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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF CONTRA COSTA**

DANIEL VILLANUEVA, individually, and on
behalf of other members of the general public
similarly situated,

Plaintiff,

vs.

MANCINI'S SLEEPWORLD, INC., a
California corporation; and DOES 1 through 10,
inclusive,

Defendants.

Case No.: C24-02943

**JOINT STIPULATION OF CLASS ACTION
AND PAGA SETTLEMENT AND RELEASE**

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

This Joint Stipulation of Class Action and PAGA Settlement and Release (“Settlement” or “Settlement Agreement”) is made and entered into by and between Plaintiff Daniel Villanueva (“Plaintiff” or “Class Representative”), as an individual and on behalf of all others similarly situated, and Defendant Mancini’s Sleepworld, Inc. (“Defendant”) (collectively with Plaintiff, the “Parties”).

DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

1. “Action” means *Villanueva v. Mancini’s Sleepworld, Inc.*, No. C24-02943 (Contra Costa County Superior Court).
2. “Attorneys’ Fees and Costs” means attorneys’ fees agreed upon by the Parties and approved by the Court for Class Counsel’s litigation and resolution of the Action, and all out-of-pocket costs incurred and to be incurred by Class Counsel in the Action, including but not limited to expert/consultant fees, investigation costs, and costs associated with documenting the Settlement, providing any notices required as part of the Settlement or Court order, securing the Court’s approval of the Settlement, administering the Settlement, and obtaining entry of a Judgment terminating the Action. Class Counsel will request attorneys’ fees not to exceed one-third (1/3) of the Gross Settlement Amount, or One Hundred Thousand Dollars (\$100,000). The Attorneys’ Fees and Costs will also mean and include the additional reimbursement of any costs and expenses associated with Class Counsel’s litigation and settlement of the Action, up to Twenty Thousand Dollars (\$20,000), subject to the Court’s approval. Defendant has agreed not to oppose Class Counsel’s request for fees and reimbursement of costs as set forth above.
3. “Class Counsel” means Capstone Law APC.
4. “Class List” means a complete list of all Class Members and PAGA Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator and Class Counsel within twenty (20) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in Microsoft Office Excel and will include each Class Member’s and PAGA Member’s full name; last known mailing address; Social Security Number; dates

of employment; the respective number of Workweeks that each Class Member worked during the Class Period; the respective number of Pay Periods that each PAGA Member worked during the PAGA Period; and any other relevant information needed to calculate settlement payments.

5. “Class Member(s)” or “Settlement Class” means all current and former non-exempt, hourly-paid or commission-based employees who worked for Defendant in California at any time during the Class Period, and who did not sign arbitration agreements with Defendant. There are approximately Forty-Nine (49) Class Members.

6. “Class Notice” means the Notice of Class Action Settlement, substantially in the form attached as Exhibit A.

7. “Class Period” means the period from December 1, 2022 through May 20, 2024.

8. “Class Representative Enhancement Payment” means the amount to be paid to Plaintiff in recognition of his effort and work in prosecuting the Action on behalf of Class Members, PAGA Members, and the LWDA, and for his general release of claims. Subject to the Court granting final approval of this Settlement Agreement and subject to the exhaustion of any and all appeals, Plaintiff will request Court approval of a Class Representative Enhancement Payment of up to Ten Thousand Dollars (\$10,000).

9. “Court” means the Contra Costa County Superior Court.

10. “Defendant” means Defendant Mancini’s Sleepworld, Inc.

11. “Effective Date” means the later of: (a) if no timely objections are filed, or are withdrawn prior to Final Approval, then the date of Final Approval; or (b) if a Class Member files an objection to the Settlement, the Effective Date shall be the sixty-first (61st) calendar day after the date of Final Approval, provided no appeal is initiated by an objector; or (c) if a timely appeal is initiated by an objector, then the Effective Date will be the date of final resolution of that appeal (including any requests for rehearing and/or petitions for certiorari), resulting in final judicial approval of the Settlement.

12. “Final Approval” means the date on which the Court enters an order granting final approval of the Settlement Agreement.

13. “Gross Settlement Amount” means the Gross Settlement Amount of Three Hundred Thousand Dollars (\$300,000), to be paid by Defendant in full satisfaction of all Released Class Claims

1 and Released PAGA Claims, which includes all Individual Settlement Payments, Attorneys' Fees and
2 Costs, the Class Representative Enhancement Payment, the PAGA Settlement Amount, and Settlement
3 Administration Costs. This Gross Settlement Amount has been agreed to by Plaintiff and Defendant
4 based on the aggregation of the agreed-upon settlement value of individual claims. In no event will
5 Defendant be liable for more than the Gross Settlement Amount except as otherwise explicitly set forth
6 herein. There will be no reversion of the Gross Settlement Amount to Defendant. Defendant will be
7 separately responsible for any employer payroll taxes required by law, including the employer FICA,
8 FUTA, and SDI contributions, which shall not be paid from the Gross Settlement Amount.

9 14. "Individual Settlement Payment" means each Participating Class Member's and PAGA
10 Member's respective shares of the Net Settlement Fund and PAGA Fund.

11 15. "Net Settlement Fund" means the portion of the Gross Settlement Amount remaining
12 after deducting the Attorneys' Fees and Costs, the Class Representative Enhancement Payment, the
13 PAGA Settlement Amount, and Settlement Administration Costs. The Net Settlement Fund will be
14 distributed to Participating Class Members. There will be no reversion of the Net Settlement Fund to
15 Defendant.

16 16. "Notice of Objection" means a Class Member's valid and timely written objection to the
17 Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the objector's full
18 name, signature, address, and telephone number, (b) a written statement of all grounds for the objection
19 accompanied by any legal support for such objection; (c) copies of any papers, briefs, or other
20 documents upon which the objection is based; and (d) a statement whether the objector intends to appear
21 at the final fairness hearing.

22 17. "PAGA Members" means all current and former non-exempt, hourly-paid or
23 commission-based employees who worked for Defendant in California at any time during the PAGA
24 Period. There are approximately Two Hundred Sixty (260) PAGA Members.

25 18. "PAGA Period" means the period from November 19, 2023 through November 24,
26 2025.

