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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

SCOTT JOHNSON, on behalf of himself and all others similarly situated, Plaintiff, v. ALLIANCE ENERGY MARKETING, LLC, a New York Limited Liability Company; and DOES 1-50, inclusive. Defendants.	CASE NO.: 24STCV25855 *Assigned to the Hon. Elaine Lu* **DECLARATION OF MEHRDAD BOKHOUR IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT** <u>Hearing</u> Date: February 11, 2026 Time: 8:30 a.m. Dept.: 9

DECLARATION OF MEHRDAD BOKHOUR

I, Mehrdad Bokhour, say and declare as follows:

1. I am an attorney at law, duly licensed to practice before all the Courts of the State of California, and I am the principal of Bokhour Law Group, P.C., and I serve as attorney of record for Plaintiff Scott Johnson ("Plaintiff") and the Putative Class. I am familiar with the file in this matter, and if called as a witness, I could and would competently testify to the following facts of my own personal knowledge.

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

3. I have been a member, in good standing, of the State Bar of California since 2012. I am admitted to practice before all California state courts and the United States District Court of California for each district. I have litigated class action and Private Attorneys General Act ("PAGA') representative action cases in various courts in California.

4. I graduated from the University of California, Berkeley, in 2007 with a Bachelor of Arts in Political Science. I received my Juris Doctorate from Loyola Law School, Los Angeles, in 2012.

5. I began my legal career focusing on plaintiff-side employment litigation, emphasizing disability discrimination and harassment matters under the Fair Employment and Housing Act. After practicing for several years in an amorphous range of civil litigation, I opened my law firm in 2014 with an exclusive concentration on the representation of employees against employers to recover unpaid wages and vindicate harassment, discrimination, and retaliation claims in various contexts. Most of my cases have been litigated as class actions and representative PAGA actions.

6. I am also an active member of the California Employment Lawyers Association ("CELA") and have attended various Continuing Legal Education courses pertaining to advocacy on behalf of employees.

7. My firm has the experience, resources, and means necessary to allow us to provide adequate representation as Class Counsel to all aggrieved employees in this litigation. Currently, my

firm is acting as lead counsel in at least twenty-five wage-and-hour class actions and co-counsel in at least twenty others.

8. I have been selected as a "Super Lawyer Rising Star" in Employment Litigation during the years 2017 through 2021, and in 2022-2025, I was selected as a "Super Lawyer," a distinction that is reserved for the top 2.5% of lawyers in the practice area.

9. I have also been recognized by TopVerdicts.com for achieving several of the top wage and hour class and PAGA action settlements in California.

10. Through a contested but productive mediation, Plaintiff and Defendant Alliance Energy Marketing, LLC ("Defendant") (collectively, the "Parties") entered into a Class Action and AGA Settlement Agreement resolving the wage and hour claims of the Class ("Agreement"), which is attached hereto as **Exhibit "A."** The Settlement Agreement seeks to fully release and discharge it from the claims brought against it in this matter in exchange for Defendant's agreement to pay $250,000 on a non-reversionary, non-claim-made basis (each Class Member will receive his/her share of the Net Settlement Amount without having to submit a claim form or taking action, except for those who opt out). Plaintiff seeks to represent a Class of all persons employed by Defendant in California, who are non-exempt hourly employees in California at any time between October 4, 2020 and the date of Preliminary Approval ("Class Period").

11. Under the terms of the Settlement Agreement,[1] Defendant will not oppose Class Counsel's application for a reasonable award of attorney's fees not to exceed 1/3 of the Gross Settlement Amount, litigation expenses not to exceed $20,000, Settlement Administrator Costs of $6,000, PAGA penalties of $5,000 (with 65% to the LWDA and 35% to the PAGA Members on a pro rata basis), and a Service Payment of $10,000 to the named Plaintiff ("Class Representative":

Gross Settlement Amount	**$ 250,000**
Attorneys' Fees (1/3)	$ 83,333
Litigation Costs	$ 20,000
Administrator Costs	$ 6,000
PAGA Penalties	$ 5,000
Class Representatives Service Payment	$ 10,000
Net Settlement Amount	**$ 125,667**

[1] The Class Action and PAGA Settlement Agreement (the "Settlement Agreement" or "S.A.") is attached as Exhibit A to the Declaration of Mehrdad Bokhour ("Bokhour Decl.")

12. On October 4, 2024, Plaintiff filed suit asserting claims based on Alliance Energy's alleged: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to provide rest breaks; (5) failure to pay all sick time; (6) failure to provide accurate itemized wage statements; and (7) failure to pay all wages due upon separation of employment. Plaintiff also asserted a violation of California's Unfair Competition Law ("UCL"). On May 29, 2025, Plaintiff filed the operative Second Amended Complaint to add a PAGA cause of action

13. Defendant retained counsel and immediately began to defend the case. Defendant vigorously denies each of the claims in the Operative Complaint and the PAGA Notice and further denies that it is liable to Plaintiff or the Class, the State of California, or the PAGA Members, and further denies that, for any purpose other than settling the Action, this Action is not appropriate for class or representative action treatment.

14. The Parties met and conferred and agreed that, given the size and scope of the class and PAGA claims in the case and the burden, expense, and risk associated with continuing to litigate this matter, the case was suitable for mediation. Ultimately, the Parties scheduled mediation.

15. In preparation for the mediation, the Parties informally exchanged documents and information that allowed both sides to calculate potential damages and evaluate potential risk, including policies and procedures pertaining to each claim alleged, and statistics relating to the number of current and former employees, number of shifts, pay periods worked and other things. Defendant also provided its written policies and practices and payroll and timekeeping records for 25% of Class Members. This information enabled both parties to take a deep dive into the claims. Additionally, during this process, Plaintiff and his counsel analyzed, researched, and investigated the potential issues, including matters related to the calculation of damages, trial, and appellate issues and risks.

