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Attorneys for Plaintiff

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

JARED HIPSHER, on behalf of the State of
California and other aggrieved persons,

Plaintiff,

v.

HAVAS FORMULA, LLC, a California limited
liability company; and DOES 1 through 10,
inclusive,

Defendants.

Case No.: 24STCV31485
Related Case: 25TRCV03967

*[Assigned for All Purposes to the Honorable
William F. Highberger, Dept. 10]*

**DECLARATION OF THIAGO M.
COELHO IN SUPPORT OF PLAINTIFF'S
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION AND
PAGA SETTLEMENT**

Preliminary Approval Hearing:

Date: December 8, 2026

Time: 10:00 a.m.

Dept.: 10

Action Filed: November 27, 2024

DECLARATION OF THIAGO M. COELHO

I, Thiago M. Coelho, hereby declare as follows:

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

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

Procedural History

3. On November 27, 2024, Plaintiff filed this putative class action against Defendant Havas Formula, LLC (“Defendant”) alleging: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; and (8) unfair business practices (“Class Action”).

4. On November 27, 2024, Plaintiff provided written notice to the LWDA and Defendant the specific provisions of the Labor Code alleged to have been violated, including the facts and theories in support. A true and correct copy of Plaintiff’s November 27, 2024, letter to Defendant and the LWDA is attached hereto as **Exhibit 1**. The LWDA did not notify Plaintiff that intended to investigate within 65 days of this written notice. Therefore, on November 19, 2025, Plaintiff filed a separate action in the Superior Court of California, County of Los Angeles, for civil penalties under PAGA, Case No. 25TRCV03967 (the “PAGA Action”).

5. On December 22, 2025, the Court deemed the Class Action and PAGA Action related.

6. On December 17, 2025, the Parties subsequently participated in a private full-day mediation with Michael Young. The negotiations were adversarial, conducted at arm’s length, and tempered by the efforts of both sides to serve the interests of their clients. The mediator made a proposal, which was accepted by the Parties.

7. The parties negotiated the terms of the Settlement over the next several months, which was finalized on June 23, 2026. A true and correct copy of the Parties' fully executed Class Action and PAGA Settlement Agreement ("Settlement Agreement") is attached hereto as **Exhibit 2**. Attached thereto as **Exhibit A** is a true and correct copy of the Parties' proposed Class Notice.

8. On August 28, 2026, Plaintiff submitted a copy of the Settlement Agreement to the LWDA. A true and correct copy of the confirmation of submission my office received after submitting the Settlement Agreement to the LWDA is attached hereto as **Exhibit 3**.

Investigation and Exposure Analysis

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

10. Defendant's records show that there are approximately 113 Class Members, making joinder of all Class Members impracticable. Further, given the size and amount of each Class Members' claim, Class Members have little incentive to litigate their claims on an individual basis because the out-of-pocket expenses and personal commitment necessary to litigate each claim likely outweigh any potential recovery.

11. Plaintiff has alleged that Defendant maintained common employment policies and/or practices that unlawfully deprived Class Members of wages, meal period, rest periods, reimbursements for business expenses, accurate wage statements, and timely payment of wages upon separation of employment. These allegations present common factual and legal questions of, *inter alia*, whether Defendant applied the same scheduling, timekeeping, pay, meal period, rest period, and reimbursement policies to all Class Members, whether these policies and practices resulted in

1 Labor Code violations, whether Defendant's conduct was intentional, and whether Class Members
2 are entitled to damages and/or penalties. These common questions could be resolved using Class
3 Members' time records, payroll records, testimony from Defendant's designated representative(s),
4 and Class Members' testimony.

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

8 13. Minimum and Overtime Wages: Plaintiff's unpaid minimum and overtime wage
9 claims were based on the allegation that Defendant required Class Members to perform work duties
10 while off the clock, without compensation. For example, Plaintiff alleged that Defendant required
11 him and other Class Members to complete work off the clock on personal computers after hours.
12 For purposes of calculating Defendant's liability based on a best-case scenario for Plaintiff and the
13 Class, Plaintiff's Counsel assumed that all unpaid worktime should have been paid at the overtime
14 rate of pay and conservatively estimated that Defendant is liable for one (1) hour of unpaid
15 worktime per workweek. This results in potential exposure for this claim of approximately
16 \$226,245.08 (6,055 workweeks x \$24.91 average hourly rate of pay x 1 hour/workweek x 1.5
17 overtime rate). Because this claim would have relied heavily on Class Member testimony and
18 would not be evidenced in Defendant's time and payroll records, the risk of succeeding at class
19 certification and trial was substantial. Accordingly, Plaintiff's Counsel applied a risk discount
20 based on a 50% chance of succeeding at class certification and a 50% chance of succeeding at trial
21 on the merits, yielding a realistic damage estimate of approximately \$56,561.27 (\$226,245.08 x
22 50% x 50%).

23 14. Meal Periods: Plaintiff's meal period claim was based on the allegation that
24 Defendant failed to provide Class Members with legally compliant meal periods or pay meal period
25 premiums in lieu thereof. For example, Plaintiff alleged that Defendant required him and other
26 Class Members to work through his meal periods, or take late first meal periods, due to workload
27 and regular understaffing. Additionally, Plaintiff's Counsel's expert consultant determined there
28 was a 9% meal period violation rate from the sampling of Defendant's time and payroll records,

1 where meal periods were short, late, or missed. Therefore, potential liability for the meal period
2 claim is approximately \$52,976.10 (23,630 shifts over 5 hours x \$24.91 average hourly rate x 9%
3 violation rate). After taking into account the difficulty of certifying and proving meal period
4 claims, as well as Defendant's contention that the claim lacks merit and that a 9% violation rate is
5 unrealistic, Plaintiff's Counsel discounted this figure based on a 50% chance of succeeding at class
6 certification and a 50% chance of succeeding at trial, yielding a realistic damage estimate of
7 approximately \$13,244.03 (\$52,976.10 x 50% x 50%).

8 15. Rest Periods: Plaintiff's rest period claim was based on the allegation that Defendant
9 failed to provide Class Members with legally compliant rest periods or pay rest period premiums
10 in lieu thereof. For example, Plaintiff alleged that Defendant required him and other Class
11 Members to work through their rest periods due to workload and understaffing, as well as pressure
12 by supervisors. Based on Plaintiff's allegations and Plaintiff's and other Class Members'
13 experience working for Defendant, Plaintiff's Counsel applied a 100% violation rate to all
14 qualifying shifts during the Class Period. Therefore, Defendant's potential liability for the rest
15 period claim is approximately \$604,814.80 (24,280 shifts of 3.5 hours or longer x \$24.91 average
16 hourly rate x 100% violation rate). However, Plaintiff's Counsel discounted this figure to account
17 for the difficulty of certifying and proving rest period claims, particularly because rest periods do
18 not have to be recorded, and to account for the possibility of Class Members voluntarily choosing
19 to forego a rest period. Because this claim would have relied exclusively on Class Member
20 testimony, Plaintiff's Counsel discounted this claim based on a 50% chance of succeeding at class
21 certification and a 40% chance of succeeding at trial, yielding a realistic damage estimate of
22 approximately \$120,962.96 (\$604,814.80 x 50% x 40%).

23 16. Reimbursements: Plaintiff's reimbursement claim was based on the allegation that
24 Defendant failed to indemnify Class Members for expenses incurred as a direct result of performing
25 their job duties for Defendant, such as mandatory use of personal cell phones for timekeeping and
26 personal vehicles for work purposes. For purposes of calculating Defendant's liability based on a
27 best-case scenario for Plaintiff and the Class, Plaintiff's Counsel estimated that Defendant was
28 liable to each Class Member for \$12.50 per workweek in unreimbursed expenses, for a total amount

of approximately \$75,687.50 ($\$12.50 \times 6,055$ workweeks). However, Defendant argued that these expenses were not required by Defendant, and that it could not have known that these expenses were being incurred. Accordingly, Plaintiff's Counsel discounted this claim based on a 40% chance of succeeding at class certification and a 40% chance of succeeding at trial, yielding a realistic damage estimate of approximately \$12,110.00 ($\$75,687.50 \times 40\% \times 40\%$).

17. In sum, Plaintiff's Counsel estimated that Plaintiff's maximum recovery for the off-the-clock claim, meal period violations, and rest period violations (i.e., the wage claims) is approximately \$884,035.98. However, after factoring in the risk and uncertainty of prevailing at certification and trial, Plaintiff's Counsel estimates that Plaintiff's realistic estimated recovery for these non-penalty wage claims is approximately \$190,768.26.

18. Derivative Penalties: Plaintiff alleged that as a result of Defendant's failure to pay all wages owed, Defendant owed waiting time penalties and wage statement penalties. With respect to Plaintiff's derivative claims for statutory penalties, Plaintiff's Counsel estimated that Defendant's realistic potential liability is approximately \$85,526.99. Defendant's maximum potential liability for waiting time penalties is approximately \$297,275.94 (51 employees x \$24.91 average hourly rate of pay x 7.8 hours/day x 30 days) based on approximately 51 formerly employed Class Members during the 3-year statute of limitations period and an average shift length of 7.8 hours. Defendant's maximum potential liability for inaccurate wage statements is approximately \$70,050.00 ([37 employees x 1 initial violation/employee x \$50 for an initial violation] + [(719 pay periods - 37 initial violations) x \$100 for each subsequent violation]) based on approximately 37 Class Members who worked during the 1-year statute of limitations period and approximately 719 pay periods in that statutory timeframe. In light of the foregoing, Plaintiff's Counsel believes that it would be unrealistic to expect the Court to award the full \$302,785.25 in statutory penalties given Defendant's defenses, the contested nature of Plaintiff's claims, the challenges of establishing willfulness as applicable, and the discretionary nature of penalties. Considering that the underlying wage claims are realistically estimated to be approximately \$190,768.26, such a disproportionate award would also raise due process concerns. As such, Plaintiff's counsel discounted these figures to account for the risk and uncertainty of obtaining

1 class certification and prevailing at trial, resulting in a realistic evaluation of approximately
2 \$74,318.99 for waiting time penalty claims ($\$297,275.94 \times 50\% \times 50\%$), and approximately
3 \$11,208.00 for wage statement penalty claims ($\$70,050.00 \times 40\% \times 40\%$), or approximately
4 \$85,526.99 total for statutory penalties.

5 19. PAGA: For the PAGA claim, Plaintiff's Counsel determined that Defendant's
6 potential exposure could potentially reach \$71,900, assuming the initial \$100 penalty would apply
7 for each of the 719 pay periods in the PAGA Period. However, even assuming success on the merits
8 of each claim, PAGA gives the Court discretion to reduce penalties for a variety of reasons,
9 including where to do otherwise would result in an award that is unjust, arbitrary and oppressive,
10 or confiscatory. As such, Plaintiff's counsel discounted this figure to account for the risk and
11 uncertainty of prevailing at trial, resulting in a realistic evaluation of approximately \$14,380.00 for
12 PAGA penalties ($\$71,900 \times 20\%$). The settlement allocates \$12,110 of the Gross Settlement
13 Amount to PAGA penalties, therefore the PAGA allocation amounts to 5% of the Gross Settlement
14 Amount and 84% of the realistic maximum damages for PAGA penalties ($\$12,110.00/\$14,380.00$).

15 20. Using these estimated figures, Plaintiff's Counsel predicted that the realistic
16 maximum recovery for all claims, including penalties, would be approximately \$302,785.25. This
17 means that the gross settlement amount represents 80% of the realistic maximum recovery
18 ($\$242,200.00 / \$302,785.25$). Considering the risk and uncertainty of prevailing at class
19 certification and at trial, this is an excellent result for the Class. Indeed, because of the proposed
20 Settlement, Class Members will receive timely, guaranteed relief and will avoid the risk of an
21 unfavorable judgment.

22 21. Based on the figures in the Settlement Agreement, the Net Settlement Amount
23 available for class settlement payments is currently estimated to be \$114,388.38 for approximately
24 113 Class Members. As a result, each Settlement Class Member would be eligible to receive an
25 average net benefit of approximately \$1,012.29. Based on the estimated Net Settlement Amount
26 available for individual class payments and there being approximately 6,055 workweeks in the
27 Class Period, the estimated weekly valuation for Individual Class Payments is \$18.89
28 ($\$114,388.38 / 6,055$ workweeks).