27 19. "PAGA Settlement Amount" means the amount that the Parties have agreed to pay to
28 the Labor and Workforce Development Agency ("LWDA") and PAGA Members in connection with

Plaintiff's claim under the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, "PAGA") ("PAGA Settlement"). The Parties have agreed that Eighty Thousand Dollars (\$80,000) of the Gross Settlement Amount will be allocated to the PAGA Settlement. Pursuant to PAGA, Sixty-Five Percent (65%), or Fifty-Two Thousand Dollars (\$52,000), of the PAGA Settlement Amount will be paid to the California Labor and Workforce Development Agency ("LWDA Payment"), and Thirty-Five Percent (35%), or Twenty-Eight Thousand Dollars (\$28,000) ("PAGA Fund"), of the PAGA Settlement will be disbursed to PAGA Members, and regardless of whether they request to be excluded from the Settlement Class.

20. "Parties" means Plaintiff and Defendant collectively.

21. "Participating Class Members" means all Class Members who do not submit timely and valid Requests for Exclusion.

22. "Pay Period(s)" means, consistent with the definition provided by Labor Code section 204, the number of pay periods during which each PAGA Member worked during the PAGA Period. The Parties estimate that the PAGA Period includes 7,144 pay periods. All PAGA Members will be credited with at least one Pay Period during the PAGA Period.

23. "Plaintiff" means Plaintiff Daniel Villanueva.

24. "Preliminary Approval" means the date on which the Court enters an order granting preliminary approval of the Settlement Agreement.

25. "Released Class Claims" means all claims, rights, demands, liabilities, and causes of action that are alleged, or which could have been alleged by reason of, or in connection with, any matter or fact set forth or referred to in the operative Complaint and previously filed Complaints in this Action, during the Class Period, including, without limitation, claims for violation of: (1) Cal. Lab. Code §§ 226.7, 512(a), 516, and 1198 (failure to provide meal periods and/or pay missed break premiums); (2) Cal. Lab. Code §§ 226.7, 516, and 1198 (failure to authorize and permit rest periods and/or pay missed break premiums); (3) Cal. Lab. Code §§ 226(a), 1174(d), and 1198 (non-compliant wage statements and failure to maintain payroll records); (4) Cal. Lab. Code §§ 201 and 202 (wages not timely paid upon termination); (5) Cal. Lab. Code § 204 (failure to timely pay wages during employment); (6) Cal. Lab. Code § 2802 (unreimbursed business expenses); (7) Cal. Bus. & Prof. Code §§ 17200, *et seq.* (unlawful

business practices); and (8) Cal. Bus. & Prof. Code §§ 17200, *et seq.* (unfair business practices).

26. “Released PAGA Claims” means all claims for civil penalties under California Labor Code §§ 2698, *et seq.*, that were alleged or could reasonably have been alleged based on the same facts alleged in Plaintiff’s LWDA letter during the PAGA Period.

27. “Released Parties” means Defendant, its past or present officers, directors, shareholders, owners, members, agents, PEOs, employees, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and its respective successors and predecessors in interest, assigns, insureds, subsidiaries, affiliates, parents and attorneys, if any.

28. “Request for Exclusion” means a timely letter submitted by a Class Member indicating a request to be excluded from the Settlement Class. The Request for Exclusion must: (a) set forth the name, address, telephone number and last four digits of the Social Security Number of the Class Member requesting exclusion; (b) be signed by the Class Member; (c) be returned to the Settlement Administrator; (d) clearly state that the Class Member does not wish to be included in the Settlement; and (e) be faxed or postmarked on or before the Response Deadline.

29. “Response Deadline” means the deadline by which Class Members must postmark or fax to the Settlement Administrator Requests for Exclusion, postmark or fax disputes concerning the calculation of Individual Settlement Payments, or postmark Notices of Objection to the Settlement Administrator. The Response Deadline will be forty-five (45) calendar days from the initial mailing of the Class Notice by the Settlement Administrator, unless the forty-fifth (45th) calendar day falls on a Sunday or State holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open.

30. “Settlement Administration Costs” means the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, tax reporting, distributing the Gross Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The Settlement Administration Costs will be paid from the Gross Settlement Amount, including, if necessary, any such costs exceeding the amount represented by the Settlement Administrator as being the maximum costs necessary to administer the Settlement. Settlement Administration Costs are estimated to

be Seven Thousand Dollars (\$7,000).

31. “Settlement Administrator” means Phoenix Settlement Administrators, or any other third-party class action settlement administrator agreed to by the Parties and approved by the Court for the purposes of administering this Settlement. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

32. “Workweeks” means the number of days of employment for each Class Member during the Class Period, subtracting days on leave of absence (if any), dividing by seven (7), and rounding up to the nearest whole number. The Parties agree that the Class Period includes approximately 944 Workweeks. All Class Members will be credited with at least one Workweek during the Class Period.

TERMS OF AGREEMENT

Subject to Court approval, the Plaintiff, on behalf of himself and the Settlement Class, and Defendant agree as follows:

33. Funding of the Gross Settlement Amount. Defendant will make a one-time deposit of the Gross Settlement Amount of Three Hundred Thousand Dollars (\$300,000) into a Qualified Settlement Account to be established by the Settlement Administrator. Defendant will pay the employer’s share of payroll taxes separately. After the Effective Date, the Gross Settlement Amount will be used for: (a) Individual Settlement Payments; (b) the LWDA Payment; (c) the Class Representative Enhancement Payment; (d) Attorneys’ Fees and Costs; and (e) Settlement Administration Costs. Defendant will deposit the Gross Settlement Amount within thirty (30) calendar days of the Effective Date (“Funding Date”).

34. Attorneys’ Fees and Costs. Defendant agrees not to oppose or impede any application or motion for attorneys’ fees and costs by Class Counsel for Attorneys’ Fees and Costs of not more than One Hundred Thousand Dollars (\$100,000), plus the reimbursement of all out-of-pocket costs and expenses associated with Class Counsel’s litigation and settlement of the Action (including expert/consultant fees, mediation fees, investigations costs, etc.), not to exceed Twenty Thousand Dollars (\$20,000), both of which will be paid from the Gross Settlement Amount.

