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Attorneys for Plaintiffs

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SHASTA

STEVEN GARRIGUS, individually, and on
behalf of all others similarly situated, and on
behalf of the State of California and other
aggrieved persons, and KYREN CANNADAY,
individually, and on behalf of all others similarly
situated,

Plaintiffs,

v.

BLACH BEVERAGE, LLC, a Nevada limited
liability company; and DOES 1 through 10,
inclusive,

Defendant.

Case No.: 24CV-0206711

*[Assigned for All Purposes to the Honorable
Benjamin L. Hanna, Dept. 63]*

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

Preliminary Approval Hearing:

Date: September 28, 2026

Time: 8:30 a.m.

Dept.: 63

Action Filed: December 27, 2024

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

Procedural History

4. On December 20, 2024, Plaintiff Garrigus 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 December 20, 2024, letter to Defendant and the LWDA is attached hereto as **Exhibit 1**. The LWDA did not notify Plaintiff that it intended to investigate within 65 days of this written notice. Therefore, on April 15, 2025, Plaintiff Garrigus filed a First Amended Complaint in this Class Action adding a cause of action for civil penalties under PAGA. On April 15, 2026, Plaintiff Garrigus filed a Second Amended Complaint that added Kyren Cannaday as an additional named Plaintiff.

5. On February 2, 2026, the Parties subsequently participated in a private full-day mediation with David Phillips, Esq. 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.

6. The parties negotiated the terms of the Settlement over the next several months, which was finalized on May 28, 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.

7. On August 26, 2026, Plaintiffs 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

8. Prior to attending mediation, Plaintiffs' Counsel thoroughly investigated the claims, applicable law, and potential defenses. Plaintiffs' Counsel assessed the value of 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, Plaintiffs' personnel file/documents concerning Plaintiffs, Defendant's employee handbook(s), Defendant's written wage-and-hour policies, job descriptions, and a random sampling of time and payroll records. Plaintiffs' 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.

9. Defendant's records show that there are approximately 133 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.

10. Plaintiffs have alleged that Defendant maintained common employment policies and/or practices that unlawfully deprived Class Members of wages, meal periods, 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 11. Although the exposure Plaintiffs' Counsel calculated is substantial, the various risks
6 of succeeding at class certification and through trial affected the valuation of the claims for settlement
7 purposes.

8 12. Minimum and Overtime Wages: Plaintiffs' 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, Plaintiffs alleged that Defendant required
11 them and other Class Members to regularly complete work-related tasks prior to clocking in for
12 the workday, through their meal periods, and after they clocked out. For purposes of calculating
13 Defendant's liability based on a best-case scenario for Plaintiffs and the Class, Plaintiffs' Counsel
14 assumed that all unpaid worktime should have been paid at the overtime rate of pay and
15 conservatively estimated that Defendant is liable for one (1) hour of unpaid worktime per
16 workweek. This results in potential exposure for this claim of approximately \$279,613.85 (8,477
17 workweeks x \$21.99 average hourly rate of pay x 1 hour/workweek x 1.5 overtime rate). Because
18 this claim would have relied heavily on Class Member testimony and would not be evidenced in
19 Defendant's time and payroll records, the risk of succeeding at class certification and trial was
20 substantial. Accordingly, Plaintiff's Counsel applied a risk discount based on a 40% chance of
21 succeeding at class certification and a 40% chance of succeeding at trial on the merits, yielding a
22 realistic damage estimate of approximately \$44,738.22 (\$279,613.85 x 40% x 40%).

23 13. Meal Periods: Plaintiffs' 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, Plaintiffs alleged that Defendant required them and other
26 Class Members to work through their meal periods, or take late or shortened meal periods.
27 Additionally, Plaintiffs' Counsel's expert consultant determined there was a 70.9% meal period
28 violation rate from the sampling of Defendant's time and payroll records, where meal periods were

1 short, late, or missed. Therefore, potential liability for the meal period claim is approximately
2 \$509,916.30 (32,706 shifts over 5 hours x \$21.99 average hourly rate x 70.9% violation rate). After
3 taking into account the difficulty of certifying and proving meal period claims, as well as
4 Defendant's contention that the claim lacks merit and that a 70.9% violation rate is unrealistic,
5 Plaintiffs' Counsel discounted this figure based on a 50% chance of succeeding at class
6 certification and a 40% chance of succeeding at trial, yielding a realistic damage estimate of
7 approximately \$101,983.26 ($\$509,916.30 \times 50\% \times 40\%$).

8 14. Rest Periods: Plaintiffs' 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, Plaintiffs alleged that Defendant required them and other Class
11 Members to work through their rest periods or take interrupted rest periods. Based on Plaintiffs'
12 allegations and Plaintiffs' and other Class Members' experience working for Defendant, Plaintiffs'
13 Counsel applied a 100% violation rate to all qualifying shifts during the Class Period. Therefore,
14 Defendant's potential liability for the rest period claim is approximately \$736,423.11 (33,489 shifts
15 of 3.5 hours or longer x \$21.99 average hourly rate x 100% violation rate). However, Plaintiffs'
16 Counsel discounted this figure to account for the difficulty of certifying and proving rest period
17 claims, particularly because rest periods do not have to be recorded, and to account for the
18 possibility of Class Members voluntarily choosing to forego a rest period. Because this claim
19 would have relied exclusively on Class Member testimony, Plaintiffs' Counsel discounted this
20 claim based on a 30% chance of succeeding at class certification and a 20% chance of succeeding
21 at trial, yielding a realistic damage estimate of approximately \$44,185.39 ($\$736,423.11 \times 30\% \times$
22 20%).

23 15. Reimbursements: Plaintiffs' 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 purchase of work attire, work equipment,
26 personal protective equipment, use personal cell phones, and use personal vehicles for work
27 purposes. For purposes of calculating Defendant's liability based on a best-case scenario for
28 Plaintiffs and the Class, Plaintiffs' Counsel estimated that Defendant was liable to each Class

1 Member for \$7.50 per workweek in unreimbursed expenses, for a total amount of approximately
2 \$63,577.50 ($\$7.50 \times 8,477$ workweeks). However, Defendant argued that these expenses were not
3 required by Defendant, and that it could not have known that these expenses were being incurred.
4 Accordingly, Plaintiffs' Counsel discounted this claim based on a 30% chance of succeeding at
5 class certification and a 30% chance of succeeding at trial, yielding a realistic damage estimate of
6 approximately \$5,721.98 ($\$63,577.50 \times 30\% \times 30\%$).

7 16. In sum, Plaintiffs' Counsel estimated that Plaintiffs' maximum recovery for the off-
8 the-clock claim, meal period violations, and rest period violations (i.e., the wage claims) is
9 approximately \$1,525,953.26. However, after factoring in the risk and uncertainty of prevailing at
10 certification and trial, Plaintiffs' Counsel estimates that Plaintiffs' realistic, estimated recovery for
11 these non-penalty wage claims is approximately \$190,906.87.

12 17. Derivative Penalties: Plaintiffs alleged that as a result of Defendant's failure to pay
13 all wages owed, Defendant owed waiting time penalties and wage statement penalties. With respect
14 to Plaintiffs' derivative claims for statutory penalties, Plaintiffs' Counsel estimated that
15 Defendant's realistic potential liability is approximately \$40,365.27. Defendant's maximum
16 potential liability for waiting time penalties is approximately \$515,654.51 ($[81 \text{ employees} \times \21.99
17 $\text{average hourly rate of pay} \times 8.00 \text{ hours/day} \times 30 \text{ days}] + [81 \text{ employees} \times \$21.99 \text{ average hourly}$
18 $\text{rate of pay} \times 1.1 \text{ hours of overtime/day} \times 1.5 \text{ overtime rate} \times 30 \text{ days}]$) based on approximately 81
19 formerly employed Class Members during the 3-year statute of limitations period and an average
20 shift length of 9.1 hours. Defendant's maximum potential liability for inaccurate wage statements
21 is approximately \$157,100.00 ($[70 \text{ employees} \times 1 \text{ initial violation/employee} \times \$50 \text{ for an initial}$
22 $\text{violation}] + [(1,606 \text{ pay periods} - 70 \text{ initial violations}) \times \$100 \text{ for each subsequent violation}]$). In
23 light of the foregoing, Plaintiffs' Counsel believes that it would be unrealistic to expect the Court
24 to award the full \$672,754.51 in statutory penalties given Defendant's defenses, the contested
25 nature of Plaintiffs' claims, the challenges of establishing willfulness as applicable, and the
26 discretionary nature of penalties. Considering that the underlying wage claims are realistically
27 estimated to be approximately \$190,906.87, such a disproportionate award would also raise due
28 process concerns. As such, Plaintiffs' counsel discounted these figures to account for the risk and

1 uncertainty of obtaining class certification and prevailing at trial, resulting in a realistic evaluation
2 of approximately \$30,939.27 for waiting time penalty claims ($\$515,654.51 \times 30\% \times 20\%$), and
3 approximately \$9,426.00 for wage statement penalty claims ($\$157,100.00 \times 30\% \times 20\%$), or
4 approximately \$40,365.27 total for statutory penalties.