Plaintiff's Counsel's Qualifications

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

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

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

25. I graduated from the University of Central Florida and the University of Southern California, Gould School of Law. The National Trial Lawyers selected me as a "Top 10 Data Privacy Trial Lawyer," "Top 25 Class Action Trial Lawyers," "Top 10 Wage and Hour Trial Lawyer," and a "Top 40 under 40" attorney. For 2020 and 2021, I was selected and served as the President of the Data Privacy Trial Lawyers Association, and I am an active member of CAALA, CAOC's Data Breach Committee, and AAJ's Class Action Division. I have been selected as a "Best Lawyer" by The Best Lawyers in America® and Super Lawyers as a "Rising Star." I have settled over 300 cases, including, but not limited to, consumer class action cases. My hourly rate is \$1,000.00, which was approved in *Suarez v. Bank of America, N.A.* (N.D. Cal. Jan. 11, 2024), No. 18-cv-01202-LB, 2024 WL 150721, *3 ("As for the lodestar cross-check, the billing rates are normal and customary for timekeepers with similar qualifications and experience in the relevant market.")

26. Further, I have extensive experience litigating consumer class action and data privacy class actions, and have litigated wage-and-hour class actions, including the following cases:

- a. I served as lead counsel in *Suarez v. Bank of America, N.A.*, Case No. 18-cv-01202-LB, a wage-and-hour federal class action which resulted in a \$1.5 million

1 settlement.

- 2 b. I was lead counsel in *Moore v. Centrelake Medical Grp.* (2022) 83 Cal.App.5th 515,
3 a data breach class action, where the Court of Appeal reversed the trial court's
4 judgment sustaining the defendant's demurrer, in part, because the plaintiff's loss
5 of benefit of the bargain was deemed a sufficient injury for UCL standing. (Id. at
6 pp. 527-530.)
- 7 c. I was also lead counsel in *Mier v. CVS Health* (9th Cir. July 8, 2023) No. 22-55665,
8 2023 WL 4837851, a consumer class action involving false advertising claims
9 where the Ninth Circuit reversed the denial of class certification.
- 10 d. I was also lead counsel in *Peters v. Apple, Inc.*, (Los Angeles Superior Court) Case
11 No. 19STCV21787, a consumer class action involving Apple, Inc.'s alleged
12 misrepresentations regarding its Family Sharing service, which resulted in a \$25
13 million class settlement. For his work on *Peters v. Apple, Inc.*, he was awarded the
14 Daily Journal's California Lawyer Attorney of the Year ("Clay") Award.
- 15 e. I was also lead counsel in *Schumacher v. Bank of Hope*, Case No. 18STCV02066,
16 a consumer class action which resulted in a \$13.3 million settlement.
- 17 f. I served as an executive committee member in *Slate v. Dominion Dental Services*,
18 Case No. 1:19-cv-01063, which resulted in a \$4.7 million settlement.
- 19 g. I was class counsel in *In re MCG Health Data Security Litigation*, Case No. 2:22-
20 cv-0849-RSM-DWC, which resulted in a \$8.8 million consumer class action
21 settlement.
- 22 h. I was class counsel in *Billie Culp, et al., v. Fitzgibbon Hospital*, Case No. 23SA-
23 CV00020 (Cir. Ct. Saline Cty., Mo., Div. IV January 10, 2023); a data
24 breach consolidated class action with a court-approved \$650,000.00 settlement.
25
26
27
28

- i. I was class counsel in *Mendoza v. Crystal Bay Casino, LLC*, Case No. 3:23-cv-00092-MMD-CLB (D. Nev. Filed Feb. 28, 2023); a data breach consolidated class action with a court-approved \$675,000.00 settlement.
- j. I was settlement class counsel in *In re Wright & Filippis, LLC Data Security Breach Litig.*, No. 2:22-cv-12908-SFC (E.D. Mich. Filed Nov. 30, 2022); which resulted in a court approved \$2.9 million settlement.
- k. I was co-lead class counsel in *Lowery, et al., v. Community Psychiatry Management, LLC*, Case No. 24STCV30135 (Cal. Super. Ct. L.A. Cnty Nov. 15, 2024); with a pending settlement of \$3.5 million.
- l. I was lead class counsel in *Alcazar v. Fashion Nova, Inc.*, Case No. 4:20-cv-01434-JST (N.D. Cal. filed Feb. 26, 2020); with a pending settlement of \$5.15 million.

27. Jesenia Martinez is a Senior Attorney at WLF. She graduated from Tufts University and Southwestern Law School and was admitted to practice in California in 2017. During law school, she completed externships with Hon. Kim McLane Wardlaw at the United States Court of Appeals for the Ninth Circuit and with Hon. Dean D. Pregerson at the United States District Court for the Central District. Super Lawyers selected Ms. Martinez as a “Rising Star.” For her work on *Peters v. Apple, Inc.* No. 19STCV21787 (LASC), she was awarded the Daily Journal’s California Lawyer Attorney of the Year (CLAY) Award. She has experience in all stages of litigation and been named as lead counsel in cases around the country. At WLF, she continues to prosecute consumer cases, including violations of the Americans with Disabilities Act, violations of privacy rights, and other statutes for misleading and false advertising under the Consumer Legal Remedies Act and California’s Unfair Competition Law. Some of her notable cases include securing class certification in a matter pending in the Southern District of New York, *George v. Shamrock Saloon II, LLC*, Case No.1: 17-cv-06663-RA-HBP, as well as a \$12.3 million settlement in a consumer class action, *Kim v. Tinder, Inc., et al.*, No. 2:18-cv-03093-JFW-AS (C.D. Cal.). She joined Wilshire Law Firm and assisted the team in securing a \$25 million consumer class action settlement

1 in *Peters v. Apple Inc.*, No. 19STCV21787 (Los Angeles Cnty.).

2 28. Trenten Bilodeaux is an Associate Attorney at WLF. He is currently in his sixth
3 year of practice involving corporate entities in complex class action litigation in state and federal
4 courts. He is admitted to practice before all courts in the State of California, the State of Oregon,
5 and the United States District Court for the Northern, Eastern, and Central Districts of California.
6 Over the course of his career, he has participated in numerous class action settlements for similar
7 employment and wage claims as those present here. Prior to practice, he graduated cum laude with
8 a Bachelor of Arts in Political Science from California State University, Chico before accepting a
9 scholarship to attend the University of the Pacific, McGeorge School of Law where he achieved a
10 Juris Doctorate and graduated with honors in 2020.

11 29. Chumahan Bowen is a three-year Associate Attorney at Wilshire Law Firm, PLC.
12 He has practiced civil litigation since 2009, with substantial experience in complex litigation,
13 including class actions, employment matters, consumer matters, business disputes, and appellate
14 litigation. Mr. Bowen is licensed to practice law in California and Hawaii. He received his Juris
15 Doctor from Pepperdine School of Law, a Bachelor of Arts in English from the University of
16 California, Berkeley, and a Master of Arts in Screenwriting from the University of California, Los
17 Angeles. His current reasonable hourly lodestar rate for this matter is \$750 per hour. A \$750 hourly
18 rate is appropriate and defensible given your approximately 17 years of litigation experience,
19 complex-litigation background, and California and Hawaii licensure.

20 **No Conflicts**

21 30. WLF has no actual or potential conflicts of interest with Class Members or the
22 proposed Administrator, Phoenix Settlement Administrators.

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

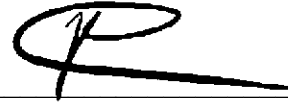
25 **Administrator**

26 32. Plaintiff's Counsel sought multiple bids from administrators to administer this
27 Settlement. The Parties selected the bid with the lowest cost, which was from Phoenix Settlement
28 Administrators. A true and correct copy of the will-not-exceed bid from Phoenix Settlement

Administrators to administer this Settlement is attached hereto as **Exhibit 4**.

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

Executed on August 28, 2026 at Los Angeles, California.

A handwritten signature in black ink, appearing to be 'Thiago M. Coelho', written over a horizontal line.

Thiago M. Coelho

EXHIBIT 1

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

November 27, 2024

LWDA

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

Havas Formula, LLC
1215 Cushman Ave.
San Diego CA 92110
(Via Certified Mail, Return Receipt Requested)
7018 2290 0001 9171 1375

Havas Formula, LLC
c/o Agent for Service of Process
CSC - LAWYERS INCORPORATING SERVICE
2710 Gateway Oaks Drive # 150
Sacramento, CA 95833
(Via Certified Mail, Return Receipt Requested)
7018 3090 0001 0857 2531

Re: **Jared Hipsher v. Havas Formula, LLC**
Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

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

Plaintiff wishes to pursue this action as an aggrieved employee, on behalf of the State of California, as well as on behalf of all other persons who worked for Defendant in California as a non-exempt or hourly-paid employee at any time within the applicable statutory period (hereafter, the "Aggrieved Employees").

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

Plaintiff's Employment with Defendant

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

Plaintiff worked for Defendant in California as an hourly-paid, non-exempt employee during the past year. During Plaintiff's employment for Defendant, Defendant paid Plaintiff an hourly wage and classified Plaintiff as non-exempt from overtime. Defendant typically scheduled Plaintiff to work at least five days in a workweek and at least eight hours per day, but Plaintiff regularly worked more than eight hours in a workday and/or more than forty (40) hours in a workweek.

Throughout Plaintiff's employment, Defendant: failed to pay for all hours worked (including minimum, straight time, and overtime wages); failed to provide Plaintiff with legally compliant meal periods (and pay corresponding meal period premium wages at the correct rate of pay); failed to authorize and permit Plaintiff to take rest periods; failed to include all non-discretionary remuneration when calculating overtime pay, sick pay, and meal and rest period premium pay; failed to timely pay all final wages to Plaintiff when Defendant terminated Plaintiff's employment; failed to furnish accurate wage statements to Plaintiff; and failed to indemnify Plaintiff for expenditures. As discussed below, Plaintiff's experience working for Defendant was typical and illustrative.

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

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

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

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

Throughout the statutory period, Defendant maintained a policy and practice of not paying Plaintiff and the Aggrieved Employees for all hours worked, including minimum, straight time, and overtime wages. Defendant required Plaintiff and the Aggrieved Employees to work "off-the-clock", uncompensated, by, for example, requiring Plaintiff and the Aggrieved Employees to perform work prior to clocking in for the workday, during unpaid meal periods, and after clocking

out for the workday. Some of this unpaid work should have been paid at the overtime rate. In failing to pay for all hours worked, Defendant also failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked.

The failure to pay for all hours worked also includes a system of time rounding and/or synthetic timekeeping that resulted in unpaid compensation for time worked pre-shift, post-shift, and when meal periods were supposedly recorded. If proven to be implemented by Defendant, this system resulted, over a period of time, in failing to compensate Plaintiff and the Aggrieved Employees properly for all the time they have actually worked even though the realities of Defendant's operations are such that it is possible, practical, and feasible to count and pay for work time to the minute. Accordingly, this system frequently paid Plaintiff and the Aggrieved Employees less than all their work time. Some of this unpaid work also should have been paid at the overtime rate. In failing to pay for all hours worked, again Defendant may have also failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked.

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

Failure to Provide Meal Periods

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

Despite these legal requirements, Defendant wrongfully failed to provide Plaintiff and the Aggrieved Employees with legally compliant meal periods. Defendant regularly, but not always, required Plaintiff and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, uninterrupted, and duty-free meal period for every five hours of work, or without compensating Plaintiff and the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Instead, Defendant continued to assert control over Plaintiff and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Plaintiff and the Aggrieved Employees permission to take a meal period. Defendant also never informed Plaintiff of the right to, nor permitted Plaintiff to take, a second meal period when Plaintiff worked at least ten hours in a workday. Accordingly, Defendant's policy and practice was not to provide meal periods to Plaintiff and the Aggrieved Employees in compliance with California law.

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

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

Failure to Authorize and Permit Rest Periods

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

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

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

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

Failure to Accurately Calculate Overtime Pay, Sick Pay, and Meal Period Premium Pay When Issuing Non-Discretionary Remuneration

Federal law defining and interpreting "regular rate" under the FLSA governs this case. (*Alonzo v. Maximus, Inc.* (C.D. Cal. 2011) 832 F.Supp.2d 1122, 1129.) This "construction is supported by California case law and the DLSE Manual, each of which looks to FLSA standards to interpret the 'regular rate of pay' under California law." (*Ibid.*) "Under the FLSA, the 'regular rate' of pay 'at which an employee is employed shall be deemed to include all remuneration for employment paid to, or on behalf of, the employee,' subject to certain enumerated exceptions." (*Id.* at pp. 1129-30,

quoting 29 U.S.C. § 207(e)(3).) “The burden is on Defendant to establish that its bonus payments fall within one of the exceptions in § 207(e).” (*Ibid.*)

The Department of Labor has interpreted section 207 to permit an employer to exclude a “discretionary bonus,” but not a “promised bonus” from the “regular rate” of pay:

Bonuses which are announced to employees to induce them to work more steadily or more rapidly or more efficiently or to remain with the firm are regarded as part of the regular rate of pay. Attendance bonuses, individual or group production bonuses, bonuses for quality and accuracy of work, bonuses contingent upon the employee’s continuing in employment until the time the payment is to be made and the like are in this category. They must be included in the regular rate of pay.