35. Class Representative Enhancement Payment. In exchange for a general release, and in

1 recognition of his effort and work in prosecuting the Action on behalf of Class Members, PAGA
2 Members, and the LWDA, Defendant agrees not to oppose or impede any application or motion for a
3 Class Representative Enhancement Payment of up to Ten Thousand Dollars (\$10,000) to Plaintiff. The
4 Class Representative Enhancement Payment will be paid from the Gross Settlement Amount and will be
5 in addition to Plaintiff's Individual Settlement Payment paid pursuant to the Settlement. Plaintiff will be
6 solely and legally responsible to pay any and all applicable taxes on the Class Representative
7 Enhancement Payment. Plaintiff understands and agrees that this Settlement Agreement shall remain in
8 full force and effect even if the full amount of Class Representative Enhancement Payment sought by
9 Plaintiff is not ultimately awarded by the Court.

10 36. Settlement Administration Costs. The Settlement Administrator will be paid for the
11 reasonable costs of administration of the Settlement and distribution of payments from the Gross
12 Settlement Amount, which is currently estimated to be Seven Thousand Dollars (\$7,000). These costs,
13 which will be paid from the Gross Settlement Amount, will include, *inter alia*, the required tax reporting
14 on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, distributing Class
15 Notices, calculating and distributing the Gross Settlement Amount, and providing necessary reports and
16 declarations.

17 37. PAGA Settlement Amount. Subject to Court approval, the Parties agree that the amount
18 of Eighty Thousand Dollars (\$80,000) from the Gross Settlement Amount will be designated for
19 satisfaction of Plaintiff's PAGA claim. Pursuant to PAGA, Sixty-Five Percent (65%), or Fifty-Two
20 Thousand Dollars (\$52,000), of this sum will be paid to the LWDA and Thirty-Five Percent (35%), or
21 Twenty-Eight Thousand Dollars (\$28,000), will be paid to PAGA Members in proportion to the number
22 of Pay Periods worked during the PAGA Period.

23 38. No Right to Exclusion or Objections to the PAGA Settlement. Because this settlement
24 resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as a Private
25 Attorney General of, and for, the State of California and the LWDA, the Parties agree that no PAGA
26 Member has the right to exclude himself or herself from the release of the Released PAGA Claims, and
27 all PAGA Members will receive their share of the PAGA Fund. The Parties also agree that no PAGA
28 Member has the right to object to the PAGA Settlement Amount.

39. Net Settlement Fund. The entire Net Settlement Fund will be distributed to Participating Class Members. No portion of the Net Settlement Fund will revert to or be retained by Defendant.

40. PAGA Fund. The entire PAGA Fund will be distributed to all PAGA Members. No portion of the PAGA Fund will revert to or be retained by Defendant.

41. Individual Settlement Payment Calculations. Individual Settlement Payments will be calculated and apportioned from the Net Settlement Fund and PAGA Fund as follows:

41(a) Payments from the Net Settlement Fund. Defendant will calculate the total number of Workweeks worked by each Class Member during the Class Period and the aggregate total number of Workweeks worked by all Class Members during the Class Period. To determine each Class Member's estimated "Individual Settlement Payment" from the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks during the Class Period, resulting in the "Workweek Value." Each Class Member's "Individual Settlement Payment" will be calculated by multiplying each individual Class Member's total number of Workweeks by the Workweek Value. The Individual Settlement Payment will be reduced by any required deductions for each Participating Class Member as specifically set forth herein, including employee-side tax withholdings or deductions. The entire Net Settlement Fund will be disbursed to all Class Members who do not submit timely and valid Requests for Exclusion. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase the Individual Settlement Payment for each Participating Class Member according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Fund.

41(b) Payments from the PAGA Fund. Defendant will calculate the total number of Pay Periods worked by each PAGA Member during the PAGA Period

and the aggregate total number of Pay Periods worked by all PAGA Members during the PAGA Period. To determine each PAGA Member's estimated "Individual Settlement Payment," the Settlement Administrator will use the following formula: The PAGA Fund will be divided by the aggregate total number of Pay Periods during the PAGA Period, resulting in the "PAGA Pay Period Value." Each PAGA Member's "Individual Settlement Payment" will be calculated by multiplying each individual PAGA Member's total number of Pay Periods by the PAGA Pay Period Value. The entire PAGA Fund will be disbursed to all PAGA Members.

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

43. Administration Process. The Parties agree to cooperate in the administration of the settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in administration of the Settlement.

44. Delivery of the Class List. Within twenty (20) calendar days of Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator.

45. Notice by First-Class U.S. Mail. Within ten (10) calendar days after receiving the Class List from Defendant, the Settlement Administrator will mail a Class Notice to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

46. Confirmation of Updated Contact Information in the Class Lists. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any Class Notices

1 returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will,
2 within five (5) business days of receipt, be sent promptly via regular First-Class U.S. Mail to the
3 forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-
4 mailing on the Class Notice. If no forwarding address is provided, the Settlement Administrator will
5 promptly attempt to determine the correct address using a skip-trace, or other search using the name,
6 address and/or Social Security Number of the Class Member involved, and will then perform a single re-
7 mailing. Those Class Members who receive a re-mailed Class Notice, whether by skip-trace or by
8 request, will have either (a) an additional fifteen (15) calendar days or (b) until the Response Deadline,
9 whichever is later, to submit a Request for Exclusion or an objection to the Settlement.

10 47. Class Notices. All Class Members will be mailed a Class Notice. Each Class Notice will
11 provide: (a) information regarding the nature of the Action; (b) a summary of the Settlement's principal
12 terms; (c) the Class Member and PAGA Member definitions; (d) the total number of Workweeks each
13 respective Class Member worked for Defendant during the Class Period and, if applicable, the total
14 number of Pay Periods each respective Class Member worked for Defendant during the PAGA Period;
15 (e) each Class Member's estimated share of the Net Settlement Fund and the formula for calculating
16 shares and, if applicable, each Class Member's estimated share of the PAGA Fund and the formula for
17 calculating shares; (f) the dates which comprise the Class Period and PAGA period; (g) instructions on
18 how to submit Requests for Exclusion or Notices of Objection; (h) the deadlines by which the Class
19 Member must postmark or fax Requests for Exclusion, or postmark Notices of Objection to the
20 Settlement; and (i) the claims to be released.