5 18. PAGA: For the PAGA claim, Plaintiffs' Counsel determined that Defendant's
6 potential exposure could potentially reach \$160,600.00, assuming the initial \$100 penalty would
7 apply for each of the 1,606 pay periods in the PAGA Period. However, even assuming success on
8 the merits of each claim, PAGA gives the Court discretion to reduce penalties for a variety of
9 reasons, including where to do otherwise would result in an award that is unjust, arbitrary and
10 oppressive, or confiscatory. As such, Plaintiffs' counsel discounted this figure to account for the
11 risk and uncertainty of prevailing at trial, resulting in a realistic evaluation of approximately
12 \$16,060.00 for PAGA penalties ($\$160,600.00 \times 10\%$). The settlement allocates \$20,000.00 of the
13 Gross Settlement Amount to PAGA; therefore, the PAGA allocation amounts to 9.4% of the Gross
14 Settlement Amount and approximately 125% of the realistic maximum damages for PAGA
15 penalties ($\$20,000.00 / \$16,060.00$).

16 19. Using these estimated figures, Plaintiffs' Counsel predicted that the realistic
17 maximum recovery for all claims, including penalties, would be approximately \$253,054.12. This
18 means that the realistic maximum recovery represents approximately 119.4% of the gross
19 settlement figure ($\$253,054.12 / \$211,925.00$). Considering the risk and uncertainty of prevailing at
20 class certification and at trial, this is an excellent result for the Class. Indeed, because of the
21 proposed Settlement, Class Members will receive timely, guaranteed relief and will avoid the risk
22 of an unfavorable judgment.

23 20. Based on the figures in the Settlement Agreement, the Net Settlement Amount
24 available for class settlement payments is currently estimated to be \$69,283.33 for approximately
25 133 Class Members. As a result, each Settlement Class Member would be eligible to receive an
26 average net benefit of approximately \$520.93. Based on the estimated Net Settlement Amount
27 available for individual class payments and there being approximately 8,477 workweeks in the
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1 Class Period, the estimated weekly valuation for Individual Class Payments is \$8.17 (\$69283.33/
2 8,477 workweeks).

3 **Plaintiffs' Counsel's Qualifications**

4 21. Plaintiffs are represented by WLF. The attorneys at WLF performed significant work
5 and expended litigation costs in prosecuting this matter with no guarantee of payment.

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

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

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

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

- 1 a. I served as lead counsel in *Suarez v. Bank of America, N.A.*, Case No. 18-cv-01202-
2 LB, a wage-and-hour federal class action which resulted in a \$1.5 million
3 settlement.
- 4 b. I was lead counsel in *Moore v. Centrelake Medical Grp.* (2022) 83 Cal.App.5th 515,
5 a data breach class action, where the Court of Appeal reversed the trial court's
6 judgment sustaining the defendant's demurrer, in part, because the plaintiff's loss
7 of benefit of the bargain was deemed a sufficient injury for UCL standing. (Id. at
8 pp. 527-530.)
- 9 c. I was also lead counsel in *Mier v. CVS Health* (9th Cir. July 8, 2023) No. 22-55665,
10 2023 WL 4837851, a consumer class action involving false advertising claims
11 where the Ninth Circuit reversed the denial of class certification.
- 12 d. I was also lead counsel in *Peters v. Apple, Inc.*, (Los Angeles Superior Court) Case
13 No. 19STCV21787, a consumer class action involving Apple, Inc.'s alleged
14 misrepresentations regarding its Family Sharing service, which resulted in a \$25
15 million class settlement. For my work on *Peters v. Apple, Inc.*, I was awarded the
16 Daily Journal's California Lawyer Attorney of the Year ("Clay") Award.
- 17 e. I was also lead counsel in *Schumacher v. Bank of Hope*, Case No. 18STCV02066,
18 a consumer class action which resulted in a \$13.3 million settlement.
- 19 f. I served as an executive committee member in *Slate v. Dominion Dental Services*,
20 Case No. 1:19-cv-01063, which resulted in a \$4.7 million settlement.
- 21 g. I was class counsel in *In re MCG Health Data Security Litigation*, Case No. 2:22-
22 cv-0849-RSM-DWC, which resulted in an \$8.8 million consumerclass action
23 settlement.
- 24 h. I was class counsel in *Billie Culp, et al., v. Fitzgibbon Hospital*, Case No. 23SA-
25 CV00020 (Cir. Ct. Saline Cty., Mo., Div. IV January 10, 2023); a data
26 breach consolidated class action with a court-approved \$650,000.00 settlement.
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- 1 i. I was class counsel in *Mendoza v. Crystal Bay Casino, LLC*, Case No. 3:23-cv-
2 00092-MMD-CLB (D. Nev. Filed Feb. 28, 2023); a data breach consolidated class
3 action with a court-approved \$675,000.00 settlement.
- 4 j. I was settlement class counsel in *In re Wright & Filippis, LLC Data Security Breach*
5 *Litig.*, No. 2:22-cv-12908-SFC (E.D. Mich. Filed Nov. 30, 2022); which resulted in
6 a court approved \$2.9 million settlement.
- 7 k. I was co-lead class counsel in *Lowery, et al., v. Community Psychiatry Management,*
8 *LLC*, Case No. 24STCV30135 (Cal. Super. Ct. L.A. Cnty Nov. 15, 2024); with a
9 pending settlement of \$3.5 million.
- 10 l. I was lead class counsel in *Alcazar v. Fashion Nova, Inc.*, Case No. 4:20-cv-01434-
11 JST (N.D. Cal. filed Feb. 26, 2020); with a pending settlement of \$5.15 million.

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13 26. Lauren Lendzion is a Senior Attorney at WLF and has been a member of the
14 California Bar since 2005. She is admitted and in good standing to practice before all courts of
15 the State of California and the United States District Courts for the Central, Southern, Eastern,
16 and Northern Districts of California. Ms. Lendzion has experience in all stages of litigation and
17 in complex matters involving class actions, consumer protection, antitrust, securities fraud,
18 employment, and related claims. She obtained her Bachelor of Arts degree from the University
19 of California, Santa Barbara in 2001 and her J.D. from Seattle University School of Law in
20 2004. While at Wilshire Law Firm, Ms. Lendzion worked on *Moore v. Centrelake Medical Grp.*
21 (2022) 83 Cal.App.5th 515, a data-breach class action that was resolved through a class
22 settlement providing monetary and injunctive relief, including credit monitoring services valued
23 at \$113,894,424. Prior to working at Wilshire Law Firm, Ms. Lendzion worked at a prominent
24 plaintiff-side class action firm, where she contributed to numerous class actions,
25 including: *Chabot v. Walgreens Boots Alliance, Inc.*, No. 1:18-cv-02118-JPW (M.D. Pa.),
26 which resulted in a \$192.5 million settlement for Rite Aid investors; and *Goldstein v. Denner*,
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1 C.A. No. 2020-1061-JTL (Del. Ch.), which secured \$124 million for Bioverativ shareholders in
2 litigation challenging the company's sale.

3 27. Giancarlo A. Recinos is a Senior Attorney at WLF. He was admitted to practice law
4 in the State of California in 2012 and is an active member in good standing with the State Bar of
5 California. Mr. Recinos graduated from San Francisco State University with a Bachelor of Arts in
6 Communications and received his Juris Doctor from Southwestern Law School. For over a decade,
7 his practice has focused on employment law and wage -and-hour compliance.

8 28. Jennifer M. Leinbach is a Senior Attorney at WLF and a member of the California
9 Bar since 2011. Ms. Leinbach has significant experience as a class action litigator. Her work
10 experience as an attorney began with several federal judicial clerkships spanning from 2012-2016.
11 After her clerkships, Ms. Leinbach practiced at a plaintiff-side class action boutique where she
12 assisted in obtaining class settlements totaling more than \$100 million. Since joining Wilshire Law
13 Firm, PLC in 2021, Ms. Leinbach has worked on many more class action cases, including:

14 29. Ms. Leinbach contributed to the litigation in *Moore v. Centrelake Medical Grp.*
15 (2022) 83 Cal.App.5th 515, a data breach class action, where the Court of Appeal reversed the trial
16 court's judgment sustaining the defendant's demurrer, in part, because the plaintiff's loss of benefit
17 of the bargain was deemed a sufficient injury for UCL standing.