(29 C.F.R. § 778.211 (2011); *see also* DLSE Manual § 49.1.2.4(3), incorporating 29 C.F.R. § 778.211.)

Plaintiff and/or the Aggrieved Employees received various forms of bonuses/commissions/incentive payments during pay periods where overtime was worked, but Defendant failed to *accurately* factor in the non-discretionary remuneration into their regular rate of pay.

As outlined by the California Supreme Court in *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 878, for purposes of paying sick pay and premiums, “the term ‘regular rate of compensation’ in section 226.7(c) has the same meaning as ‘regular rate of pay’ in section 510(a) and encompasses not only hourly wages but all nondiscretionary payments for work performed by the employee.”

Defendant should have included all non-discretionary remuneration when calculating overtime pay, sick pay, and meal period premium pay. Because it didn’t, Defendant is liable to Plaintiff and/or the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2).

Failure to Pay All Earned Wages Twice Per Month

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

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However, during all such times, Defendant systematically failed and refused to pay the employees all wages due, and failed to pay those wages twice a month, in that employees were not paid all wages for

all meal periods not provided by Defendant, all wages for all rest periods not authorized and permitted by Defendant, and all wages for all hours worked. As a result, Defendant owes employees the legally required wages for unpaid wages, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

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

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

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

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

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

Failure to Timely Pay All Wages at Termination

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

Within the applicable statute of limitations, the employment of Plaintiff and many other Aggrieved Employees ended, i.e., was terminated by quitting or being discharged, and the employment of others will be terminated. However, during the relevant time period, Defendant failed, and continues to fail to pay Plaintiff and terminated Aggrieved Employees, without abatement, all

wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Defendant's employment. These unpaid wages include wages for unpaid work time (including minimum, straight time, and overtime wages), missed meal period premium wages, and missed rest period premium wages.

Defendant's conduct violates Labor Code §§ 201 and 202. Labor Code § 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate until paid or until an action is commenced; but the wages shall not continue for more than thirty (30) days.

Accordingly, Plaintiff and the Aggrieved Employees are entitled to recover from Defendant their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to thirty (30) days maximum pursuant to Labor Code § 203.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Lab. Code § 226(e)(2)(B)(iii).)

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

Throughout the statutory period, Defendant failed to furnish Plaintiff and the Aggrieved Employees with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law). Whether unpaid premiums for missed meal periods must be reported as "wages earned" and credited as "hours worked" in wage statements has been a settled issue since at least 2022.

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

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

Failure to Indemnify for Necessary Expenditures

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

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

Action for Civil Penalties Under PAGA

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

1. Labor Code § 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code § 226.7 and applicable Wage Orders by failing to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing to authorize and permit rest periods;
4. Labor Code §§ 226.7, 246, 510, and applicable Wage Orders by failing to include all non-discretionary remuneration when calculating overtime pay, sick pay, and meal period premium pay;
5. Labor Code § 204 by failing to pay all earned wages two times per month;
6. Labor Code § 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;

7. Labor Code §§ 201 to 203 by willfully failing to pay all wages owed at termination;
8. Labor Code § 226 by failing to provide accurate itemized wage statements; and
9. Labor Code § 2802 by failing to indemnify for necessary expenditures.

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

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

Sincerely,

WILSHIRE LAW FIRM

A handwritten signature in dark ink, appearing to be "Chumahan Bowen", followed by a horizontal line.

Chumahan Bowen, Esq.

EXHIBIT 2

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Attorneys for Defendant Havas Formula, LLC

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

JARED HIPSHER, individually, and on
behalf of all others similarly situated,

Plaintiff,

v.

HAVAS FORMULA LLC, a limited
liability company; and DOES 1 through
10, inclusive,

Defendants.

Case No. 24STCV31485 (Class Action)
Case No. 25TRCV03967 (PAGA Action)

*Assigned for all purposes to:
Hon. William F. Highberger, Dept. 10*

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT**

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

1 This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and
2 between Plaintiff Jared Hipsher (“Plaintiff”) and Defendant Havas Formula, LLC (“Defendant”).
3 The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or each individually
4 as a “Party.”

5 **1. DEFINITIONS**

6 1.1 “Actions” means Plaintiff’s lawsuits alleging class action wage-and-hour
7 violations against Defendant captioned *Jared Hipsher v. Havas Formula LLC*, Los Angeles
8 County Superior Court, Case No. 24STCV31485 (“Class Action”) and Case No. 25TRCV03967
9 (“PAGA Action”).

10 1.2 “Administrator” means Phoenix Settlement Administrators, the neutral entity the
11 Parties have agreed to appoint to administer the Settlement.

12 1.3 “Administration Costs” means the amount the Administrator will be paid from the
13 Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the
14 Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary
15 Approval of the Settlement.

16 1.4 “Allegedly Aggrieved Employee” or “Allegedly Aggrieved Employees” means all
17 current and former hourly, non-exempt employees employed by Defendant, either directly or
18 through any predecessor, successor, assign, subsidiary, staffing agency, or professional employer
19 organization, in the State of California during the PAGA Period.

20 1.5 “Class” means all current and former hourly, non-exempt employees who were
21 employed by Defendant, either directly or through any predecessor, successor, assign,
22 subsidiary, staffing agency, or professional employer organization, in the State of California
23 during the Class Period.

24 1.6 “Class Action” means Plaintiff’s lawsuit alleging wage and hour violations against
25 Defendant captioned *Jared Hipsher v. Havas Formula LLC*, initiated on November 27, 2024 and
26 pending in the Superior Court of the State of California, County of Los Angeles, Case No:
27 24STCV31485.
28

1.7 “Class Counsel” means Thiago M. Coelho, Chumahan Bowen and Jesenia A. Martinez of Wilshire Law Firm, PLC.

1.8 “Class Counsel Fees Payment” means an award of attorneys’ fees granted to Class Counsel and paid from the Gross Settlement Amount. The Parties have agreed Plaintiff will request approval from the Court of up to one-third (1/3) of the Gross Settlement Amount (currently \$80,733.33).

1.9 “Class Counsel Litigation Expenses Payment” means the amount allocated to Class Counsel for reimbursement of reasonable expenses and costs incurred to prosecute the Action, and paid from the Gross Settlement Amount.

1.10 “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Workweeks and PAGA Pay Periods.

1.11 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Allegedly Aggrieved Employee).

1.12 “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.

1.13 “Class Notice” means the Court approved Notice of Settlement and hearing date for Final Approval, to be mailed to Class Members in English with a Spanish translation in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.14 “Class Period” or “Class Settlement Period” mean the period from November 27, 2020 through the day the Court grants preliminary approval of the Settlement.

1.15 “Class Representative” means the named Plaintiff Jared Hipsher in the Actions.

1.16 “Class Representative Service Payment” or “Enhancement Award” mean the payment to the Class Representative for initiating the Actions and providing services in support of the Action.

1.17 “Court” means the Superior Court of California, County of Los Angeles.

1.18 “Defendant” means named Defendant Havas Formula, LLC.

1.19 “Defense Counsel” means Yvonne Arvanitis Fossati and Martin P. Vigodnier of Jackson Lewis P.C.

1.20 “Effective Date” means the date by which 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 (c) if a timely appeal from the

Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.21 “Final Approval” means the Court’s Order Granting Final Approval of the Settlement.

1.22 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

1.23 “Final Judgment” means the Judgment entered by the Court upon granting Final Approval of the Settlement.

1.24 “Gross Settlement Amount” means \$242,200.00, which is the total amount Defendant agrees to pay under the Settlement, except as provided in Paragraph 8 below.

1.25 “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.

1.26 “Individual PAGA Payment” means the Allegedly Aggrieved Employee’s pro rata share of 35% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.27 “Judgment” means the judgment entered by the Court based upon the Final Approval.

1.28 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under California Labor Code section 2699, subdivision (m).

1.29 “LWDA PAGA Payment” means the 65% of the PAGA Penalties paid to the LWDA under California Labor Code section 2699, subdivision (m).

1.30 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Penalties payment, Enhancement, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Costs Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.31 “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.

1.32 “Operative Class Complaint” means the operative class action complaint filed in the Class Action.

1.33 “Operative PAGA Complaint” means the operative PAGA complaint filed in the PAGA Action.

1.34 “PAGA” means the Private Attorneys General Act, California Labor Code section 2698, *et seq.*

1.35 “PAGA Action” means Plaintiff’s lawsuit alleging civil penalties under PAGA for alleged wage and hour violations against Defendant captioned *Jared Hipsher v. Havas Formula LLC*, initiated on November 19, 2025 and pending in the Superior Court of the State of California, County of Los Angeles, Case No: 25TRCV03967.

1.36 “PAGA Pay Period” means any Pay Period during which an Allegedly Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.37 “PAGA Period” means the period from November 27, 2023 through the day the Court grants preliminary approval of the Settlement.

1.38 “PAGA Notice” means Plaintiff’s November 27, 2025 letter (LWDA-CM-1064095-24) to the LWDA and Defendant providing notice pursuant to California Labor Code section 2699.3, subdivision (a).

1.39 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (\$12,110.00), allocated 35% to the Allegedly Aggrieved Employees (\$4,238.50) and 65% to LWDA (\$7,871.50) in settlement of PAGA claims.

1.40 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.41 “Plaintiff” means Jared Hipsher, the named plaintiff in the Actions.

1.42 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

1.43 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

1.44 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.

1.45 “Released Parties” means Defendant and all of Defendant’s current and former officers, directors, employees, shareholders, owners, attorneys, insurers, predecessors, successors, parent companies, subsidiaries, divisions, related or affiliated companies, employees, agents, and assigns and any individual or entity which could be liable for any of the Released Claims, and Defendant’s counsel of record in the Actions.

1.46 “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.

1.47 “Response Deadline” means sixty (60) days after the Administrator mails Notice to Class Members and Allegedly Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his 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 fourteen (14) calendar days beyond the Response Deadline has expired.

1 1.48 “Settlement” means the disposition of the Actions effected by this Agreement and
2 the Judgment.

3 1.49 “Workweek” means any week during which a Class Member worked for Defendant
4 for at least one day, during the Class Period.

5 **2. RECITALS**

6 2.1 On November 27, 2024, Plaintiff filed the Class Action alleging Defendant
7 (1) failed to pay minimum and straight time wages; (2) failed to pay overtime wages; (3) failed
8 to provide meal periods; (4) failed to authorize and permit rest periods; (5) failed to timely pay
9 final wages at termination; (6) failed to provide accurate itemized wage statements; (7) failed to
10 indemnify employees for expenditures; and (8) violated California's Unfair Competition Law,
11 California Business and Professions Code section 17200, *et seq.* On November 27, 2024,
12 pursuant to California Labor Code section 2699.3, subdivision (a), Plaintiff gave notice to the
13 LWDA and Defendant that Plaintiff intended to proceed with a representative action under
14 PAGA (LWDA-CM-1064095-24). On November 19, 2025, after the 65-day statutory period
15 passed, Plaintiff filed the PAGA Action, alleging claims for penalties pursuant to California
16 Labor Code section 2699, *et seq.*

17 2.2 Defendant denies the allegations in the Actions, denies any failure to comply with
18 the laws identified in the Actions, and denies any and all liability for the causes of action alleged
19 in the Actions.

20 2.3 On December 12, 2025, the Parties participated in an all-day mediation presided
21 over by mediator Michael Young. With the help of Mr. Young, the Parties were able to reach an
22 agreement on general settlement terms at mediation and executed a Memorandum of
23 Understanding thereafter.

24 2.4 In advance of mediation, Class Counsel conducted a thorough investigation into
25 the facts of, and applicable law to, the Actions. Prior to mediation, Plaintiff obtained and
26 analyzed a representative sampling of time and payroll data for Class Members and the necessary
27 policy documents through informal discovery to properly evaluate the strengths and weakness
28 of the claims and engage in meaningful settlement discussions. Plaintiff's investigation was

sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.*, 48 Cal.App.4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 129-130 (2008) (“*Dunk/Kullar*”).