16. On September 2, 2025, the Parties participated in an all-day mediation presided over by David Phillips, Esq., which led to this Agreement to settle the Action.

17. Plaintiff alleged numerous wage and hour violations on behalf of the Class Members. However, Defendant vigorously contested and denied Plaintiff's material allegations on the merits

and as to the propriety of a class action or PAGA representative action. Plaintiff advanced meritorious claims against Defendant.

18. For instance, Plaintiff argued that Defendant was liable for failing to include all earned bonuses and other compensation in the "regular rate of pay" for purposes of overtime/sick pay calculations. Defendant opposed this unpaid wage claim on the merits and as to the propriety of class certification.

19. Plaintiff further alleged that he and the Class Members were often denied compliant meal and rest breaks or paid premium pay at the "regular rate of pay" in lieu thereof. However, Defendant argued that it provided and made all mandated meal and rest breaks available to the Class, and any employee who did not take a break did so entirely of their own volition. Thus, Defendant argued that these claims were without merit because, for each violation, a factfinder would have to determine why a meal or rest break was non-compliant, because if it was by the employee's choice, no liability attaches to Defendant.

20. Despite the disputed nature of the claims, the Parties concluded that further litigation of the Action would be protracted and expensive and that it is desirable that the Action be fully and finally settled to limit further risk, expense, and protracted litigation.

21. Based upon detailed data obtained through informal discovery and information exchanges, Class Counsel determined the following significant data points through the date of mediation: (1) 44 Class Members who worked approximately 3,407 workweeks and 16,605 shifts.

22. Based on these figures, and by applying violation rates derived from analysis of Defendant's employee timekeeping and payroll data and relevant wage and hour policies, Plaintiff calculated the potential maximum and risk-adjusted value of the claims.

23. Plaintiff contended that his strongest claim was for unpaid wages arising from Defendant's failure to account for non-discretionary bonuses, shift differentials, and other incentive pay when calculating the "regular rate of pay" when paying overtime wages. However, Defendant argued that it correctly calculated the "regular rate of pay," and that any underpayment was in good faith and *de minimums,* if any. Indeed, Defendant's sampling of pay records revealed that any such underpayment of overtime or sick pay due to inadequate "regular rate of pay" was minimal.

24. Due to this and in light of Defendant's other defenses, Plaintiff discounted this claim keeping in mind that the true significant value of these unpaid wages claims lies in the derivative claims for waiting time penalties under Labor Code § 203 and wage statement violations under Labor Code § 226 as discussed below.

25. Next, Plaintiff alleged meal and rest period claims against Defendant. After an expert review of Defendant's sampling of timekeeping records, the Class counsel estimated a 75% violation rate for meal periods and 33% for rest breaks. Given the total number of shifts at issue (approximately 16,605), this established maximum values of $597,780 for meal periods (16,605 total shifts x 75% violation rate x $48 per Lab. Code § 226.7) and $263,023 for rest breaks (16,605 total shifts x 33% violation rate x $48 per Lab. Code § 226.7). .

26. However, Defendant raised numerous arguments in response to this claim, including that they maintained fully compliant written policies and specifically authorized the Class Members to take meal and rest breaks, meaning that no one had a reason or cause to miss a break or take a short/late break. Therefore, Defendant asserted that a fact-finder would have to determine for each Class Member whether a break was missed and why, and why a break was noncompliant or nonexistent because if it was by the employee's choice, no liability attaches to Defendant. These defenses are factored into Plaintiff's analysis in two ways. First, these issues raise questions regarding whether Plaintiff's meal and rest break claims could be certified. Therefore, Plaintiff placed a 40% risk at the class certification stage for meal periods and a 40% risk for rest breaks. Second, these defenses also go toward the merits given the evidentiary question of proving the number of meal and rest period violations. Accordingly, Plaintiff placed a 40% risk on the merits for meal breaks, and an additional 40% risk on the merits for rest breaks, so this sets the risk-adjusted value for the meal claims as $215,200 ($597,780 x 40% class cert risk x 40% merits risk) and for the rest break claims as $94,688 ($263,023 x 40% class cert risk x 40% merits risk).

27. Finally, Plaintiff alleged claims for derivative waiting-time penalties and wage-statement violations. But these claims were entirely derivative of the claims above, meaning they had merit only if the claims for unpaid overtime/sick wages, or meal/rest breaks were successful. Plaintiff calculated the maximum values for these claims were as follows: (1) $299,520 [26 former

employees x $48 per hour x 8 hours per day x 30 days], and (2) $68,300 for wage statement violations [1,366 wage statements at the $50 formula under § 226(e)].

28. However, again, Defendant raised a variety of defenses to these derivative claims that impacted Plaintiff's valuation. Namely, Defendant argued that the wage statements did not violate Labor Code § 226 and, even if there were a "technical" violation, Plaintiff would be unable to prove the required "knowing and intentional" and "injury" elements. Based on these defenses, Plaintiff applied a 40% risk at class certification and estimated another 40% risk on the merits, resulting in a risk-adjusted value of $24,588 for the wage statement claims.

29. Then, as to the waiting time penalty claim, Plaintiff's valuation had to account for the fact that this claim was derivative of the unpaid overtime/sick wages and meal/rest period claims and, if those claims failed at certification or on the merits, there would be no waiting time penalties owed, so the same risks for those claims applied to this claim. Furthermore, even if the unpaid wages and/or meal/rest period claims succeeded at certification and on the merits, Plaintiff would have to prove that the violations (if any existed) were "willful" under the meaning of Labor Code § 203. And, here, Defendant argued there was no "willful" violation since it had compliant written policies and any deviations therefrom were inadvertent and unintentional. As a result of this analysis, Class Counsel applied the 50% risk at class certification and a 50% risk on the merits, leading to a risk-adjusted value of $74,880.