18 30. Ms. Leinbach contributed to the litigation in *Mier v. CVS Health* (9th Cir. July 8,
19 2023) No. 22-55665, 2023 WL 4837851, a consumer class action involving false advertising claims
20 where the Ninth Circuit reversed the denial of class certification.

21 31. Ms. Leinbach also assisted in securing and negotiating a \$5.15 million class
22 settlement in *Alcazar v. Fashion Nova*, (N.D. Cal.) No.4:20-cv-01434-JST (N.D. Cal.), which has
23 been preliminarily approved.

24 32. Notably, Ms. Leinbach secured a \$25 million class settlement against Apple, Inc.
25 for alleged misrepresentations regarding Apple's Family Sharing service. *Peters v. Apple, Inc.*,
26 (LASC) No. 19STCV21787. For her work on this case, Ms. Leinbach was awarded the Daily
27 Journal's California Lawyer Attorney of the Year ("CLAY") Award.

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

35. Plaintiffs' Counsel sought bids from administrators to administer this Settlement. The Parties selected the bid with the lowest cost, which was from Phoenix Settlement Administrators, Inc. A true and correct copy of the will-not-exceed bid from Phoenix Settlement Administrators, Inc. to administer this Settlement is attached hereto as **Exhibit 4**.

Executed on August 27, 2026 at Los Angeles, California.

Thiago M. Coelho

EXHIBIT 1

WILSHIRE LAW FIRM, PLC

3055 Wilshire Blvd, 12th Floor
Los Angeles, CA 90010
Tel: (213) 381-9988
Fax: (213) 381-9989
wilshirelawfirm.com



Sean Paisan, Esq.
John Yslas, Esq.

Stephanie Mazepa, Esq.
Nicol Hajjar, Esq.
Thiago Coelho, Esq.

December 20, 2024

LWDA

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

Blach Beverage, LLC
131 Main Street
Elko, NV 89801
(Via Certified Mail, Return Receipt Requested)
9489 0090 0027 6637 9804 69

Agent for Service of Process for: Blach Beverage, LLC
Paul J. Hagan
Global Virtual Agent Services, Inc.
12340 Seal Beach Blvd., Sye B-424
Seal Beach, CA 90740
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6637 9805 82

Re: ***Steven Garrigus v. Blach Beverage, LLC***
Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Steven Garrigus ("Plaintiff") to pursue a Labor Code Private Attorneys General Act ("PAGA") representative action (Cal. Lab. Code §§ 2699, *et seq.*) against Plaintiff's employer, Blach Beverage, 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,



Shahin Rezvani, Esq.
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EXHIBIT 2

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SHASTA

STEVEN GARRIGUS, individually, and on
behalf of all others similarly situated, and on
behalf of the State of California and other
aggrieved persons, and KYREN CANNADAY,
individually, and on behalf of all others similarly
situated,

Plaintiffs,

v.

BLACH BEVERAGE, LLC, a Nevada limited
liability company; and DOES 1 through 10,
inclusive,

Defendants.

Case No. 24CV-0206711

**CLASS & PAGA REPRESENTATIVE
ACTION**

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT**

Judge: Hon. Benjamin L. Hanna
Dept.: 63

Complaint Filed: December 27, 2024
FAC Filed: April 15, 2025
SAC Filed: April 15, 2026
Trial Date: None

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiffs STEVEN GARRIGUS and KYREN CANNADAY (collectively, “Plaintiffs”) and Defendant BLACH BEVERAGE, LLC (“Defendant”). The Agreement refers to Plaintiffs and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1 “Action” means Plaintiffs’ lawsuit alleging class action wage and hour violations against Defendant captioned *GARRIGUS v. BLACH BEVERAGE, LLC*, Shasta County Superior Court, Case No. 24CV-0206711, filed on December 27, 2024, then a first amended complaint was filed on April 15, 2025, which added a PAGA Cause of Action, finally a second amended complaint was filed on April 15, 2026 which added Kyren Cannaday as an additional Plaintiff (collectively herein after “Operative Complaint”).

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

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

1.4 “Aggrieved Employee” means all current and former non-exempt employees who worked for Defendant in California at any time during the PAGA Period

1.5 “Class” means All current and former non-exempt employees who worked for Defendant in California at any time during the Class Period.

1.6 “Class Counsel” means Thiago M. Coelho, Lauren Lendzion, and Jennifer M. Leinbach of Wilshire Law Firm, PLC.

1.7 “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 Plaintiffs’ counsel will request approval from the Court of up to one-third (1/3) of the GSA (currently \$70,641.67).

1.8 “Class Counsel Litigation Expenses Payment” means the amount allocated to Class Counsel for reimbursement of reasonable expenses and costs incurred to prosecute the Action, not to exceed \$25,000.00, and paid from the Gross Settlement Amount.

1.9 “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.

1.10 “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 Aggrieved Employee).

1.11 “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.

1.12 “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.

1.13 “Class Period” or “Class Settlement Period” means the period from December 27, 2020, through May 3, 2026 (“Settlement Class Period”).

1.14 “Class Representative(s)” means the named Plaintiffs STEVEN GARRIGUS and KYREN CANNADAY in the Action.

1.15 “Class Representative Service Payment(s)” or “Enhancement Award(s)” means the payment to the Class Representatives for initiating the Action and providing services in support of the Action.

1.16 “Court” means the Superior Court of California, County of SHASTA.

1.17 “Defendant” means named Defendant BLACH BEVERAGE, LLC.

1.18 “Defense Counsel” means LITTLER MENDELSON, P.C.

1.19 “Effective Date” means the date by which both of the following have occurred: (a) 61 days after entry of the Final Approval Order and Judgment, if no objections; or (b) if an appeal is filed, review or writ is sought from the Judgment or other collateral attack, the day after the Judgment is affirmed or the appeal, review or writ is dismissed or denied, and the Judgment is no longer subject to further judicial review. As of the Effective Date, Participating Settlement Class Members, the Plaintiffs, the LWDA and the State of California, will release the Released Claims regardless of whether they negotiate their settlement checks. All checks mailed to the Class Members that are not cashed within 180 days of payment shall be paid to the California Controller’s Unclaimed Property Fund to be held in the name of the Class Member.

1.20 “Final Approval” means the Court’s order granting final approval of the Settlement.

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

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

1.23 “Gross Settlement Amount” or “GSA” means \$211,925.00, which is the total amount Defendant agrees to pay under the Settlement, except as provided in Paragraph 8 below.

1.24 “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.

1.25 “Individual PAGA Payment” means the 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.

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

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

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

1.29 “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.

1.30 “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.

1.31 “Operative Complaint” means the second amended complaint filed on April 15, 2026.

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

1.33 “PAGA Period” means the period from December 21, 2023, through May 3, 2026.

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

1.35 “PAGA Notice” means Plaintiff STEVEN GARRIGUS’s December 20, 2024, letter (LWDA-CM-1068770-24) to the LWDA and Defendant providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.36 “PAGA Penalties” means the total amount of PAGA civil penalties (\$20,000) to be paid from the Gross Settlement Amount (\$211,925.00), allocated 35% to the Aggrieved Employees (\$7,000) and 65% to LWDA (\$13,000) in settlement of PAGA claims.

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

1.38 “Plaintiffs” means STEVEN GARRIGUS and KYREN CANNADAY, the named plaintiffs in the Action.

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

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

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

1.42 “Released Parties” means Defendant and former and present parents, subsidiaries, affiliates, insurers, insurance policies, and benefit plans; each of the former and present officers, directors, exempt employees, equity holders (partners, shareholders, holders of membership interests, etc.), agents, representatives, administrators, fiduciaries, and attorneys of the entities and plans described in this sentence; and any other predecessors, successors, transferees, and assigns of each of the persons and entities described in this sentence through the Class Period.

1.43 “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.

1.44 “Response Deadline” means forty-five (45) days after the Administrator mails Notice to Class Members and 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.

1.45 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.46 “Workweek” means any seven (7) consecutive days beginning on Sunday and ending on Saturday during the class period, in which a Class Member worked for Defendant for at least one day in California..