2.5 The Court has not granted class certification because the Parties engaged in mediation before any 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 8 below, Defendant will pay \$242,200.00 to fully settle, resolve, and extinguish all claims asserted in the Actions, including without limitation all claims asserted in the PAGA Notice. The Gross Settlement Amount is non-reversionary and does not include employer payroll taxes owed on the wage portions of the Individual Class Payments, which Defendant will pay separately.

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:

3.2.1 To Plaintiff: A payment for the Enhancement Award to Plaintiff of not more than \$10,000.00 in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member. Defendant will not oppose Plaintiff’s request for an Enhancement Award that does not exceed this amount. As part of the motion for the Class Counsel Fees and Litigation Expenses Payments, Plaintiff will seek Court approval for any Enhancement Award no later than sixteen (16) court days prior to the Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves an Enhancement Award less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members. The Administrator will pay the Enhancement Award using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Enhancement Award.

1 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-
2 third (1/3) of the Gross Settlement Amount, which is currently estimated to be \$80,733.33 and a
3 Class Counsel Litigation Expenses Payment for actual costs. Defendant will not oppose requests
4 for these payments. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees and
5 Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval
6 Hearing, or as otherwise ordered by the Court. If the Court approves a Class Counsel Fees
7 Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested,
8 the Administrator will allocate the remainder to the Net Settlement Amount for distribution to
9 Participating Class Members. Released Parties shall have no liability to Class Counsel or any
10 other Plaintiff's counsel arising from any claim to any portion of Class Counsel Fee Payment
11 and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class
12 Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099
13 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class
14 Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant
15 harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or
16 sharing of any of these Payments.

17 3.2.3 To the Administrator: An Administrator Costs Payment for actual costs,
18 not to exceed \$5,950.00 except for a showing of good cause and as approved by the Court. To
19 the extent the Administration Costs are less or the Court approves payment of less than requested,
20 the Administrator will retain the remainder in the Net Settlement Amount to be distributed to
21 Participating Class Members.

22 3.2.4 To Each Participating Class Member: An Individual Class Payment is
23 calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked
24 by all Participating Class Members during the Class Period, and (b) multiplying the result by
25 each individual Participating Class Member's Workweeks.

26 3.2.4.1 Tax Allocation of Individual Class Payments. Twenty percent
27 (20%) of each Participating Class Member's Individual Class Payment will be allocated to the
28 Settlement of wage claims (the "Wage Portion"). The Wage Portion is subject to tax withholding

1 and will be reported on an IRS W-2 Form. The remaining 80% of each Participating Class
2 Member's Individual Class Payment will be allocated to the settlement of claims for interest and
3 penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage
4 withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full
5 responsibility and liability for any employee taxes owed on their Individual Class Payment.

6 3.2.4.2 Effect of Non-Participating Class Members on Calculation of
7 Individual Class Payments. Non-Participating Class Members will not receive any Individual
8 Class Payments. The Administrator will retain amounts equal to their Individual Class Payments
9 in the Net Settlement Amount for distribution to Participating Class Members on a pro-rata basis.

10 3.2.5 To the LWDA and Allegedly Aggrieved Employees: PAGA Penalties in
11 the amount of \$12,110.00 to be paid from the Gross Settlement Amount, with 65% (\$7,871.50)
12 allocated to the LWDA PAGA Payment and 35% (\$4,238.50) allocated to the Individual PAGA
13 Payments.

14 3.2.5.1 The Administrator will calculate each Individual PAGA
15 Payment by (a) dividing the amount of the Allegedly Aggrieved Employees' 35% share of
16 PAGA Penalties (\$4,238.50) by the total number of PAGA Period Pay Periods worked by all
17 Allegedly Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each
18 individual Allegedly Aggrieved Employee's PAGA Pay Periods. Allegedly Aggrieved
19 Employees assume full responsibility and liability for any taxes owed on their Individual PAGA
20 Payment.

21 3.2.5.2 If the Court approves PAGA Penalties of less than the amount
22 requested, the Administrator will allocate the remainder to the Net Settlement Amount to be
23 distributed to Participating Class Members. The Administrator will report the Individual PAGA
24 Payments on IRS 1099 Forms.

25 **4. SETTLEMENT FUNDING AND PAYMENTS**

26 4.1 Class Workweeks. Based on a review of its records, Defendant represents there are
27 113 Class Members who collectively worked a total of 6,055 workweeks during the Class Period.
28

1 4.2 Class Data. Not later than fourteen (14) calendar days after the Court grants
2 Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the
3 Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy
4 rights, the Administrator must maintain the Class Data in confidence, use the Class Data only
5 for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to
6 Administrator employees who need access to the Class Data to effect and perform under this
7 Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers
8 that the Class Data omitted Class Member identifying information and to provide corrected or
9 updated Class Data as soon as reasonably feasible. Without any extension of the deadline by
10 which Defendant must send the Class Data to the Administrator, the Parties and their counsel
11 will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues
12 related to missing or omitted Class Data.

13 4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross
14 Settlement Amount and the amounts necessary to fully pay Defendant's share of payroll taxes
15 by transmitting the funds to the Administrator no later than thirty (30) calendar days after the
16 Effective Date.

17 4.4 Payments from the Gross Settlement Amount. Within seven (7) calendar days after
18 Defendant fully funds the Gross Settlement Amount, the Administrator will mail checks for all
19 Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the
20 Administration Costs Payment, the Class Counsel Fees Payment, the Class Counsel Litigation
21 Expenses Payment, and the Enhancement Award. Disbursement of the Class Counsel Fees
22 Payment, the Class Counsel Litigation Expenses Payment, and the Enhancement Award shall
23 not precede disbursement of Individual Class Payments and Individual PAGA Payments.

24 4.4.1 The Administrator will issue checks for the Individual Class Payments
25 and/or Individual PAGA Payments and send them to the Class Members via First Class U.S.
26 Mail. The face of each check shall prominently state the date (one hundred eighty (180) days
27 after the date of mailing) when the check will be voided ("Void Date"). The Administrator will
28 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 the Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Allegedly Aggrieved Employees including Non-Participating Class Members who qualify as Allegedly Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within seven (7) calendar days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, 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 canceled 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 Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the

1 Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims
2 against all Released Parties as follows:

3 5.1 Plaintiff's Release. In addition to the Released Class Claims and Released
4 PAGA Claims, as described below, and in exchange for the Class Representative Service
5 Payments and Release Payments described in Paragraph 3.2.1 above, Plaintiff and Plaintiff's
6 respective former and present spouses, representatives, agents, attorneys, heirs, administrators,
7 successors, and assigns generally, releases and discharges Released Parties from all claims,
8 transactions, or occurrences, that occurred during the Class Period, including, but not limited to:
9 any and all claims that were, or reasonably could have been, alleged against the Released Parties
10 as of the date of execution of this Agreement ("Plaintiff's Release"). Plaintiff's Released Claims
11 include, but are not limited to, all of the Released Class Claims, and any other claims arising
12 under the California Labor Code; any claim arising out of the California common law of contract;
13 the Fair Labor Standards Act, 29 U.S.C. § 201 et seq., and federal common law; all claims for
14 lost wages and benefits, emotional distress, retaliation, punitive damages, and attorneys' fees
15 and costs arising under federal, state, or local laws for discrimination, harassment, and wrongful
16 termination, including but not limited to, claims under the Fair Employment and Housing Act,
17 Americans with Disabilities Act, 42 U.S.C. section 1981, Title VII of the Civil Rights Act of
18 1964, the California Labor Code, all equivalent claims under federal law, and the law of contract
19 and tort. Plaintiff's Release does not extend to any claims or actions to enforce this Agreement,
20 or to any claims for vested benefits, unemployment benefits, disability benefits, social security
21 benefits, workers' compensation benefits that arose at any time, or based on occurrences outside
22 the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from,
23 or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees,
24 nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding
25 such different or additional facts or Plaintiff's discovery of them.

26 5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542.
27 For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions,
28 rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

5 Thus, notwithstanding the provisions of Section 1542, and to implement a full
6 and complete release and discharge of the Released Parties, Plaintiff expressly acknowledges
7 this Agreement is intended to include in its effect, without limitation, all claims Claimant does
8 not know or suspect to exist in Plaintiff's favor at the time of signing this Agreement, and that
9 this Agreement contemplates the extinguishment of any such claims. Plaintiff warrants Claimant
10 has read this Agreement, including this waiver of California Civil Code Section 1542, and that
11 Plaintiff has consulted with or had the opportunity to consult with counsel of Plaintiff's choosing
12 about this Agreement and specifically about the waiver of Section 1542, and that Claimant
13 understands this Agreement and the Section 1542 waiver, and so Plaintiff freely and knowingly
14 enters into this Agreement. Plaintiff further acknowledges that Plaintiff later may discover facts
15 different from or in addition to those Plaintiff now knows or believes to be true regarding the
16 matters released or described in this Agreement, and even so Plaintiff agrees that the releases
17 and agreements contained in this Agreement shall remain effective in all respects
18 notwithstanding any later discovery of any different or additional facts. Plaintiff expressly
19 assumes any and all risk of any mistake in connection with the true facts involved in the matters,
20 disputes, or controversies released or described in this Agreement or with regard to any facts
21 now unknown to Plaintiff relating thereto.

22 5.2 Released Class Claims: Upon the date on which the payment of the Gross
23 Settlement Amount is made by Defendant, all Participating Class Members, on behalf of
24 themselves and their respective former and present representatives, agents, attorneys, heirs,
25 administrators, successors, and assigns, shall be deemed to have released the Released Parties
26 from all claims under state, federal or local law, whether statutory, common law or
27 administrative law, that were alleged, or reasonably could have been alleged, based on the facts
28 alleged in the Class Action and ascertained in the course of the Class Action, including without

1 limitation, California Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.7,
2 510, 512, 1174, 1194, 1194.2, 1197, 1198, and 2802, the California Industrial Commission Wage
3 Orders, and Business and Professions Code sections 17200, et seq., and including all claims for
4 or related to alleged failure to pay minimum and straight time wages, failure to pay overtime
5 wages, failure to provide meal periods, failure to permit rest breaks, failure to pay all wages due
6 upon separation of employment, failure to provide accurate itemized wage statements, failure to
7 reimburse business expenses, and unfair and unlawful business practices, including, but not
8 limited to, claims for injunctive relief, liquidated damages, penalties of any nature, interest, fees,
9 costs, and all other claims and allegations made or which could have been made in the Action
10 based on the facts and allegations pled in the Class Action and arising during the Class Period
11 (collectively the “Released Class Claims”). Except as set forth in Paragraph 5.3 of this
12 Agreement, Participating Class Members do not release any other claims, including claims for
13 vested benefits, wrongful termination, violation of the Fair Employment and Housing Act,
14 unemployment insurance, disability, social security, and workers’ compensation, or claims based
15 on facts occurring outside the Class Period.

16 5.3 Released PAGA Claims: Upon the date on which the payment of the Gross
17 Settlement Amount is made by Defendant, all Allegedly Aggrieved Employees, on behalf of
18 themselves and their respective former and present representatives, agents, attorneys, heirs,
19 administrators, successors, and assigns, shall be deemed to have released the Released Parties
20 from all claims for PAGA penalties alleged, or that reasonably could have been alleged, based
21 on the facts alleged in the PAGA Complaint and the PAGA Notice, and/or ascertained in the
22 course of the Action, including but not limited to alleged violations of California Labor Code
23 sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 246, 510, 512, 558, 1174, 1174.5, 1194,
24 1197, 1197.1, 1198, and 2802, California Industrial Commission Wage Orders, and the
25 California Code Regulations; claims based on alleged failure to pay minimum and straight time
26 wages, failure to pay overtime wages, failure to provide meal periods, failure to permit rest
27 breaks, failure to pay all wages due upon separation of employment, failure to provide accurate
28 itemized wage statements, failure to reimburse business expenses, failure to pay all earned wages

twice per month, failure to maintain accurate time and meal-period records, to include non-discretionary remuneration in the regular rate of pay, which arose during the PAGA Period (collectively the “Released PAGA Claims”).