21 48. Disputed Information on Class Notices. Class Members will have an opportunity to
22 dispute the information provided in their Class Notices. To the extent Class Members dispute their
23 employment dates or the number of Workweeks on record, Class Members may produce evidence to the
24 Settlement Administrator showing that such information is inaccurate. Defendant's records will be
25 presumed correct, but the Settlement Administrator shall contact the Parties regarding the dispute and the
26 Parties will work in good faith to resolve it. If the Parties cannot resolve the dispute, the Settlement
27 Administrator will evaluate the evidence and will make the final decision on the merits of the dispute.
28 All disputes must be submitted by the Response Deadline, and will be decided within ten (10) business

1 days after the Response Deadline.

2 49. Defective Submissions. If a Class Member's Request for Exclusion is defective as to the
3 requirements listed herein, that Class Member will be given an opportunity to cure the defect(s). The
4 Settlement Administrator will mail the Class Member a cure letter within three (3) business days of
5 receiving the defective submission to advise the Class Member that his/her/their submission is defective
6 and that the defect must be cured to render the Request for Exclusion valid. The Class Member will have
7 until (a) the Response Deadline or (b) fifteen (15) calendar days from the date of the cure letter,
8 whichever date is later, to postmark or fax a revised Request for Exclusion. If the revised Request for
9 Exclusion is not postmarked or received by fax within that period, it will be deemed untimely.

10 50. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
11 Settlement Agreement must sign and fax or postmark a written Request for Exclusion to the Settlement
12 Administrator within the Response Deadline. To be valid, a Request for Exclusion must be both timely
13 faxed or postmarked by the Response Deadline and received by the Settlement Administrator no later
14 than five (5) calendar days after the expiration of the Response Deadline. In the case of Requests for
15 Exclusion that are mailed to the Settlement Administrator, the postmark date will be the exclusive means
16 to determine whether a Request for Exclusion has been timely submitted. A Request for Exclusion that
17 is not received by the Settlement Administrator will be deemed ineffective unless the Class Member
18 submits documentary evidence conclusively demonstrating that they took all necessary steps to comply
19 with the opt-out procedures herein and that the Settlement Administrator's failure to receive their
20 Request for Exclusion was due to forces outside of their control. Declarations or affidavits, without
21 additional documentary evidence corroborating the necessary steps taken, shall be deemed insufficient to
22 conclusively demonstrate that all necessary steps to comply with the opt-out procedures herein were
23 taken.

24 51. Escalator. Defendant represents that the Class consists of Forty-Nine (49) individuals,
25 and the Class Period includes Nine Hundred Ninety-Four (994) Workweeks from December 1, 2022
26 through May 20, 2024. If the actual class size or Workweeks during the Class Period are more than ten
27 percent (10%) higher than these estimates, then Defendant agrees either to a proportional increase of the
28 Gross Settlement Amount, or to cut short the end date of the Class Release to a date where it comes

1 under the ten percent (10%) allowance.

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

7 53. Releases by Participating Class Members. Upon the Effective Date, and except as to
8 such rights or claims as may be created by this Settlement Agreement, each Participating Class Member,
9 together and individually, on their behalf and on behalf of their respective heirs, executors,
10 administrators, agents, and attorneys, shall fully and forever release and discharge all of the Released
11 Parties, or any of them, from each of the Released Class Claims arising during the Class Period.

12 54. Releases by PAGA Members. Upon the Effective Date, and except as to such rights or
13 claims as may be created by this Settlement Agreement, each PAGA Member, together and individually,
14 on their behalf and on behalf of their respective heirs, executors, administrators, agents, and attorneys,
15 shall fully and forever release and discharge all of the Released Parties, or any of them, from each of the
16 Released PAGA Claims during the PAGA Period.

17 55. Defendant's Right to Rescind. Notwithstanding any other provision of this Agreement,
18 Defendant shall have, in its sole discretion, the right to void and withdraw from the Settlement if, at any
19 time prior to Final Approval, five (5) or more of Class Members opt out of the Settlement. Defendant
20 must exercise this right of rescission in writing to Class Counsel within fourteen (14) calendar days after
21 the Response Deadline. If the option to rescind is exercised, then Defendant will be solely responsible for
22 all Settlement Administration Costs incurred to the date of rescission, and no party may use the fact that
23 the Parties agreed to settle this case as evidence of Defendant's liability in this lawsuit or the lack thereof.

24 56. Objection Procedures. To object to the Settlement Agreement, a Class Member may
25 either postmark a valid Notice of Objection to the Settlement Administrator on or before the Response
26 Deadline, or appear in person at the Final Approval Hearing. Class Members who fail to object either by
27 submitting a valid Notice of Objection or appearing in person at the Final Approval Hearing will be
28 deemed to have waived all objections to the Settlement and will be foreclosed from making any

1 objections, whether by appeal or otherwise, to the Settlement Agreement. Class Members who postmark
2 timely Notices of Objection will have a right to appear at the Final Approval Hearing (at their own
3 expense) to have their objections heard by the Court. At no time will any of the Parties or their counsel
4 seek to solicit or otherwise encourage Class Members to submit written objections to the Settlement
5 Agreement or appeal from the final approval order and judgment. Class Counsel will not represent any
6 Class Members with respect to any such objections to this Settlement. If a Class Member timely submits
7 both a Notice of Objection and a Request for Exclusion, the Request for Exclusion will be given effect
8 and considered valid, the Notice of Objection shall be rejected, and the Class Member shall not
9 participate in or be bound by the Settlement.

10 57. Certification Reports Regarding Individual Settlement Payment Calculations. The
11 Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly report that
12 certifies: (a) the number of Class Members who have submitted valid Requests for Exclusion; (b) the
13 number of Class Members who have submitted valid Notices of Objection; and (c) promptly report
14 whether any Class Member has submitted a challenge to any information contained in their Class Notice,
15 including those received after the Response Deadline. Additionally, the Settlement Administrator will
16 promptly provide to counsel for both Parties any updated reports regarding the administration of the
17 Settlement Agreement as needed or requested.