2. RECITALS.

2.1 On December 27, 2024, Plaintiff STEVEN GARRIGUS filed the Class Action alleging Defendant (1) failed to pay minimum and straight time wages; (2) failed to pay overtime wages; (3) failed to provide meal periods; (4) failed to authorize and permit rest periods; (5) failed to timely pay final wages at termination; (6) failed to provide accurate itemized wage statements; (7) failed to indemnify employees for expenditures; (8) failed to produce requested employment records; and (9) violated California’s Unfair Competition Law, California Business and Professions Code section 17200, et seq. On December 20, 2024, pursuant to Labor Code §2699.3, subd.(a), Plaintiff STEVEN GARRIGUS gave notice to the LWDA and Defendant that he

intended to proceed with a representative action under PAGA (LWDA-CM-1068770-24). On April 15, 2025, after the 65-day statutory period passed, Plaintiff STEVEN GARRIGUS amended the complaint to add claims for PAGA penalties pursuant to Labor Code § 2699, et seq. On April 15, 2026, Plaintiff filed a Second Amended Complaint adding KYREN CANNADAY as an additional named plaintiff.

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

2.3 On February 2, 2026, the Parties participated in an all-day mediation presided over by mediator David Phillips, Esq. With the help of David Phillips, Esq., the Parties were able to reach an agreement on general settlement terms at mediation and executed a Memorandum of Understanding thereafter.

2.4 In advance of mediation, Class Counsel conducted a thorough investigation into the facts of, and applicable law to, the Action. Prior to mediation, Class Counsel obtained and analyzed a representative sampling of time and payroll data for Class Members and the necessary policy documents through informal discovery to properly evaluate the strengths and weakness of the claims and engage in meaningful settlement discussions. Class Counsel'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) ("*Dunk*") and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 129-130 (2008) ("*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 \$211,925.00 to fully settle, resolve, and extinguish all claims asserted in the

1 Action, including without limitation all claims asserted in the PAGA Notice. The Gross
2 Settlement Amount is non-reversionary and does not include employer payroll taxes owed on the
3 wage portions of the Individual Class Payments, which Defendant will pay separately.

4 3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct
5 the following payments from the Gross Settlement Amount, in the amounts specified by the Court
6 in the Final Approval:

7 3.2.1 To Plaintiffs: Representative Service Payments to Plaintiffs of \$10,000.00 each, in
8 addition to any Individual Class Payment that STEVEN GARRIGUS and KYREN CANNADAY
9 are entitled to receive as Participating Class Members, and any Individual PAGA Payment that
10 STEVEN GARRIGUS and KYREN CANNADAY are entitled to receive as Participating Class
11 Members and Aggrieved Employees. Defendant will not oppose Plaintiffs' request for Class
12 Representative Service Payments that do not exceed this amount. As part of the motion for the
13 Class Counsel Fees and Litigation Expenses Payments, Plaintiffs will seek Court approval for any
14 Class Representative Service Payments no later than 16 (sixteen) court days prior to the Final
15 Approval Hearing, or as otherwise ordered by the Court. If the Court approves Class
16 Representative Service Payments less than the amount requested, the Administrator will retain
17 the remainder in the Net Settlement Amount to be distributed to Participating Class Members.
18 The Administrator will pay the Class Representative Service Payments using IRS Form 1099.
19 Plaintiffs assume full responsibility and liability for employee taxes owed on the Class
20 Representative Service Payments.

21 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third (1/3)
22 of the Gross Settlement Amount, which is currently estimated to be \$70,641.67, and a Class
23 Counsel Litigation Expenses Payment for actual costs, not to exceed \$25,000. Defendant will not
24 oppose requests for these payments. Plaintiffs and/or Class Counsel will file a motion for Class
25 Counsel Fees and Litigation Expenses Payment no later than 16 (sixteen) court days prior to the
26 Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves a Class
27 Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts
28 requested, the Administrator will allocate the remainder to the Net Settlement Amount for

distriubution to Participating Class Members. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' counsel arising from any claim to any portion of Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3 To the Administrator: An Administrator Costs Payment for actual costs, not to exceed \$7,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Costs are less or the Court approves payment of less than requested, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members.

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

3.2.4.1 Tax Allocation of Individual Class Payments. Twenty percent (20%) of each Participating Class Member's Individual Class Payment will be allocated to the Settlement of wage claims (the "Wage Portion"). The Wage Portion is subject to tax withholding and will be reported on an IRS W-2 Form. The remaining 80% of each Participating Class Member's Individual Class Payment will be allocated to the settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

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

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

3 3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of
4 \$20,000.00 to be paid from the Gross Settlement Amount, with 65% (\$13,000) allocated to the
5 LWDA PAGA Payment and 35% (\$7,000) allocated to the Individual PAGA Payments.

6 3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a)
7 dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties (\$7,000) by the
8 total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA
9 Period, and (b) multiplying the result by each individual Aggrieved Employee's PAGA Pay
10 Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their
11 Individual PAGA Payment.

12 3.2.5.2 If the Court approves PAGA Penalties of less than the amount requested,
13 the Administrator will allocate the remainder to the Net Settlement Amount to be distributed to
14 Participating Class Members. The Administrator will report the Individual PAGA Payments on
15 IRS 1099 Forms.

16 4. SETTLEMENT FUNDING AND PAYMENTS.

17 4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its
18 records, Defendant represents there are 133 Class Members who collectively worked a total of
19 8,477 workweeks during the Class Period.

20 4.2 Class Data. Not later than seven (7) days after the Court grants Preliminary Approval of
21 the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a
22 Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must
23 maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement
24 and for no other purpose, and restrict access to the Class Data to Administrator employees who
25 need access to the Class Data to effect and perform under this Agreement. Defendant has a
26 continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted
27 class member identifying information and to provide corrected or updated Class Data as soon as
28 reasonably feasible. Without any extension of the deadline by which Defendant must send the

1 Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts,
2 in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class
3 Data.

4 4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement
5 Amount and the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting
6 the funds to the Administrator no later than 30 (thirty) calendar days after the Effective Date.

7 4.4 Payments from the Gross Settlement Amount. Within seven (7) days after Defendant
8 fully funds the Gross Settlement Amount, the Administrator will mail checks for all Individual
9 Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration
10 Costs Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment,
11 and the Enhancement Award. Disbursement of the Class Counsel Fees Payment, the Class
12 Counsel Litigation Expenses Payment, and the Enhancement Award shall not precede
13 disbursement of Individual Class Payments and Individual PAGA Payments.

14 4.4.1 The Administrator will issue checks for the Individual Class Payments and/or
15 Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail. The
16 face of each check shall prominently state the date (180 days after the date of mailing) when the
17 check will be voided ("Void Date"). The Administrator will cancel all checks not cashed by the
18 Void Date. The Administrator will send checks for Individual Settlement Payments to all
19 Participating Class Members (including those for whom the Class Notice was returned
20 undelivered). The Administrator will send checks for Individual PAGA Payments to all
21 Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved
22 Employees (including those for whom Class Notice was returned undelivered). The Administrator
23 may send Participating Class Members a single check combining the Individual Class Payment
24 and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator
25 must update the recipients' mailing addresses using the National Change of Address Database.

26 4.4.2 The Administrator must conduct a Class Member Address Search for all other Class
27 Members whose checks are returned undelivered without USPS forwarding address. Within seven
28 (7) days of receiving a returned check, the Administrator must re-mail checks to the USPS

forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and 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. As for the Effective Date, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiffs' Release. Plaintiffs discharge Released Parties from all claims, transactions, or occurrences, that occurred during the Class Period, including all claims that were, or reasonably could have been, alleged, based on the facts contained in the Action; and claims under the Fair Employment and Housing Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the California Labor Code, and all equivalent claims under federal law ("Plaintiffs' Release"). Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that they may discover facts or law different from, or in addition to, the facts or law that they now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

1 5.1.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For
2 purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights,
3 and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

8 5.2 Released Class Claims: All Participating Class Members on behalf of themselves and
9 their respective former and present representatives, agents, attorneys, heirs,
10 administrators, successors, and assigns, release, waive, discharge and settle all claims,
11 rights, demands, liabilities, and causes of action throughout the Class Period, whether
12 known or unknown, arising from the same set of operative facts, allegations and
13 assertions as those alleged in the operative complaint, including those claims which
14 could have been asserted based on the facts alleged in the operative complaint, which,
15 without limitation, includes: (a) Failure to provide or pay premium payments for meal
16 periods (see Labor Code §§ 204, 223, 226.7, 512, 1198 1194, 1197; IWC Wage Order
17 No. 1-2001, § 11); (b) Failure to authorize and permit or pay premium payments for
18 rest periods (see Labor Code §§ 204, 223, 226.7, 512, 1198; IWC Wage Order No. 1-
19 2001, § 12); (c) any and all claims involving any alleged failure to pay minimum wage,
20 overtime, sick pay, or other amounts of wages for failing to compensate "all hours
21 worked" (see Cal Labor Code §§ 223, 227.3, 246, 510, 1194, 1197, 1198; IWC Wage
22 Order No. 1-2001, §§ 3-4); (d) Failure to pay wages due to discharged and quitting
23 employees (see Labor Code §§ 201-203); (e) Failure to timely pay wages during
24 employment (see Labor Code § 204); (f) Failure to provide accurate, itemized wage
25 statements (see Labor Code § 226(a)); (h) Failure to reimburse business expenses (see
26 Labor Code § 2800-2802); and (j) any unfair business practices with respect to claims
27 arising from the labor code violations released herein (see Bus. and Prof. Code § 17200,
28 et seq.) (the "Released Class Claims"), and expressly excluding all other claims,

1 including claims for vested benefits, wrongful termination, unemployment insurance,
2 disability, social security, workers' compensation, and class claims outside of the Class
3 Period.

