AMENDED CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Amended Class Action and PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff Erwin Hammock ("Plaintiff") and Defendant The Cydio Group, LLC ("Cydio"). The Agreement refers to Plaintiff and Cydio collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1. "Action" means the Plaintiff's lawsuit alleging wage and hour violations against Defendants Cydio and Kimberly Sitz captioned *Erwin Hammock v. The Cydio Group, LLC et al.* (Case No. 23STCV26538) initiated on October 30, 2023, and pending in Superior Court of the State of California, County of Los Angeles.

1.2. "Administrator" means Phoenix Class Action Administration Solutions ("Phoenix"), the neutral entity the Parties have agreed to appoint to administer the Settlement.

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

1.4. "Aggrieved Employee" means all current and former hourly, non-exempt workers employed by Cydio in California during the PAGA Period.

1.5. "Class" means all current and former hourly, non-exempt workers employed by Cydio in California during the Class Period.

1.6. "Class Counsel" refers to David D. Bibiyan and Vedang J. Patel of Bibiyan Law Group, P.C.

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 Cydio's possession or control, including each Class Member's name, last-known mailing address, last-known telephone number, Social Security number, dates of employment (i.e., hire dates, and if applicable, re-hire dates and/or separation date(s)), number of Class Period Workweeks and number of PAGA Pay Periods.

1.9. "Class Member" means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

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

1.11. "Class Notice" means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL to be mailed to Class Members in English in the form, without material variation, attached as **Exhibit A**, and incorporated by reference into this Agreement.

1.12. "Class Period" means the period from October 30, 2019 through September 25, 2024.

1.13. "Class Representative" refers to 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 Los Angeles.

1.16. "Cydio's Counsel" means Orrick, Herrington & Sutcliffe, LLP.

1.17. "Defendants" refers to Defendants Cydio and Kimberly Sitz.

1.18. "Effective Date" means the date when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

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. "Gross Settlement Amount" means $720,000.00 (Seven Hundred Twenty Thousand Dollars and Zero Cents), which is the total amount Cydio agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, the Class Representative Service Payment, and the Administration Expenses Payment.

1.22. "Individual Class Payment" means a Participating Class Member's pro rata share of the Net Settlement Amount, calculated according to the number of Workweeks worked during the Class Period.

1.23. "Individual PAGA Payment" means an Aggrieved Employee's pro rata share of 25% of the PAGA Penalties, calculated according to the number of Pay Periods worked during the PAGA Period.

1.24. "Judgment" means the judgment entered by the Court based upon the Final Approval.

1.25. "LWDA" means the California Labor and Workforce Development Agency as identified in Labor Code section 2699, subd. (i).

1.26. "LWDA PAGA Payment" means the 75% portion of the total amount allocated towards PAGA Penalties, which shall be paid to the LWDA pursuant to Labor Code section 2699, subd. (i).

1.27. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments, subject to approval by the Court: Individual PAGA Payments, the LWDA PAGA Payment, the Class Representative Service Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.28. "Non-Participating Class Member" means any Class Member who opts out of the non-PAGA portion of the Settlement by sending the Administrator a valid and timely written Request for Exclusion.

1.29. "Operative Complaint" means the First Amended Complaint filed in the Action on November 26, 2024.

1.30. "PAGA Pay Period" means any pay period during the PAGA Period in which an Aggrieved Employee worked for Cydio for at least one day.

1.31. "PAGA Period" means the period beginning one year prior to the date Plaintiff submits the below-referenced PAGA Notice to the LWDA through the end of the Class Period.

1.32. "PAGA" means the California Private Attorneys General Act of 2004 (Labor Code §§ 2698 *et seq*.).

1.33. "PAGA Notice" refers to the PAGA Notice Plaintiff submitted to the LWDA on September 12, 2024, providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.34. "PAGA Penalties" means the amount of $100,000.00 (One Hundred Thousand Dollars and Zero Cents) that shall be paid from the Gross Settlement Amount for the resolution of the PAGA claim. The PAGA Penalties shall be allocated as follows: 25% ($25,000) shall be distributed amongst the Aggrieved Employees as their Individual PAGA Payments, and 75% ($75,000) shall be paid to the LWDA.