18 58. Distribution Timing of Individual Settlement Payments. Within ten (10) calendar days
19 of the Funding Date, the Settlement Administrator will issue payments to: (a) Participating Class
20 Members and PAGA Members; (b) the Labor and Workforce Development Agency; (c) Plaintiff; and
21 (d) Class Counsel. The Settlement Administrator will also issue a payment to itself for Court-approved
22 services performed in connection with the Settlement.

23 59. Un-cashed Settlement Checks. Participating Class Members and PAGA Members who
24 are sent settlement payments will have 180 calendar days after the date of mailing to cash their
25 settlement checks and will be so advised of such deadline. Proceeds represented by Individual Settlement
26 Payment checks returned as undeliverable and Individual Settlement Payment checks remaining un-
27 cashed for more than one hundred and eighty (180) calendar days after issuance will be tendered
28 pursuant to Code of Civil Procedure section 384 to the "Greg E. Knoll Justice Gap Fund" maintained by

1 The State Bar of California (“JGF”). The Parties do not have a connection to or a relationship with JGF
2 that could reasonably create the appearance of impropriety as between the selection of JGF as the
3 recipient of the unclaimed residuals and the interests of the class. Any failure of a Participating Class
4 Member and/or PAGA Member to deposit a check shall not affect the enforceability of the release of
5 claims as stated in this Settlement Agreement, as the Parties jointly agree valid consideration for same is
6 the offer of monetary consideration by means of the offer of settlement and mailing of settlement checks.

7 60. Certification of Completion. Upon completion of administration of the Settlement, the
8 Settlement Administrator will provide a written declaration under oath to certify such completion to the
9 Court and counsel for all Parties.

10 61. Treatment of Individual Settlement Payments. All payments from the Net Settlement
11 Fund will be allocated as follows: (a) One-Third (1/3) of each Individual Settlement Payment will be
12 allocated as wages for which IRS Forms W-2 will be issued; and (b) Two-Thirds (2/3) will be allocated
13 as non-wages for which IRS Forms 1099-MISC will be issued. Payments issued to PAGA Members
14 from the PAGA Fund will be treated as non-wages for which IRS Forms 1099-MISC will be issued.

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

20 63. Tax Liability. The Parties make no representation as to the tax treatment or legal effect
21 of the payments called for hereunder, and Plaintiff, Participating Class Members, and PAGA Members
22 are not relying on any statement, representation, or calculation by Plaintiff, Class Counsel, Defendant or
23 the Settlement Administrator in this regard.

24 64. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES
25 OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS
26 AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”)
27 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND
28 NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES

1 OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR
2 WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED
3 OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
4 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
5 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS
6 OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
7 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS
8 AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY
9 ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY
10 UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO
11 ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
12 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
13 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF
14 ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER
15 SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
16 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
17 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
18 AGREEMENT.

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

23 66. Nullification of Settlement Agreement. The Settlement Agreement is contingent upon
24 judicial approval. In the event that: (a) the Court does not finally approve the Settlement as provided
25 herein; or (b) the Settlement does not become final for any other reason, then this Settlement Agreement,
26 and any documents generated to bring it into effect, will be null and void. Any order or judgment entered
27 by the Court in furtherance of this Settlement Agreement will likewise be treated as void from the
28 beginning.

1 67. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to request
2 the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval Order
3 for: (a) conditional certification of the Settlement Class for settlement purposes only, (b) preliminary
4 approval of the proposed Settlement Agreement, and (c) setting a date for a final fairness hearing. The
5 Preliminary Approval Order will provide for the Class Notice to be sent to all Class Members as
6 specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will submit to the Court
7 this Settlement Agreement, which sets forth the terms of this Settlement, and will include the proposed
8 Notice of Class Action Settlement, attached as Exhibit A. Class Counsel will be responsible for drafting
9 all documents necessary to obtain preliminary approval.

10 68. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the
11 deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with the
12 Court's permission, a final fairness hearing will be conducted to determine the Final Approval of the
13 Settlement Agreement along with the amounts properly payable for: (a) Attorneys' Fees and Costs; (b)
14 the Class Representative Enhancement Payment; (c) Individual Settlement Payments; (d) the LWDA
15 Payment; and (e) all Settlement Administration Costs. Class Counsel will be responsible for drafting all
16 documents necessary to obtain final approval. Class Counsel will also be responsible for drafting the
17 attorneys' fees and costs application to be heard at the final approval hearing.

18 69. Preview of Filings. Class Counsel will afford Defendant's Counsel an opportunity to
19 review the Motion for Preliminary Approval, Motion for Final Approval, and applicable [Proposed]
20 Orders prior to filing with the Court. Class Counsel will provide Defendant's Counsel with draft
21 documents no less than five (5) calendar days before Class Counsel plans to file such documents with the
22 Court and Defendant will have three (3) calendar days from receipt to review such documents and
23 provide suggested changes to such documents within the time frame such that Class Counsel would have
24 at least two (2) calendar days or one (1) court day to review and either accept or propose alternative
25 language in the documents. Class Counsel agrees to consider such suggested changes in good faith.
26 Although unlikely, if Defendant files any documents with the Court relating to the Settlement, Defendant
27 will not file without first providing Class Counsel the same opportunity to review the documents as set
28 forth in this paragraph. In the event the Parties are required to file supplemental briefs, revised Orders, or

other amended documents when seeking approval, the Parties agree that such documents are not subject to the provisions of this paragraph. To the extent practicable, the Parties agree to provide counsel with an opportunity to review such documents before filing, however this shall not delay or prevent the Parties from filing any such documents as needed for approval.

70. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the Court or after the final fairness hearing, the Parties will present the Judgment to the Court for its approval. After entry of the Judgment, the Court will have continuing jurisdiction under California Code of Civil Procedure section 664.6 solely for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) Settlement administration matters, and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement. A copy of the Judgment will be posted to the Settlement Administrator's website.