4 5.3 Released PAGA Claims: Plaintiffs, the LWDA, and interests held by the state of
5 California are deemed to release, on behalf of themselves and their respective former
6 and present representatives, agents, attorneys, heirs, administrators, successors, and
7 assigns, the Released Parties from all claims for PAGA penalties that were alleged, or
8 reasonably could have been alleged, based on the PAGA Period facts stated in the
9 Operative Complaint and the PAGA Notice, including, (a) Failure to provide or pay
10 premium payments for meal periods (see Labor Code §§ 204, 223, 226.7, 512, 1198
11 1194, 1197; IWC Wage Order No. 1-2001, § 11); (b) Failure to authorize and permit
12 or pay premium payments for rest periods (see Labor Code §§ 204, 223, 226.7, 512,
13 1198; IWC Wage Order No. 1-2001, § 12); (c) any and all claims involving any alleged
14 failure to pay minimum wage, overtime, sick pay, or other amounts of wages for failing
15 to compensate "all hours worked" (see Cal Labor Code §§ 223, 227.3, 246, 510, 1194,
16 1197, 1198; IWC Wage Order No. 1-2001, §§ 3-4); (d) Failure to pay wages due to
17 discharged and quitting employees (see Labor Code §§ 201-203); (e) Failure to timely
18 pay wages during employment (see Labor Code § 204); (f) Failure to provide accurate,
19 itemized wage statements (see Labor Code § 226(a)); and (h) Failure to reimburse
20 business expenses (see Labor Code § 2800-2802), and expressly excluding PAGA
21 claims outside of the PAGA Period.

22 6. Motion for Preliminary Approval. Plaintiffs will prepare and file a motion for preliminary
23 approval ("Motion for Preliminary Approval").

24 6.1 Plaintiffs' Responsibilities. Plaintiffs will prepare all documents necessary for obtaining
25 Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the
26 Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk and*
27 *Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd.
28 (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA

1 Settlement; (iii) a draft proposed Class Notice; (iv) signed declarations from Plaintiffs confirming
2 willingness and competency to serve and disclosing all facts relevant to any actual or potential
3 conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from
4 Class Counsel firm attesting to its competency to represent the Class Members; its timely
5 transmission to the LWDA of this Agreement (Labor Code section 2699, subd. (1)(2)); and (vi)
6 all facts relevant to any actual or potential conflict of interest with Class Members, and/or the
7 Administrator. In their Declarations, Plaintiffs and Class Counsel shall aver that they are not
8 aware of any other pending matter or action asserting claims that will be extinguished or adversely
9 affected by the Settlement.

10 6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible
11 for expeditiously finalizing the Motion for Preliminary Approval. Class Counsel will obtain a
12 prompt hearing date for the Motion for Preliminary Approval, file the Motion for Preliminary
13 Approval no later than 16 (sixteen) court days before the hearing, unless otherwise ordered by the
14 Court, and deliver the Court's Preliminary Approval Order to the Administrator.

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

23 7. SETTLEMENT ADMINISTRATION.

24 7.1 Selection of Administrator. The Parties have jointly selected Phoenix Settlement
25 Administrators, Inc. to serve as the Administrator and verified that, as a condition of appointment,
26 the Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties
27 specified in this Agreement in exchange for payment of Administration Costs. The Parties and
28 their Counsel represent that they have no interest or relationship, financial or otherwise, with the

1 Administrator other than a professional relationship arising out of prior experiences administering
2 settlements.

3 7.2 Employer Identification Number. The Administrator shall have and use its own
4 Employer Identification Number for purposes of calculating payroll tax withholdings and
5 providing reports to state and federal tax authorities.

6 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that
7 meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation
8 section 468B-1 for the funding of the GSA. Any interest that accrues on the GSA sums paid into
9 the QSF prior to distribution by the Administrator will become part of the NSA for distribution
10 to Participating Class Members.

11 7.4 Notice to Class Members.

12 7.4.1 No later than five (5) calendar days after receipt of the Class Data, the Administrator
13 shall notify Class Counsel that the list has been received and state the number of Class Members,
14 Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.

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

24 7.4.3 Not later than five (5) calendar days after the Administrator’s receipt of any Class
25 Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice
26 using any forwarding address provided by the USPS. If the USPS does not provide a forwarding
27 address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class
28 Notice to the most current address obtained. The Administrator has no obligation to make further

attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 The deadlines for Class Members' written objections, challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

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

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's

1 determination shall be final and not appealable or otherwise susceptible to challenge. If the
2 Administrator has reason to question the authenticity of a Request for Exclusion, the
3 Administrator may demand additional proof of the Class Member's identity. The Administrator's
4 determination of authenticity shall be final and not appealable or otherwise susceptible to
5 challenge.

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

11 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a
12 Non-Participating Class Member and shall not receive an Individual Class Payment or have the
13 right to object to the class action components of the Settlement. Because future PAGA claims are
14 subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who
15 are Aggrieved Employees are deemed to release the Released PAGA Claims identified in
16 Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

17 7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 45 (forty-five)
18 days after the Administrator mails the Class Notice (plus an additional 14 (fourteen) days for
19 Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks
20 and PAGA Pay Periods allocated to the Class Member in the Class Notice. The Class Member
21 may challenge the allocation by communicating with the Administrator via fax, email or mail.
22 The Administrator must encourage the challenging Class Member to submit supporting
23 documentation. In the absence of any contrary documentation, the Administrator is entitled to
24 presume that the Workweeks contained in the Class Notice are correct so long as they are
25 consistent with the Class Data. The Administrator's determination of each Class Member's
26 allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise
27 susceptible to challenge. The Administrator shall promptly provide copies of all challenges to the
28

1 calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the
2 Administrator's determination of the challenges.

3 7.7 Objections to Settlement.

4 7.7.1 Only Participating Class Members may object to the class action components of the
5 Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or
6 amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses
7 Payment and/or Enhancement Award.

8 7.7.2 Participating Class Members may send written objections to the Administrator, by
9 fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire
10 an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A
11 Participating Class Member who elects to send a written objection to the Administrator must do
12 so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional
13 14 days for Class Members whose Class Notice was re-mailed).

14 7.7.3 Non-Participating Class Members have no right to object to any of the class action
15 components of the Settlement.

16 7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be
17 performed or observed by the Administrator contained in this Agreement or otherwise.

18 7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish,
19 maintain and use an internet website to post information of interest to Class Members including
20 the date, time and location for the Final Approval Hearing and copies of the Settlement
21 Agreement; Motion for Preliminary Approval; Preliminary Approval Order; Class Notice;
22 Motion for Final Approval; Motion for Class Counsel Fees Payment, Class Counsel Litigation
23 Expenses Payment and Enhancement Award; the Final Approval Order; and the Judgment. The
24 Administrator will also maintain and monitor an email address and a toll-free telephone number
25 to receive Class Member calls, faxes and emails.

26 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
27 promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later
28 than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the

1 Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names
2 and other identifying information of Class Members who have timely submitted valid Requests
3 for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class
4 Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for
5 Exclusion from Settlement submitted (whether valid or invalid).

6 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports
7 to Class Counsel and Defense Counsel that, among other things, tally the number of: Class
8 Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether
9 valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods
10 received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA
11 Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment
12 of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and
13 objections received.

14 7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to
15 address and make final decisions consistent with the terms of this Agreement on all Class Member
16 challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision
17 shall be final and not appealable or otherwise susceptible to challenge.

