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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF VENTURA

DALISANDRA R. PARTIDA, on behalf of herself and all others similarly situated, and the general public, Plaintiff, v. RESPONSIBLE AND COMPLIANT RETAIL VENTURA LLC, a California limited liability company; EMBARC VENTURA CANNABIS DISPENSARY, a business entity of unknown form; and DOES 1 through 50, inclusive, Defendants.	CLASS ACTION Case No. 2024CUOE034864 Judge: Hon. Charmaine H. Buehner Department: 44 **DECLARATION OF MARTA MANUS IN SUPPORT OF MOTION FOR PRELIMINARY APPROVAL OF THE CLASS ACTION SETTLEMENT** *[filed concurrently with Plaintiff's Notice of Motion and Motion; Declaration of Class Representative Dalisandra R. Partida; Memorandum of Points and Authorities; and [Proposed] Order]* Date: January 13, 2027 Time: 1:30 p.m. Dept.: 44 Complaint Filed: December 19, 2024 First Amended Complaint: February 24, 2025 Second Amended Complaint: June 18, 2026 Trial Date: None Set

DECLARATION OF MARTA MANUS

I, Marta Manus, declare:

1. I am an attorney licensed and admitted to practice before all courts of the State of California, the United States District Court for the Central, Southern, Eastern, and Northern Districts of California, and the Ninth Circuit Court of Appeals. I am a senior attorney at D.Law, Inc., counsel for Plaintiff DALISANDRA R. PARTIDA ("Plaintiff") on behalf of herself and similarly situated employees of Defendants RESPONSIBLE AND COMPLIANT RETAIL VENTURA LLC AND EMBARC LLC/ "EMBARC VENTURA CANNABIS DISPENSARY"; JOURNEY ENTERPRISE HOLDINGS, LP; EMBARC TAHOE LLC; EMBARC MARTINEZ LLC; EMBARC MEYERS LLC; RESPONSIBLE AND COMPLIANT RETAIL FAIRFIELD LLC; RESPONSIBLE AND COMPLIANT RETAIL BLACKSTONE LLC; RESPONSIBLE AND COMPLIANT RETAIL REDWOOD CITY LLC; EMBARC SACRAMENTO LLC; RESPONSIBLE AND COMPLIANT RETAIL CHICO LLC; RESPONSIBLE AND COMPLIANT RETAIL TRACY LLC; INDIO RESPONSIBLE AND COMPLIANT RETAIL LLC; FONTANA RESPONSIBLE AND COMPLIANT RETAIL LLC; 1784 SHAW RETAIL LLC; SAN BRUNO RESPONSIBLE AND COMPLIANT RETAIL LLC; RESPONSIBLE AND COMPLIANT RETAIL MADERA LLC; WOODLAND RESPONSIBLE AND COMPLIANT RETAIL LLC; and ALAMEDA PATIENTS GROUP LLC ("Defendants" collectively with Plaintiff, "the Parties"). I and my firm are referred to herein as Class Counsel. I have personal knowledge of the facts herein and if called as a witness, I could and would competently testify.

2. All the matters set forth herein are within my personal knowledge, except those matters that are stated to be upon information and belief. As to such matters, I believe them to be true. I submit this Declaration in support of the Motion for Preliminary Approval, filed by Plaintiff, on behalf of herself and other similarly situated employees of Defendant, and without opposition from Defendant, for preliminary approval of the Parties' Class Action and Private Attorneys General Act of 2004 ("PAGA") Class Action and PAGA Settlement and Release ("Settlement Agreement" or "Settlement"), a true and correct copy of which is attached hereto as **Exhibit 1.**

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QUALIFICATIONS AND ADEQUACY OF CLASS COUNSEL

3. D.Law (formerly known as Davtyan Law Firm) prosecutes wage and hour cases, including class actions and PAGA actions on behalf of employees and others who have had their rights violated. D.Law, either on its own or with co-counsel, is currently serving as plaintiff's counsel of record in numerous wage and hour and employment class action and PAGA action cases pending in both state and federal court.

4. D.Law is well-qualified and has ample experience, knowledge, and resources to act as counsel and represent Plaintiff and the putative Class and aggrieved employees in this action. Our practice is exclusively focused on employment matters and representing plaintiffs in wage and hour actions with the same or similar causes of actions brought forth in the matter pending before this Court.

5. D.Law has litigated and successfully resolved many wage and hour class action cases involving failure to pay wages and derivative Labor Code claims and penalties. See e.g. *De La Rosa v. The Coca Cola Company et al*. (Superior Court of California in Napa, 17CV000787), *Harvey v. Bed Bath & Beyond of California Limited Liability Company* (Superior Court of California in Alameda, RG17885153), *Paredes v. Bottling Group LLC et. al*. (Superior Court of California in Kern), *Ramirez v. Harris Ranch Beef Company* (Superior Court of California in Fresno, 16CECG04103), *Gates v. Gate Gourmet, Inc. et. al.* (Southern District of California, 16-cv-01084-L-AGS), *Hargrave v. Antelope Valley Hospital* (Superior Court of California in Los Angeles, BC663252), *Ramirez v. Milton Roy et. al.* (Superior Court of California in Los Angeles, BC 632 276), *Hawkins v. AvalonBay Communities* (Superior Court of California in Santa Clara, 17CV316492), *Jones Tharpe et al. v. Sprint Corporation et al*. (Superior Court of California in Los Angeles, BC644645), *Ortega et al. v. Nestle Waters North America, Inc. et al*. (Superior Court of California in Los Angeles, BC623610), *Schultz v. Jimbo's Natural Family, Inc.* (Superior Court of California in San Diego, 37-2017-00022348-CUE-OE-CTL), *Ambrose v. Victor Valley Global et al.* (Superior Court of California in San Bernardino, CIVDS1709289), *Puerta-Gildardo v. Real Time Staffing Services LLC et. al.* (Superior Court of California in Los Angeles, BC565445), *Vargo v. Pregis Innovative Packaging LLC* (Superior Court of California in

Tulare, 270836), *Conlin v. Aegis Senior Communities LLC* (Northern District of California, 17-cv-05534-LHK), *Galarza v. Kloeckner Metals Corporation* (Central District of California, 2:17-cv-04910-FMO), *Estes v. L3 Technologies, Inc. et al.* (Southern District of California, 3:17-cv-02356-H-JMA), *Rowser v. Trunk Club, Inc.* (Central District of California, 2:17-cv-05064-DSF-RAO), *Leach v. The Claremont Colleges, Inc.* (Superior Court of California in Los Angeles, BC686451), *Vaesau v. PCT Enterprises, Inc. dba Precision Cabinets* (Superior Court of California, County of Contra Costa MSC18-02404), *Terry v. TF Louderback, Inc. dba Bay Area Beverage Company* (Superior Court of the State of California, County of Contra Costa, MSC18-00859), *Roach v. Westcare California, Inc.* (Superior Court of California in Kern County, BCV-17-102367-SDS), *Patton v. Church & Dwight Co., Inc.* (Central District of California, EDCV 18-903-MWF (KKx)), *Juarez v. ISL Employees, Inc.* (Superior Court of California in Madera, MCV074787), *Ferraro v. USC Verdugo Hill s Hospital, et al.* (Superior Court of California in Los Angeles, 18STCV09463), *Ford v. Account Control Technology, Inc., et al.* (Superior Court of California in Los Angeles, 19STCV09369), *Ornelas v. iStorage, et al.* (Superior Court of California in San Francisco, CGC-18-571421), *Martinez v. Ronpak, Inc.* (Superior Court of California in Riverside, RIC1901307), *Barrera et al. v. Exclusive Wireless, Inc.* (Superior Court of California in Stanislaus, 9000687), *Barajas v. Mancha Development Company LLC* (Superior Court of California in Orange County, 30-2018-00974707-CU-OE-CXC), *Prado v. IMAX Corporation dba IMAC Worldwide Home* (Superior Court of California in San Bernardino, CIVDS1820265), *Rodriguez v. ND Industries, Inc.* (Superior Court of California in Los Angeles, 19STCV38096), *Singletary v. Motel 6 Operating LP, et al.* (Southern District of California, 3:20-cv-0270-LAB-AHG), *Quizon v. CF Watsonville East, LLC, et al.* (Superior Court of California in Santa Cruz, 20CV01868), *Stephenson v. Bakersfield Dodge, Inc.* (Superior Court of California in Kern, BCV-20-102693), *Bacerra v. Hugo Boss Retail, Inc.* (Superior Court of California in San Diego, 37-2021-00002933-CU-OE-CTL), *Walker v. Ariat International, Inc.* (Superior Court of California in Alameda, HG19026439), *Orr v. Petvet Care Centers (California) Inc.* (Superior Court of California in Santa Clara, 19CV354063), *Jimenez v. OEC Distribution Services, Inc.* (Superior Court of California in San Bernardino, CIVDS1915743), *Virdi v. Absolute Security*

International (Superior Court of California in San Bernardino, CIVDS 1909589), *Raj v. First Transit, Inc.* (Superior Court of California in Sacramento, 34-2021-00295895-CU-OE-GDS), *Marchbanks v. Torrid Administration, Inc.* (Superior Court of California in San Diego, 37-2020-00008179-CU-OE-NC), among others.

6. I am a 2008 California Western School of Law graduate and was admitted to the California State Bar in December 2008. Since graduating from law school, I have dedicated my entire career to litigating employment class actions and PAGA representative actions. I have litigated and settled hundreds of class actions and PAGA representative actions and have obtained numerous six and seven figure settlements.

7. For purposes of this motion, the "Class" or "Class Members" consist of all persons employed by Defendants in California as non-exempt employees during the Class Period (defined as December 19, 2020, through April 11, 2026). The Class Period is defined as December 19, 2020, through April 11, 2026. I do not believe that I have any conflicts of interest with the Class or with the Class Representative. I am not related to the Class Representative. I have not previously represented Defendants in any matter. I respectfully submit that I, and D.Law, Inc. are well suited to act as Class Counsel in this action, and we have and will continue to vigorously represent the interests of the Class Members.

PROCEDURAL HISTORY

8. On December 19, 2024, Plaintiff commenced this Action by filing a Class Action Complaint alleging causes of action against Defendants for various alleged violations of the California Labor Code.

9. On the same day, December 19, 2024, Plaintiff gave timely notice to the LWDA and Defendants that Plaintiff intended to proceed with a representative action under PAGA (LWDA-CM-1010243-24) pursuant to Labor Code section 2699.3, subd. (a). On February 24, 2025, Plaintiff filed her First Amended Complaint, which added a representative claim for civil penalties under Labor Code section 2698, *et seq*.