6. MOTION FOR PRELIMINARY APPROVAL. Plaintiff will prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”).

6.1 Plaintiff’s Responsibilities. 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 California Labor Code section 2699, subdivision (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 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; (v) a signed declaration from Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of this Agreement (California Labor Code section 2699, subdivision (l)(2)); and (vi) all facts relevant to any actual or potential conflict of interest with Class Members, and/or the Administrator. In their Declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement. At least three (3) business days prior to filing the Motion for Preliminary Approval, Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval of the Class Settlement and approval of the PAGA Settlement under Labor Code section 2699(f)(2), including drafts of the notice, memorandum in support, declarations in support, and proposed Order Granting Preliminary Approval. The proposed Order Granting Preliminary Approval shall be approved by Defense Counsel prior to Plaintiff filing the proposed Order with the Court. Plaintiff will attempt to incorporate any and all of Defense Counsel’s revisions to the drafts of the notice and memorandum in support. In the event Plaintiff disagrees with any of Defense Counsel’s revisions, the Parties will expeditiously meet and confer in person or by telephone, and in good

1 faith, to resolve any disagreements prior to the Motion for Preliminary Approval being filed with
2 the Court.

3 6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are
4 jointly responsible for expeditiously finalizing the Motion for Preliminary Approval. Class
5 Counsel will obtain a prompt hearing date for the Motion for Preliminary Approval, file the
6 Motion for Preliminary Approval no later than sixteen (16) court days before the hearing, unless
7 otherwise ordered by the Court, and deliver the Court's Preliminary Approval Order to the
8 Administrator.

9 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed
10 Motion for Preliminary Approval and/or the supporting declarations and documents, Class
11 Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by
12 meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court
13 does not grant Preliminary Approval or conditions Preliminary Approval on any material change
14 to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on
15 behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the
16 Agreement and otherwise satisfy the Court's concerns.

17 **7. SETTLEMENT ADMINISTRATION**

18 7.1 Selection of Administrator. The Parties have jointly selected Phoenix
19 Settlement Administrators to serve as the Administrator and verified that, as a condition of
20 appointment, the Administrator agrees to be bound by this Agreement and to perform, as a
21 fiduciary, all duties specified in this Agreement in exchange for payment of Administration
22 Costs. The Parties and their Counsel represent that they have no interest or relationship, financial
23 or otherwise, with the Administrator other than a professional relationship arising out of prior
24 experiences administering settlements.

25 7.2 Employer Identification Number. The Administrator shall have and use
26 its own Employer Identification Number for purposes of calculating payroll tax withholdings
27 and providing reports to state and federal tax authorities.
28

1 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement
2 fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury
3 Regulation section 468B-1 for the funding of the Gross Settlement Amount. Any interest that
4 accrues on the Gross Settlement Amount sums paid into the QSF prior to distribution by the
5 Administrator will become part of the NSA for distribution to Participating Class Members.

6 7.4 Notice to Class Members.

7 7.4.1 No later than five (5) calendar days after receipt of the Class
8 Data, the Administrator shall notify Class Counsel that the list has been received and state the
9 number of Class Members, Allegedly Aggrieved Employees, Workweeks, and Pay Periods in
10 the Class Data.

11 7.4.2 Using best efforts to perform as soon as possible, and in no event
12 later than fourteen (14) calendar days after receiving the Class Data, the Administrator will send
13 to all Class Members identified in the Class Data, via first-class United States Postal Service
14 (“USPS”) mail, the Class Notice with Spanish translation substantially in the form attached to
15 this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the
16 dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to
17 the Class Member, and the number of Workweeks and PAGA Pay Periods used to calculate these
18 amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses
19 using the National Change of Address database.

20 7.4.3 Not later than five (5) calendar days after the Administrator’s
21 receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail
22 the Class Notice using any forwarding address provided by the USPS. If the USPS does not
23 provide a forwarding address, the Administrator shall conduct a Class Member Address Search,
24 and re-mail the Class Notice to the most current address obtained. The Administrator has no
25 obligation to make further attempts to locate or send Class Notice to Class Members whose Class
26 Notice is returned by the USPS a second time.

27 7.4.4 The deadlines for Class Members’ written objections, challenges
28 to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional

1 fourteen (14) calendar days beyond the sixty (60) calendar days otherwise provided in the Class
2 Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class
3 Member of the extended deadline with the re-mailed Class Notice.

4 7.4.5 If the Administrator, Defendant, or Class Counsel is contacted
5 by or otherwise discovers any persons who believe they should have been included in the Class
6 Data and should have received Class Notice, the Parties will expeditiously meet and confer in
7 person or by telephone, and in good faith in an effort to agree on whether to include them as
8 Class Members. If the Parties agree, such persons will be Class Members entitled to the same
9 rights as other Class Members, and the Administrator will send, via email or overnight delivery,
10 a Class Notice requiring them to exercise options under this Agreement not later than fourteen
11 (14) calendar days after receipt of Class Notice, or the deadline dates in the Class Notice,
12 whichever are later.

13 7.5 Requests for Exclusion (Opt-Outs).

14 7.5.1 Class Members who wish to exclude themselves (opt-out of) the
15 Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request
16 for Exclusion not later than sixty (60) calendar days for Class Members whose Class Notice is
17 re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative
18 that reasonably communicates the Class Member's election to be excluded from the Settlement
19 and includes the Class Member's name, address and email address or telephone number. To be
20 valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response
21 Deadline.

22 7.5.2 The Administrator may not reject a Request for Exclusion as
23 invalid because it fails to contain all the information specified in the Class Notice. The
24 Administrator shall accept any Request for Exclusion as valid if the Administrator can
25 reasonably ascertain the identity of the person as a Class Member and the Class Member's desire
26 to be excluded. The Administrator's determination shall be final and not appealable or otherwise
27 susceptible to challenge. If the Administrator has reason to question the authenticity of a Request
28 for Exclusion, the Administrator may demand additional proof of the Class Member's identity.

1 The Administrator's determination of authenticity shall be final and not appealable or otherwise
2 susceptible to challenge.

3 7.5.3 Every Class Member who does not submit a timely and valid
4 Request for Exclusion is deemed to be a Participating Class Member under this Agreement,
5 entitled to all benefits and bound by all terms and conditions of the Settlement, including the
6 Participating Class Members' Releases under paragraphs 5.2 and 5.3 of this Agreement,
7 regardless of whether the Participating Class Member actually receives the Class Notice or
8 objects to the Settlement.

9 7.5.4 Every Class Member who submits a valid and timely Request for
10 Exclusion is a Non-Participating Class Member and shall not receive an Individual Class
11 Payment or have the right to object to the class action components of the Settlement. Because
12 there is no statutory right for any Allegedly Aggrieved Employee to opt out or otherwise exclude
13 himself or herself from the PAGA Settlement and the associated release of claims and rights
14 under PAGA, and further because future PAGA claims are subject to claim preclusion upon
15 entry of the Judgment, Non-Participating Class Members who are Allegedly Aggrieved
16 Employees are deemed to release the Released PAGA Claims identified in Paragraph 5.3 of this
17 Agreement and are eligible for an Individual PAGA Payment.

18 7.6 Challenges to Calculation of Workweeks. Each Class Member shall have
19 sixty (60) calendar days after the Administrator mails the Class Notice (plus an additional
20 fourteen (14) calendar days for Class Members whose Class Notice is re-mailed) to challenge
21 the number of Class Workweeks and PAGA Pay Periods allocated to the Class Member in the
22 Class Notice. The Class Member may challenge the allocation by communicating with the
23 Administrator via fax, email or mail. The Administrator must encourage the challenging Class
24 Member to submit supporting documentation. In the absence of any contrary documentation, the
25 Administrator is entitled to presume that the Workweeks contained in the Class Notice are
26 correct so long as they are consistent with the Class Data. The Administrator's determination of
27 each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not
28 appealable or otherwise susceptible to challenge. The Administrator shall promptly provide

copies of all challenges to the 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 Enhancement Award.

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 sixty (60) days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).

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

7.8 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, 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; Preliminary Approval Order; Class Notice; Motion for Final Approval; Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Enhancement Award; 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.

1 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The
2 Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their
3 validity. Not later than five (5) days after the expiration of the deadline for submitting Requests
4 for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel
5 containing (a) the names and other identifying information of Class Members who have timely
6 submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying
7 information of Class Members who have submitted invalid Requests for Exclusion; (c) copies
8 of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

9 7.8.3 Weekly Reports. The Administrator must, on a weekly basis,
10 provide written reports to Class Counsel and Defense Counsel that, among other things, tally the
11 number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for
12 Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks
13 and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments
14 and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the
15 Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all
16 Requests for Exclusion and objections received.

17 7.8.4 Workweek and/or Pay Period Challenges. The Administrator has
18 the authority to address and make final decisions consistent with the terms of this Agreement on
19 all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The
20 Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.

21 7.8.5 Administrator’s Declaration. Not later than fourteen (14)
22 calendar days before the date by which Plaintiff is required to file the Motion for Final Approval
23 of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed
24 declaration suitable for filing in Court attesting to its due diligence and compliance with all of
25 its obligations under this Agreement, including, but not limited to, its mailing of Class Notice,
26 the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate
27 Class Members, the total number of Requests for Exclusion from Settlement it received (both
28 valid or invalid), the number of written objections and attach the Exclusion List. The

1 Administrator will supplement its declaration as needed or requested by the Parties and/or the
2 Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

3 7.8.6 Final Report by Settlement Administrator. Within ten (10) days
4 after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator
5 will provide Class Counsel and Defense Counsel with a final report detailing its disbursements
6 by employee identification number only of all payments made under this Agreement. At least
7 fifteen (15) days before any deadline set by the Court, the Administrator will prepare, and submit
8 to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting
9 to its disbursement of all payments required under this Agreement. Class Counsel is responsible
10 for filing the Administrator's declaration in Court.

11 **8. ESCALATOR CLAUSE.** Based on its records, Defendant represents there are
12 approximately 113 Class Members who collectively worked a total of approximately 6,055
13 Workweeks during the Class Period. If, at the end of the Class Period, the actual number of the
14 Workweeks worked by Class Members during the Class Period exceeds this figure by more than
15 ten percent (10%) (i.e., if there are more than 6,661 or more total Workweeks (110% of 6,055)),
16 then Defendant, at its sole discretion, shall either (i) increase the Gross Settlement Amount on a
17 proportional basis equal to the percentage increase in the number of Workweeks worked by the
18 Class Members above ten percent (10%) of the current 6,055 estimate (for example, if the final
19 number of total workweeks increases by 11%, the Gross Settlement Amount will increase 1%),
20 or (ii) elect to cut off the Class Period as of the date the total Workweeks worked by Class
21 Members during the Class Period does not exceed ten percent (10%) of the 6,055 estimate (i.e.,
22 so that the total Workweeks is below 6,661).

23 **9. DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for
24 Exclusion identified in the Exclusion List equals or exceeds fifteen percent (15%) of the total
25 of all Class Members and/or if the combined Workweeks worked by Class Members who timely
26 exclude themselves amounts to more than fifteen percent (15%) of the total Workweeks worked
27 by all Class Members, Defendant may elect, but are not obligated, to withdraw from the
28 Settlement. The Parties agree that, if Defendant withdraw, the Settlement shall be void ab initio,

1 have no force or effect whatsoever, and that neither Party will have any further obligation to
2 perform under this Agreement; provided, however, Defendant will remain responsible for paying
3 all Settlement Administration Expenses incurred to that point. Defendant must notify Class
4 Counsel and the Court of its election to withdraw not later than fourteen (14) days after the
5 Administrator sends the final Exclusion List to Defense Counsel; late elections will have no
6 effect.

7 **10. MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days
8 before the calendared Final Approval Hearing, unless otherwise scheduled by the Court, Plaintiff
9 will file in Court, a Motion for Final Approval of the Settlement that includes a request for
10 approval of the PAGA settlement under Labor Code section 2699, subdivision (l); a Proposed
11 Final Approval Order; and a proposed Judgment (collectively “Motion for Final Approval”).
12 Plaintiff shall provide drafts of these documents to Defense Counsel prior to filing the Motion
13 for Final Approval at least three (3) business days prior to filing the Motion for Final Approval.
14 The proposed Final Approval Order and Judgment shall be approved by Defense Counsel prior
15 to Plaintiff filing the proposed Final Approval Order and Judgment with the Court. Plaintiff
16 will attempt to incorporate any and all of Defense Counsel’s revisions to the drafts of the notice
17 and memorandum in support. In the event Plaintiff disagrees with any of Defense Counsel’s
18 revisions, Class Counsel and Defense Counsel will expeditiously meet and confer in person or
19 by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final
20 Approval being filed with the Court.

21 10.1 Response to Objections. Each Party retains the right to respond to any
22 objection raised by a Participating Class Member, including the right to file responsive
23 documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as
24 otherwise ordered or accepted by the Court.