18 7.8.5 Administrator’s Declaration. Not later than 14 days before the date by which
19 Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator
20 will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in
21 Court attesting to its due diligence and compliance with all of its obligations under this
22 Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned
23 as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total
24 number of Requests for Exclusion from Settlement it received (both valid or invalid), the number
25 of written objections and attach the Exclusion List. The Administrator will supplement its
26 declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible
27 for filing the Administrator’s declaration(s) in Court.
28

1 7.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator
2 disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel
3 and Defense Counsel with a final report detailing its disbursements by employee identification
4 number only of all payments made under this Agreement. At least 15 days before any deadline
5 set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense
6 Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all
7 payments required under this Agreement. Class Counsel is responsible for filing the
8 Administrator's declaration in Court.

9 **8. ESCALATOR CLAUSE.** Based on its records, Defendant represents there are 133 Class
10 Members who collectively worked a total of 8,477 Workweeks during the Class Period. If the
11 actual number of Workweeks worked during the Class Period exceeds the above number by more
12 than 10% (i.e., more than 9,325), then Defendant must either: (a) increase the settlement amount
13 by the percentage over 110% of the increased workweeks (e.g., if the total Workweeks in the
14 Class Period are 115% of 8,477, the Gross Settlement will increase by 5%); or (b) advance the
15 end date of the Class Period to the last date on which the total number of Workweeks is no greater
16 than 9,325.

17 **9. DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion
18 identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendant may,
19 but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant
20 withdraws, the Settlement shall be void *ab initio*, have no force or effect whatsoever, and that
21 neither Party will have any further obligation to perform under this Agreement; provided,
22 however, Defendant will remain responsible for paying all Administration Expenses incurred as
23 of the date Defendant makes this election to withdraw. Defendant must notify Class Counsel and
24 the Court of its election to withdraw not later than seven (7) days after the Administrator sends
25 the final Exclusion List to Defense Counsel. Invalid Requests for Exclusion will have no effect
26 on this threshold for an election.

27 **10. MOTION FOR FINAL APPROVAL.** Not later than 16 (sixteen) court days before the
28 calendared Final Approval Hearing, unless otherwise scheduled by the Court, Plaintiffs will file

1 in Court, a Motion for Final Approval of the Settlement that includes a request for approval of
2 the PAGA settlement under Labor Code section 2699, subd. (l); a Proposed Final Approval Order;
3 and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiffs shall provide
4 drafts of these documents to Defense Counsel prior to filing the Motion for Final Approval. Class
5 Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and
6 in good faith, to resolve any disagreements concerning the Motion for Final Approval.

7 10.1 Response to Objections. Each Party retains the right to respond to any objection raised
8 by a Participating Class Member, including the right to file responsive documents in Court no
9 later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or
10 accepted by the Court.

11 10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final
12 Approval on any material change to the Settlement (including, but not limited to, the scope of
13 release to be granted by Class Members), the Parties will expeditiously work together in good
14 faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final
15 Approval. The Court’s decision to award less than the amounts requested for the Enhancement
16 Award, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or
17 Administrator Costs Payment shall not constitute a material modification to the Agreement within
18 the meaning of this paragraph.

19 10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
20 Court will retain jurisdiction over the Parties, the Action, and the Settlement solely for purposes
21 of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration
22 matters, and (iii) addressing such post-Judgment matters as are permitted by law.

23 10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
24 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
25 Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their respective
26 counsel, and all Participating Class Members who did not object to the Settlement as provided in
27 this Agreement, waive all rights to appeal from the Judgment, including all rights to post-
28 judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new

trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

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

11. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure §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 Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason, the Court does grant Preliminary Approval, Final Approval, or enter Judgment, Defendant reserves the right to contest certification of any class for any reason, Defendant reserves all

1 available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class
2 certification on any grounds available and to contest Defendant's defenses. The Settlement, this
3 Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be
4 admissible in connection with, any litigation (except for proceedings to enforce or effectuate the
5 Settlement and this Agreement).

6 12.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant, and
7 Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement
8 is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit
9 another person to disclose, disseminate or publicize, any of the terms of the Agreement directly
10 or indirectly, specifically or generally, to any person, corporation, association, government
11 agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom
12 will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the
13 extent necessary to report income to appropriate taxing authorities; (4) in response to a court order
14 or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government
15 agency. Each Party agrees to immediately notify the other Party of any judicial or agency order,
16 inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant, and Defense
17 Counsel separately agree not to, directly or indirectly, initiate any conversation or other
18 communication, before the filing of the Motion for Preliminary Approval, with any third party
19 regarding this Agreement or the matters giving rise to this Agreement except to respond only that
20 "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's
21 communications with Class Members in accordance with Class Counsel's ethical obligations
22 owed to Class Members.

23 12.3 No Solicitation. The Parties separately agree that they and their respective counsel and
24 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal
25 from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability
26 to communicate with Class Members in accordance with Defense Counsel's and Class Counsel's
27 ethical obligations and Class Counsel's fiduciary duties owed to Class Members.
28

1 12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
2 together with its attached exhibits shall constitute the entire agreement between the Parties
3 relating to the Settlement, superseding any and all oral representations, warranties, covenants, or
4 inducements made to or by any Party.

5 12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
6 represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate
7 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate
8 its terms, and to execute any other documents reasonably required to effectuate the terms of this
9 Agreement including any amendments to this Agreement.

10 12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their
11 best efforts, in good faith, to implement the Settlement by, among other things, modifying the
12 Settlement Agreement, submitting supplemental evidence and supplementing points and
13 authorities as requested by the Court. In the event the Parties are unable to agree upon the form
14 or content of any document necessary to implement the Settlement, or on any modification of the
15 Agreement that may become necessary to implement the Settlement, the Parties will seek the
16 assistance of a mediator and/or the Court for resolution.

17 12.7 No Prior Assignments. The Parties separately represent and warrant that they have not
18 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
19 encumber to any person or entity and portion of any liability, claim, demand, action, cause of
20 action, or right released and discharged by the Party in this Settlement.

21 12.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendant nor Defense Counsel are
22 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied
23 upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR
24 Part 10, as amended) or otherwise.

25 12.9 Modification of Agreement. This Agreement, and all parts of it, may be amended,
26 modified, changed, or waived only by an express written instrument signed by all Parties or their
27 representatives, and approved by the Court.
28

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

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

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

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

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

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

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

To Plaintiffs:
 Thiago M. Coelho (SBN 324715)
thiago.coelho@wilshirelawfirm.com
 Lauren Lendzion (SBN 239184)
lauren.lendzion@wilshirelawfirm.com
 Jennifer M. Leinbach (SBN 281404)
jennifer.leinbach@wilshirelawfirm.com
WILSHIRE LAW FIRM, PLC
 660 S. Figueroa St., Sky Lobby
 Los Angeles, California 90017
 Telephone: (213) 381-9988
 Facsimile: (213) 381-9989

To Defendant:

Nathaniel H. Jenkins, Bar No. 312067
njenkins@littler.com
Nicholas W. McKinney, Bar No. 322792
nmckinney@littler.com
LITTLER MENDELSON, P.C.
500 Capitol Mall, Suite 2000
Sacramento, California 95814
Telephone: 916.830.7200
Facsimile: 916.561.0828

12.17 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.

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

12.19 Binding Agreement. The Parties intend that this Agreement shall be fully enforceable and binding upon all Parties within the provisions of Cal. Civil Proc. § 664, and that it shall be admissible and subject to disclosure in any proceeding to enforce its terms pursuant to Cal. Evid. Code §§ 1122(a)(1) and 1123(b), notwithstanding the confidentiality provisions that otherwise might apply under federal or state law. The Parties further agree and intend that the SHASTA County Superior Court may enforce this Agreement pursuant to Code of Civil Procedure § 664.6.

[Signatures on Following Pages]

1 **IT IS SO AGREED.**

2

3 By the Parties:

4

5 DATED: 5/15/2026

DocuSigned by:



238C57514CD1475...

6

7 Plaintiff STEVEN GARRIGUS

8

9 DATED: _____

10 Plaintiff KYREN CANNADAY

11 DATED: _____

12 Defendant BLACH BEVERAGE, LLC

13 By: _____

14 Name: _____

15 Position: _____

IT IS SO AGREED.

By the Parties:

DATED: _____

Plaintiff STEVEN GARRIGUS

DATED: 5/15/2026

Signed by: 

Plaintiff KYREN CANNADAY

DATED: _____

Defendant BLACH BEVERAGE, LLC

By: _____

Name: _____

Position: _____

DATED: 5/15/2026

238C57514CD14

DATED:

DATED: 5/28/2026

By:

Name: Gary Parkinson

Position: General Manager

1 Approved by counsel:

2 DATED: May 15, 2026

WILSHIRE LAW FIRM

3
4 BY: 

5 Thiago M. Coelho

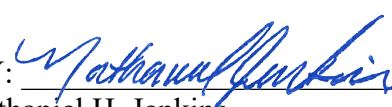
6 Lauren Lenzion

7 Jennifer M. Leinbach

8 Class Counsel

9 DATED:

LITTLER MENDELSON, P.C.