71. General Release by Plaintiff. Upon the Effective Date, in addition to the claims being released by all Participating Class Members and PAGA Members, Plaintiff will release and forever discharge the Released Parties, to the fullest extent permitted by law, of and from any and all claims, known and unknown, asserted and not asserted, which Plaintiff has or may have against the Released Parties as of the date of execution of this Settlement Agreement. To the extent the foregoing release is a release to which Section 1542 of the California Civil Code or similar provisions of other applicable law may apply, Plaintiff expressly waives any and all rights and benefits conferred upon him by the provisions of Section 1542 of the California Civil Code or similar provisions of applicable law which are as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

72. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth

herein. Any Exhibits to this Settlement Agreement are an integral part of the Settlement.

73. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil Code Section 1625 and California Code of Civil Procedure Section 1856(a), which provide that a written agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written representations or terms will modify, vary or contradict the terms of this Settlement Agreement.

74. Amendment or Modification. No amendment, change, or modification to this Settlement Agreement will be valid unless in writing and signed, either by the Parties or their counsel, and approved by the Court.

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

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

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

78. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including electronic (e.g., DocuSign), facsimile, and scanned copies of the signature page, will be deemed to be one and the same instrument.

1 79. Acknowledgment that the Settlement is Fair and Reasonable. The Parties believe this
2 Settlement Agreement is a fair, adequate and reasonable settlement of the Action and have arrived at this
3 Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account
4 all relevant factors, present and potential. The Parties further acknowledge that they are each represented
5 by competent counsel and that they have each had an opportunity to consult with their counsel regarding
6 the fairness and reasonableness of this Settlement.

7 80. Invalidity of Any Provision. Before declaring any provision of this Settlement
8 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
9 possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement
10 valid and enforceable.

11 81. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class
12 certification for purposes of this Settlement only; except, however, that Plaintiff or Class Counsel may
13 appeal any reduction to the Attorneys' Fees and Costs below the amount they request from the Court,
14 and either party may appeal any court order that materially alters the Settlement Agreement's terms.
15 Notwithstanding the foregoing, any Court reductions in the proposed Attorneys' Fees and Costs, Class
16 Representative Enhancement Payment, or Settlement Administration Costs shall not impact the
17 enforceability of the Settlement, which shall remain in full force and effect.

18 82. Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate to
19 class action certification for purposes of the Settlement only. If, for any reason, the Settlement is not
20 approved, the stipulation to certification will be void. The Parties further agree that certification for
21 purposes of the Settlement is not an admission that class action certification is proper under the standards
22 applied to contested certification motions and that this Settlement Agreement will not be admissible in
23 this or any other proceeding as evidence that either (a) a class action should be certified or (b) Defendant
24 is liable to Plaintiff or any Class Member, other than according to the Settlement's terms.

25 83. Non-Admission of Liability. The Parties enter this Settlement to resolve the dispute that
26 has arisen between them and to avoid the burden, expense and risk of continued litigation. In entering
27 into this Settlement, Defendant does not admit, and specifically denies, that it violated any federal, state,
28 or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other

applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, will be construed as an admission or concession by Defendant of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement, this Settlement Agreement and its terms and provisions will not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law.

84. No Public Comment: Prior to Preliminary Approval, the Parties and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry, or have any communication with the press about the fact, amount or terms of the Settlement.

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

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

87. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

88. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel. Further,

Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

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

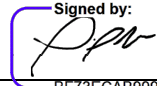
90. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

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

READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: 2/16/2026

Signed by:

 BF73ECAB99944E9...
 Daniel Villanueva

DEFENDANT MANCINI'S SLEEPWORLD, INC.

Dated: _____

 Patrick Cronin
 Chief Financial Officer

1 Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

2 89. All Terms Subject to Final Court Approval. All amounts and procedures described in
3 this Settlement Agreement herein will be subject to final Court approval.

4 90. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good
5 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this
6 Settlement Agreement.

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8 enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully
9 enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in
10 any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that
11 otherwise might apply under federal or state law.

12 **READ CAREFULLY BEFORE SIGNING**

13 **PLAINTIFF**

14
15 Dated: _____

Daniel Villanueva

16
17
18 **DEFENDANT MANCINI'S SLEEPWORLD,
INC.**

19 Dated: 02 / 04 / 2026

Patrick Cronin

Patrick Cronin
Chief Financial Officer

APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: 02/16/2026

By: 
Raul Perez
Attorneys for Plaintiff Daniel Villanueva

AMES KARANJIA LLP

Dated: _____

By: _____
Jeffrey P. Ames
Mary Allain
Attorneys for Defendant Mancini's Sleepworld, Inc.

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APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: _____

By: _____

Raul Perez
Attorneys for Plaintiff Daniel Villanueva

AMES KARANJIA LLP

Dated: 02/04/2026

By: Mary Allain

Jeffrey P. Ames
Mary Allain
Attorneys for Defendant Mancini's Sleepworld, Inc.

Exhibit A

(Class Notice)

Villanueva v. Mancini's Sleepworld, Inc., No. C24-02943
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF CONTRA COSTA
NOTICE OF CLASS ACTION SETTLEMENT

You are not being sued. This notice affects your rights. Please read it carefully

To: All current and former non-exempt, hourly-paid or commission-based employees who worked for Defendant Mancini's Sleepworld, Inc. ("Defendant") in California at any time from December 1, 2022 through May 20, 2024, and who did not sign arbitration agreements with Defendant ("Class Members").