30. In sum, when factoring in the defenses and risks of ongoing litigation, Plaintiff estimate the risk-adjusted class recovery as follows:

- Unpaid Wage Claims — $0 *(discounted)*
- Meal and Rest Period Claims — $309,880
- Wage Statement Violation Claims — $24,588
- Waiting Time Penalty Claims — $74,880
- **Total Risk Adjusted Penalties and Damages — $ 409,620**

31. The reasonableness of the settlement is apparent from the fact that the proposed settlement is 61% of the risk-adjusted class damages and penalties. And while the PAGA penalties had a maximum value in the low six figures, this fails to acknowledge that courts have wide latitude

to reduce the civil penalties "based on the facts and circumstances of a particular case" and if "to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." Labor Code § 2699(e)(2). Moreover, Defendant argued against the merits of the underlying claims, particularly that the "willfulness" standard and/or "good faith" defenses mitigated the civil penalty claims and rendered any such penalties uncertain. Defendant also argued that it is improper to stack civil penalty claims on top of the underlying statutory claim. For these reasons, the Parties submit that the agreed-upon settlement is fair and reasonable.

32. The Settlement was the product of extensive arm's length negotiations between counsel and was facilitated by an experienced wage-and-hour class action mediator. Though cordial and professional, the Settlement negotiations were adversarial and non-collusive in nature. The Settlement reached is the product of substantial effort by the Parties and their counsel. Although Plaintiff and Class Counsel believed that there was a possibility of certifying the claims, they recognized the potential risk, expense, and complexity posed by litigation, such as unfavorable decisions on class certification, summary judgment, at trial and/or on the damages awarded, and/or on an appeal that can take several more years to litigate. In addition, if Defendant prevailed on any of its defenses, the Class Members may not have received any substantial monetary recovery.

33. The Settlement will result in a fair payment to each Settlement Class Member based on the number of Workweeks worked during the Class Period. As set forth hereinabove, Plaintiff and counsel have diligently investigated the claims and defenses on behalf of the Class Members and worked to resolve the claims to maximize the recovery by avoiding further expenditure of attorneys' fees and costs. After evaluating the significant risks attendant with further litigation described above and weighing them against the benefits of a known compromise and settlement as set forth in the Settlement Agreement, a settlement on the terms agreed to is believed to be in the best interest of Plaintiff and the Class and is a fair and reasonable resolution of the claims alleged.

34. Plaintiff's counsel brought to bear a great deal of collective experience in negotiating the settlement of this case. As detailed herein, Plaintiff's counsel engaged in necessary informal discovery, investigation, sampling, and expert evaluation, making it possible to exercise informed judgment throughout the settlement process, including significant document review (e.g., documents

pertaining to Defendant's policies and procedures, personnel documents, wage statements, time records, among others) and conducted an extensive analysis and extrapolation of the sampling of class-wide data provided by Defendant.

35. Based on our experience in other cases, including wage and hour matters, Joshua Falakassa and I are qualified to evaluate the class claims and viability of defenses in this class action. In this case, the recovery for each Class Member is reasonable, fair, and adequate, and a settlement at this time is in the Class's best interest. The Settlement compensates each Class Member for the alleged violations when viewed in relation to the costs and risks inherent in obtaining class certification and proceeding to trial.

36. Plaintiff's counsel and Defendant's counsel fully endorse the terms and conditions of the Settlement as set forth in the above-mentioned Settlement Agreement.

37. Of course, the Settlement Amount represents a compromise figure, considering the various risks surrounding class certification and the merits of Defendant's asserted defenses. Nevertheless, the Settlement provides fair and adequate payments to the Class Members, with no reversion to Defendant.

38. Plaintiff seeks a Service Award not exceeding $10,000, which we believe is fair and warranted. Plaintiff agreed to come forward to effectuate a policy and practice change that benefitted all other Class Members and to recover unpaid wages and penalties. Mr. Silva assumed significant risk in bringing this litigation; namely, had he lost, he would have been ordered to pay the Defendant's costs.

39. Plaintiff provided invaluable assistance to the investigation and prosecution of this case, including providing factual background for the class and PAGA Complaint; reviewing the litigation documents; providing information and documentation about Defendant's policies and practices; participating in phone calls to discuss litigation and settlement strategy; and reviewing the settlement documents. Plaintiff agreed to participate in this case with no guarantee of personal benefit. Plaintiff's comprehensive declaration setting forth all of the reasons why he believes that the Service Award should be approved has been filed herewith.

40. As set forth above, I have handled upwards of 250 class and representative actions,

have been appointed as class counsel and have successfully litigated and resolved several class actions, and many others remain pending.

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

42. It is our experience that attorneys' fee awards of one-third of a common fund settlement are the standard in California. Once the Court grants preliminary approval of the Settlement Agreement and the Notice Packet is disseminated, Plaintiff's counsel will submit a request for attorneys' fees and costs with its final approval motion. Defendant does not oppose this fee request. The fee is further warranted because it is within the range of reasonableness and will be based on the actual amount incurred at the time of final approval.

43. Subject to the Court's approval, the parties stipulated that Phoenix Class Action Administration Solutions serve as the Settlement Administrator. Phoenix is experienced in administering class action settlements and will not charge more than $6,000.00 to administer this class action Settlement.

44. Attached hereto as **Exhibit "B"** is the Class Notice subject to Court approval.

45. Plaintiff has concurrently submitted the Settlement to the LWDA in accordance with Labor Code Section 2699(1)(2). The proof of submission is attached hereto as **Exhibit "C."**

46. For the foregoing reasons, it is respectfully requested that the Court grant preliminary approval of the Settlement as being fair, reasonable, and in the best interests of the Class, as well as preliminarily approve the requested attorneys' fees and costs, and service award to the Class Representative.