10. On June 18, 2026, pursuant to the stipulation of the Parties, Plaintiff filed a Second Amended Complaint. The Seconded Amended Complaint is the operative complaint in the

Action. ("Operative Complaint"). The Operative Complaint includes the following causes of action against Defendants: (1) Failure to Provide Meal Periods (Lab. Code §§ 204, 223, 226.7, 512 and 1198); (2) Failure to Provide Rest Periods (Lab. Code §§ 204, 223, 226.7 and 1198); (3) Failure to Pay Hourly Wages and Overtime (Lab. Code §§ 223, 510, 1194, 1194.2, 1197, 1197.1 and 1198); (4) Failure to Provide Accurate Written Wage Statements (Lab. Code §§ 226(a)); (5) Failure to Timely Pay All Final Wages (Lab. Code §§ 201, 202 and 203); (6) Failure to Indemnify (Lab. Code § 2802); (7) Unfair Competition (Bus. & Prof. Code §§ 17200 et seq.); (8) Civil Penalties (Lab. Code § 2698, et seq.); (9) Failure to Pay all Wages During Employment (Lab. Code § 204); and (10) Failure to Keep Requisite Payroll Records (Lab. Code § 1174(d)).

INVESTIGATION AND DISCOVERY

11. Before filing the lawsuit, Class Counsel investigated and researched the facts and circumstances underlying the pertinent issues and the law applicable thereto. This required thorough discussions and interviews between Class Counsel and Plaintiff, as well as preliminary research into the various legal issues involved in the case. After conducting their initial investigation, Class Counsel determined that Plaintiff's claims were well-suited for class and representative action adjudication owing to what appeared to be a common course of conduct affecting a similarly situated group of employees.

12. After filing the lawsuit, Class Counsel conducted a thorough investigation of the facts and claims giving rise to the action, including: (1) conducting informal and formal discovery, and meeting and conferring with defense counsel about same; (2) reviewing and analyzing a sampling of time and pay records as well as employment handbook which included relevant meal and rest break policies, and Plaintiff's personnel files; (3) researching the applicable law and potential defenses; (4) constructing damage models based on interpretations of California law; and (5) reviewing information provided by Defendants at the mediation. Class Counsel's expert also confirmed that the sample provided by Defendants was reasonable and sufficient to analyze to allow Class Counsel to fairly evaluate the strengths of the case and the risks associated with ongoing litigation. The Class enumerated in this action is ascertainable because the Class Members may be readily identified by reference to Defendants' records that will be provided to

the administrator for purposes of settlement. Defendants have agreed to share the information from these records with the Settlement Administrator to identify and contact the Class Members. I understand there are approximately 603 total Class Members.

13. Defendants, for their part, vigorously contested liability, the amount of claimed damages, and the propriety of class certification. After Class Counsel analyzed the relevant documents and other gathered data, Class Counsel believed that this case was appropriate for resolution via mediation. Given the high level of risk present for both sides, the Parties elected to mediate Plaintiff's claims and explore the possibility of settlement.

14. On February 10, 2026, the Parties mediated this case with the Brandon McKelvey, Esq, a respected and highly experienced mediator in wage and hour class actions. During mediation, Plaintiff's and Defendants' counsel discussed all aspects of the case, including the risks of litigation and the risks to both Parties of proceeding with a motion for class certification as well as the law relating to off-the-clock work, meal and rest breaks, reimbursement of business expenses, and wage statements. The Parties agreed to settle the lawsuit according to the terms set forth in the Settlement Agreement.

15. From Class Counsel's review of the facts, strengths, and weaknesses of the case, the risks and delays posed by further litigation, and Class Counsel's own prior litigation experience, Class Counsel believes that the recovery for each class member is fair and reasonable taking into consideration the amounts received in other wage and hour class actions, the risks inherent in litigation of this genre, and the reasonable tailoring of each Class Member's claim to the settlement award he or she will receive. Further, and based on the settlement negotiations, which were extensive and conducted in good faith and at arm's length between attorneys with substantial experience litigating class actions and wage and hour cases, the Settlement Agreement was the product of a non-collusive settlement process in which the Parties were forced to make significant compromises in the interest of reaching a full and complete settlement of the lawsuit.

SUMMARY OF SETTLEMENT

16. The Parties have executed a Class Action and PAGA Settlement Agreement ("Settlement Agreement") attached hereto and incorporated herein as Exhibit 1. Defendants have

agreed to pay $430,000 [1]("Gross Settlement Amount") on a non-reversionary basis to settle and release all claims asserted by Plaintiff in the operative complaint on behalf of the proposed Class. Defendants will pay its employer-side payroll tax obligations on the Wage Portion of the Individual Class Payments in addition to the Gross Settlement Amount. (Ex. 1, ¶ 3.1.)

17. The Settlement Agreement defines the "Class" or "Class Member(s)" or "Settlement Class" as all persons employed by Defendants in California as non-exempt employees during the Class Period (defined as December 19, 2020, through April 11, 2026). (Ex. 1, ¶ 1.5.) "Class Period" means the period from December 19, 2020, through April 11, 2026. (Ex. 1, ¶ 1.12.)

18. The "Net Settlement Fund" shall be the Gross Settlement Amount, less the following payments in the amount approved by the Court: Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, the Settlement Administration Costs, Individual PAGA Payments, and the LWDA PAGA Payment. (Ex. 1, ¶ 1.27.) These amounts are detailed as follows:

- Class Counsel Attorneys' Fees and Litigation Expenses of not more than One Hundred and Forty Three Thousand Three Hundred Thirty Three Dollars and Thirty Three Cents ($143,333.33) and reasonable litigation costs and expenses incurred to prosecute the Action; (Ex. 1, ¶ 3.2.2), currently estimated not to exceed $25,000;
- Settlement Administration Costs of not more than Eight Thousand Dollars and Zero Cents ($8,000.00) to the Settlement Administrator (Ex. 1, ¶ 3.2.3), currently estimated at $7,500.00 (See Declaration of Jonathan Paul of Xpand Legal, **Exhibit 2** hereto, at ¶ 11);
- Class Representative Service Payment of not more than Seven Thousand Five Hundred Dollars ($7,500); (Ex. 1, ¶ 3.2.1);
- PAGA Penalties in the amount of Twenty-Five Thousand Dollars and Zero Cents ($25,000) for civil penalties under PAGA, with 65% ($16,250) will be paid to the LWDA

[1] Defendants will pay the Settlement according to the following plan: 1) Defendants shall deposit the first payment in the amount of Two Hundred Fifteen Thousand Dollars ($215,000) with the Settlement Administrator within thirty (30) days after Final Approval or by February 10, 2027, whichever is later (the "First Payment"). 2) Defendants shall deposit the second and final payment of Two Hundred Fifteen Thousand Dollars ($215,000) will be due on February 10, 2028 (the "Second Payment") (Ex. 1, ¶ 4.2).

and 35% ($8,750) will be included in the Net Settlement Amount and distributed to PAGA Members); (Ex. 1, ¶ 3.2.5.)

19. The Individual Class Payment, which is each Class Member's share of the Net Settlement Amount, will be calculated and apportioned from the Net Settlement Amount based on the number of Workweeks a Class Member worked by all Class Members during the Class Period. (Ex. 1, ¶ 3.2.4.). Using a straight average and assuming they worked throughout the Class Period, Plaintiff estimates that each Class Member will receive an average of $367.61 (estimated Net Settlement Amount of $221,666.67 divided by 603 class members) for their Individual Settlement Payment for the class portion of the Settlement.

20. The settlement amount was a compromise figure, factoring in the inherent risks related to certification, liability and damages. However, considering all of the circumstances of the action and the defenses raised by Defendants against certification, liability and damages, Class Counsel believes that the settlement is fair and reasonable.

21. Class Members shall each receive a "Class Notice" via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List. (Ex. 1 ¶¶ 7.4.2, 7.4.3; See Class Notice, attached as Exhibit A thereto) Before mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. (Ex. 1, ¶¶ 7.4.2, 7.4.3.) If a new address is obtained by way of a returned Class Notice, then the Settlement Administrator will promptly forward the original Class Notice to the updated address via first-class regular U.S. mail, indicating on the original packet the date of such re-mailing. (*Id*.)

22. Class Members will have an opportunity to dispute the information provided in their Notices of Class Action Settlement and they must timely produce evidence to support the information is inaccurate. (Ex. 1, ¶ 7.6, Ex. A thereto.) The Settlement Administrator shall contact the Parties regarding the dispute. (Ex. 1, ¶ 7.6, Ex. A thereto.)

23. Class Members wishing to opt-out from the Settlement Agreement must sign and fax or postmark a written Request for Exclusion to the Settlement Administrator within the Response Deadline (Ex. 1, ¶ 7.5.1.) The postmark date will be the exclusive means to determine whether a

Request for Exclusion has been timely submitted. The Settlement Administrator will provide the data and counts of any exclusion requests. (Ex. 1, ¶ 7.5.1.)

24. Participating Class Members may send written objections to the Settlement Administrator, by email or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. (Ex. 1, ¶ 7.7.2, Ex. A thereto.)

THE STRENGTH OF PLAINTIFF'S CASE

IN LIGHT OF THE SETTLEMENT AMOUNT

25. Because the class consists of numerous employees, it was unlikely that the potential monetary claims of individual Class Members would have proved viable without the class-action mechanism. The Settlement Agreement should be approved in light of two California appellate decisions: *Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116.

26. The strength of the Plaintiff's case in light of the settlement amount is deemed by courts to be the "most important." *Clark v. American Residential Services, LLC* (2009) 175 Cal.App.4th 785, 799 (citing *Kullar*). Here, Plaintiff alleges that Defendants failed to pay minimum wages and overtime, failed to provide meal and rest breaks, failed to provide reimbursement of business expenses, failed to provide accurate wage statements, and failed to pay all wages upon termination, all in violation of California law. Plaintiff seeks related violations of California's Business & Professions Code, penalties pursuant to Labor Code § 2699 *et seq*. The merits of each of these claims will be addressed separately below.

27. Based on the data provided for mediation, Class Counsel estimated Defendants' exposure on the claims in this case as follows: unpaid wages claim at $687,281 (discounted by 75% to $171,820.25); unpaid overtime wages claim (miscalculation of regular rate) at $2,417; meal period claim at $129,686 (discounted by 50% to $64,843); rest period claim at $3,123,184 (discounted by 90% to $312,318.40); wage statement claim at $1,169,650 (discounted by 75% to $292,412.50); waiting time penalties at $2,044,723 (discounted by 90% to $204,272.30); and unreimbursed business expenses at $228,150 (discounted by 60% to $91,260). With these

discounts applied, the total damages exposure for the underlying Labor Code claims to approximately $1,139,343.45. PAGA penalties were calculated at $343,550, bringing the maximum total estimated exposure to $1,482,893.45. Each claim is addressed below.