On [REDACTED], 2026, the Honorable Edward G. Weil of the Contra Costa County Superior Court granted preliminary approval of this class action settlement and ordered the litigants to notify all Class Members of the settlement. **You have received this notice because Defendant's records indicate that you are a Class Member, and therefore entitled to a payment from the settlement.**

Unless you choose to opt out of the settlement by following the procedures described below, you will be deemed a Class Member and, if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement fund. The Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at [REDACTED] :00 .m. on [REDACTED], 2026 in Department 39 of the Contra Costa County Superior Court located at 725 Court Street, Martinez, California 94533. Please also note that the Final Approval Hearing may be rescheduled by the Court to another date and/or time. Please visit [settlement website] for any scheduling changes.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

Do Nothing and Participate in the Settlement	If you do nothing, you will be deemed a "Participating Class Member," and will be eligible for a payment from the Net Settlement Fund and, if you are also a PAGA Member, ¹ from the PAGA Fund. In exchange, you will be bound by the terms of the proposed Settlement and give up your right to assert wage and hour claims against Defendant based on the same facts alleged in the Action.
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is [Response Deadline]	If you don't want to participate in the proposed class settlement, you can opt-out of the class settlement by sending the Settlement Administrator a written Request for Exclusion by [Response Deadline]. Once excluded, you will no longer be eligible for a payment from the Net Settlement Fund and will not be bound by the terms of the proposed class settlement. You cannot opt-out of the PAGA portion of the proposed Settlement. PAGA Members remain eligible to receive a payment from the PAGA Fund.
Object to the Class Settlement but not the PAGA Settlement The Objection Deadline is [Response Deadline]	You cannot both opt-out of the Settlement and object to the Settlement. If you decide to object to the class settlement because you find it unfair or unreasonable, you must either submit an Objection Form stating why you object to the settlement by [Response Deadline], or appear (in person or through counsel) at the Final Approval Hearing to object. If you object to the Settlement, you are still eligible to receive a Settlement payment should the Settlement become Final. You cannot object to the PAGA portion of the proposed Settlement. PAGA Members remain eligible to receive a payment from the PAGA Fund.

¹ All current and former non-exempt, hourly-paid or commission-based employees who worked for Defendant in California at any time from November 19, 2023 through November 24, 2025 ("PAGA Members").

You Can Attend the Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on [DATE] at [TIME] in Department 39 of the Contra Costa County Superior Court located at 725 Court Street, Martinez, California 94533. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. If the Court grants final approval of the Settlement and you do not opt-out, you will receive a payment from the Net Settlement Fund and you will be bound by the terms of the Settlement and Release.
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Summary of the Litigation

Plaintiff Daniel Villanueva, on his behalf and on behalf of other current and former non-exempt employees, alleges that Defendant violated California state labor laws as a result of its alleged failure to, among other things: (1) pay minimum wages to employees for all hours worked; (2) provide employees with meal and rest breaks; (3) timely pay all wages owed to employees during each pay period and upon termination of their employment; and (4) provide employees with accurate, itemized wage statements.

After the exchange of relevant information and evidence, the parties agreed to enter into settlement negotiations in an attempt to informally resolve the claims in the case. On November 24, 2025, the parties participated in a mediation with Craig Ackermann, Esq., an experienced and well-respected class action mediator. With Mr. Ackermann’s guidance, the parties were able to negotiate a complete settlement of Plaintiff’s claims.

Counsel for Plaintiff, and the attorneys appointed by the Court to represent the class, Capstone Law APC (“Class Counsel”), have investigated and researched the facts and circumstances underlying the issues raised in the case and the applicable law. While Class Counsel believe that the claims alleged in this lawsuit have merit, Class Counsel also recognize that the risk and expense of continued litigation justify settlement. Based on the foregoing, Class Counsel believe the proposed settlement is fair, adequate, reasonable, and in the best interests of Class Members.

Defendant has also extensively investigated and researched the factual and legal issues raised in the case and believes that it has valid defenses to Plaintiff’s claims. By agreeing to settle, Defendant is not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action. Defendant has agreed to settle the case as part of a compromise with Plaintiff.

Summary of The Proposed Settlement Terms

Plaintiff and Defendant have agreed to settle the underlying class and representative claims in exchange for a Gross Settlement Amount of \$300,000. This amount is inclusive of: (1) individual settlement payments to all Participating Class Members; (2) a Class Representative Enhancement Payment of \$10,000 to Daniel Villanueva for his services in this Action, and for a general release; (3) \$100,000 in attorneys’ fees and up to \$20,000 in litigation costs and expenses; (4) a \$80,000 settlement of claims under the Private Attorneys General Act (“PAGA”), inclusive of a \$52,000 payment to the California Labor and Workforce Development Agency (“LWDA”) in connection with the PAGA, and a \$28,000 payment (“PAGA Fund”) to all PAGA Members; and (5) reasonable Settlement Administrator’s fees and expenses currently estimated at \$70,000. After deducting the above payments, a total of approximately \$83,000 will be allocated to Class Members who do not opt out of the Settlement Class (“Net Settlement Fund”). Additionally, all PAGA Members will receive a proportional share of the \$28,000 PAGA Fund, regardless of whether they opt out of the Settlement Class.

Payments from Net Settlement Fund. Defendant will calculate the total number of Workweeks worked by each Class Member from December 1, 2022 through May 20, 2024 (“Class Period”) and the aggregate total number of Workweeks

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

worked by all Class Members during the Class Period. To determine each Class Member's estimated share of the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks during the Class Period, resulting in the "Workweek Value." Each Class Member's share of the Net Settlement Fund will be calculated by multiplying each individual Class Member's total number of Workweeks by the Workweek Value. The Individual Settlement Payment will be reduced by any required deductions for each Class Members as specifically set forth herein, including employee-side tax withholdings or deductions. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase each Participating Class Member's share of the Net Settlement Fund according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Fund.

According to Defendant's records, you worked during the Class Period in a non-exempt position for a total of [Workweeks] Workweeks. Accordingly, your estimated payment from the Net Settlement Fund is approximately \$[NSF Share].

Payments from PAGA Fund. Defendant will calculate the total number of Pay Periods worked by each PAGA Member from November 19, 2023 through November 24, 2025 ("PAGA Period") and the aggregate total number of Pay Periods worked by all PAGA Members during the PAGA Period. To determine each PAGA Member's estimated share of the PAGA Fund, the Settlement Administrator will use the following formula: The PAGA Fund will be divided by the aggregate total number of Pay Periods during the PAGA Period, resulting in the "PAGA Pay Period Value." Each PAGA Member's share of the PAGA Fund will be calculated by multiplying each individual PAGA Member's total number of Pay Periods by the PAGA Pay Period Value. A Request for Exclusion does not exclude a PAGA Member from the release of claims under California Labor Code §§ 2698, *et seq.* and the PAGA Member will receive their portion of the PAGA fund even if he/she/they submits a valid Request for Exclusion.