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 Erwin Hammock, 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 5.2 below.

1.40. "Released PAGA Claims" means the claims being released as described in Paragraph 5.3 below.

1.41. "Released Parties" means Cydio and its current and former parents, owners, subsidiaries, divisions, and affiliated or related persons or entities (including, but not limited to 24 Seven), and each of their respective officers, directors, employees (including, but not limited to, Kimberly Sitz), partners, shareholders, attorneys, agents, executors, and assigns. "Released Parties" shall also include any and all clients of Cydio to which any Class Member and/or Aggrieved Employee was assigned by Cydio and their current and former parents, owners, subsidiaries, divisions, and affiliated or related persons or entities, and each of their respective officers, directors, employees, partners, shareholders, attorneys, agents, executors, and assigns.

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

1.43. "Response Deadline" means 45 calendar days after the Administrator mails the Notice to Class Members, and shall be the last date on which Class Members may: (1) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objections to the Settlement, to the Administrator. Class Members to whom Class Notices are resent after having been returned as undeliverable to the Administrator shall have an additional 15 calendar days beyond the Response Deadline to fax, email, or mail a Request of Exclusion from the Settlement or Objections to the Settlement to the Administrator.

1.44. "Settlement" means the disposition of the Action through this Agreement and the Judgment.

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

2. RECITALS.

2.1. On October 30, 2023, Plaintiff commenced this Action by filing a complaint alleging causes of action against Cydio, 24 Seven, LLC, and Kimberly Sitz, for (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) waiting time penalties; (6) wage statement violations; (7) failure to timely pay wages; and (8) violation of the Unfair Competition Law. On February 2, 2024, the Court signed an Order dismissing 24 Seven, LLC, from the Action. As set forth in Paragraph 1.29 above, Plaintiff will file a FAC naming only Cydio as a defendant (and dropping Kimberly Sitz from the Action), and the FAC shall then become the Operative Complaint in the Action. Cydio denies the allegations in Plaintiff's October 30, 2023 complaint, the FAC, denies any failure to comply with the laws identified therein, and denies any and all liability for the causes of action alleged.

2.2. Pursuant to Labor Code section 2699.3, subd. (a) and as set forth in Paragraph 1.33 above, Plaintiff shall provide written notice of his PAGA claim by submitting the PAGA Notice to Cydio's Counsel and the LWDA.

2.3. On June 24, 2024, the Parties participated in an all-day private mediation presided over by mediator Deborah Saxe, which led to the Parties signing a Term Sheet and this Agreement to settle the Action.

2.4. Prior to mediation, Plaintiff obtained, through informal discovery, extensive records including time and pay data, class data points, as well as Cydio's policies and procedures related to Plaintiff's claims. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.5. The Court has not granted class certification.

2.6. The Parties, Class Counsel, and Cydio's 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. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Cydio promises to pay $720,000.00 (Seven Hundred Twenty Thousand Dollars and Zero Cents) and no more as the Gross Settlement Amount. The Gross Settlement Amount excludes the employer portion of payroll taxes, and Cydio agrees to separately pay any applicable employer payroll taxes owed on the portions of the Individual Class Payments that are allocated as wages. Within five (5) calendar days after the Effective Date, the Administrator will provide Cydio with a calculation of the amount of employer payroll taxes owed. Cydio has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this

Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Cydio.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified below, subject to Court approval:

3.2.1. To Plaintiff: A Class Representative Service Payment to the Class Representative of not more than $10,000.00 (Ten Thousand Dollars and Zero Cents) in addition to any Individual Class Payment the Class Representative is entitled to receive as a Participating Class Member. Cydio 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 allocate the remainder to 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.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than one-third (1/3) of the Gross Settlement Amount, which is currently estimated to be $240,000.00 (Two Hundred Forty Thousand Dollars and Zero Cents), and a Class Counsel Litigation Expenses Payment of not more than $30,000.00. Cydio will not oppose requests for these payments provided that Class Counsel's requests do not exceed these amounts. Plaintiff and/or Class Counsel will file a Motion for Class Counsel Fees Payment and Class Counsel 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 of the Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation 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 Cydio harmless, and indemnifies Cydio, from any dispute or controversy regarding any division or sharing of any of these Payments. There will be no additional charge of any kind to either the Settlement Class Members or request for additional consideration from Defendant for such work unless, Defendant materially breaches this Agreement and further efforts are necessary from Class Counsel to remedy said breach, including, without limitation, moving the Court to enforce the Agreement. Should the Court approve attorneys' fees and/or litigation costs and expenses in amounts that are less than the amounts provided for herein, then the unapproved portion(s) shall be a part of the Net Settlement Amount.