Unpaid Wages

28. Plaintiff alleged that Defendants failed to pay Plaintiff and other Class Members minimum wages and overtime for all hours worked. Plaintiff contended that she and other Class Members were not paid proper overtime and minimum wages. Specifically, Plaintiff alleged that Plaintiff and Class Members were required to wait in line for a timeclock to become available for them to clock in, prior to clocking in. Moreover, Plaintiff alleged that Plaintiff and Class Members were required to report for their shifts at a certain time, however, they did not clock into the start of their shift as they were required to wait outside the store for their manager to arrive, unlock the store, and allow them access to the timeclock for them to clock in to their shift. Next, after clocking out for the day, Plaintiff and Class Members were required to monitor their emails on their cellphones, as they were expected to know any business developments that occurred while they were off-the-clock. Finally, Plaintiff and Class Members were required to complete training programs off-the-clock.

29. Defendants contended that it paid for all reported hours worked, that Class Members were trained to record all hours worked, and that they paid proper minimum wages. Additionally, Defendants also maintained that the allegations regarding failure to pay wages for hours worked in excess of eight hours in a day did not constitute a basis for violation of Labor Code § 510. Furthermore, Defendants argued that given their written policies and practices, any unrecorded hours were likely subject to individualized inquiry and unlikely to be certified.

30. Class Counsel estimated Defendants' exposure on the unpaid wages claims to be approximately $687,281 (based on 10 minutes of off the clock work per shift with 61.2% of off the clock hours attributable to overtime). However, given Defendants' defenses and the potential hurdles facing certification of this claim, Class Counsel applied a 75% discount to this claim making for an adjusted realistic exposure of $171,820.25

31. Class Counsel estimated Defendants' exposure on underpaid overtime wage due to the

miscalculation of the regular rate claim to be approximately $2,417. This claim was not discounted.

Meal Periods and Rest Breaks

32. Plaintiff alleged that Defendants consistently failed to provide timely and uninterrupted meal breaks to Class Members. *See Brinker Restaurant Corp. v. Super. Ct.* (2012) 53 Cal.4th 1004, 1040 ("[T]he wage order's meal period requirement is satisfied if the employee (1) has at least 30 minutes uninterrupted, (2) is free to leave the premises, and (3) is relieved of all duty for the entire period.").

33. Plaintiff argued that Defendants had a common practice and policy of denying compliant meal periods. Specifically, due to understaffing, heavy workloads, and the uncompensated pre-shift duties discussed herein, Plaintiff and Class Members were either denied the opportunity to take timely meal periods prior to the completion of their fifth hour of work or denied the opportunity to take meal periods altogether.

34. For each meal period missed, of less than 30 minutes, or taken late for which the employee was not provided a reasonable opportunity to take a complete and timely meal period, an employer must pay the employee an additional one hour of compensation. Labor Code § 226.7. This additional hour of compensation is referred to as "premium pay." To comply with these laws, every employer must keep, for each employee, accurate time records showing when the employee begins and ends each work period and takes his or her meal periods. *See* section (7)(A)(3) of the applicable IWC Wage Order.

35. Defendants disagreed with Class Counsel's interpretation of the law and facts. Defendants argued that in practice all employees were authorized and did in fact take timely uninterrupted meal breaks. Defendants also argued that their written policies were valid, disseminated to all Class Members, and provided Class Members with 30-minute unpaid meal breaks. Defendants contended that Class Members were given a reasonable opportunity to take their meal periods, and in fact received their meal periods most of the time.

36. Class Counsel estimated Defendants' maximum total exposure on the meal break claim at approximately $129,686 (excluding interest), based on an analysis of meal period records and

an offset of $81,535 for meal premiums paid. Time records showed a 4.5% violation rate of unique meal break violations. Class Counsel believes this estimate is high given Defendants' defenses and potential hurdles facing certification of this claim and thus provided a 50% discount making Defendants adjusted realistic exposure $64,843.

37. The same argument applied to rest breaks. Plaintiff and Class Members were not provided with rest periods of at least ten (10) minutes for each four (4) hour work period, or major fraction thereof, due to Defendants' policy of not scheduling each rest period as part of each work shift, including second rest breaks for shifts of six (6) hours or more and Defendants' policy and practice of requiring putative class members to continue working through their rest breaks due to the excessive workload.

38. Defendants maintained that it did provide the reasonable opportunity for Class Members to take duty-free rest breaks. Defendants also pointed out that, unlike meal periods, rest breaks need not be recorded. As these considerations would likely depress the damages *vel non* ultimately awarded, Class Counsel applied significant and appropriate discounts to the rest-break claim.

39. Class estimated Defendants' maximum total exposure on the rest break claim at approximately $3,123,184 (assuming 100% violation rate for shifts of at least 3.5 hours – total of approximately 160,631 shifts). However, Class Counsel believes this estimate is high given the difficulty of proving rest break violations at trial and the potential hurdles facing certification of this claim difficult to achieve and thus applied a 90% discount making Defendants' realistic exposure estimated at $312,318.40. Owing to the arguments above and the fact that recording of rest periods is not required, this claim was substantially discounted

Wage Statement Violations

40. Plaintiff also contended that Defendant failed to provide Class Members with accurate, itemized wage statements in writing as required by California Labor Code § 226(a) because of the systematic underpaying of Employees due to the off-the-clock work which Defendants knew or reasonably should have known were owed to Plaintiff and Class Members. As a direct and proximate cause of Defendants' violation of Labor Code § 226(a), the Class Members suffered

injuries, including among other things confusion over whether they received all wages owed them. Pursuant to Labor Code §§ 226(a) and 226(e), employees are 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) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars ($4,000). They are also entitled to an award of costs and reasonable attorneys' fees.

41. Defendants contended that Plaintiff's claim for further Labor Code § 226(e) penalties would depend in large part on her underlying wage claims and thus be subject to the same defenses. Defendants further contended that wage claim violations, even if established, could not be the predicate for a Labor Code § 226 wage statement claims. *See, e.g. Culley v. Lincare Inc.* (E.D. Cal. 2017) 236 F.Supp.3d 1184, 1195-96; *Soto v. Motel 6 Operating, L.P.* (2016) 4 Cal.App.5th 385, 392-393 (noting wage statement need only document compensation actually received and the hours used to calculate that compensation). Finally, because the damages for this cause of action are penalties, the statute of limitations only runs from one year prior to the filing of the original complaint. *See* Cal. Civ. Pro. § 340.

42. Class Counsel estimated Defendants' maximum total exposure on the section 226 claim at approximately $1,169,650 ($50/$100 x 13,742 pay periods). Class Counsel believes it may be difficult to prevail on this claim because Class Members would need to show that they suffered an injury and that Defendants' noncompliance was knowing and intentional (on top of the challenges described above with the underlying wage and break claims) which are both subject to individualized issues making certification of this claim difficult to achieve. Thus, Class Counsel provided a 75% discount making the adjusted estimated exposure $292,412.50.

Failure to Pay Final Wages

43. In failing to pay the California Class Members their minimum wages, overtime wages, all discussed above, Defendants willfully failed to pay the California Class Members all wages due and certain at the time of termination or within seventy-two (72) hours of resignation, as required under Labor Code § 203.

44. Labor Code § 203 provides that if an employer willfully fails to pay an employee all

wages due at termination or within 72 hours of resignation, then that employee's wages shall continue as a penalty until paid for a period of up to thirty (30) days from the date they were due. Because Class Members stopped working for Defendants but again were not paid their full compensation for the reasons discussed above, Class Members did not receive all wages due upon termination of employment.

45. Defendants argued that, under Labor Code § 203, employers are only obligated to pay waiting-time penalties if they "willfully" fail to pay wages due and owing at the time of termination or resignation. As Title 8, California Code of Regulations, § 13520 states:

> A willful failure to pay wages within the meaning of Labor Code Section 203 occurs when an employer intentionally fails to pay wages to an employee when those wages are due. However, a good faith dispute that any wages are due will preclude imposition of waiting time penalties under Section 203.
>
> A "good faith dispute" that any wages are due occurs when an employer presents a defense, based in law or fact, which, if successful, would preclude any recovery on the part of the employee. The fact that a defense is ultimately unsuccessful will not preclude a finding that a good faith dispute did exist. Defenses presented which, under all the circumstances, are unsupported by any evidence, are unreasonable, or are presented in bad faith, will preclude a finding of a "good faith dispute."

Defendants maintained that because they had viable defenses in both law and fact, especially in light of the *Brinker* holding, that waiting-time penalties could not be awarded and, in any case, such penalties were subject to a three-year limitations period under Labor Code § 203(b).

46. Class Counsel estimated Defendants' maximum total exposure on the section 203 claim at approximately $2,044,723 (473 terminated employees). To recover waiting time penalties, Plaintiff would need to show willfulness on top of proving the underlying wage and break claims which are also potentially subject to individualized issues making certification of this claim difficult to achieve. Thus, Class Counsel provided a 90% discount, resulting in an adjusted realistic exposure $204,272.30.

Failure to Reimburse for Necessary Business Expenditures

47. Labor Code § 2802 provides that an employer must reimburse employees for all necessary expenditures incurred in the performance of their job duties. Plaintiff worked for

Defendants and in the course of performing her job duties, incurred necessary business-related expenses, including, but not limited to cellular phone expenditures. Defendants maintained that Plaintiff and the Class members were not required to use their personal cellular phones on a regular basis during their scheduled shift. Defendants contended that many of the alleged expenses were not required or necessary to perform Class Members' job duties, that certain expenses were adequately reimbursed or otherwise covered by Defendants, and that individualized inquiries would be required to determine whether a particular expense was actually incurred, was necessary, and was not reimbursed. These defenses created meaningful risks as to certification, liability, and the amount of recoverable damages.

48. Class Counsel estimated unpaid business expenses in the amount of $25 per employee month for an estimated total exposure of approximately $228,150. Considering Defendants' factual and legal defenses, Class Counsel appropriately discounted this claim by 60% for an adjusted estimated exposure of $91,260.

PAGA Penalties

49. The Labor Code Private Attorneys General Act, Labor Code § 2699 *et seq*., allows Plaintiff to obtain civil penalties on behalf of herself and other Class Members for Defendants' violation of any provision of the Labor Code enumerated under Labor Code § 2699.5. Where civil penalties are provided in the statute, those civil penalties are recoverable; where no civil penalties are recoverable, Labor Code § 2699(f) establishes civil penalties of one hundred dollars ($100) for each aggrieved employee per pay period for the initial violation and two hundred dollars ($200) for each aggrieved employee per pay period for each subsequent violation. Pursuant to Labor Code § 2699(i), sixty-five (65) percent of the penalties recovered must be allocated to the Labor and Workforce Development Agency (LWDA), with the remaining thirty-five (35) percent allocated to the affected employees. The limitations period as for all penalties is one year prior to the filing of the complaint.