47. The proposed Notice Packet and proposed plan for the Settlement Administrator to mail the Notice Packet to the last known address of all Class Members complies with all California Rule of Court requirements 3.79(f) and 3.766(b). The contents of the proposed Notice Packet include (1) the material terms of the Settlement; (2) the proposed attorneys' fees and costs and the Settlement Administration Costs; (3) details about the final fairness hearing and how Class Members may elect

to exclude themselves or make an objection; and (4) how Class Members can obtain additional information.

I declare under penalty of perjury under the laws of California that the foregoing is true and correct on this 8th of December 2025, at Los Angeles, California.

By:________________________________

Mehrdad Bokhour, Esq

EXHIBIT “A”

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between plaintiff Scott Johnson ("Plaintiff") and Defendant Alliance Energy Marketing, LLC ("Alliance Energy"). The Agreement refers to Plaintiff and Alliance Energy collectively as "Parties," or individually as "Party."

1. **DEFINITIONS**.

1.1 "Action" means the Plaintiff's lawsuit alleging wage and hour violations against Alliance Energy captioned *Johnson, on behalf of himself and all other similarly situated v. Alliance Energy Marketing, LLC, and DOES I through 50, inclusive*, initiated on October 4, 2024, and pending in Superior Court of the State of California, County of Los Angeles, Case No. 24STCV25855.

1.2 "Administrator" means Phoenix Class Action Administration Solutions, 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 "Class" means all non-exempt hourly employees who work or worked for Alliance Energy in California at any time during the Class Period.

1.5 "Class Counsel" means Mehrdad Bokhour of Bokhour Law Group, P.C., and Joshua S. Falakassa of Falakassa Law, P.C.

1.6 "Class Counsel Fees Payment" and "Class Counsel Litigation Expenses Payment" means the amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

1.7 "Class Data" means Class Member identifying information in Alliance Energy's possession, including the Class Member's name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

1.8 "Class Member" or "Settlement Class Member" means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as a PAGA Member).

1.9 "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.

1.10 "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 and Spanish in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.11 "Class Period" means the period from October 4, 2020 through the date of Preliminary Approval.

1.12 "Class Representative" means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.

1.13 "Class Representative Service Payment" means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

1.14 "Court" means the Superior Court of California, County of Los Angeles.

1.15 "Alliance Energy" means the named Defendant in this Action, Alliance Energy Marketing, LLC.

1.16 "Defense Counsel" means Brian M. Noh and Rodrigo J. Dryjanski of Reed Smith LLP.

1.17 "Effective Date" means the date by 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.

1.18 "Final Approval" means the Court's order granting final approval of the Settlement.

1.19 "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.

1.20 "Final Judgment" means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

1.21 "Gross Settlement Amount" means $250,000, which is the total amount Alliance Energy agrees to pay under the Settlement except as provided in Paragraph 10 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator's Expenses. Alliance Energy shall be separately responsible for the cost of its share of employer-side payroll taxes. The Settlement is non-reversionary.

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

1.23 "Individual PAGA Payment" means the PAGA Member's pro rata share of the PAGA Members' portion of the PAGA Penalties, calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.24 "Individual Settlement Shares" means the Individual Class Payment and Individual PAGA Payment.

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

1.26 "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

1.27 "LWDA PAGA Payment" means 65% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.28 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the PAGA Penalties, the Class Representative Service Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The Net Settlement Amount shall be paid to Participating Class Members as Individual Class Payments.

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

1.30 "Operative Complaint" means the Second Amended Class and PAGA Action Complaint filed by Plaintiff on May 29, 2025 in this Action.

1.31 "PAGA Member" means any non-exempt hourly employee who works or worked for Alliance Energy in California at any time during the PAGA Period.

1.32 "PAGA Pay Period" means any Pay Period during which a PAGA Member worked for Alliance Energy for at least one day during the PAGA Period.

1.33 "PAGA Period" means the period from October 4, 2023 through the date of Preliminary Approval.

1.34 "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.35 "PAGA Notice" means Plaintiff's October 4, 2024 letter to Alliance Energy and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.36 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 35% to the PAGA Members ($1,750) and 65% to the LWDA ($3,250) in settlement of the PAGA claims.

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

1.38 "Plaintiff" means Scott Johnson, the named plaintiff in the Action.

1.39 "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.

1.40 "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.

1.41 "Released Class Claims" means the claims being released as described in Paragraph 5.2 below.

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

1.43 "Released Parties" means: Alliance Energy, its operating companies, predecessors and successors, and any present and former parents, subsidiaries, d/b/a's, and affiliated companies or entities, and their respective officers, directors, employees, partners, shareholders, agents, and any other assigns, and legal representatives and their related persons and entities.

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

1.45 "Response Deadline" means 45 days after the Administrator mails Notice to Class Members and PAGA Members and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days after the Response Deadline.

1.46 "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

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

2. RECITALS.

2.1 On October 4, 2024, Plaintiff filed suit in Los Angeles Superior Court, asserting claims based on Alliance Energy's alleged: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to provide rest breaks; (5) failure to pay all sick time; (6) failure to provide accurate itemized wage statements; and (7) failure to pay all wages due upon separation of employment. Plaintiff also asserted a violation of California's Unfair Competition Law ("UCL"). On May 29, 2025, Plaintiff filed the operative Second Amended Complaint to add a PAGA cause of action.

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

2.3 On September 2, 2025, the Parties participated in an all-day mediation presided over by David Phillips, Esq., which led to this Agreement to settle the Action.