25 10.2 Duty to Cooperate. If the Court does not grant Final Approval or
26 conditions Final Approval on any material change to the Settlement (including, but not limited
27 to, the scope of release to be granted by Class Members), the Parties will expeditiously work
28 together in good faith to address the Court’s concerns by revising the Agreement as necessary to

1 obtain Final Approval. The Court's decision to award less than the amounts requested for the
2 Enhancement Award, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment,
3 and/or Administrator Costs Payment shall not constitute a material modification to the
4 Agreement within the meaning of this paragraph.

5 10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of
6 Judgment, the Court will retain jurisdiction over the Parties, the Actions, and the Settlement
7 solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement
8 administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

9 10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the
10 terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment
11 and Class Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their
12 respective counsel, and all Participating Class Members who did not object to the Settlement as
13 provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to
14 post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions
15 for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver
16 of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the
17 Parties' obligations to perform under this Agreement will be suspended until such time as the
18 appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect
19 the amount of the Net Settlement Amount.

20 10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify
21 Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that
22 requires a material modification of this Agreement (including, but not limited to, the scope of
23 release to be granted by Class Members), this Agreement shall be null and void. The Parties shall
24 nevertheless expeditiously work together in good faith to address the appellate court's concerns
25 and to obtain Final Approval and Entry of Judgment, sharing, on a 50-50 basis, any additional
26 Administration Costs reasonably incurred after remittitur. An appellate decision to vacate,
27 reverse, or modify the Court's award of the Enhancement Award or any payments to Class
28

Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. AMENDED JUDGMENT. If any amended judgment is required under California 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 Defendant that any of the allegations in the Operative Complaint has merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Actions have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason, the Court does not grant Preliminary Approval, Final Approval, or enter Judgment, Defendant reserves the right to contest certification of any class for any reason, Defendant reserves all available defenses to the claims in the Actions, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Actions will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

12.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing

1 authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or
2 subpoena issued by a state or federal government agency. Each Party agrees to immediately
3 notify the other Party of any judicial or agency order, inquiry, or subpoena seeking such
4 information. Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree not to,
5 directly or indirectly, initiate any conversation or other communication, before the filing of the
6 Motion for Preliminary Approval, with any third party regarding this Agreement or the matters
7 giving rise to this Agreement except to respond only that “the matter was resolved,” or words to
8 that effect. This paragraph does not restrict Class Counsel’s communications with Class
9 Members in accordance with Class Counsel’s ethical obligations owed to Class Members.
10 Plaintiff and Class Counsel will not make any public disclosures of any kind regarding the
11 Settlement, including but not limited to postings on Class Counsel’s websites and postings on
12 any social media sites/outlets prior to the filing of the motion for preliminary approval motion.
13 Class Counsel will take all steps necessary to ensure Plaintiff is aware of, and will encourage
14 Plaintiff to adhere to, the restriction against any public disclosures regarding the Settlement.
15 Class Counsel will not include or use the Settlement for any marketing or promotional purposes,
16 or for attempting to influence Defendant’s business relationships, either before or after the
17 Motion for Preliminary Approval is filed. Following preliminary approval of the Settlement,
18 Plaintiff and Class Counsel shall not initiate any communications with the media or agents of
19 the media, shall issue no press release, and shall not post or display information, opinions,
20 statements or content on any social media site (like Facebook, Instagram, Twitter/X, etc.),
21 website, or blog, regarding this Settlement Agreement or the Actions. This prohibits any posting
22 on Class Counsel’s website concerning the Actions or this Settlement Agreement. If contacted
23 by the media or third parties about this litigation or its termination, Plaintiff and Class Counsel
24 may only state that “the matter was resolved.” Class Counsel will take all steps necessary to
25 ensure Plaintiff is aware of, and will encourage Plaintiff to adhere to, the restriction against
26 initiating any media comment. Nothing herein will restrict Class Counsel from including
27 publicly available information regarding this settlement in future judicial submissions regarding
28 Class Counsel’s qualifications and experience or for purposes of seeking court approval of

1 comparable settlements. The Parties agree that the provisions in this Paragraph are material terms
2 of this Settlement Agreement.

3 12.3 Confidentiality After Preliminary Approval. Class Counsel will not
4 include or use the Settlement for any marketing or promotional purposes, or for attempting to
5 influence Defendant's business relationships, either before or after the Motion for Preliminary
6 Approval is filed. Following preliminary approval of the Settlement, Plaintiff and Class Counsel
7 shall issue no press release, and shall not post or display information, opinions, statements or
8 content on any social media site (like Facebook, Instagram, Twitter/X, etc.), website, or blog,
9 regarding this Settlement Agreement or this Action. This prohibits any posting on Class
10 Counsel's website concerning this Action or this Settlement Agreement with the exception of
11 the posting of the Class Notice, the deadline to opt out of the settlement, object to the settlement
12 or dispute workweek calculations, and the date, time and location of the Final Approval hearing,
13 which may be posted during the period between the date the Court grants preliminary approval
14 of the Settlement through the date the Court grants final approval of the Settlement. In the event
15 that Plaintiff or Class Counsel receives any inquiry from a third party about this litigation or its
16 termination, Plaintiff and Class Counsel may state only that "the matter was resolved." Class
17 Counsel will take all steps necessary to ensure Plaintiff is aware of and adheres to the restriction
18 against initiating any media comment. Nothing herein will restrict Class Counsel from including
19 publicly available information regarding this Settlement in future judicial submissions regarding
20 Class Counsel's qualifications and experience. The Parties agree that the provisions in this
21 Paragraph are material terms of this Settlement Agreement.

22 12.4 No Solicitation. The Parties separately agree that they and their respective
23 counsel and employees will not solicit any Class Member to opt out of or object to the Settlement,
24 or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class
25 Counsel's ability to communicate with Class Members in accordance with Defense Counsel's
26 and Class Counsel's ethical obligations and Class Counsel's fiduciary duties owed to Class
27 Members.
28

1 12.5 Integrated Agreement. Upon execution by all Parties and their counsel,
2 this Agreement together with its attached exhibits shall constitute the entire agreement between
3 the Parties relating to the Settlement, superseding any and all oral representations, warranties,
4 covenants, or inducements made to or by any Party.

5 12.6 Attorney Authorization. Class Counsel and Defense Counsel separately
6 warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take
7 all appropriate action required or permitted to be taken by such Parties pursuant to this
8 Agreement to effectuate its terms, and to execute any other documents reasonably required to
9 effectuate the terms of this Agreement including any amendments to this Agreement.

10 12.7 Cooperation. The Parties and their counsel will cooperate with each other
11 and use their best efforts, in good faith, to implement the Settlement by, among other things,
12 modifying the Settlement Agreement, submitting supplemental evidence and supplementing
13 points and authorities as requested by the Court. In the event the Parties are unable to agree upon
14 the form or content of any document necessary to implement the Settlement, or on any
15 modification of the Agreement that may become necessary to implement the Settlement, the
16 Parties will seek the assistance of a mediator and/or the Court for resolution.

17 12.8 No Prior Assignments. The Parties separately represent and warrant that
18 they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
19 transfer, or encumber to any person or entity and portion of any liability, claim, demand, action,
20 cause of action, or right released and discharged by the Party in this Settlement.

21 12.9 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense
22 Counsel are providing any advice regarding taxes or taxability, nor shall anything in this
23 Settlement be relied upon as such within the meaning of United States Treasury Department
24 Circular 230 (31 CFR Part 10, as amended) or otherwise.

25 12.10 Modification of Agreement. This Agreement, and all parts of it, may be
26 amended, modified, changed, or waived only by an express written instrument signed by all
27 Parties or their representatives, and approved by the Court.
28

1 12.11 Agreement Binding on Successors. This Agreement will be binding upon,
2 and inure to the benefit of, the successors of each of the Parties.

3 12.12 Released Parties are Third-Party Beneficiaries. All Released Parties are
4 third party beneficiaries of this Agreement for purposes of the protections offered by this
5 Agreement, and they shall be entitled to enforce the provisions of this Agreement applicable to
6 any such Released Party as against Plaintiff, Participating Class Members, or Allegedly
7 Aggrieved Employees, or any party acting on Plaintiff's, Participating Class Members', and/or
8 Allegedly Aggrieved Employees' behalf.

9 12.13 Plaintiff's Waiver of Right to Be Excluded. Plaintiff agrees that by
10 signing this Agreement, Plaintiff will be bound by the terms herein, including the general release
11 described in Paragraph 5.1 above. Plaintiff further agrees that, upon signing this Agreement,
12 Plaintiff will not request to be excluded from this Settlement and that any such request for
13 exclusion by Plaintiff will be void and of no force or effect.

14 12.14 Applicable Law. All terms and conditions of this Agreement and its
15 exhibits will be governed by and interpreted according to the internal laws of the state of
16 California, without regard to conflict of law principles.

17 12.15 Cooperation in Drafting. The Parties have cooperated in the drafting and
18 preparation of this Agreement. This Agreement will not be construed against any Party on the
19 basis that the Party was the drafter or participated in the drafting.

20 12.16 Confidentiality. To the extent permitted by law, all agreements made, and
21 orders entered during the Actions and in this Agreement relating to the confidentiality of
22 information shall survive the execution of this Agreement.

23 12.17 Headings. The descriptive heading of any section or paragraph of this
24 Agreement is inserted for convenience of reference only and does not constitute a part of this
25 Agreement.

26 12.18 Calendar Days. Unless otherwise noted, all reference to "days" in this
27 Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement
28

falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

12.19 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:

Thiago M. Coelho
thiago.coelho@wilshirelawfirm.com
 Chumahan Bowen
chumahan.bowen@wilshirelawfirm.com
 Jesenia A. Martinez
JeseniaMartinezsTeam@wilshirelawfirm.com
WILSHIRE LAW FIRM, PLC
 660 S. Figueroa Street, Sky Lobby
 Los Angeles, California 90017
 Telephone: (213) 381-9988
 Facsimile: (213) 381-9989

To Defendant:

Yvonne Arvanitis Fossati
yvonne.fossati@jacksonlewis.com
 Martin P. Vigodnier
martin.vigodnier@jacksonlewis.com
JACKSON LEWIS P.C.
 725 South Figueroa Street, Suite 2800
 Los Angeles, California 90017
 Telephone: (213) 689-0404

12.20 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or by 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.

12.21 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

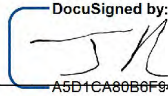
Parties further agree that upon the signing of this Agreement pursuant to California Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under California Code of Civil Procedure section 583.310 for the entire period of this settlement process.

12.22 Binding Agreement. The Parties intend that this Agreement shall be fully enforceable and binding upon all Parties within the provisions of California Code of Civil Procedure section 664.6, and that it shall be admissible and subject to disclosure in any proceeding to enforce its terms pursuant to California Evidence Code sections 1122, subdivision (a)(1) and 1123, subdivision (b), notwithstanding the confidentiality provisions that otherwise might apply under federal or state law. The Parties further agree and intend that the Los Angeles County Superior Court may enforce this Agreement pursuant to California Code of Civil Procedure section 664.6.

IT IS SO AGREED.

By the Parties:

DATED: 6/23/2026

DocuSigned by:

A5D1CA80B6F94E2...

Plaintiff Jared Hipsher

06/16/2026

DATED: _____


Alexis McCance (Jun 16, 2026 11:41:37 PDT)

Defendant Havas Formula LLC

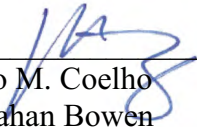
By: _____

Position: _____

Approved by counsel:

DATED: June 23, 2026

WILSHIRE LAW FIRM

BY: 

Thiago M. Coelho

Chumahan Bowen

Jesenia A. Martinez

*Counsel for Plaintiff Jared Hipsher and all others
similarly situated*

DATED: 6/23/26

JACKSON LEWIS P.C.

BY: _____

Yvonne Arvanitis Fossati

Martin P. Vigodnier

Counsel for Defendant Havas Formula, LLC.

4922-6322-3470, v. 1

EXHIBIT A

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

*Jared Hipsher v. Havas Formula LLC,
Los Angeles County Superior Court, Case Nos. 24STCV31485 (lead), 25TRCV03967*

***The Los Angeles County Superior Court authorized this notice.
It is not junk mail, spam, an advertisement, or solicitation by a lawyer.
Please read it carefully! You are not being sued.***

You may be eligible to receive money from employee class and representative action lawsuits against Havas Formula LLC, Case Nos. 24STCV31485 (lead), 25TRCV03967 (“Actions”) against Havas Formula LLC (“Defendant”) for alleged wage and hour violations. The Actions were filed by former employee, Jared Hipsher, and seek (1) payment of alleged unpaid wages and other relief for a class of current and former non-exempt employees who worked for Defendant in California during the Class Period (November 27, 2020 to XXXX) (“Class Members”); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all Class Members who worked for Defendant in California during the PAGA Period (November 27, 2023 to XXXX) (“Allegedly Aggrieved Employees”).