According to Defendant's records, you worked during the PAGA Period in a non-exempt position for a total of [Pay Periods] Pay Periods. Accordingly, your estimated payment from the PAGA Fund is approximately \$[PAGA Share].

Your Estimated Payment: Based on the above, your estimated payment from the settlement is approximately \$[Est Amnt]. If you believe the Workweek information provided above is incorrect, please contact the Settlement Administrator to dispute the calculation. You must attach all documentation in support of your dispute (such as check stubs, W2s, or letters from HR). All disputes must be postmarked or faxed on or before [insert date of Response Deadline] and must be sent to:

Settlement Administrator
c/o [REDACTED]
Fax No. [REDACTED]

If you dispute the information stated above, Defendant's records will control unless you are able to provide documentation that establishes otherwise.

If you move, you must send the Settlement Administrator your new address; otherwise, you may never receive your settlement payment. It is your responsibility to keep a current address on file with the Settlement Administrator.

Taxes on Settlement Payments. IRS Forms W-2 and 1099 will be distributed to participating Class Members and the appropriate taxing authorities reflecting the payments they receive under the settlement. Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this settlement, 1/3 of each payment from the Net Settlement Fund will be allocated as wages for which IRS Forms W-2 will be issued, and 2/3 will be allocated as non-wages for which IRS Forms 1099-MISC will be issued. Payments issued to PAGA Members from the PAGA Fund will be treated as non-wages for which IRS Forms 1099-MISC will be issued.

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

If you want to receive your payment from the settlement, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1**, and if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement funds. In addition, on the date on which Defendant fully funds the Gross Settlement Amount, you will be deemed to have released or waived the Released Class Claims, and if you are also a PAGA Member, the Released PAGA Claims:

Released Class Claims: All claims, rights, demands, liabilities, and causes of action that are alleged or which could have been alleged by reason of, or in connection with, any matter or fact set forth or referred to in the operative Complaint and previous Complaints in this Act, during the Class Period, including, without limitation, claims for violation of: (1) Cal. Lab. Code §§ 226.7, 512(a), 516, and 1198 (failure to provide meal periods and/or pay missed break premiums); (2) Cal. Lab. Code §§ 226.7, 516, and 1198 (failure to authorize and permit rest periods and/or pay missed break premiums); (3) Cal. Lab. Code §§ 226(a), 1174(d), and 1198 (non-compliant wage statements and failure to maintain payroll records); (4) Cal. Lab. Code §§ 201 and 202 (wages not timely paid upon termination); (5) Cal. Lab. Code § 204 (failure to timely pay wages during employment); (6) Cal. Lab. Code § 2802 (unreimbursed business expenses); (7) Cal. Bus. & Prof. Code §§ 17200, *et seq.* (unlawful business practices); and (8) Cal. Bus. & Prof. Code §§ 17200, *et seq.* (unfair business practices).

Released PAGA Claims: All claims for civil penalties under California Labor Code §§ 2698, *et seq.*, that were alleged or could reasonably have been alleged based on the same facts alleged in Plaintiff's LWDA letter during the PAGA Period.

Option 2 – Opt Out of the Settlement

If you do not wish to participate in the settlement, you may exclude yourself from participating by submitting a written request to the Settlement Administrator expressly and clearly indicating that you have received this Notice of Class Action Settlement, decided not to participate in the settlement, and desire to be excluded from the settlement. The written request for exclusion must include your name, signature, address, telephone number, and last four digits of your Social Security Number. Sign, date, and mail the request for exclusion by First Class U.S. Mail or equivalent, to the address below.

Settlement Administrator

c/o [REDACTED]
[REDACTED]

The Request for Exclusion must be postmarked or faxed not later than [Response Deadline], 2026. If you submit a Request for Exclusion which is not postmarked or faxed by [Response Deadline], 2026, your Request for Exclusion will be rejected, and you will be included in the settlement class.

If you choose **Option 2**, you will no longer be a Class Member, and you will:

- Not Receive a Payment from the Net Settlement Fund.
- Not release the Released Class Claims.
- If you are a PAGA Member, you will still release the Released PAGA Claims, and will receive a payment from the PAGA Fund.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

Option 3 – Object to the Settlement

If you decide to object to the settlement because you find it unfair or unreasonable, you may submit a written objection stating why you object to the settlement, or you may instead appear at the Final Approval Hearing to object to the Settlement. Written objections must provide: (1) your full name, signature, address, and telephone number, (2) a written statement of all grounds for the objection accompanied by any legal support for such objection; (3) copies of any papers, briefs, or other documents upon which the objection is based; and (4) a statement about whether you intend to appear at the Fairness Hearing. The objection must be mailed to the administrator at [administrator's address].

All written objections must be received by the administrator by not later than [Response Deadline], 2026. By submitting an objection, you are not excluding yourself from the settlement. To exclude yourself from the settlement, you must follow the directions described above. Please note that you cannot both object to the settlement and exclude yourself. You must choose one option only.

You may also, if you wish, appear at the Final Approval Hearing set for [Final Approval Hearing Date] at [] a.m./p.m. in the Superior Court of the State of California, for the County of Contra Costa and discuss your objection with the Court and the Parties at your own expense. You may also retain an attorney to represent you at the hearing.

If you choose **Option 3**, you will still be entitled to the money from the settlement. If the Court overrules your objection, you will be deemed to have released the Released Class Claims and Released PAGA Claims.

Additional Information

This Notice of Class Action Settlement is only a summary of the case and the settlement. For a more detailed statement of the matters involved in the case and the settlement, you may refer to the pleadings, the settlement agreement, and other papers filed in the case. All inquiries by Class Members regarding this Class Notice and/or the settlement should be directed to the Settlement Administrator or Class Counsel/Defense Counsel.

CLASS COUNSEL
Raul Perez
Capstone Law APC
1875 Century Park E., Suite 1860
Los Angeles, CA 90067
Phone: 1 (888) 370-1502

DEFENSE COUNSEL
Mary Allain
AMES KARANJIA LLP
2488 Historic Decatur Road, Suite 100,
San Diego CA 92106
Phone: (619) 374-0205

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, DEFENDANT'S ATTORNEYS WITH INQUIRIES.