2.4 Prior to mediation, Plaintiff obtained, through informal discovery, a sampling of time and corresponding pay records belonging to approximately 25% of Class Members, relevant Alliance Energy policies, Plaintiff's time and payroll records, wage statements, and the total number of Class Period Employees and workweeks worked during the Class Period.

2.5 The Court has not granted class certification.

2.6 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 10 below, Alliance Energy promises to pay $250,000.00, and no more as the Gross Settlement Amount, and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Alliance Energy 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 PAGA Members to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Alliance Energy.

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 by the Court in the Final Approval Order:

3.2.1 To Plaintiff: Class Representative Service Payment to the Class Representative of not more than $10,000 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Alliance Energy 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 by no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment and agrees to defend and hold Alliance Energy harmless and indemnify Alliance Energy in the event of any dispute or controversy regarding all payments under this

Agreement, including, but not limited to, the Class Representative Service Payment.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than $83,333 (representing 33.33% of the Gross Settlement Amount), and a Class Counsel Litigation Expenses Payment of not more than $20,000. Alliance Energy will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and will defend and hold Alliance Energy harmless, and indemnify Alliance Energy in the event of any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed $6,000 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less, or the Court approves payment of less than $6,000, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4 To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the 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. 33% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. 67% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for all interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.5 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual

Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis according to their respective workweeks.

3.2.6 To the LWDA and PAGA Employees: PAGA Penalties in the amount of $5,000 will be paid from the Gross Settlement Amount, with 65% allocated to the LWDA PAGA Payment and 35% allocated to the Individual PAGA Payments.

3.2.6.1 The Administrator will calculate each Individual PAGA Payment by dividing the amount of the PAGA Member's 35% share of PAGA Penalties ($1,750) by the total number of PAGA Period Pay Periods worked by all PAGA Members during the PAGA Period and (b) multiplying the result by each PAGA Member's PAGA Period Pay Periods. PAGA Members assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.6.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Workweeks and PAGA Member Pay Periods. Based on a review of its records to date, Alliance Energy estimates there are 44 Class Members who collectively worked a total of 3,407 Workweeks.

4.2 Class Data. Not later than 30 days after Plaintiff files his Motion for Preliminary Approval of the Settlement, Alliance Energy will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Alliance Energy has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Alliance Energy must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3 Funding of Gross Settlement Amount. The Settlement Administrator will provide Alliance Energy with wire transfer information within three (3) days after the Effective Date. If no objection to the settlement is made, Alliance Energy will issue payment to the Administrator for the Gross Settlement Amount no later than twenty

(20) days after the Settlement Administrator provides Alliance Energy with wire transfer information.

4.4 Payments from the Gross Settlement Amount. Within 10 days after Alliance Energy 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 via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all PAGA Members including Non-Participating Class Members who qualify as PAGA Members (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

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

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 Alliance Energy 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. **<u>RELEASES OF CLAIMS</u>**. Effective on the date when Alliance Energy fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 <u>Release by Plaintiff</u>. In consideration of Plaintiff's awarded Class Representative Service Payment, Plaintiff's Individual Class Payment, and the other terms and conditions of the Settlement, as of the date the Settlement becomes Final and is fully funded, Plaintiff, on behalf of himself and his respective former and present representatives, agents, attorneys, heirs, administrators, successors, beneficiaries, and assigns, releases any and all known and unknown claims that arose on or before the date he signs this agreement against Alliance Energy and the Released Parties. Expressly excluded from Plaintiff's release are any claims for workers' compensation benefits, unemployment insurance benefits, and any other claims that cannot be released by law.

5.2 <u>Release by Participating Class Members</u>. In consideration for their awarded Individual Class Payments, as of the date Alliance Energy fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, all Class Members (other than those Class Members who timely and validly elected not to participate in the Settlement) release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, beneficiaries, and assigns, any and all claims against Alliance Energy and the Released Parties that were or reasonably could have been asserted based on the facts alleged in the Action that, from October 4, 2020 through the date of Preliminary Approval of the Settlement, Alliance Energy failed to: (1) pay minimum wages; (2) pay overtime wages; (3) provide meal periods; (4) provide rest breaks; (5) pay all sick time; (6) provide accurate itemized wage statements; and (7) pay all wages due upon separation of employment. The released claims include but are not limited to claims brought under California Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226(a), 226(a)(6), 226(e), 226.3, 226.7, 227.3, 246, 510, 512, 516, 558, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, and the applicable IWC Wage Orders, as well as claims under Code of Civil Procedure section 1021.5, 3287, and 3289. Such released claims include claims for expenses, statutory penalties, civil penalties, or other relief under the California Labor Code, relief from unfair competition under California Business and Professions Code section 17200 et seq., attorneys' fees and costs, and interest (the "Class Members' Released Claims").

5.3 <u>Release by PAGA Members</u>. In consideration for their awarded Individual PAGA Payments, as of the date Alliance Energy fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, all PAGA Members will release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, beneficiaries, and assigns any and all claims for civil penalties under PAGA against Alliance Energy and the Released Parties that were or reasonably could have been asserted based on the facts alleged in the Action or the PAGA Notice, including but not limited to allegations that, from October 4, 2023 through the date of Preliminary Approval of the Settlement, Alliance Energy failed to: (1) pay minimum wages; (2) pay overtime wages; (3) provide meal periods; (4) provide rest breaks; (5) pay all sick time; (6) provide accurate itemized wage statements; (7) pay all wages due upon separation of employment; and (8) reimburse business expenses, including but not limited to PAGA claims for civil penalties based on California Labor Code sections 201, 202, 203, 204, 210, 218.5, 221, 226, 226(a), 226(e), 226.3, 226.7, 227.3, 246, 510, 512, 516, 558, 1174, 1174.4, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698 *et seq.*, 2699, and the applicable IWC Wage Orders, as well as claims for attorneys' fees and costs, including but not limited under Code of Civil Procedure section 1021.5 (the "Released PAGA Claims"). All PAGA Members who worked for Alliance Energy during the PAGA Period will release the PAGA claims described herein and will receive a portion of the amount set aside as PAGA penalties, regardless of whether they opt out of the release of the Class Claims.