50. The provisions of the Labor Code potentially triggering PAGA penalties in this case include but are not limited to Labor Code §§ 201-204, 210, 226, 226.3, 226.7, 510, 512, 551, 552, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698, 2699, et

seq., 2800 and 2802, Defendants assert that if PAGA penalties were mandatory, an employer's PAGA liability would be huge because of the possibility of collecting multiple civil penalties for a single violation, and thus such penalties would almost always dwarf the damages available under the causes of action proper. However, PAGA penalties are not mandatory but permissive. Labor Code § 2699(e)(2) states that "a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." *See, e.g., Lopez v. Friant & Assocs., LLC*, 15 Cal. App. 5th 773, 788 (2017), *rev. denied* (2018), (recognizing court's ability to reduce PAGA penalties). Courts have held that situations similar to the current one (e.g. injuryless violations, technical errors, and substantial compliance) should lead to reductions in penalties. *See Thurman v. Bayshore Transit Management, Inc.*, 203 Cal. App. 4th 1112, 1134-1135 (2012) (holding that reduction was justified when employer "attempted to comply with the law"); *Fleming v. Covdien, Inc.*, No. ED CV10-01487 RGK (OPx), 2011 U.S. Dist. LEXIS 154590 at *8-9 (C.D. Cal. August 12, 2011) (reducing PAGA penalties more than 80% – from $2.8 million to $500,000 – when "employees suffered no injury" employers were "not aware" of the violation and "took prompt steps to correct all violations once notified"). Defendants here maintained that it had a strong argument that it would be unjust to award maximum PAGA penalties.

51. Furthermore, PAGA penalties are also derivative of each and every other claim, and Defendants therefore argued the PAGA claims would be subject to the same defenses as the underlying claims. Finally, under *Amaral v. Cintas Corp.* (2008) 163 Cal.App.4th 1157, it can be argued that penalties under PAGA could, at best, be awarded only at the rates obtainable for initial violations under the applicable statutes, because Defendants had never been notified of the alleged violations. *Id.* at 1208-1209. Moreover, Section 2699(e)(1) authorizes the Court to exercise the same discretion as the DLSE whether to award civil penalties. *Amaral* 163 Cal. App. 4th 1157, 1211-12. Therefore, if Labor Commissioner - on whose behalf Plaintiff is prosecuting this action for civil penalties - would not impose civil penalties in a case like this, the Court may not award civil penalties. Moreover, in *Thurman v. Bayshore Transit Mgmt., Inc.* (2012) 203

Cal.App.4th 1112, 1136, the Court of Appeal affirmed the trial court's reduction of PAGA civil penalties by 30 percent, finding that awarding the full penalties would have been "unjust" because "…a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." Additionally, PAGA penalties for multiple Labor Code violations are "stacked," and plaintiff is entitled to recover penalties for multiple violations based on the same conduct. *Hernandez v. Towne Park, Ltd*., No. 12 Civ. 02972, 2012 WL 2373372, at *17 n.77 (C.D. Cal. June 22, 2012) ("federal courts applying California law have concluded that stacking is appropriate"; defining "stacking" as multiple PAGA penalties assessed for the same pay period for different Labor Code violations). However, as discussed above PAGA provides that the Court "may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory."

52. Class Counsel estimated Defendants' maximum total exposure on the PAGA claim at approximately $1,374,200 ($100 x 13,742 PAGA pay periods). However, Class Counsel notes that owing to the discretionary nature of PAGA penalties and the foregoing case law it is unlikely the Court would award the full penalty and that it would be substantially reduced. Class Counsel applied discounts considering the countervailing arguments regarding the primary causes of action, and moreover the Court's power to award "a lesser amount than the maximum civil liability." The parties also considered that the purpose of PAGA is to "achieve maximum compliance with state labor laws," *Iskanian v. CLS Transp. Los Angeles, LLC* (2014) 59 Cal. 4th 348, 379. Thus, Class Counsel applied a 75% discount to PAGA penalties for mediation, resulting in an adjusted estimated exposure of $343,550 in discretionary PAGA penalties. In light of the above, the Settlement's proposed PAGA payment of $25,000 is reasonable.

Unfair Business Practices

53. Plaintiff pleaded this cause of action to augment their other causes of action and aid in their prosecution. Business & Professions Code § 17208 extends the statute of limitations on

Plaintiff's wage claims, which qualify as unfair business practices, to four years rather than the three years provided by statute. This cause of action is derivative of the other claims that have already been analyzed. Accordingly, the damages available under this cause of action have already been analyzed or are duplicative of damages discussed above.

Summary

54. The foregoing discussion has sought to explain how the settlement amount is adequate considering the merits of Plaintiff's case. It has done this by explaining the legal basis for each of Plaintiff's causes of action, summarizing the evidence that Class Counsel gathered in support of those causes of action, and relating Defendants' legal and factual arguments that worked to derogate from the strength of Plaintiff's case.

55. Based upon the foregoing, this case had a reasonable value of approximately $1,139,343.45 for the underlying Labor Code claims. After considering the sharply disputed factual and legal issues involved in the lawsuit, the risks attending further prosecution, and the substantial benefits to be received under the compromise and settlement of the action, Class Counsel are of the opinion that settlement is in the best interests of the Class and is fair and reasonable. Accordingly, the Gross Settlement Amount of $430,000 represents approximately **38%** of the maximum potential value of the underlying Labor Code claims (valued at $1,139,343.45) and approximately **29%** of the overall value including PAGA penalties (total case value of $1,482,893.45 ($1,139,343.45 + $343,550), which is a reasonable and fair result.

56. After analyzing and weighing the evidence discussed above as well as the legal issues, Class Counsel and Plaintiff concluded that the settlement of $430,000 represents a fair and reasonable discount from the realistic recovery. The Settlement will allow the parties to avoid the expense and time commitments of continued litigation and provides a significant benefit for the Class which would not otherwise have been available. The Gross Settlement Amount of is a fair, reasonable, and adequate settlement for the claims at issue.

57. Under the Settlement, each of the approximately 603 Class Members will receive, using a straight average and assuming they worked throughout the Class Period, $367.61 (NSA of $221,666.67/603 for their Individual Class Payment. Plaintiff feels that this Settlement is fair,

reasonable, and advantageous to the class.

THE RISK, EXPENSE, AND LIKELY DURATION OF FURTHER LITIGATION, AS WELL AS THE RISK OF MAINTAINING CLASS ACTION STATUS THROUGH TRIAL

58. The next *Clark/Kullar* factors recognize that settlements take into consideration the risks and expenses posed by further litigation and, in the class-action context, the risk of non-certification. Consequently, it is proper that trial courts should keep these considerations in mind when judging the adequacy of class action settlements.

59. Further litigation of this case posed real risks for several reasons. First, there were the risks of unfavorable rulings on the merits of the various indeterminate legal issues outlined in the previous section. In that section, it was observed that almost every cause of action was subject to some unique indeterminacy of its own, and that the derivative causes of action were thus subject to a double indeterminacy, both their own and those of the causes of action on which they were based.

60. The Parties disputed the effect of these and other issues on class certification and decertification. Class Counsel maintained that there were several legal and factual questions at issue in the case that could best be decided on a class wide basis. Class Counsel contended that the same policies and practices applied to all Class Members and therefore common questions obtained and were likely to predominate over individual inquiries. Defendants disputed these contentions and insisted that the *Brinker* decision called into question the certifiability of cases such as this one. Defendants also argued that its policies were compliant with the law, while Plaintiff disputed that the policies were unlawful, and argued the lawfulness of such policies would give rise to common questions amenable to certification. Thus, the Parties had set positions on the propriety of certifiability and liability that did not admit of an easy resolution.

61. Finally, it is always preferable to reach a relatively early resolution of a dispute because, in addition to what has already been said, such resolutions save time and money that would otherwise go to litigation. Considering the risks and expense of the lawsuit and proceeding to trial there was a need to resolve this matter soon than later. Most cases settle sooner or later. If

this case settled after further litigation, the settlement amount would have taken into account the additional costs incurred, and there might have been less available for Class Members after all was said and done. This is not just an abstract contention. The Parties were moving into the phase of this litigation where they would have had to depose several people such as managers, supervisors, and employees to establish liability for trial. Discovery disputes would have been in the offing. The Parties were also aware that a class action trial would be a complicated and expensive proceeding, and then there was the likelihood of a long, drawn-out appeals process. In contrast, the settlement provides real benefits for Class Members in the immediate future. The benefits are not insignificant for anyone, especially given the current economic climate. Consequently, the risk and expense of further litigation outweighed any benefit that might have been gained otherwise.

NOTICE TO CLASS MEMBERS OF THE PROPOSED SETTLEMENT

62. It is premature to address this factor now, at the preliminary approval stage; however, some observations are in order. First, the notification procedure set out in the Settlement Agreement provides the greatest likelihood that each Class Member will receive the Notice of Class Action Settlement ("Notice" or "Notice Packet"), attached to the Settlement Agreement as Exhibit A. Under the Settlement Agreement, the Settlement Administrator will send the Notice to each Class Member via First Class U.S. mail. (Ex 1. ¶ 7.4.2.) Before mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. (Ex. 1, ¶ 7.4.2.) If a new address is obtained by way of a returned Notice Packet, then the Settlement Administrator will promptly forward the original Notice Packet to the updated address via first-class regular U.S. mail, indicating on the original packet the date of such re-mailing. (Ex. 1, ¶ 7.4.3.) Thus, most, if not all, Class Members will likely receive the Notice.

63. The Class Notice itself fully apprises Class Members of the nature of the lawsuit, the claims involved, the terms of the settlement, and their options thereunder. They provide for a specific procedure to seek exclusion from the Class, and for lodging objections to the settlement. The efforts taken to ensure that Class Members receive the Class Notice and are well informed

about the settlement augur a favorable response rate.

64. All Class Members will benefit because defendants who have been sued are generally more likely to comply with the law in the future. If a Class Member disputes the number of workweeks stated for that Class Member in the Class Notice, the Class Members may produce evidence to the Settlement Administrator showing that such information is inaccurate. (Ex. 1, ¶ 7.6.) Defendants' records will be presumed to be correct, but the Settlement Administrator shall contact the Parties regarding the dispute, without divulging the Class Member identity or contact information to Class Counsel, and the Parties will work in good faith to resolve it. *Id*.