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

Based on Defendant’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$_____ (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 Defendant’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on Defendant’s records showing that **you worked _____ Workweeks during the Class Period and you worked _____ Pay Periods during the PAGA Period**. If you believe that you worked more during either period, you can submit a challenge by the deadline date.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval of the Settlement. Your legal rights are affected whether you act or not act. **READ THIS NOTICE CAREFULLY**. You will be deemed to have read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	Receive money. Give up rights to sue Defendant for claims released in the Settlement.
EXCLUDE YOURSELF	Receive no money from the Class settlement. You will retain the right to pursue your own legal claims against Defendant. However, even if you exclude yourself from the Class settlement, you will still receive a portion of the PAGA settlement and be bound by the PAGA Released Claims (defined below) if you worked for Defendant during the PAGA Period.
OBJECT	Write to the Court about why you object to the Settlement. If the Settlement receives Final Approval, you will receive money and give up rights to sue Defendant for claims released in the Settlement.
CHALLENGE YOUR NUMBER OF WORKWEEKS AND/OR PAY PERIODS	Challenge your number of Workweeks or Pay Periods listed in this Notice and provide supporting evidence. If you challenge your workweeks or pay periods, you will still be part of the Settlement and will give up rights to sue Defendant for claims released in the Settlement.

BASIC INFORMATION

1. WHY AM I RECEIVING THIS NOTICE?

Defendant’s records indicate that you worked for Defendant Havas Formula LLC at some point(s) between November 27, 2020 through **XXXX**, and are therefore a member of the Class for purposes of this Settlement.

You received this Notice because you have a right to know about a proposed Settlement of the Action, and about all of your options, before the Court decides whether to finally approve the Settlement. The Settlement will resolve all Class Members’ claims, which are described below, during the Class Period. The Settlement will also resolve claims for civil penalties brought under the California Private Attorneys’ General Act (“PAGA”). If you are a Class Member, you are also an “Aggrieved Employee” if you worked for Defendant during the “PAGA Period,” which is November 27, 2023 through **XXXX**.

If the Court grants Final Approval to the Settlement, a settlement Administrator appointed by the Court will issue the payments provided for by the Settlement to Class Members. You are encouraged to always keep your address up to date with the Administrator (the Administrator’s contact information can be found in Section 12, below).

This Notice package explains the allegations and background regarding the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to receive those benefits.

The Court in charge of the Actions is the Los Angeles County Superior Court. The cases are titled *Jared Hipsher v. Havas Formula LLC*, Case Nos. 24STCV31485 (lead) and 25TRCV03967. The person who sued, Jared Hipsher, is the Plaintiff, and the company sued, Havas Formula LLC, is the Defendant.

2. WHAT IS THE LAWSUIT ABOUT?

The Plaintiff in the lawsuits alleges wage and hour violations against Defendant for: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods and pay meal period premiums; (4) failure to provide rest periods and pay miss rest period premiums; (5) failure to pay all wages earned and unpaid at separation; (6) failure to furnish accurate itemized wage statements; (7) failure to indemnify all necessary business expenditures; (8) violation of California's Unfair Competition Law, California Business and Professions Code section 17200, *et seq.* In addition, Plaintiff is seeking to recover civil penalties pursuant to PAGA ("PAGA Penalties") based on the alleged violations of the California Labor Code listed above.

Defendant strongly denies violating any laws whatsoever or failing to pay any wages and contends it has and continues to comply with all applicable laws at all times.

3. WHY IS THIS A CLASS ACTION?

In an employment class action, one or more people called "Class Representatives" (in this case, the Plaintiff) sue on behalf of all workers who they contend have similar claims. All of these workers are a Class or Class Members. Bringing one lawsuit, as opposed to many small ones, saves money, time and court resources. The court resolves the issues for all Class Members, except for those who exclude themselves from the Class. Defendant strongly denies that Plaintiff is a suitable Class Representative or that the cases are suitable for class or representative treatment. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims.

4. WHY IS THERE A SETTLEMENT?

The Court did not decide in favor of the Plaintiff or Defendant on the merits of the claims alleged in the Actions. Plaintiff believes Plaintiff would win at trial. Defendant believes Plaintiff's lawsuits are not suitable for class or representative treatment and, and maintains Plaintiff's lawsuits would not proceed to a trial and/or that Plaintiff would not win at trial. However, there has been no trial. Instead, in acknowledgement of the risk that both Parties face should the case proceed, the Parties hired an experienced, neutral mediator in an effort to resolve the Actions by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendant have negotiated a proposed Settlement that is subject to the Court's Final Approval. This way, all Parties avoid the cost of preparing for and conducting a trial and the risk of losing the right to a trial. Both sides agree the Settlement represents a compromise and settlement of highly disputed claims. The Plaintiff, as well as Plaintiff's lawyers (called "Class Counsel"), believe the Settlement is fair and reasonable and in the best interests of all Class Members.

WHO IS INCLUDED IN THE SETTLEMENT?

5. WHO IS INCLUDED IN THE SETTLEMENT?

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

If you received this Notice, you are a Class Member for settlement purposes. The Class includes: all current and former hourly, non-exempt employees who were employed by Defendant, either directly or through any predecessor, successor, assign, subsidiary, staffing agency, or professional employer organization, in State of California at any time from November 27, 2020 through XXXX.

6. ARE THERE EXCEPTIONS TO BEING INCLUDED?

You are not a Class Member if you already have resolved the claims asserted in this lawsuit, whether by settlement or a separate legal proceeding (i.e., another lawsuit).

THE SETTLEMENT BENEFITS—WHAT YOU GET

7. WHAT DOES THE SETTLEMENT PROVIDE?

Defendant has agreed to pay a Gross Settlement Amount (“GSA”) of \$242,200.00 to settle the lawsuit. From the GSA, Class Counsel will apply to the Court for attorneys’ fees of one-third of the GSA or \$80,733.33 and reimbursement for reasonable costs; Enhancement Award of \$10,000.00 to the Plaintiff (for Plaintiff’s work and efforts prosecuting this case); a PAGA Penalties payment of \$12,110.00 to resolve the PAGA claims; and Settlement Administration Costs to Phoenix Settlement Administrators, not to exceed \$5,950.00. The exact amount of the Class Counsel’s Fees and Litigation Expenses, Class Representative Service Payment, and Administration Costs will be determined by the Court at the Final Approval hearing. The remaining portion of the Settlement amount, the “Net Settlement Amount” or the “NSA,” is currently estimated to be approximately \$[INSERT]. The NSA will be apportioned and paid out as Individual Class Payments to the Settlement Class Members, who are the Class Members that do not request to be excluded (“opt out”) of the Settlement.

PAGA Penalties payment: As part of the PAGA portion of the Settlement, the Parties will ask the Court to approve a \$12,110.00 PAGA Penalties payment in settlement of claims for civil penalties under PAGA. As required under PAGA, 65% of the PAGA Penalties payment, or \$7,871.50, will be paid to the California Labor and Workforce Development Agency. The remaining 35% of the PAGA Penalties payment, or \$4,238.50, will be distributed to the Allegedly Aggrieved Employees as Individual PAGA Payments.

8. HOW MUCH WILL MY PAYMENT BE?

An approximation of your Individual Class Payment appears on the first page of this Notice. If you are also an Aggrieved Employee, an approximation of your Individual PAGA Payment will also appear on the first page of this Notice.

Individual Class Payment: Your Individual Class Payment is based on the number Workweeks you worked, as represented in Defendant’s records, in comparison to the total number of Workweeks worked by all Class Members during the Class Period (November 27, 2020 to XXXX). Eighty percent (80%) of each Class Member’s Individual Class Payment will be treated as a payment in settlement of the alleged claims for penalties and interest and will be reported on a Form 1099 by the Settlement Administrator, and twenty percent (20%) of each Class Member’s Individual Class Payment will be treated as a payment in settlement of alleged claims for unpaid wages. The 20% allocated as unpaid wages will be reduced by applicable payroll tax withholdings and deductions and reported on a Form W-2.

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

Individual PAGA Payment: If you worked for Defendant from November 27, 2023 to XXXX (“PAGA Period”), you are also an “Allegedly Aggrieved Employee” and will receive an Individual PAGA Payment in addition to your Individual Class Payment. The Individual PAGA Payments are based on the number of PAGA Pay Periods worked by each Aggrieved Employee in comparison to the total amount of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period. One hundred percent (100%) of each Allegedly Aggrieved Employees’ Individual PAGA Payment will be characterized as penalties and will not be reduced by payroll tax withholdings and deductions. The Individual PAGA Payment will be reported on a Form 1099 by the Settlement Administrator. An approximation of your anticipated Individual PAGA Payment appears on the first page of this Notice.

For the Class Members who are also Allegedly Aggrieved Employees, their Individual Class Payment will be combined with their Individual PAGA Payment, and they will receive a single check for the combined payments. If a Class Member chooses to opt-out of the Settlement, they will still receive an Individual PAGA Payment, as Aggrieved Employees cannot opt-out of the PAGA portion of the Settlement. *See, e.g., Robinson v So. County Oil*, 53 Cal. App. 476 (2020).

HOW YOU GET A PAYMENT

9. HOW DO I RECEIVE A PAYMENT?

You do not need to do anything to receive a payment. However, if you believe that the number of Workweeks or PAGA Pay Periods you worked is incorrect, please correct it and provide any supporting evidence to the settlement Administrator, whose contact information is listed in Section 12 below.

10. WHEN WOULD I GET MY PAYMENT?

The Court will hold a Final Fairness Hearing at _____ on _____, to decide whether to approve the Settlement. If the Judge approves the Settlement, and anyone objects, there may be appeals. It is always uncertain when these objections and appeals can be resolved and resolving them can take time. If there is no objection, the Effective Date of the Settlement will be the date of entry of the Court’s Order granting final approval.

Following the Effective Date, Individual Class Payments and Individual PAGA Payments will be mailed to Participating Class Members and Aggrieved Employees approximately 30 days after the Court’s approval of the Settlement becomes final so long as there are no appeals.

Settlement checks should be cashed promptly upon receipt. Proceeds of checks which remain uncashed after 180 days from the date of issuance will be forwarded to the State of California Unclaimed Property Fund in the name of each Participating Class Member and/or Aggrieved Employee who did not cash his or her settlement check. If your settlement check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement. You can search for unclaimed property on the State’s website at: https://www.sco.ca.gov/search_upd.html

For an update on the status of payments, please contact the Settlement Administrator (see Section 12).

11. WHAT AM I GIVING UP TO GET A PAYMENT?

If the Court approves this Settlement and unless you exclude yourself, you will become a Participating Class Member, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against Defendant concerning the legal claims being resolved in this Settlement. Specifically, you will be giving up or “releasing” the Released Class Claims described below against Defendant and Defendant’s officers, directors, employees and agents (“Released Parties”). The releases become effective once the GSA is fully funded by Defendant.

Released Class Claims: Upon the date on which the payment of the Gross Settlement Amount is made by Defendant, all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, shall be deemed to have released the Released Parties from all claims under state, federal or local law, whether statutory, common law or administrative law, that were alleged, or reasonably could have been alleged, based on the facts alleged in the Class Action and ascertained in the course of the Class Action, including without limitation, California Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.7, 510, 512, 1174, 1194, 1194.2, 1197, 1198, and 2802, the California Industrial Commission Wage Orders, and Business and Professions Code sections 17200, et seq., and including all claims for or related to alleged failure to pay minimum and straight time wages, failure to pay overtime wages, failure to provide meal periods, failure to permit rest breaks, failure to pay all wages due upon separation of employment, failure to provide accurate itemized wage statements, failure to reimburse business expenses, and unfair and unlawful business practices, including, but not limited to, claims for injunctive relief, liquidated damages, penalties of any nature, interest, fees, costs, and all other claims and allegations made or which could have been made in the Action based on the facts and allegations pled in the Class Action and arising during the Class Period (collectively the “Released Class Claims”). Except as set forth in “Released PAGA Claims” below, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, and workers’ compensation, or claims based on facts occurring outside the Class Period.