5.4 With respect to the Plaintiff's Released Claims only, the Parties stipulate and agree that the Plaintiff shall have, by operation of the judgment and approval order entered by the Court, waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits of section 1542 of the California Civil Code, which provides:

> 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.

The Plaintiff shall be deemed to have acknowledged that this Settlement Agreement is intended to waive and release all released claims that he does not know or suspect to exist in his favor at the time of the approval of this Settlement Agreement.

6. <u>MOTION FOR PRELIMINARY APPROVAL</u>. Within a reasonable time or as otherwise ordered by the Court, Plaintiff will move for an order giving preliminary approval of the Settlement ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

6.1 <u>Plaintiff's Responsibilities</u>. Plaintiff will prepare all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve;

competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; and (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members, and its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), and this Agreement (Labor Code section 2699, subd. (l)(2));

6.2 Responsibilities of Counsel. Class Counsel is responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 45 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval order to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected Phoenix Class Action Administration Solutions 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 under U.S. 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 15 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 first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 Not later than 5 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 14 days beyond the 45 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, Alliance Energy, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

7.5 Requests for Exclusion (Opt-Outs)

7.5.1 Class Members who wish to exclude themselves from (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). 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 faxed, emailed, or postmarked by the Response Deadline.

7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Release under Paragraph 5.2 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are PAGA Members are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.5.5 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 10 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges.

7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

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

7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval order, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval order and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

7.8.2 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

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 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. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

7.8.5 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing, by employee identification number only, all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare and submit to Class Counsel and Defense Counsel a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. ESCALATOR CLAUSE. As of September 2, 2025, the Parties estimate that there are approximately forty-four (44) Class Members who collectively worked 3,407 workweeks during the Class Period. If the total number of workweeks through the end of the Class Period increases by more than ten percent (10%) over this estimate (i.e., more than 3,748 workweeks), Alliance Energy shall have the option, in its sole discretion, either (a) to increase the Gross Settlement Amount proportionally by one percent (1%) for every one percent (1%) increase in workweeks above the 10% threshold, or (b) to cut off the Class Period such that the total workweeks do not exceed the 10% threshold. Alliance Energy must exercise this option by emailing Class Counsel and providing verified updated data to the Administrator no later than thirty (30) days after Plaintiff files his motion for preliminary approval.

9. ALLIANCE ENERGY'S RIGHT TO WITHDRAW. If ten percent (10%) or more of the Class Members, or a number of Class Members whose Individual Settlement Shares represent ten percent (10%) or more of the total of all Individual Settlement Shares, validly elect not to participate in the Settlement, Alliance Energy will have the right to rescind the Settlement, and the Settlement and all actions taken in its furtherance will be null and void. Alliance Energy must exercise this right within 15 days after the Settlement Administrator notifies the parties of the number of valid opt-outs, which the Settlement Administrator will do within 10 days after the deadline for submission of opt-outs. If Alliance Energy exercises the right to rescind, it will be responsible for the costs of administration of the Settlement incurred through that time.

10. MOTION FOR FINAL APPROVAL. Not later than 16 court days before the scheduled 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 provide drafts of these documents to Defense Counsel not later than 10 days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to attempt to address the Court's concerns. 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 Waiver of Right to Appeal. The parties waive all appeals from the final approval of the Settlement unless the Court materially modifies the Settlement. Plaintiff and Class

Counsel may appeal from an order by the Court that reduces the amounts sought for the Class Representative Payment or the Class Counsel Fees or Expenses Payment. Such an order or affirmance of such an order will not entitle Plaintiff or the Class to avoid the Settlement. Alliance Energy's payment obligation under the Settlement will be suspended pending an appeal of the Judgment.

10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to attempt to address the appellate court's concerns, 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 an amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit 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 Alliance Energy that any of the allegations in the Operative Complaint have merit or that Alliance Energy has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Alliance Energy's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Alliance Energy reserves the right to contest certification of any class for any reasons, and Alliance Energy reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Alliance Energy's defenses. The Settlement, this Agreement and the 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 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.

12.3 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

12.4 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Alliance Energy, 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.

12.5 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 as agreed by the Parties, 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.

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

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

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

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

12.10 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.

12.11 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.

12.12 Confidentiality. Plaintiff and his attorneys agree not to issue any press or other media releases or talk to the press or media regarding the Settlement, and Plaintiff's attorneys agree not to publicize the Settlement on their website or social media. In addition, prior to filing of the Motion for Preliminary Approval, Plaintiff and his attorneys will not have any communication with anyone other than family members, clients, Class Members, financial advisors, retained experts, and vendors related to settlement administration, regarding the Settlement. If, before the filing of the Motion for Preliminary Approval, Plaintiff or his attorneys disclose to any unauthorized party (a) that a settlement has been reached or (b) any of the terms of the Settlement except as required by law or to effect the Settlement, Alliance Energy may rescind the Settlement, rendering it null and void.

12.13 Use and Return 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 Alliance Energy in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Class Data received from Alliance Energy unless, prior to the Court's discharge of the Administrator's obligation, Alliance Energy makes a written request to Class Counsel for the return, rather than the destruction of, Class Data.

12.14 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.

