduction, withholding, or collection of wages paid; and (9) failure to timely pay all wages upon termination of employment that could have been awarded pursuant to Labor Code sections 210, 226.3, 1197.1, 558, and 2699.

The “PAGA Period” during which the release of the Released PAGA Claims pertains is from September 13, 2023, through March 24, 2026.

EXCLUDING YOURSELF FROM THE RELEASE OF NON-PAGA CLAIMS

If you want to keep the right to sue or continue to sue Defendant with respect to the Released Class Claims, then you must submit a request for exclusion in conformity with the requirements set forth herein. If you exclude yourself, you will not receive payment from Net Settlement Amount. However, if eligible, you will still receive a payment in an amount equal to your estimated *pro rata* share of the PAGA Payment because the Request for Exclusion does not apply to this claim.

8. How can I not participate in the Settlement?

To exclude yourself from the release of Released Class Claims you must mail a letter requesting to be excluded from the settlement. You must include your name, address, telephone number and the last four digits of your social security number and/or Employee ID number.

Your request for exclusion must be mailed to the Settlement Administrator at the address listed below, post-marked by [DATE]. You cannot exclude yourself by phone.

[Settlement Administrator]

[Address]

[Telephone No.]

If you ask to be excluded, you will not receive payment of any portion of the Net Settlement Amount and you cannot object to the Settlement. You will not be legally bound by the release of Released Class Claims.

9. If I don’t exclude myself, can I sue Defendant for the same thing later?

No. Unless you submit a request for exclusion, you give up the right to sue Defendant and Released Parties for the Released Class Claims. If you have a pending lawsuit involving the Released Class Claims, speak to your lawyer in that lawsuit immediately.

10. If I exclude myself, can I get money from this settlement?

No, except if you worked between September 17, 2023, and March 24, 2026, in which case you will still receive the portion of your Individual Settlement Payment for claims that arise under PAGA. If you submit a timely and valid request for exclusion, you retain any right that you may have to sue, continue to sue, or be part of a different lawsuit against Released Parties for Released Class Claims.

THE LAWYERS REPRESENTING YOU

11. Do I have a lawyer in this case?

The Court has approved PROTECTION LAW GROUP, LLP as Class Counsel. The firm's contact information is:

PROTECTION LAW GROUP LLP

Amir Nayebdadash
Heather Davis
D. Luke Clapp
149 Sheldon Street
El Segundo, California 90245
Telephone: (424) 290-3095

Class Counsel will ask the Court for attorneys' fees of up to \$165,000 and reimbursement of litigation cost/expenses of up to \$30,000. These amounts are subject to Court approval, and the Court may award less than these amounts.

OBJECTING TO THE SETTLEMENT

You can object to the Settlement or some part of it.

12. How do I tell the Court if I don't like the settlement?

If you are a Class Member, you can object to the Settlement and you can give reasons for why you think the Court should not approve it. The Court will consider your views. To object, you must mail your objection to the Settlement Administrator no later than [DATE]. Your objection must include your full name, address, telephone number, the last four digits of your social security number or employee ID number, and the specific reason for your objection. You may also come to the Final Approval Hearing on [DATE] and make an objection at that time, regardless of whether you submitted a written objection.

13. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object to the Settlement because the case no longer affects you.

THE COURT'S FINAL APPROVAL HEARING

The Court will hold a hearing to decide whether to grant final approval of the Settlement ("Final Approval Hearing"). You may attend, but you do not have to attend.

14. When and where will the Court decide whether to approve the settlement?

The Court will hold the Final Approval Hearing at [] a.m./p.m. on [], in Department 10 of the Contra Costa Superior Court located at 725 Court St, Martinez, CA 94553.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, and determine whether to grant final approval of the Settlement. If there are objections, the Court will consider them.

15. Do I have to come to the hearing?

No. If you agree to the Settlement you do not have to come to Court to talk about it. However, you may attend. You may also retain your own lawyer at your expense to attend on your behalf. You may attend in person, but you may also attend remotely if you wish. Information regarding remote appearances may be obtained through the Contra Costa Superior Court website.

16. How will I learn if the settlement was approved

A notice of final judgment will be posted on the Settlement Administrator website located at [www. \[REDACTED\] .com](http://www. [REDACTED] .com)

IF YOU DO NOTHING

17. What happens if I do nothing at all?

If you do nothing, you will receive your share of the Settlement, and you will release the Released Class Claims. You will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendant or Released Parties about the Released Class Claims, ever again. Your Individual Settlement Payment will be mailed to you and remain valid and negotiable for 180 days. If you do not cash your Settlement Payment check within 180 days, these funds will be transferred to the Controller of the State of California's Unclaimed Property Fund. You may then claim these funds from there.

GETTING MORE INFORMATION

18. How do I get more information?

This notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by viewing the settlement located on the Settlement Administrator's website at [\[REDACTED\] .com](http:// [REDACTED] .com) or by contacting the Settlement Administrator or Class Counsel.

WHAT IF MY INFORMATION CHANGES?

19. What if my contact information changes?

It is your responsibility to inform the Settlement Administrator of your updated information to ensure receipt of settlement payments or communications regarding this matter. You can change or update your contact information by contacting the Settlement Administrator.

DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE CLERK OF THE COURT OR THE JUDGE