Released PAGA Claims: Upon the date on which the payment of the Gross Settlement Amount is made by Defendant, all Allegedly Aggrieved Employees, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, shall be deemed to have released the Released Parties from all claims for PAGA penalties alleged, or that reasonably could have been alleged, based on the facts alleged in the PAGA Complaint and the PAGA Notice, and/or ascertained in the course of the Action, including but not limited to alleged violations of California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 246, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, and 2802, California Industrial Commission Wage Orders, and the California Code Regulations; claims based on alleged failure to pay minimum and straight time wages, failure to pay overtime wages, failure to provide meal periods, failure to permit rest breaks, failure to pay all wages due upon separation of employment, failure to provide accurate itemized wage statements, failure to reimburse business expenses, failure to pay all earned wages twice per month, failure to maintain accurate time and meal-period records, to include non-discretionary remuneration in the regular rate of pay, which arose during the PAGA Period (collectively the “Released PAGA Claims”).

EXCLUDING YOURSELF FROM THE SETTLEMENT

12. HOW DO I EXCLUDE MYSELF FROM THE SETTLEMENT?

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

To exclude yourself from the Settlement, you must send the Settlement Administrator a written and signed request for exclusion which must be postmarked no later than [60 days after Class Notice is Mailed]. Be sure to include your name, address, and telephone number, and any other information you think would be helpful to the settlement Administrator to identify you. You can send your request for exclusion to the settlement Administrator at:

Phoenix Settlement Administrators.
Jared Hipsher v. Havas Formula LLC. Settlement
XXXXX
City, State, XXXXX
Email:
Fax:

If you ask to be excluded from the Settlement, you will not be legally bound by anything that happens in the Action, except as it relates to settlement of the PAGA claim. If you ask to be excluded from the Settlement you will not be able to object to the Settlement and you will not receive an Individual Class Payment, but you will still receive an Individual PAGA Payment if you worked for Defendant during the PAGA Period (November 27, 2023 through XXXX). If you ask to be excluded, you may be able to sue (or continue to sue) Defendant in the future.

13. IF I DON'T EXCLUDE MYSELF, CAN I SUE DEFENDANT FOR THE SAME THING LATER?

No. Unless you exclude yourself, you give up any right to sue Defendant for the claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from this Class to continue your own lawsuit. Remember, the exclusion deadline is [60 days after Class Notice is Mailed].

14. IF I EXCLUDE MYSELF, CAN I GET MONEY FROM THIS SETTLEMENT?

No. If you exclude yourself, you will not receive any money from this Settlement. However, if you timely exclude yourself from the Settlement, you will retain the right to pursue your own legal action against Defendant, if you desire.

THE LAWYERS REPRESENTING YOU IN THIS LAWSUIT

15. DO I HAVE A LAWYER IN THIS CASE?

The Court has determined that Wilshire Law Firm, PLC is qualified to represent you and the Class Members for purposes of settlement in the Actions. These lawyers are called Class Counsel and their contact information is listed below. If you want to be represented by your own lawyer, you may hire one at your own expense.

Thiago M. Coelho
thiago.coelho@wilshirelawfirm.com
Chumahan Bowen
chumahan.bowen@wilshirelawfirm.com
Jesenia A. Martinez
JeseniaMartinezsTeam@wilshirelawfirm.com
WILSHIRE LAW FIRM, PLC
660 S. Figueroa Street, Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

16. HOW WILL THE LAWYERS BE PAID?

Class Counsel will ask the Court to approve \$80,733.33 (or 1/3 of the GSA) for attorneys' fees incurred in investigating the facts, litigating the case, and negotiating the Settlement. Class Counsel will also seek Court-approval of up to [AMOUNT] in litigation expenses incurred in this matter. The Court may award Class Counsel less than what they request. Class Counsel will also ask the Court to approve a payment to Plaintiff Jared Hipsher in the amount of \$10,000.00 in addition to Plaintiff's Individual Class Payment and Individual PAGA Payment for the initiative, risk, and time and energy Plaintiff has spent in service to the Class as the Class Representative. The Court may award a Class Representative less than what is requested.

OBJECTING TO THE SETTLEMENT

You can and have the right to tell the Court you do not agree with the Settlement or some part of it.

17. HOW DO I TELL THE COURT THAT I OBJECT TO THE SETTLEMENT?

If you don't think the Settlement is fair, you can object to some or all of the Settlement. You can either object to the Settlement in person at the Final Approval Hearing or you can submit a written objection. Written objections and notices of intent to appear at the Final Approval Hearing must be mailed to the Settlement Administrator and postmarked on or before [REDACTED], 2026, at the following address:

Phoenix Settlement Administrators
Jared Hipsher v. Havas Formula LLC Settlement

[REDACTED]

City, State, [REDACTED]

Email:

Fax

The written objection should state your name and address and describe all legal and factual reasons that you object to the terms of the Settlement. You should also include or attach any documents upon which your objection is based. If the Court overrules the objection at the Final Approval hearing, the Settlement Agreement will be approved, and you will receive your payment. If you do not submit a written objection, you may still appear at the Final Approval hearing to voice your objection or to otherwise observe the proceedings.

18. WHAT'S THE DIFFERENCE BETWEEN OBJECTING AND REQUESTING EXCLUSION?

QUESTIONS? CALL 1-800-[REDACTED] TOLL FREE

Objecting is simply telling the Court that you do not agree with something about the Settlement. You can object only if you stay in the Class.

Requesting exclusion is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you, and you do not get any money from this Settlement. If you submit both an objection and a request to be excluded from the settlement, the request to be excluded will control and you will not get any money from this settlement.

THE COURT'S FAIRNESS HEARING

The Court will hold a Final Approval Hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you don't have to.

19. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Court will hold a Final Approval Hearing at [redacted] on [redacted] in Department 10 of the Los Angeles County Superior Court (Spring Street Courthouse) located at 312 North Spring Street, Los Angeles, California 90012, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. If there are objections, the Court will consider them at that time. The Court will also be asked to approve the requests for the Class Representative Service Payment and the Class Counsel Fees and Litigation Expenses Payments.

20. DO I HAVE TO COME TO THE HEARING?

No. Class Counsel will answer questions the Court may have. However, you are welcome to attend. If you send an objection, you do not have to come to the Court to talk about it. As long as you mailed your written objection to the settlement administrator on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

IF YOU DO NOTHING

21. WHAT IF I DO NOTHING AT ALL?

If you do nothing, you will receive a Settlement payment, and you will be bound by the terms of Settlement, which means that you will not be able to start a lawsuit, continue a lawsuit, or be a part of any other lawsuit against the Defendant about the legal issues in the Action.

GETTING MORE INFORMATION

22. HOW DO I GET MORE INFORMATION?

You may contact Class Counsel at the contact information listed above in Section 15 if you have any questions about the Settlement. You may also contact the Court-appointed Settlement Administrator, Phoenix Settlement Administrators, by calling toll free 1-800-[redacted], or you can write to the Administrator at the following address:

Phoenix Settlement Administrators
Jared Hipsher v. Havas Formula LLC Settlement

QUESTIONS? CALL 1-800-[redacted] TOLL FREE

XXXXX
City, State, XXXXX
Email:
Fax

PLEASE DO NOT TELEPHONE THE COURT OR HAVAS FORMULA LLC'S COUNSEL FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS. YOU MAY, HOWEVER, CALL CLASS COUNSEL OR THE SETTLEMENT ADMINISTRATOR, LISTED ABOVE.

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

EXHIBIT 3



Thank you for your Proposed Settlement Submission

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

Date Fri 8/28/2026 2:36 PM

To Giancarlo Recinos' Team <Giancarlorecinosteam@wilshirelawfirm.com>

08/28/2026 02:36:32 PM

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

Item submitted: Proposed Settlement

On 08/28/2026 02:36:32 PM your Proposed Settlement was successfully processed for case number LWDA-CM-1064095-24

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: [https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate Attorneys General Act.htm&data=05%7C02%7Cdariane.rose%40wilshirelawfirm.com%7Cb4b2edc2661e4221d64b08df054c751a%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639235498096984938%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRy.dWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMilslkFOljoIjWFpbCIsIlIdUljoyfQ%3D%3D%7C0%7C%7C%7C&sdata=TBO1E%2FB%2F04TQZDAiutPtjmMrikaQQQ93uZOJsJdfkTc%3D&reserved=0](https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate%20Attorneys%20General%20Act.htm&data=05%7C02%7Cdariane.rose%40wilshirelawfirm.com%7Cb4b2edc2661e4221d64b08df054c751a%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639235498096984938%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRy.dWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMilslkFOljoIjWFpbCIsIlIdUljoyfQ%3D%3D%7C0%7C%7C%7C&sdata=TBO1E%2FB%2F04TQZDAiutPtjmMrikaQQQ93uZOJsJdfkTc%3D&reserved=0)

EXHIBIT 4



CASE ASSUMPTIONS

Class Members	113
Opt Out Rate	1%
Opt Outs Received	1
Total Class Claimants	112
Subtotal Admin Only	\$5,950.00

Not-to-Exceed Total \$5,950.00

For 113 Class Members

Pricing Good for Scope of Estimate Only

March 26, 2026

Case: Havas Formula, LLC Opt-Out Administration

Phoenix Contact: Jodey Lawrence

Contact Number: 949.566.1455

Email: Jodey@phoenixclassaction.com

Requesting Attorney: Chumahan Bowen

Firm: Wilshire Law Firm, PLC

Contact Number: (213) 381-9988 Ext. 523

Email: chumahan.bowen@wilshirelawfirm.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly.

Estimate is based on 113 Class Members. Class data Must be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of \$150 per hour will be charged for any additional analysis or programming. Pricing good for 90 days.

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)

Administrative Tasks:	Rate	Hours/Units	Line Item Estimate
Programming Manager	\$125.00	2	\$250.00
Programming Database & Setup	\$125.00	2	\$250.00
Toll Free Setup*	\$107.25	1	\$107.25
Call Center & Long Distance	\$1.95	39	\$76.05
NCOA (USPS)	\$50.00	2	\$100.00
Total			\$783.30

* Up to 120 days after disbursement

Data Merge & Scrub / Notice Packet, Opt-Out Form & Postage / Spanish Translation / Reporting

Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	\$125.00	2	\$250.00
Data Merge & Duplication Scrub	\$0.50	113	\$56.50
Notice Packet & Opt-Out Form	\$1.50	113	\$169.50
Estimated Postage (up to 2 oz.)*	\$0.74	113	\$83.62
Static Website	\$150.00	1	\$150.00
Total			\$709.62

* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables

Project Action:	Rate	Hours/Units	Line Item Estimate
Case Associate	\$55.00	2	\$110.00
Skip Tracing Undeliverables	\$1.50	11	\$16.95
Remail Notice Packets	\$1.50	11	\$16.95
Estimated Postage	\$0.87	11	\$9.83
Programming Undeliverables	\$50.00	1	\$50.00
Total			\$203.73

Database Programming / Processing Opt-Outs, Deficiencies or Disputes

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Claims Database	\$125.00	1	\$125.00
Non Opt-Out Processing	\$100.00	1	\$100.00
Case Associate	\$55.00	2	\$110.00
Opt-Outs/Deficiency/Dispute Letters	\$10.00	1	\$10.00
Case Manager	\$85.00	2	\$170.00
Total			\$515.00

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Calculations	\$125.00	2	\$250.00
Disbursement Review	\$125.00	2	\$250.00
Programming Manager	\$95.00	2	\$190.00
QSF Bank Account & EIN	\$100.00	1	\$100.00
Check Run Setup & Printing	\$125.00	2	\$250.00
Mail Class Checks *	\$1.25	113	\$141.25
Estimated Postage	\$0.74	113	\$83.62
Total			\$1,264.87

* Checks are printed on 8.5 x 11 in. sheets with w/2/1099 Tax Filing



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations

Project Action:	Rate	Hours/Units	Line Item Estimate
Case Supervisor	\$125.00	3	\$375.00
Remail Undeliverable Checks (Postage Included)	\$1.50	6	\$8.48
Case Associate	\$50.00	2	\$100.00
Reconcile Uncashed Checks	\$75.00	2	\$150.00
Conclusion Reports	\$100.00	2	\$200.00
Case Manager Conclusion	\$75.00	2	\$150.00
Final Reporting & Declarations	\$120.00	2	\$240.00
IRS & QSF Annual Tax Reporting * (1 State Tax Reporting Included)	\$1,250.00	1	\$1,250.00
Total			\$2,473.48

* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibility.

Estimate Total: \$5,950.00



TERMS AND CONDITIONS

Provisions: The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

Data Conversion and Mailing: The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality. Additional class members are \$10.00 per opt-out.

Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

Tax Reporting Requirements

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.
2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.
3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.
4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.
5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.