12.15 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:

12.16 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 and the Settlement Class:

Joshua S. Falakassa
josh@falakassalaw.com
FALAKASSA LAW, P.C.
1901 Avenue of the Stars, Suite 520
Los Angeles, California 90067

Mehrdad Bokhour
mehrdad@bokhourlaw.com
BOKHOUR LAW GROUP, P.C.

1901 Avenue of the Stars, Suite 520
Los Angeles, California 90067

To Alliance Energy:

Brian M. Noh
bnoh@reedsmith.com
Rodrigo J. Dryjanski
rdryjanksi@reedsmith.com
REED SMITH LLP
515 S. Flower Street, Floor 25
Los Angeles, California 90071

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

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

12/5/2025
Dated: December ___, 2025

Signed by:
Scott Johnson
A33C12E7C54B4D9...

Plaintiff Scott Johnson

Dated: December ___, 2025

Defendant Alliance Energy Marketing, LLC

Approved As to Content:

1901 Avenue of the Stars, Suite 520
Los Angeles, California 90067

To Alliance Energy:

Brian M. Noh
bnoh@reedsmith.com
Rodrigo J. Dryjanski
rdryjanksi@reedsmith.com
REED SMITH LLP
515 S. Flower Street, Floor 25
Los Angeles, California 90071

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Dated: December ___, 2025

____
Plaintiff Scott Johnson

12/8/2025 | 7:25:56 AM PST
Dated: December ___, 2025

Signed by:
J. Matthew Grubka, Director of Accounting
6EE4BEE6EB0B426...
____

Defendant Alliance Energy Marketing, LLC

Approved As to Content:

BOKHOUR LAW GROUP, P.C.

12/5/2025
Dated: December ___, 2025

Signed by:
MEHRDAD BOKHOUR
D8D3643F271940F...

Mehrdad Bokhour
Attorneys for Plaintiff

FALAKASSA LAW, P.C.

12/5/2025
Dated: December ___, 2025

DocuSigned by:
Joshua Falakassa
15A628B2C5A149C...

Joshua Falakssa
Attorneys for Plaintiff

REED SMITH, LLP

December ___, 2025

Brian M. Noh, Esq.
Rodrigo J. Dryjanski, Esq.
Attorneys for Alliance Energy Marketing, LLC

BOKHOUR LAW GROUP, P.C.

Dated: December ___, 2025

____
Mehrdad Bokhour
Attorneys for Plaintiff

FALAKASSA LAW, P.C.

Dated: December ___, 2025

____
Joshua Falakssa
Attorneys for Plaintiff

REED SMITH, LLP

12/8/2025 | 2:39:50 PM PST
December ___, 2025

Signed by:
Brian M. Noh
742AA55E6C194DE...
Brian M. Noh, Esq.
Rodrigo J. Dryjanski, Esq.
Attorneys for Alliance Energy Marketing, LLC

EXHIBIT “B”

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

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

(*Scott Johnson v. Alliance Energy Marketing, LLC*, Case No. 24STCV25855)

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

You may be eligible to receive money from an employee class action lawsuit ("Action") against Alliance Energy Marketing, LLC ("Alliance Energy") for alleged wage and hour violations. The Action was filed by a former Alliance Energy employee, Scott Johnson ("Plaintiff") and seeks payment of (1) allegedly unpaid wages, statutory penalties, and interest for a class of non-exempt hourly employees who work or worked for Alliance Energy in California during the Class Period (October 4, 2020 through the date of Preliminary Approval) ("Class Members"); and (2) penalties under the California Private Attorney General Act ("PAGA") for all non-exempt hourly employees who work or worked for Alliance Energy in California during the PAGA Period (October 4, 2023 through the date of Preliminary Approval ("PAGA Members").

The proposed Settlement has two main parts: (1) a Class Settlement requiring Alliance Energy to fund Individual Class Payments, and (2) a PAGA Settlement requiring Alliance Energy to fund Individual PAGA Payments and to make a payment to the California Labor and Workforce Development Agency ("LWDA").

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

The above estimates are based on Alliance Energy's records showing that **you worked _ workweeks** during the Class Period and **you worked______workweeks** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Alliance Energy to make payments under the Settlement and requires Class Members and PAGA Members to give up their rights to assert certain claims against Alliance Energy.

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

(1) **Do Nothing**. You do not have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Alliance Energy.

(2) **Opt-Out of the Class Settlement**. You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Alliance Energy. You cannot opt-out of the PAGA portion of the proposed Settlement, and thus, if you are a PAGA member, remain eligible for an Individual PAGA Payment regardless of whether you opt out of the Class Settlement.

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

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

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

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former Alliance Energy employee. The Action accuses Alliance Energy of violating California labor laws, asserting claims based on Alliance Energy's alleged: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to provide rest breaks; (5) failure to pay all sick time; (6) failure to provide accurate itemized wage statements; and (7) failure to pay all wages due upon separation of employment. Plaintiff also asserted a violation of California's Unfair Competition Law ("UCL"). Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, *et seq.*) ("PAGA"). Plaintiff is represented by attorneys in the Action: Mehrdad Bokhour of Bokhour Law Group, P.C., and Joshua S. Falakassa of Falakassa Law, P.C. ("Class Counsel.")

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

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

So far, the Court has made no determination whether Alliance Energy or Plaintiff is correct on the merits. In the meantime, Plaintiff and Alliance Energy hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an agreement to settle the case rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Alliance Energy have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Alliance Energy does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Alliance Energy has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and PAGA Members. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. Alliance Energy Will Pay $250,000 as the Gross Settlement Amount (Gross Settlement). Alliance Energy has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Alliance Energy will fund the Gross Settlement not more than 23 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

   A. Up to $83,333 (33% of the Gross Settlement) to Class Counsel for attorneys' fees and up to $20,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

   B. Up to $10,000 as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.

   C. Up to $ 6,000 to the Administrator for services administering the Settlement.

   D. Up to $5,000 for PAGA Penalties, allocated 65% to the LWDA PAGA Payment and 35% in Individual PAGA Payments to the PAGA Members based on their PAGA Period Pay Periods.