3.2.3. To the Administrator: An Administration Expenses Payment not to exceed $7,500.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less this amount or the Court approves an Administration Expenses Payment less than $7,500.00, the Administrator will allocate the remainder to the Net Settlement Amount.

3.2.4. To Each Participating Class Member: An Individual Class Payment calculated on a pro rata basis 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.

3.2.4.1. Tax Allocation of Individual Class Payments. 50% 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 applicable tax withholding and deductions and will be reported on an IRS W-2 Form. 50% 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 will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

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

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of $100,000.00 (One Hundred Thousand Dollars and Zero Cents) to be paid from the Gross Settlement Amount, with 75% ($75,000.00) to be paid to the LWDA, and 25% ($25,000.00) to be allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment on a pro rata basis based on their respective number of PAGA Pay Periods, by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties ($25,000.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each Aggrieved Employee's respective number of PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms. Aggrieved Employees assume full responsibility and liability for taxes owed on their Individual PAGA Payments.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Workweeks. Based on a review of its records as of the date of mediation (June 24, 2024), Cydio estimates there are 244 Class Members who collectively worked a total of 10,825 (Ten Thousand Eight Hundred and Twenty Five) Workweeks.

4.2. Class Data. Not later than 21 calendar days after the Court grants Preliminary Approval of the Settlement, Cydio will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effectuate and perform under this Agreement. Cydio has a continuing duty to immediately notify the Administrator if it discovers that the Class Data omitted required information and to provide corrected or updated Class Data as soon as reasonably feasible. The Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3. Funding of Gross Settlement Amount. Cydio shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Cydio's share of payroll taxes, by transmitting the funds to the Administrator no later than twenty-one (21) calendar days after the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within 14 calendar days after Cydio 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.

4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members and

Aggrieved Employees 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 that remain uncashed 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, so long as it indicates that the payments have been combined. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2. The Administrator must conduct a Class Member Address Search for all Class Members whose checks are retuned undelivered without a USPS forwarding address. Within seven (7) calendar 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, if requested by the Class Member prior to the void date.

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

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

5. **RELEASES OF CLAIMS**. Effective upon entry of Judgment, the Order granting Final Approval of this Settlement, and on the date when Cydio 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, the State of California with respect to the Aggrieved Employees, and Class Counsel will release claims against all Released Parties as follows:

5.1 <u>Plaintiff's Release</u>. In addition to the Released Claims applicable to Participating Class Members and Aggrieved Employees, and in consideration for the Service Award, Plaintiff and his respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns, knowingly and voluntarily release and forever discharge Released Parties from all claims, transactions, or occurrences of every nature and description whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or in violation of any local, state or federal statute, rule or regulation arising out of, relating to, or in connection with any act or omission by or on the part of any of the Released Parties committed or omitted through the Effective Date. This release is intended to have the broadest possible application but excludes claims for workers' compensation benefits, claims for unemployment benefits, and any current and/or future claims that are unwaivable as a matter of law. Nothing in this Agreement is intended to or shall be interpreted: (i) to restrict or otherwise interfere with Plaintiff's obligation to testify truthfully in any forum; or (ii) to restrict or otherwise interfere with Plaintiff's right and/or obligation to contact, cooperate with, provide information to, or participate in any investigation conducted by, any government agency or commission ("Plaintiff's Release.") 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.

5.1.1 Plaintiff's Waiver of Rights Under California 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 California 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.