65. Checks for the Individual Settlement Payments to Class Members will be voided not less than 180 days after the date of mailing. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the 180-day void date, the Settlement Administrator shall transmit the funds to the California Controller's Office Unclaimed Property Division, with an identification of the Participating Class Member to whom the funds belong to be held on behalf of that Participating Class Member. (Ex. 1 ¶¶ 4.4.1, 4.4.3). The Parties agreed that funds attributable to uncashed settlement checks will be transmitted to California Controller's Office Unclaimed Property Division in the name of the Participating Class Member , rather than distributed to a *cy pres* beneficiary. This disposition best serves the interests of the Class because it preserves the funds for Class Members for whose benefit they were allocated and permits those individuals to later claim their funds from the State Controller, rather than permanently transferring their funds to an unrelated third party. This is consistent with the overarching objective of maximizing the Settlement's direct benefit to Class Members. California courts have recognized payment to the State's Unclaimed Property Fund in the intended recipient's name as an appropriate means of addressing uncashed class settlement checks. Accordingly, Class Counsel submits that this disposition appropriately protects the interests of absent Class Members while furthering the compensatory purposes of the Settlement in light of the overall Settlement value of this case.

CONCLUSION OF THE *CLARK/KULLAR* ANALYSIS

66. The foregoing discussion establishes the fairness of the class-action settlement in the

instant case. It has done this by analyzing the settlement in light of the appellate decisions in *Clark* and *Kullar*. This analysis has concluded that the settlement is fair, reasonable, and adequate. Class Counsel conducted a thorough investigation of the subject wage-and-hour practices and engaged in non-collusive, arm's-length negotiations to reach a settlement. Defendants have agreed to pay fair value to settle Plaintiff's claims given the existence of legal uncertainty. From Class Counsel's substantial experience with wage-and-hour class action lawsuits Class Counsel believe that this case could not have settled on better terms under the circumstances. Request therefore is made that the settlement be granted preliminary approval so that those persons whom it was intended to benefit shall be afforded the opportunity to determine its adequacy.

REQUEST FOR ATTORNEYS' FEES

67. Under the Settlement, Class Counsel also requests, without opposition from Defendants, an award of Class Counsel's Fees and Costs consisting of: (1) no more than $143,333.33 and (2) reasonable litigation costs, currently estimated not to exceed $25,000. (Ex. 1, ¶ 3.2.2.) This request is fair, reasonable, and adequate to compensate Class Counsel for the substantial work they have put into this case and, moreover, the risk they assumed by taking it in the first place. The attorneys' fees award is intended to reimburse Class Counsel for all uncompensated work that they have already done and for all the work they will continue to do in carrying out and overseeing the notification to Class Members, communicating with Class Members regarding their claims, and assisting in the administration of the settlement if it is preliminarily approved.

68. My firm took this case on a contingent-fee basis against a business represented by a reputable defense firm. When we take contingent cases, we must pay careful attention to the economics involved or one bad case can destroy years of work. Accordingly, when we take contingency cases, we anticipate that we shall, if successful, receive a fee that exceeds our normal hourly rate; otherwise, the risk is often too great to bear. Even when we work long hours, the number of hours in a day is limited. Because of this, when we take on one matter, we are unable to take on other matters. When Class Counsel became involved in this case, we realized the time

commitment that it would entail and we were forced to turn down matters that we otherwise should have been able to handle. In sum, this case claimed a significant portion of Class Counsel's time and attention throughout its pendency.

69. The requested fee is reasonable for the services provided to Class Members and for the benefits they are to receive. Indeed, even with a modest multiplier under the lodestar theory, *see Bihun v. AT&T Information System* (1993) 13 Cal.App.4th 976, 997, Class Counsel's fees would still be justified. Class Counsel will more fully brief the Court on its lodestar in the motion for final approval.

SERVICE PAYMENT TO PLAINTIFF AS THE CLASS REPRESENTATIVE

70. Plaintiff herein is entitled to reasonable service payment for her efforts and initiative in bringing and helping to prosecute this action. Plaintiff spent a considerable amount of time better apprising herself of her rights, deciding whether remedial action should be taken, how it should be taken, searching for attorneys, and finally contacting Class Counsel, who spent many hours with Plaintiff discussing the case and the law. In the end, Plaintiff decided to vindicate not only her own rights but also those of her co-workers by filing a class action lawsuit.

71. The courage it took to stand up to Defendants by filing and litigating this action in this way should not be underestimated. By suing Defendants, Plaintiff increased her risk of retaliation by prospective employers. Plaintiff's lawsuit has now required Defendants to expend considerable resources, and Plaintiff justifiably fears the fact that she served as class representatives in a wage and hour class action will not be lost on a prospective employer who has to choose between an applicant who has never sued a prior employer and one who has. Plaintiff contends this risk is particularly real in the information age, where employers can, more easily than ever, perform background checks of prospective employees, sometimes with the stroke of a key. It is common for employers to screen employee candidates to determine whether they have ever filed suit, and employee candidates who might be branded "litigious" are likely to be screened out of the process. In fact, an entire industry has developed for providing employers with background information on employee candidates.

72. But Plaintiff did not allow her fears of the potential repercussions of being class

representatives to deter him from acting for the benefit of Class Members. To the contrary, Plaintiff has been intimately involved in this case since its inception. She has devoted a substantial amount of time to helping Class Counsel effectively develop and prosecute this action at every stage of the litigation. Both before and after the filing of this lawsuit, Plaintiff conferred with Class Counsel on numerous occasions to discuss every aspect of her case. Plaintiff provided Class Counsel with information about Defendants and about the industry generally, reviewed documents, identified witnesses, consulted Class Counsel throughout the litigation repeatedly and at length, participated in the mediation process, monitored the progress of the litigation with Class Counsel, and reviewed and signed the Settlement Agreement.

73. Plaintiff has spent a significant amount of time with Class Counsel detailing her knowledge of Defendants' practices and helping Class Counsel with the prosecution of this action. She has diligently, adequately, and fairly represented Class Members, and has not placed her interests above any member of the putative class. The payment to Plaintiff is intended to recognize her time and effort on behalf of the Class. The amount requested is fair and appropriate based on her contribution and involvement. For example, Plaintiff instigated the lawsuit by bringing these violations to the attention of Class Counsel. She spent several hours answering questions and providing information to Class Counsel throughout the pendency of this action. She identified witnesses, explained to Class Counsel day-to-day business practices of Defendants regarding work schedules, etc. The Parties agree that Plaintiff is entitled to an enhancement for her time and effort in this matter. This sort of payment to a class representative has been a common feature of settlements negotiated by Class Counsel and has been routinely approved by trial courts.

74. Class Counsel believes that the service enhancement payment in the amount of $7,500 is fair and reasonable. This amount is a far cry from the $50,000 of enhancement awards to the two named plaintiffs approved by the trial court in *Clark. See Clark, supra*, 175 Cal.App.4th at 807. Although Class Counsel appreciate that the Court has a duty to ensure that class representatives are not overcompensated at the expense of the class, modest incentive awards in employment class actions, such as the one here, are necessary not only to compensate class

representatives for the time they spend in the case, but also, and more importantly, to encourage aggrieved employees to challenge questionable employment practices notwithstanding the very real consequences they may face.

CRITERIA SATISFIED FOR CERTIFICATION OF SETTLEMENT CLASS

75. The proposed Classes satisfy the criteria for certification of a settlement class under California law, as embodied in California Code of Civil Procedure § 382. Defendants have agreed to the certification of the class for settlement purposes. In general, courts may take a proposed settlement into account in evaluating the propriety of class certification. *See Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1807 fn. 19. Indeed, a "lesser standard" of scrutiny applies in certifying classes for settlement purposes. *Ibid.* Therefore the Court should take into consideration the fact that the parties have settled their claims and stipulated to certification for settlement purposes when assessing typicality and adequacy.

a. Numerosity. The putative classes are so numerous that joinder of all members is impractical. Class Members are all persons employed by Defendants in California as non-exempt employees during the Class Period (defined as December 19, 2020, through April 11, 2026). Documents and information exchanged between the parties reflect a class of approximately 603 Class Members. Thus, there are a sufficient number of Class Members to warrant certifying this as a class action for settlement purposes.

b. Ascertainability. The putative classes are defined in a manner that is precise, objective, and ascertainable. The Class Members are readily identifiable by reference to Defendants' payroll and personnel records.

c. Typicality. A class representative's claims are typical when they arise from the same event, practice, or course of conduct that gives rise to the claims of other putative class members, and if their claims rest on the same legal theories. The class representative's claims must be "typical" but not necessarily identical to the claims of other class members. It is sufficient that the representative is similarly situated so that he or she will have the motive to litigate on behalf of all Class Members. *Classen v. Weller* (1983) 145 Cal.App.3d 27, 47; *B.W.I. Custom Kitchens v. Owens-Illinois, Inc.* (1987) 191 Cal.App.3d 1341, 1347 ("[I]t has never been

the law in California that the class representative must have identical interests with the class members."). Thus, it is not necessary that the class representative should have personally incurred all of the damages suffered by each of the other class members. *Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 228.

Plaintiff's claims are typical of Class Members' claims because they arose from the same factual basis and are based on the same legal theories. Plaintiff was employed by Defendants during the Class Period subject to the allegedly unlawful meal and rest break policies and pay practices at issue in this litigation. Accordingly, Plaintiff is a member of the class. The central issues of this litigation (whether Defendants failed to pay all wages, whether Defendants failed to provide meal and rest periods, etc.), which would arise if this were an individual action brought by Plaintiff, apply to the other Class Members as well, and the answer to these questions would determine Defendants' liability to the entire putative class. Thus, Plaintiff's claims are typical of the claims of the putative class. Accordingly, the typicality requirement is satisfied.

d. Adequacy. A class representative must possess the same interest and suffer the same injury as the class members. "To assure 'adequate' representation, the class representative's personal claim must not be inconsistent with the claims of other members of the class." *J.P. Morgan & Co., Inc. v. Sup.Ct. (Heliotrope General, Inc.)* (2003) 113 Cal.App.4th 195, 212. Thus, the adequacy requirement is satisfied when the class representative's interests are not antagonistic to those of the class. *McGhee v. Crocker-Citizens Nat. Bank* (1976) 60 Cal.App.3d 442, 451.