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

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments and/or Individual PAGA Payments to Participating Class and/or PAGA Members based on their Class and/or PAGA Period Pay Periods.

4. Taxes Owed on Payments to Class Members. Plaintiff and Alliance Energy are asking the Court to approve an allocation of 33% of each Individual Class Payment to taxable wages ("Wage Portion") and 67% to interest and penalties ("Non-Wage Portion.). The Wage Portion is subject to withholding and will be reported on IRS Form W-2. Alliance Energy will separately pay the employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

   Although Plaintiff and Alliance Energy have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor, at your own expense, if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you do not cash it by the void date, your check will be automatically cancelled, and the money will be deposited with the California Controller's Unclaimed Property Fund in your name.

   If the monies represented by your check are sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than_______________, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the_______________Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Alliance Energy.

   You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Alliance Energy based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Alliance Energy have agreed that, in either case, the Settlement will be void: Alliance Energy will not pay any money and Class Members will not release any claims against Alliance Energy.

8. Administrator. The Court has appointed a neutral company, ______________________________ (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.

9. Participating Class Members' Release. After the Judgment is final and Alliance Energy has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Alliance Energy or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

   The Participating Class Members who are not PAGA Members will be bound by the following release:

   > All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, beneficiaries, and assigns, release any and all claims against Alliance Energy and any present and former parents, subsidiaries and affiliated companies or entities, and their respective officers, directors, employees, partners, shareholders and agents, and any other successors, assigns and legal representatives and its related persons and entities ("Released Parties") that were or reasonably could have been asserted based on the facts alleged in the Action that, from October 4, 2020 through the date of Preliminary Approval of the Settlement, Alliance Energy failed to: (1) pay minimum wages; (2) pay overtime wages; (3) provide meal periods; (4) provide rest breaks; (5) pay all sick time; (6) provide accurate itemized wage statements; and (7) pay all wages due upon separation of employment. The released claims include but are not limited to claims brought under California Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226(a), 226(a)(6), 226(e), 226.3, 226.7, 227.3, 246, 510, 512, 516, 558, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, and the applicable IWC Wage Orders, as well as claims under Code of Civil Procedure section 1021.5, 3287, and 3289. Such released claims include claims for expenses,

statutory penalties, civil penalties, or other relief under the California Labor Code, relief from unfair competition under California Business and Professions Code section 17200 *et seq.*, attorneys' fees and costs, and interest.

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

    The PAGA Members' Releases for Participating and Non-Participating Class Members are as follows:

    > All Participating and Non-Participating Class Members who are PAGA Members are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, beneficiaries, and assigns, any and all claims for civil penalties under PAGA against Alliance Energy and the Released Parties that were or reasonably could have been asserted based on the facts alleged in against Alliance Energy in the Action or the PAGA Notice, including but not limited to allegations that, from October 4, 2023 through the date of Preliminary Approval of the Settlement, Alliance Energy failed to: (1) pay minimum wages; (2) pay overtime wages; (3) provide meal periods; (4) provide rest breaks; (5) pay all sick time; (6) provide accurate itemized wage statements; (7) pay all wages due upon separation of employment; and (8) reimburse business expenses, including but not limited to PAGA claims for civil penalties based on California Labor Code sections 201, 202, 203, 204, 210, 218.5, 221, 226, 226(a), 226(e), 226.3, 226.7, 227.3, 246, 510, 512, 516, 558, 1174, 1174.4, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698 *et seq.*, 2699, and the applicable IWC Wage Orders, as well as claims for attorneys' fees and costs, including but not limited under Code of Civil Procedure section 1021.5.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing $______________by the total number of PAGA Pay Periods worked by all PAGA Members and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual PAGA Member.

3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Alliance Energy's records, are stated in the first page of this Notice.

You have until___________to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Alliance Energy's calculation of Workweeks and/or Pay Periods based on Alliance Energy's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Alliance Energy's Counsel. The Administrator's decision is final. You cannot appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

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

2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every PAGA Member who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Scott Johnson v. Alliance Energy Marketing, LLC*, Case No. 24STCV25855, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **You must send your request to be excluded to the Administrator by____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Alliance Energy are asking the Court to approve. At least 16 days before the________________Final Approval Hearing, Class

Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website

____________(url)____________or the Court's website_____________(url)____________.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is_______________**. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Scott Johnson v. Alliance Energy Marketing, LLC*, Case No. 24STCV25855, and include your name, current address, telephone number, and approximate dates of employment for Alliance Energy and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but do not have to, attend the Final Approval Hearing on______________at __(time) in Department 9 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer, at your own expense, to attend) either personally or virtually via LACourtConnect (https://www.lacourt.org/lacc/. Check the Court's website for the most current information.

It is possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website________________________________beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Alliance Energy and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to____(specify entity)_____________________'s website at __________________________(url)____. You can also call or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (http://www.lacourt.org/casesummary/ui/index.aspx) and entering the Case Number for the Action, Case No. 24STCV25855. You can also make an appointment to personally review court documents in the Clerk's Office at the Spring Street Courthouse by calling (213) 310-7000.

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

Class Counsel:

Joshua S. Falakassa
josh@falakassalaw.com
FALAKASSA LAW, P.C.
1901 Avenue of the Stars, Suite 520
Los Angeles, California 90067

Mehrdad Bokhour
mehrdad@bokhourlaw.com
BOKHOUR LAW GROUP, P.C.
1901 Avenue of the Stars, Suite 520
Los Angeles, California 90067
310-975-1493

Settlement Administrator:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

EXHIBIT “C”