5.2 Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, will be deemed to have knowingly and voluntarily released and forever discharged the Released Parties from any and all claims, actions, or causes of action that are alleged in the Operative Complaint, or that could have been alleged in the Operative Complaint based upon or arising out of the facts alleged therein, including, but not limited to, for alleged violations of California Labor Code sections 200, 201, 201.3, 202, 203, 204, 204b, 204.1, 204.2, 205, 205.5, 210, 218.6, 226, 226.3, 226.7, 245, 246, 510, 512, 558.1, 1194, 1194.2, 1197, 1197.5, 1199, applicable Wage Orders, or any claims based on the following allegations: failure to pay overtime wages; failure to pay minimum wages; failure to provide meal periods; failure to provide rest periods; waiting time penalties; wage statement violations; failure to timely pay wages; failure to comply with the Healthy Workplace Healthy Families Act of 2014, and violation of the Unfair Competition Law. Participating Class Members do not release any other 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.

5.3 Release by the State of California and Aggrieved Employees: The LWDA and the State of California, by and through Plaintiff as an agent and proxy of the LWDA, with respect to Aggrieved Employees, will be deemed to have knowingly and voluntarily released and forever discharged the Released Parties from all PAGA claims asserted in the FAC and the PAGA claims that could have been asserted in the FAC or in the PAGA Notice sent to the LWDA based upon or arising out of the facts alleged therein, including any claims for PAGA penalties based on the following allegations: failure to pay overtime wages; failure to pay minimum wages; failure to provide meal periods; failure to provide rest periods; waiting time penalties; wage statement violations; failure to timely pay wages; and failure to comply with the Healthy Workplace Healthy Families Act of 2014, and for PAGA penalties based on the alleged violations of California Labor Code sections 200, 201, 201.3, 202, 203, 204, 204b, 204.1, 204.2, 205, 205.5, 210, 218.6, 226, 226.3, 226.7, 245, 246, 510, 512, 558.1, 1194, 1194.2, 1197, 1197.5, 1199, and applicable Wage Orders.

6. MOTION FOR PRELIMINARY APPROVAL. Plaintiff shall prepare and file a Motion for Preliminary Approval.

6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Cydio's Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the Notice, and Memorandum of Points and Authorities in support of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk*/*Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; and (iii) a redlined version of the Parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court.

6.2 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 Cydio's Counsel will expeditiously work together on behalf of the Parties by meeting and conferring, 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 Cydio's Counsel will expeditiously work together on behalf of the Parties by meeting and conferring, 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 Phoenix to serve as the Administrator and verified that, as a condition of appointment, Phoenix agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

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

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

7.4 Notice to Class Members.

7.4.1 No later than 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 calendar days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice, substantially in the form attached to this Agreement as **Exhibit A**. The Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 Not later than three (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 calendar days beyond the 45 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, Cydio's Counsel, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in 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 calendar days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever 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 mail, a signed written Request for Exclusion not later than 45 calendar days after the Administrator mails the Class Notice (plus an additional 15 calendar days for Class Members whose Class Notice is re-mailed) (the "Response Deadline"). Plaintiff expressly agrees not to opt-out of the Class Settlement. A Request for Exclusion is a letter from a Class Member or his/her 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 mailed and 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 5.2 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 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 45 calendar days after the Administrator mails the Class Notice (plus an additional 15 calendar days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. If the Class Member submits any such documentation, Cydio may submit additional relevant documentation to the Administrator pertaining to the Class Member's number of Class Workweeks and PAGA Pay Periods. In the absence of any contrary documentation from the Class Member, 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 Cydio's Counsel and Class Counsel and the Administrator's determination regarding the challenges.

7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action components of the Settlement, 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 mail at the address listed in the Notice Packet. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 calendar days after the Administrator's mailing of the Class Notice (plus an additional 15 calendar days for Class Members whose Class Notice was re-mailed).

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

7.8 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 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) calendar days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall also promptly e-mail to Class Counsel and Cydio's Counsel (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; and (c) copies of all Requests for Exclusion submitted (whether valid or invalid).

7.8.2 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Cydio's 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").

7.8.3 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement, the Class Data, and relevant supporting documentation 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.