10
11
12 BY: 

13 Nathaniel H. Jenkins

14 Nicholas W. McKinney

15 Counsel for Defendant, BLACH BEVERAGE, LLC

EXHIBIT A

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

Steven Garrigus and Kyren Cannaday v. Blach Beverage, LLC
Shasta County Superior Court, Case No. 24CV-0206711

***The Shasta 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 an employee class and representative action lawsuit (“Action”) against Blach Beverage, LLC (“Defendant”) for alleged wage and hour violations. The Action was filed by former employees, Steven Garrigus and Kyren Cannaday (“Plaintiffs”), and seeks (1) payment of unpaid wages and other relief for a class of non-exempt employees (“Class Members”) who worked for Defendant during the Class Period (December 27, 2020 to May 3, 2026); and (2) penalties under the California Private Attorneys General Act (“PAGA”) for all current and former non-exempt employees who worked for Defendant in California during the PAGA Period (December 21, 2023 to May 3, 2026) (“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 did not 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 do 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 Plaintiffs and Plaintiffs’ 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.

QUESTIONS? CALL [INSERT TOLL-FREE NUMBER] TOLL FREE

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

DO NOTHING	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant covered by this settlement (Released Claims).
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 it if you worked 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 your right to assert the wage claims against Defendant covered by this settlement (Released Claims)..
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 your right to assert the wage claims against Defendant covered by this settlement (Released Claims).

BASIC INFORMATION

1. WHY AM I RECEIVING THIS NOTICE?

Defendant's records indicate that you worked for Defendant Blach Beverage, LLC at some point(s) between December 27, 2020 through May 3, 2026, 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 December 21, 2023 through May 3, 2026.

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.

QUESTIONS? CALL [INSERT TOLL-FREE NUMBER] TOLL FREE

The Court in charge of the Action is the Superior Court of California, County of Shasta. The case is titled *Steven Garrigus and Kyren Cannaday v. Blach Beverage, LLC*, Case No. 24CV-0206711. The persons who sued, Steven Garrigus and Kyren Cannaday, are the Plaintiffs, and the company sued, Blach Beverage, LLC, is the Defendant.

2. WHAT IS THE LAWSUIT ABOUT?

Plaintiffs allege 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; (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; (8) failure to produce requested employment records; and (9) violation of California's Unfair Competition Law, California Business and Professions Code section 17200, *et seq.* In addition, Plaintiffs seek to recover civil penalties pursuant to PAGA ("PAGA Penalties") based on the alleged violations of the California Labor Code listed above.

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

3. WHY IS THIS A CLASS ACTION?

In an employment class action, one or more people called "Class Representatives" (in this case, the Plaintiffs) 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.

4. WHY IS THERE A SETTLEMENT?

The Court did not decide in favor of Plaintiffs or Defendant on the merits of the claims alleged in the lawsuit. Plaintiffs believe Plaintiffs would win at trial. Defendant believes that Plaintiffs' lawsuit would not proceed to a trial and/or that Plaintiffs 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 have agreed to a negotiated settlement. This way, all Parties avoid the cost of preparing for and conducting a trial, the risk of losing the right to a trial, and the workers affected by the alleged violations receive compensation. The Settlement represents a compromise and settlement of highly disputed claims. Plaintiffs, as well as Plaintiffs' 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?

If you received this Notice, you are a Class Member for settlement purposes. The Class includes: all current and former non-exempt employees who worked for Defendant in California at any time from December 27, 2020 through May 3, 2026.

QUESTIONS? CALL [INSERT TOLL-FREE NUMBER] TOLL FREE

6. ARE THERE EXCEPTIONS TO BEING INCLUDED?

There are no express exceptions to the Class definition stated in the Settlement Agreement. However, a Class Member may request exclusion from the Class Settlement as explained below. If you worked during the PAGA Period, you will remain bound by the PAGA portion of the Settlement and will remain eligible for an Individual PAGA Payment even if you request exclusion from the Class Settlement.

THE SETTLEMENT BENEFITS—WHAT YOU GET

7. WHAT DOES THE SETTLEMENT PROVIDE?

Defendant has agreed to pay a Gross Settlement Amount (“GSA”) of \$211,925.00 to settle the lawsuit. From the GSA, Class Counsel will apply to the Court for attorneys’ fees of one-third of the GSA, currently estimated to be \$70,641.67, and reimbursement of reasonable litigation expenses not to exceed \$25,000.00; Enhancement Awards of \$10,000.00 to each Plaintiff (for Plaintiffs’ work and efforts prosecuting this case); a PAGA Penalties payment of \$20,000.00 to resolve the PAGA claims; and Settlement Administration Costs to Phoenix Settlement Administrators, Inc., not to exceed \$7,000.00 except for a showing of good cause and as approved by the Court. The exact amount of the Class Counsel’s Fees and Litigation Expenses, Class Representative Service Payments, 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 \$69,283.33. The NSA will be apportioned and paid out as Individual Class Payments to the Participating 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 \$20,000.00 PAGA Penalties payment in settlement of claims for civil penalties under PAGA. As required under the Settlement, 65% of the PAGA Penalties payment, or \$13,000.00, will be paid to the California Labor and Workforce Development Agency. The remaining 35% of the PAGA Penalties payment, or \$7,000.00, will be distributed to the 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 of Workweeks you worked, as represented in Defendant’s records, in comparison to the total number of Workweeks worked by all Participating Class Members during the Class Period (December 27, 2020 to May 3, 2026). Twenty percent (20%) of each Participating Class Member’s Individual Class Payment will be treated as a payment in settlement of alleged claims for unpaid wages. The 20% allocated as wages will be reduced by applicable payroll tax withholdings and deductions and reported on a Form W-2. The remaining eighty percent (80%) will be treated as a payment in settlement of the alleged claims for interest and penalties and will be reported on a Form 1099 by the Settlement Administrator.

Individual PAGA Payment: If you worked for Defendant from December 21, 2023 to May 3, 2026 (“PAGA Period”), you are also an “Aggrieved Employee” and will receive an Individual PAGA Payment

QUESTIONS? CALL [INSERT TOLL-FREE NUMBER] TOLL FREE

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 number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period. One hundred percent (100%) of each Aggrieved Employee's 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 Aggrieved Employees, their Individual Class Payment may be combined with their Individual PAGA Payment, and they may receive a single check for the combined payments. If a Class Member chooses to opt out of the Class Settlement, they will not receive an Individual Class Payment, but they will still receive an Individual PAGA Payment if they are an Aggrieved Employee. Non-Participating Class Members who are Aggrieved Employees will be deemed to release the Released PAGA Claims.

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 Approval Hearing on _____, to decide whether to approve the Settlement. If the Court 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 are no objections, the Effective Date of the Settlement will be 61 days after entry of the Final Approval Order and Judgment.

Defendant will fund the Gross Settlement Amount no later than 30 calendar days after the Effective Date. Within seven (7) days after Defendant fully funds the Gross Settlement Amount, the Settlement Administrator will mail checks for Individual Class Payments and Individual PAGA Payments to Participating Class Members and Aggrieved Employees.

Settlement checks should be cashed promptly upon receipt. Proceeds of checks that 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?

QUESTIONS? CALL [INSERT TOLL-FREE NUMBER] TOLL FREE

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 the Released Parties, which include Defendant and its former and present parents, subsidiaries, affiliates, insurers, insurance policies, benefit plans, officers, directors, exempt employees, equity holders, agents, representatives, administrators, fiduciaries, attorneys, predecessors, successors, transferees, and assigns. The releases become effective as provided in the Settlement Agreement.

Released Class Claims: All Participating Class Members on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release, waive, discharge and settle all claims, rights, demands, liabilities, and causes of action throughout the Class Period, whether known or unknown, arising from the same set of operative facts, allegations and assertions as those alleged in the operative complaint, including those claims which could have been asserted based on the facts alleged in the operative complaint, which, without limitation, includes: (a) Failure to provide or pay premium payments for meal periods (see Labor Code §§ 204, 223, 226.7, 512, 1198 1194, 1197; IWC Wage Order No. 1-2001, § 11); (b) Failure to authorize and permit or pay premium payments for rest periods (see Labor Code §§ 204, 223, 226.7, 512, 1198; IWC Wage Order No. 1-2001, § 12); (c) any and all claims involving any alleged failure to pay minimum wage, overtime, sick pay, or other amounts of wages for failing to compensate “all hours worked” (see Cal Labor Code §§ 223, 227.3, 246, 510, 1194, 1197, 1198; IWC Wage Order No. 1-2001, §§ 3-4); (d) Failure to pay wages due to discharged and quitting employees (see Labor Code §§ 201-203); (e) Failure to timely pay wages during employment (see Labor Code § 204); (f) Failure to provide accurate, itemized wage statements (see Labor Code § 226(a)); (h) Failure to reimburse business expenses (see Labor Code § 2800-2802); and (j) any unfair business practices with respect to claims arising from the labor code violations released herein (see Bus. and Prof. Code § 17200, et seq.) (the “Released Class Claims”), and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, and class claims outside of the Class Period.