Plaintiff has no conflicts with the class and in fact her interests are aligned with those of the class. Because Plaintiff's claims are identical to those that would be asserted by the unnamed Class Members were they before the Court, Plaintiff has every interest in zealously representing the unnamed class members. Plaintiff has not shrunk from this responsibility. Indeed, Plaintiff has devoted a substantial amount of time and energy to litigating this action and effecting a settlement. Furthermore, as detailed above, Class Counsel are experienced in wage-and-hour litigation, especially class actions, and have zealously represented the interests of the class in litigating this case. *See infra* ¶¶ 3-7. Accordingly, the adequacy requirement is satisfied.

e. Commonality. Common questions of law or fact in this case predominate over

individual questions. This action involves, *inter alia*, a determination about Defendants' alleged failure to pay minimum wages and overtime, failure to pay all wages due to allegedly common and unlawful policies, failure to provide meal and rest periods, the resulting failure to pay final wages when required, the failure to provide accurate paystubs, the failure to reimburse employees for necessary business expenditures, and largely derivative claims under the Business & Professions Code and PAGA. Plaintiff contends these practices, including the alleged failure to provide corresponding premium payments, that affected class members in the same way. All class members were employed during the Class Period. Therefore, the operative complaint delineates a common course of conduct applicable to all Class Members. Therefore, based on Class Counsel's investigation, the review of the discovery produced by Defendants, and their discussions with Plaintiff, Plaintiff contends the evidence supports her position that the employment practices and policies of Defendants' business were consistent and uniform.

f. Predominance. Individualized issues do not predominate over the issues of law and fact that are common to the class as a whole. The principal issues of controversy are whether Class Members were paid for all hours worked and provided lawful meal breaks. As explained, *supra*, there are common issues of law and fact given that Plaintiff and all Class Members were subjected to the same policies and pay practices during the relevant time period. Plaintiff and Class Members seek meal and rest break premiums, unpaid wages and overtime, reimbursement of necessary business expenses, and penalties for work performed as non-exempt hourly employees for Defendants. These issues are suitable for common adjudication because all Class Members were subject to the same employment policies and Plaintiff contends the practices applied uniformly to all Class Members.

g. Superiority. Class resolution is superior to other available methods for the fair and efficient adjudication of the controversy. There is little interest or incentive for Class Members to individually control the prosecution of separate actions. Although the injury resulting from Defendants' policies and practices are real and significant, the cost of individually litigating each such case against Defendants would easily exceed the value of any relief that could be obtained by any one Class Member individually. If Class Members are forced to litigate their claims

individually this would result in about 603 individual actions against Defendants. Here, the alternative methods of resolution are individual suits for relatively small amounts. Hence, an individual suit would prove uneconomical for potential plaintiffs because litigation costs would dwarf a potential recovery.

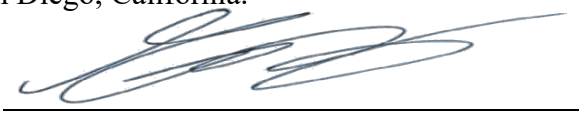
h. Except for Plaintiff's case before this Court, Plaintiff is unaware of any other actions by Class Members against Defendants asserting similar claims as here. Furthermore, Los Angeles County is a compelling forum for this action given that Defendants' location is in Los Angeles County and numerous Class Members work in this County.

i. There are no serious manageability difficulties presented by preliminarily approving the case for settlement purposes. As this case will not go to trial if finally approved, all that would remain is claims administration and responding to possible objectors.

76. On the same date as filing this Motion, my office submitted the proposed Settlement to the LWDA. Attached hereto as **Exhibit 3** is a true and correct copy of the confirmatory email my office received from the LWDA after submission of the Settlement.

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

Executed on October 28, 2026, at San Diego, California.



Marta Manus

EXHIBIT 1

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CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff Dalisandra R. Partida ("Plaintiff"), and Defendants Responsible and Compliant Retail Ventura LLC and Embarc LLC/ "Embarc Ventura Cannabis Dispensary"; Journey Enterprise Holdings, LP; Embarc Tahoe LLC; Embarc Martinez LLC; Embarc Meyers LLC; Responsible and Compliant Retail Fairfield LLC; Responsible and Compliant Retail Blackstone LLC; Responsible and Compliant Retail Redwood City LLC; Embarc Sacramento LLC; Responsible and Compliant Retail Chico LLC; Responsible and Compliant Retail Tracy LLC; Indio Responsible and Compliant Retail LLC; Fontana Responsible and Compliant Retail LLC; 1784 Shaw Retail LLC; San Bruno Responsible and Compliant Retail LLC; Responsible and Compliant Retail Madera LLC; Woodland Responsible and Compliant Retail LLC; and Alameda Patients Group LLC (hereinafter collectively referred as "Defendants"). The Agreement refers to Plaintiff and Defendants collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1. "Action" means Plaintiff's Class and PAGA action filed in the Superior Court of the State of California, County of Ventura, Case No. 2024CUOE034864.

1.2. "Settlement Administrator" means XPand Legal, the neutral entity the Parties have agreed to appoint to administer the Settlement.

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

1.4. "Aggrieved Employees" means all persons employed by Defendants in California as a non-exempt employee during the PAGA Period, who will be sent a PAGA Payment and be bound by the PAGA Release, regardless of whether or not they submit a valid and timely Request for Exclusion.

1.5. "Class Member" means all persons employed by Defendants in California as non-exempt employees during the Class Period (defined as December 19, 2020, through April 11, 2026.

1.6. "Class Counsel" means Enoch Kim, Esq., Marta Manus, Esq., David Keledjian, Esq., and Elizabeth Harrier, Esq., of D.Law, Inc.

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

1.8. "Class Data" means information regarding Class Members that Defendants will compile from its records and provide to the Settlement Administrator. It shall be formatted as a

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Microsoft Excel spreadsheet and shall include: each Class Member's full name; last known address; Social Security Number; start dates and end dates of employment, or alternatively, the number of Workweeks worked. Defendants shall perform their best efforts in putting together the spreadsheet, but the Parties agree that to the extent individual Class Member's information cannot be generated or found, the Parties will rely on the efforts of the Settlement Administrator to search and find any missing information. If Defendants and the Settlement Administrator cannot, using reasonably diligent efforts, find the required information of a Class Member, that putative Class Member's name shall be removed from the spreadsheet.

1.9. "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).

1.10. "Class Member Address Search" means the Settlement 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 Settlement Administrator with Class Members.

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

1.12. "Class Period" or "Settlement Class Period" means the period from December 19, 2020, through April 11, 2026.

1.13. "Class Representative" means the named Plaintiff in the Operative Complaint (defined below) in the Action seeking Court approval to serve as a Class Representative.

1.14. "Class Representative Service Payment" means the payment of $7,500.00 to the Class Representative for initiating the Action and providing services in support of the Action.

1.15. "Court" means the Superior Court of California, County of Ventura.

1.16. "Defense Counsel" means Dina S. Glucksman, Esq., and James D. Miller of Gordon Rees Scully Mansukhani.

1.17. "Effective Date" means the date on which the Court enters Judgment on its order granting Final Approval of the Settlement and the Judgment is final. The Judgment is final as of the latest of the following occurrences: (i) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (ii) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal

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from the Judgment; or (iii) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

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

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

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

1.21. "Gross Settlement Amount" or "GSA" means the total amount Defendants agree to pay under the Settlement as set out in Paragraph 3 below except as provided in Paragraph 8 below.

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

1.23. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 35% of the PAGA Penalties calculated according to the number of Pay Periods worked during the PAGA Period.

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

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

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

1.27. "Net Settlement Amount" or "NSA" means Gross Settlement Amount, less the following payments in the amount approved by the Court: Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, the Settlement Administration Costs, Individual PAGA Payments, and the LWDA PAGA Payment.

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

1.29. "Operative Complaint" means the operative Second Amended Complaint filed in the Action on June 18, 2026.

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

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1.31. "PAGA Period" means the period from December 21, 2023, through April 11, 2026.

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

1.33. "PAGA Notice" means the December 19, 2024, letter and the May 15, 2026, amended letter that Class Counsel sent to the LWDA under Labor Code section 2699.3(a)/(c) exhausting Plaintiff's administrative remedies under PAGA, California Labor Code sections 2698, *et seq*.

1.34. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 35% to the Aggrieved Employees and 65% to the LWDA in settlement of PAGA Claims.

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

1.36. "Plaintiff" means Dalisandra R. Partida, the named plaintiff in the Action.

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

1.38. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval of the Class Action and PAGA Settlement.

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

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

1.41. "Released Parties" means Defendants and its present and former parent companies, including Responsible and Compliant Retail Ventura LLC and Embarc LLC/ "Embarc Ventura Cannabis Dispensary", Journey Enterprise Holdings, LP, Embarc Tahoe LLC, Embarc Martinez LLC, Embarc Meyers LLC, Responsible and Compliant Retail Fairfield LLC, Responsible and Compliant Retail Blackstone LLC, Responsible and Compliant Retail Redwood City LLC, Embarc Sacramento LLC, Responsible and Compliant Retail Chico LLC, Responsible and Compliant Retail Tracy LLC, Indio Responsible and Compliant Retail LLC, Fontana Responsible and Compliant Retail LLC, 1784 Shaw Retail LLC, San Bruno Responsible and Compliant Retail LLC, Responsible and Compliant Retail Madera LLC, Woodland Responsible and Compliant Retail LLC, and Alameda Patients Group LLC.

1.42. "Request for Exclusion" means a Class Member's submission of a written request to be excluded (opt-out) from the Class Settlement signed by the Class Member.

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1.43. "Response Deadline" means forty-five (45) days after the Settlement Administrator mails the Class 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 as set out in Paragraph 7 below; or (b) fax, email, or mail his or her objection to the Settlement. Class Members to whom Notice Packets are re-sent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.

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

1.45. "Workweek" means any seven (7) consecutive days beginning on Sunday and ending on Saturday, in which a Class Member was employed by Defendant during the Class Period in California.

2. RECITALS.

2.1. On December 19, 2024, Plaintiff Partida commenced this Action by filing a Class Action Complaint alleging causes of action against Defendants for various alleged violations of the California Labor Code.

2.2. On the same day, December 19, 2024, Plaintiff gave timely notice to the LWDA and Defendants that Plaintiff intended to proceed with a representative action under PAGA (LWDA-CM-1010243-24) pursuant to Labor Code section 2699.3, subd. (a). On February 24, 2025, Plaintiff filed her First Amended Complaint, which added a representative claim for civil penalties under Labor Code section 2698, *et seq.*

2.3. On June 18, 2026, pursuant to the stipulation of the Parties, Plaintiff filed a Second Amended Complaint. The Seconded Amended Complaint is the operative complaint in the Action. ("Operative Complaint"). The Operative Complaint includes the following causes of action against Defendants: (1) Failure to Provide Meal Periods (Lab. Code §§ 204, 223, 226.7, 512 and 1198); (2) Failure to Provide Rest Periods (Lab. Code §§ 204, 223, 226.7 and 1198); (3) Failure to Pay Hourly Wages and Overtime (Lab. Code §§ 223, 510, 1194, 1194.2, 1197, 1197.1 and 1198); (4) Failure to Provide Accurate Written Wage Statements (Lab. Code §§ 226(a)); (5) Failure to Timely Pay All Final Wages (Lab. Code §§ 201, 202 and 203); (6) Failure to Indemnify (Lab. Code § 2802); (7) Unfair Competition (Bus. & Prof. Code §§ 17200 *et seq.*); (8) Civil Penalties (Lab. Code § 2698, *et seq*.); (9) Failure to Pay all Wages During Employment (Lab. Code § 204); and (10) Failure to Keep Requisite Payroll Records (Lab. Code § 1174(d)).