7.8.4 Administrator's Declaration. Before the date by which Plaintiff is required to file the Motion for Final Approval, the Administrator shall provide Class Counsel and Cydio's 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 the 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 it received (both valid and invalid), and 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.

7.8.5 Final Distribution Report by Settlement Administrator. Within 10 calendar days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Cydio's Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 7 calendar days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Cydio's Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. CLASS SIZE ESTIMATES and ESCALATOR CLAUSE: Based on its records, Cydio estimates that, as of the date of the mediation (June 24, 2024), Class Members worked approximately 10,825 (Ten Thousand Eight Hundred and Twenty Five) Total Workweeks during the Class Period. In the event that the actual Total Workweeks worked during the Class Period by Class Members employed by Cydio exceeds this estimate by ten percent (10%) or more, the Gross settlement fund shall increase by the same percentage in excess of 10% (i.e., an 11% increase shall require an additional 1%, or $7,200.00 (Seven Thousand Two Hundred Dollars and Zero Cents) added to the Gross Settlement Amount).

9. CYDIO'S RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all Class Members, Cydio may, but is not obligated to, elect to withdraw from the Settlement. The Parties agree that, if Cydio 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, Cydio will remain responsible for paying all Settlement Administration Expenses incurred to that point. Cydio must notify Class Counsel and the Court of election to withdraw not later than fourteen (14) calendar days after the expiration of the deadline for submitting Requests for Exclusion; late elections will have no effect.

10. 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, subd. (l), a Proposed Final Approval Order, and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall endeavor in good faith to provide drafts of these documents to Cydio's Counsel not later than seven (7) calendar days prior to filing the Motion for Final Approval. Class Counsel and Cydio's Counsel will expeditiously meet and confer, and in good faith, to resolve any disagreements concerning the Motion for Final Approval

10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service 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.

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

10.4 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, unless the Parties subsequently agree in writing that the remaining provisions of the Agreement are to remain in full force and effect. 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.

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

12. ADDITIONAL PROVISIONS.

12.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Operative Complaint have merit or that Defendants has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' 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, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve 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 Defendants' 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).

12.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Cydio and Cydio's Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they 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, Cydio and Cydio's 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 with 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.

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

12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any other writings, including the Term Sheet executed by the Parties following mediation, and all oral representations, warranties, covenants, or inducements made to or by any Party.

12.5 Attorney Authorization. Class Counsel and Cydio's Counsel separately warrant and represent that they are authorized by Plaintiff and Cydio respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the 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.

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

12.8 No Tax Advice. Neither Plaintiff, Class Counsel, Cydio nor Cydio's Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

12.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived by an express written instrument signed by counsel for all Parties, and approved by the Court.

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

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

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

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

12.14 Use of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Cydio in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court.

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

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

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

To Plaintiff: Bibiyan Law Group, P.C.
David D. Bibiyan
david@tomorrowlaw.com
Vedang J. Patel
vedang@tomorrowlaw.com
1460 Westwood Blvd
Los Angeles, CA 90024

To Cydio: Orrick, Herrington & Sutcliffe LLP
Julie A. Totten
jatotten@orrick.com
Alexandra Stathopoulos
astathopoulos@orrick.com
Annie H. Chen
annie.chen@orrick.com
The Orrick Building
405 Howard Street
San Francisco, CA 94105

12.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., Docusign, AdobeSign, or similar), or email, which, for the purposes of this Agreement, shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

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

12.20 Severability. In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision if Defendants' Counsel and Class Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement

DATED: July Jul 8, 202, 2025

By Erwin Hammock
Erwin Hammock (Jul 8, 2025 16:13 PDT)
Plaintiff Erwin Hammock

7/2/2025

DATED: July__, 2025

By Evan Lupion

Evan Lupion
on behalf of Defendant The Cydio Group, LLC

DATED: July 8, 2025

By Vedang J. Patel

Bibiyan Law Group, P.C.
Attorneys for Plaintiff

DATED: July 2, 2025

By

Orrick, Herrington & Sutcliffe, LLP
Attorney for Defendant The Cydio Group, LLC