Released PAGA Claims: Plaintiffs, the LWDA, and interests held by the state of California are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice, including, (a) Failure to provide or pay premium payments for meal periods (see Labor Code §§ 204, 223, 226.7, 512, 1198 1194, 1197; IWC Wage Order No. 1-2001, § 11); (b) Failure to authorize and permit or pay premium payments for rest periods (see Labor Code §§ 204, 223, 226.7, 512, 1198; IWC Wage Order No. 1-2001, § 12); (c) any and all claims involving any alleged failure to pay minimum wage, overtime, sick pay, or other amounts of wages for failing to compensate “all hours worked” (see Cal Labor Code §§ 223, 227.3, 246, 510, 1194, 1197, 1198; IWC Wage Order No. 1-2001, §§ 3-4); (d) Failure to pay wages due to discharged and quitting employees (see Labor Code §§ 201-203); (e) Failure to timely pay wages during employment (see Labor Code § 204); (f) Failure to provide accurate, itemized wage statements (see Labor Code § 226(a)); and (h) Failure to reimburse business expenses (see Labor Code § 2800-2802), and expressly excluding PAGA claims outside of the PAGA Period.

EXCLUDING YOURSELF FROM THE SETTLEMENT

12. HOW DO I EXCLUDE MYSELF FROM THE SETTLEMENT?

QUESTIONS? CALL [INSERT TOLL-FREE NUMBER] TOLL FREE

To exclude yourself from the Class Settlement, you must send the Settlement Administrator a written and signed request for exclusion by fax, email, or mail, which must be faxed, emailed, or postmarked no later than [45 days after Class Notice is Mailed]. Be sure to include your name, address, and email address or 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:

[INSERT ADMINISTRATOR ADDRESS]

Blach Beverage, LLC Settlement

c/o Phoenix Settlement Administrators, Inc.

[INSERT CITY, STATE, ZIP]

Email: [INSERT EMAIL ADDRESS]

Fax: [INSERT FAX NUMBER]

If you ask to be excluded from the Class 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 Class Settlement you will not be able to object to the Class 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 (December 21, 2023 through May 3, 2026). 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 [45 days after Class Notice is Mailed].

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

No. If you exclude yourself from the Class Settlement, you will not receive any Individual Class Payment. However, if you timely exclude yourself from the Class Settlement, you will retain the right to pursue your own legal action against Defendant, if you desire. If you are an Aggrieved Employee, you will still receive an Individual PAGA Payment.

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 in the lawsuit. 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.

QUESTIONS? CALL [INSERT TOLL-FREE NUMBER] TOLL FREE

Thiago M. Coelho
thiago.coelho@wilshirelawfirm.com
Lauren Lendzion
lauren.lendzion@wilshirelawfirm.com
Jennifer M. Leinbach
jennifer.leinbach@wilshirelawfirm.com
WILSHIRE LAW FIRM, PLC
660 S. Figueroa St., 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 \$70,641.67 (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 \$25,000.00 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 Plaintiffs Steven Garrigus and Kyren Cannaday in the amount of \$10,000.00 each in addition to each Plaintiff's Individual Class Payment and Individual PAGA Payment for the initiative, risk, and time and energy Plaintiffs have spent in service to the Class as the Class Representatives. The Court may award Class Representatives 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 must be sent to the Settlement Administrator by fax, email, or mail and must be faxed, emailed, or postmarked on or before [45 days after Class Notice is Mailed], at the following address:

[INSERT ADMINISTRATOR ADDRESS]
Blach Beverage, LLC Settlement
c/o Phoenix Settlement Administrators, Inc.
[INSERT CITY, STATE, ZIP]
Email: [INSERT EMAIL ADDRESS]
Fax: [INSERT FAX NUMBER]

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

QUESTIONS? CALL [INSERT TOLL-FREE NUMBER] TOLL FREE

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?

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 _____ on _____ in Department 63 of the Superior Court of California, County of Shasta, located at [INSERT COURT ADDRESS], 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 Payments 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, QUESTIONS? CALL [INSERT TOLL-FREE NUMBER] TOLL FREE

Phoenix Settlement Administrators, Inc., by calling toll free [INSERT TOLL-FREE NUMBER], visiting [INSERT SETTLEMENT WEBSITE], or writing to the Administrator at the following address:

[INSERT ADMINISTRATOR ADDRESS]

Blach Beverage, LLC Settlement

c/o Phoenix Settlement Administrators, Inc.

[INSERT CITY, STATE, ZIP]

Email: [INSERT EMAIL ADDRESS]

Fax: [INSERT FAX NUMBER]

PLEASE DO NOT TELEPHONE THE COURT OR BLACH BEVERAGE, 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 [INSERT TOLL-FREE NUMBER] TOLL FREE

EXHIBIT 3



Thank you for your Proposed Settlement Submission

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

Date Wed 8/26/2026 2:35 PM

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

08/26/2026 02:35:37 PM

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

Item submitted: Proposed Settlement

On 08/26/2026 02:35:37 PM your Proposed Settlement was successfully processed for case number LWDA-CM-1068770-24

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%7Ceb964191c9f6452ed59108df03ba0184%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639233769574651068%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMtIsIkFOIjoiTWFpbGlldUljoyfQ%3D%3D%7C0%7C%7C%7C&data=TFTTKla4snuybjedlmOiop5OGgiahQrK5gAvOtpFDYE%3D&reserved=0

EXHIBIT 4



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

CASE ASSUMPTIONS

Class Members	133
Opt Out Rate	1%
Opt Outs Received	1
Total Class Claimants	132
Subtotal Admin Only	\$6,250.00

Not-to-Exceed Total \$6,250.00

For 133 Class Members

Pricing Good for Scope of Estimate Only

March 23, 2026

Case: Garrigus v. Blach Beverage, LLC Opt-Out Administration

Phoenix Contact: Jodey Lawrence

Contact Number: 949.566.1455

Email: Jodey@phoenixclassaction.com

Requesting Attorney: Jennifer Leinbach, Esq.

Firm: Wilshire Law Firm

Toll Free: (800) 926 9799

Email: jennifer.leinbach@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 133 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*	\$140.58	1	\$140.58
Call Center & Long Distance	\$2.00	16	\$32.00
NCOA (USPS)	\$65.00	2	\$130.00
Total			\$802.58

* Up to 120 days after disbursement

Data Merger & 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	133	\$66.50
Notice Packet & Opt-Out Form	\$1.35	133	\$179.55
Estimated Postage (up to 2 oz.)*	\$0.74	133	\$98.42
Static Website	\$250.00	1	\$250.00
Total			\$844.47

* 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	\$2.50	13	\$33.25
Remail Notice Packets	\$1.35	13	\$17.96
Estimated Postage	\$0.74	13	\$9.84
Programming Undeliverables	\$50.00	2	\$100.00
Total			\$271.05

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	\$125.00	1	\$125.00
Case Associate	\$55.00	2	\$110.00
Opt-Outs/Deficiency/Dispute Letters	\$10.00	3	\$30.00
Case Manager	\$85.00	2	\$170.00
Total			\$560.00

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	2	\$200.00
Check Run Setup & Printing	\$125.00	2	\$250.00
Mail Class Checks *	\$1.25	132	\$164.59
Estimated Postage	\$0.74	132	\$97.44
Total			\$1,402.02

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 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	2	\$250.00
Remail Undeliverable Checks (Postage Included)	\$1.50	7	\$9.88
Case Associate	\$55.00	4	\$220.00
Reconcile Uncashed Checks	\$75.00	2	\$150.00
Conclusion Reports	\$100.00	3	\$300.00
Case Manager Conclusion	\$85.00	2	\$170.00
Final Reporting & Declarations	\$115.00	2	\$230.00
IRS & QSF Annual Tax Reporting * (1 State Tax Reporting Included)	\$1,040.00	1	\$1,040.00
Total			\$2,369.88

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

Estimate Total: \$6,250.00



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.