2.4. Defendants generally and specifically deny any and all liability or wrongdoing of any kind associated with the claims alleged in the Action, disputes that any wages, damages and penalties claimed by Plaintiff, alleged in the Operative Complaint, and alleged in Plaintiff's PAGA Notice are owed, and further contends that the Action is not appropriate for class or

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representative treatment, other than for the limited purpose of effectuating this Settlement. Defendants assert a number of defenses to the alleged claims, and contends, among other things, that it has made substantial good faith efforts to comply with the California Labor Code and the Industrial Welfare Commission Wage Orders at all times during the Class Period. Defendants assert that it adopted compliant wage and hour practices. Neither this Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Agreement, is or may be construed as, a concession, admission, or indication by or against Defendants, or any of the Released Parties, of any fault, wrongdoing, or liability whatsoever. This Agreement is not a concession or admission by Defendants that Plaintiff can serve as an adequate class representative, except for the limited purpose of effectuating this Settlement. There has been no determination by any court as to the merits of the claims Plaintiff asserts against Defendants or whether a class should be certified for any purpose other than settlement.

2.5. On February 10, 2026, the Parties participated in private mediation with experienced wage and hour mediator, Brandon McKelvey, Esq. After further discussions and negotiations, the Parties reached a settlement through a mediator's proposal. These good faith, arms-length negotiations resulted in settlement of the Action and are memorialized in this Settlement Agreement.

2.6. In advance of mediation, Class Counsel conducted a thorough investigation into the facts of, and applicable law to, the Action. Prior to mediation, Plaintiff also obtained and analyzed a representative sampling of time and payroll data for the putative Class Members and the necessary policy documents through informal discovery to properly evaluate the strength and weaknesses of the claim and engage in meaningful settlement discussions. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116 ("*Dunk/Kullar*").

2.7. Class Counsel has concluded, taking into account the sharply contested issues involved, the defenses asserted by Defendants, the expense and time necessary to pursue the Action through trial and any appeals, the risks and costs of further prosecution of the Action, the risk of an adverse outcome, the uncertainties of complex litigation, and the substantial benefits to be received by Plaintiff and the Class Members and State of California pursuant to this Agreement, that a settlement with Defendants on the terms and conditions set forth herein is fair, reasonable, adequate, and in the best interests of the Class and State of California. Plaintiff, on her own behalf, on behalf of the Class, and as a private attorney general on behalf of the State of California with respect to PAGA Members, has agreed to settle the Action with Defendants on the terms set forth herein.

2.8. Defendants have concluded that, because of the substantial expense of defending against the Action, the length of time necessary to resolve the issues presented herein, the

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inconvenience involved, and the concomitant disruption to its business operations, it is in Defendants' best interest to accept the terms of this Agreement. Substantial amounts of time, energy, and resources of Defendants have been devoted and, absent this Settlement, will continue to be devoted to the defense against the claims asserted by Plaintiff. Defendants have, therefore, agreed to resolve this matter in the manner and upon the terms set forth in this Agreement so that it may continue focusing on delivering essential health services to the communities it serves. Settlement will also allow Defendants to avoid the burden, expense and uncertainty of continuing litigation and put to rest the controversies engendered by the Action.

2.9. The Court has not granted class certification because the Parties engaged in mediation before any class certification. The Parties are stipulating to class certification for settlement purposes only.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendants will pay the Gross Settlement Amount of Four Hundred Thirty Thousand Dollars ($430,000.00) on a non-reversionary basis. The Gross Settlement Amount does not include employer payroll taxes owed on the wage portions of the Individual Class Payments, which Defendants will pay separately as calculated by the Settlement Administrator. Defendants have no obligation to pay the Gross Settlement Amount or any payroll taxes before the deadline stated in Paragraph 4.2. The Settlement Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment.

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

3.2.1 To Plaintiff: Class Representative Service Payment to the Class Representative of not more than Seven Thousand Five Hundred Dollars ($7,500.00) (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendants will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Settlement Administrator will allocate the remainder in the Net Settlement Amount. An award of less than the requested amount for the Class Representative Service Payment will not give rise to a basis to abrogate the Settlement Agreement and the Court has authority under this

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Agreement to reduce (or increase) the Class Representative Service Payment, at its discretion at the final approval stage. The Settlement Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be One Hundred Forty-Three Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents ($143.333.33), and a Class Counsel Litigation Expenses Payment of actual, documented, and reasonable litigation costs and expenses incurred to prosecute the Action. Defendants will not oppose requests for these payments, provided the requests do not exceed the amounts set forth in this Agreement. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Settlement Administrator will allocate the remainder to the Net Settlement Amount. The Settlement Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Released Parties shall have no liability to Class Counsel arising from any claim to any portion of the Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and hold Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3 To the Settlement Administrator: The Settlement Administrator Expenses Payment not to exceed Eight Thousand Dollars ($8,000.00) except for a showing of good cause and as approved by the Court. To the extent the Settlement Administration Costs are less, or the Court approves payment less than $8,000.00, the Settlement Administrator will allocate the remainder in the Net Settlement Amount.

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

3.2.4.1 Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining 80%

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of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions 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 Payments. The Settlement Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of $25,000 to be paid from the Gross Settlement Amount, with Sixteen Thousand Two Hundred Fifty Dollars ($16,250) (65% of the PAGA Penalties) allocated to the LWDA PAGA Payment and Eight Thousand Seven Hundred Fifty Dollars ($8,750) (35% of the PAGA Penalties) allocated to the Individual PAGA Payments. Subject to Court approval, the PAGA Penalties will be allocated to cover any and all claims for civil penalties associated with the Released Claims that were brought in the Action under PAGA based on the factual allegations in the Operative Complaint and PAGA Notice.

3.2.5.1 The Settlement Administrator will calculate each Individual PAGA Payment pro rata by (a) dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties by the total number of Pay Periods worked by all Aggrieved Employees during the PAGA Period; and (b) multiplying the result by each Aggrieved Employee's Pay Periods. The Individual PAGA Payments are not subject to wage withholdings and will be reported on IRS 1099 Forms. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2 The Court has the authority under this Agreement to increase (or reduce) the PAGA Penalties up to and including at the final approval hearing, and the Parties respectfully reserve the right to increase (or reduce) the PAGA Penalties up to and including at the final approval stage, subject to the Court's final approval. If the Court approves PAGA Penalties of less than the amount requested, the Settlement Administrator will allocate the remainder to the Net Settlement Amount. The Settlement Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

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4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Delivery of Class Data to Administrator. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendants will deliver the Class Data to the Settlement Administrator in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Settlement Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Settlement Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted Class Member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data After such good faith and best efforts by Defendants to reconstruct or otherwise resolve issues related to missing or omitted Class Data by the deadline, Defendants have no further obligation to continue to attempt to resolve the missing data. Names that cannot be so resolved with the required information shall be omitted from the Settlement Administrator's spreadsheet.

4.2. Funding of Gross Settlement Amount. Subject to Court Approval of the Settlement, the Gross Settlement Amount shall be funded by Defendants according to the following schedule:

4.2.1. Defendants shall deposit the first payment in the amount of Two Hundred Fifteen Thousand Dollars ($215,000) with the Settlement Administrator within thirty (30) days after Final Approval or by February 10, 2027, whichever is later (the "First Payment").

4.2.2. Defendants shall deposit the second and final payment of Two Hundred Fifteen Thousand Dollars ($215,000) will be due on February 10, 2028 (the "Second Payment").

4.3. Payments from the Gross Settlement Amount. Within fifteen (15) days after Defendants fully fund the Gross Settlement Amount as reflected in Paragraph 4.2, the Settlement Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Settlement Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment.

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

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

4.4.2 The Settlement Administrator must conduct a Class Member Address Search for all other Class Members whose checks are retuned undelivered without United States Postal Service ("USPS") forwarding addresses. Within three (3) days of receiving a returned check the Settlement Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Settlement Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Settlement Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Settlement Administrator shall transmit the funds represented by such checks to the California Controller's Office Unclaimed Property Division, with an identification of the Participating Class Member to whom the funds belong to be held on behalf of the Participating Class Member.

4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendants 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.

4.4.5 The Settlement Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees, who have no right to opt-out or otherwise exclude themselves from the settlement and release of PAGA claims set forth in this Settlement.

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4.4.6 If Defendants fail to make any payment required by Paragraph 4.2 by the applicable due date, Class Counsel shall provide written notice of the default to Defense Counsel, before bringing any motions to the Court, and Defendants shall have fifteen (15) calendar days from that notice to cure, otherwise Class Counsel can pursue with the court whatever remedies it may be entitled to.

4.5 Payments to the Responsible Tax Authorities. The Settlement Administrator will pay the Participating Class Members' portion of normal payroll withholding taxes out of each person's Individual Class Payment. The Settlement Administrator shall also pay Defendants' portion of payroll taxes as the current or former employer (including the employer's payment of applicable FICA, FUTA, and SUI contributions, etc.) to the appropriate local, state, and federal taxing authorities. The Settlement Administrator will calculate the amount of the Participating Class Members' and Defendants' portion of payroll withholding taxes and forward those amounts to the appropriate taxing authorities.

5. RELEASES OF CLAIMS. Effective on the date when Defendants fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, the following releases will become effective:

5.1 Plaintiff's General Release. Plaintiff and her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint or ascertained during the Action; (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiff's PAGA Notice; and (c) any other claims, debts, liabilities, demands, damages, obligations, actions and causes of actions, of any nature whatsoever, whether known or unknown, or suspected or unsuspected, arising out of or in connection with her employment with Defendants, the separation of such employment, or any other act, omission or event occurring between the Parties at any time prior to the date Plaintiff executes this Agreement. This General Release includes, without limitation: (1) all claims for violation of any federal, state, or local statute, ordinance or regulation relating to employment benefits, leaves of absence, or discrimination, harassment, retaliation, or whistleblowing in employment, specifically including, without limitation, the California Fair Employment and Housing Act, the California Family Rights Act, Title VII of the Civil Rights Act of 1964, the Family and Medical Leave Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Genetic Information Nondiscrimination Act, the Americans with Disabilities Act, the Employee Retirement Income Security Act, the Consolidated Omnibus Budget Reconciliation Act, the Securities Act, the Immigration Reform and Control Act the Worker Adjustment and Retraining Notification Act of 1988, the California Worker Adjustment and Retraining

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Notification Act, the Uniformed Service Employment and Reemployment Rights Act, and any regulation of any administrative agency or governmental authority relating to employment benefits or discrimination or harassment or retaliation in employment; (2) all claims for failure to pay minimum, overtime, or double time wages (including for alleged off-the-clock work, alleged preliminary work or postliminary work, or alleged off-the-clock covid screenings); (3) failure to include non-discretionary remuneration, stipends, bonuses, commissions, shift differentials, or other incentive pay in the regular rate of pay for overtime or double time compensation; (4) failure to provide meal periods; (5) failure to provide rest periods; (6) failure to pay meal or rest period premiums at the regular rate of pay; (7) failure to provide Covid-19 supplemental sick leave; (8) failure to pay paid sick leave at the regular rate of pay; (9) failure to provide accurate itemized wage statements; (10) failure to maintain accurate records; (11) failure to reimburse business expenses (including but not limited to cell phone expenses and mileage); (12) failure to pay wages when due during employment; (13) failure to pay all wages due upon termination of employment; (14) any claim for violations of the California Labor Code, California's Business and Professions Code section 17200 et seq., and the applicable California Industrial Welfare Commission Wage Order; (15) any non-statutory tort or contractual claim, including all claims for breach of oral, implied or written contract, breach of implied covenant of good faith and fair dealing, negligent or intentional infliction of emotional distress, and conversion; (16) all claims for wrongful termination of employment; (17) all claims for wages, penalties and/or benefits, interest, or attorneys' fees or costs associated with the above-enumerated claims or causes of actions under California or federal law. Plaintiff's General 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, or class claims outside of the Class Period. Plaintiff acknowledges that she may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Named Plaintiff's General Release shall be and remains effective in all respects, notwithstanding such different or additional facts or their discovery of them.

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

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

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5.2 Released Class Claims: Upon entry of final judgment and funding of the Gross Settlement Amount, all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, shall release Released Parties from: (i) all claims, rights, demands, liabilities and causes of action that were alleged, based on the facts stated in the Operative Complaint, during the Class Period, including all claims under California Labor Code sections 201-204, 210, 226, 226.3, 226.7, 510, 512, 551, 552, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698, 2699, *et seq.*, 2800 and 2802. This includes all claims for (a) failure to provide meal periods, (b) failure to provide rest periods, (c) any and all claims involving any alleged failure to pay hourly wages and overtime wages, whether due to off the clock work, break premium pay, or pay calculation methods, (d) any and all claims involving any alleged failure to provide compliant wage statements for any reason, (e) any and all claims involving any alleged failure to accurately calculate or pay timely wages, for any reason, at termination or during employment, (f) failure to indemnify, and (g) failure to keep requisite payroll records. The Released Class Claims expressly excludes 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.

5.3 Released PAGA Claims: Plaintiff and the LWDA, and any individual on behalf of the LWDA, are deemed to release the Released Parties from all claims for PAGA penalties that were alleged in the PAGA Notice during the PAGA Period, including, penalties predicated on the underlying alleged violations for: California Labor Code sections 201-204, 210, 226, 226.3, 226.7, 510, 512, 551, 552, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698, 2699, *et seq.*, 2800 and 2802. This includes all claims for (a) failure to provide meal periods, (b) failure to provide rest periods, (c) any and all claims involving any alleged failure to pay hourly wages and overtime wages, whether due to off the clock work, break premium pay, or pay calculation methods, (d) any and all claims involving any alleged failure to provide compliant wage statements for any reason, (e) any and all claims involving any alleged failure to accurately calculate or pay timely wages, for any reason, at termination or during employment, (f) failure to indemnify, and (g) failure to keep requisite payroll records and any other violations of the California Labor Code that were alleged in Plaintiff's PAGA Notice. The Released PAGA Claims expressly excludes all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and PAGA claims outside of the PAGA Period. It is the intent of the Parties, that in the event that another Aggrieved Employee were to assert a subsequent claim on behalf of the LWDA, for any claim included in the Released PAGA Claims, Defendants will assert the Settlement Agreement as a defense to any such claims by the LWDA or anyone acting on behalf of the LWDA. (See *Arias v. Superior Court* (2009) 46 Cal.4th 969, 986 ("Because an aggrieved employee's action under the Labor Code Private Attorneys General Act of 2004 functions

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as a substitute for an action brought by the government itself, a judgment in that action binds all those, including nonparty aggrieved employees, who would be bound by a judgment in an action brought by the government.").)

6. **MOTION FOR PRELIMINARY APPROVAL.** Plaintiff will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval of the Class Action and PAGA Action Settlement, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk and Kullar* and a request for approval of the PAGA Settlement under Labor Code section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Settlement Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Settlement Administrator; (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (vii) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Settlement Administrator. In their Declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.1. Responsibilities of Counsel. Class Counsel will obtain a prompt hearing date for the Motion for Preliminary Approval, file the Motion for Preliminary Approval no later than (sixteen) 16 court days before the hearing, unless otherwise ordered by the Court, and deliver the Court's Preliminary Approval Order to the Settlement Administrator.

6.2. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, or forthcoming motions or joint stipulations for approval, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone,

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and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns. Should the Court decline to approve all material aspects of the Settlement, the Settlement will be null and void, and the Parties will have no further obligations under it.

7. SETTLEMENT ADMINISTRATION.

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

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

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

7.4. Notice to Class Members.

7.4.1 No later than three (3) calendar days after receipt of the Class Data, the Settlement Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 7 days after receiving the Class Data, the Settlement Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice with Spanish translation (if required), substantially in the form attached to this Agreement as **Exhibit A**. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Settlement Administrator shall update Class Member addresses using the National Change of Address database.

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7.4.3 Not later than three (3) business days after the Settlement Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Settlement Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Settlement Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Settlement 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 PAGA Pay Periods, and Requests for Exclusion, will be extended an additional fourteen (14) days beyond the forty-five (45) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Settlement Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Settlement Administrator, Defendants 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 Settlement Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

7.5 Requests for Exclusion (Opt-Outs).

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

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

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Class Member, contact the Class Member whether directly or through the Class Member's attorney, and confirm the Class Member's desire to be excluded. The Settlement Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Settlement Administrator has reason to question the authenticity of a Request for Exclusion, the Settlement Administrator may demand additional proof of the Class Member's identity and decision to be excluded.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.1 and 5.2 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment, nor shall they have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees have no right to object or exclude themselves from the PAGA Settlement and are deemed to release the Released PAGA Claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

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

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7.7 Objections to Settlement.

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

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

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

7.8 Settlement Administrator Duties. The Settlement Administrator has a duty to perform and/or observe all tasks to be performed or observed by the Settlement Administrator contained in this Agreement or otherwise and as necessary to effectuate and administer the Settlement in a manner consistent with the terms of this Agreement.

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

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Settlement Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Settlement Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying

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information of Class Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

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

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

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

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

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8. **CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE.** Based on its records, Defendants have provided an estimate of approximately 603 Class Members who collectively worked a total of approximately 27,644 workweeks during the Class Period and approximately 448 Aggrieved Employees who worked a total of approximately 9,872 PAGA Pay Periods during the PAGA Period. If the total number of workweeks exceeds 27,644 by 10% or more (i.e., 30,408 workweeks) for the applicable Class Period, then, at Defendants' option, the Gross Settlement Amount will either increase by 1% for every 1% over the 10% threshold (i.e., over 30,408 workweeks), or the Class Period will end on the date the number of workweeks equals 30,408. If this provision is triggered, the Parties agree that the portion of the Gross Settlement Amount allocated to Class Counsel Fees Payment will increase proportionally such that the total amount of Class Counsel Fees Payment remains one-third of the Gross Settlement Amount after the upward adjustment required by this provision is implemented.

9. **DEFENDANTS' RIGHT TO WITHDRAW.** Defendants shall have the right to withdraw from this Settlement or terminate this Settlement if the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members. If Defendants withdraw, the Settlement shall be void ab initio, have no force or effect whatsoever, and neither Party shall have any further obligation to perform under this Agreement; provided, however, that Defendants will be responsible for the Settlement Administration Expenses incurred to the date of its election to withdraw from the Settlement. Defendants must notify Class Counsel and the Court of its election to withdraw not later than seven (7) days after the Settlement Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively, "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven (7) days before filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

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

    10.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in

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good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Settlement Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

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

10.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-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 appellate 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 Settlement Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

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

12. ADDITIONAL PROVISIONS.

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12.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor is it intended or should be construed as an admission by Plaintiff that Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

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

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

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

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

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

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

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

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

12.10. 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.

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

12.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to California Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and for no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or the California Rules of Court. Not later than ninety (90) days after the date when the Court discharges the Settlement Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Class Data received from Defendants unless, prior to the Court's discharge of the Settlement Administrator's obligation, Defendants make a written request to Class Counsel for the return, rather than the destruction, of Class Data.

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

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

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

To Plaintiff	To Defendants
D.Law, Inc. Elizabeth Harrier e.harrier@d.law Enoch J. Kim e.kim@d.law Marta Manus m.manus@d.law 250 N Madison Ave, 2nd Floor Pasadena, CA 91101 Telephone: (818) 962-6465 Fax: (818) 962-6469	**Gordon Rees Scully Mansukhani** Dina S. Glucksman dglucksman@grsm.com James D. Miller jdmiller@grsm.com 633 West Fifth Street, 52nd Floor Los Angeles, CA 90071 Telephone: (213) 576-5071 Facsimile: (213) 680-4470

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

12.19. 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 that pursuant to California Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under California Code of Civil Procedure section 583.310 for the entire period of this settlement process.

DATED: 8/6/2026

BY: Signed by: F2C47F984BB5410...

Dalisandra R. Partida

DATED:

BY: _____

Title: _____

Defendants

APPROVED AS TO FORM:

DATED: 8/7/2026

D.LAW, INC.

BY: _____

Enoch J. Kim
Marta Manus
Counsel for Plaintiff Dalisandra R. Partida

DATED:

GORDON REES SCULLY MANSUKHANI

BY: _____

Dina S. Glucksman
James D. Miller
Counsel for Defendants

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

12.19. 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 that pursuant to California Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under California Code of Civil Procedure section 583.310 for the entire period of this settlement process.

DATED: BY: _____

Dalisandra R. Partida

DATED: BY: _____

Title: Authorized Signatory

Defendants

APPROVED AS TO FORM:

DATED: **D.LAW, INC.**

BY: _____
Enoch J. Kim
Marta Manus
Counsel for Plaintiff Dalisandra R. Partida

DATED: **GORDON REES SCULLY MANSUKHANI**

BY: _____
Dina S. Glucksman
James D. Miller
Counsel for Defendants

Doc ID: b7b8526dfcc3192c2832554f4f4fb790091e67b6

EXHIBIT A

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

Dalisandra R. Partida v. Responsible and Compliant Retail Ventura LLC, et al.
Superior Court of California, County of Ventura – Case No. 2024CUOE034864

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

You may be eligible to receive money from an employee class action lawsuit ("Action") against Defendants Responsible and Compliant Retail Ventura LLC and Embarc LLC/"Embarc Ventura Cannabis Dispensary", Journey Enterprise Holdings, LP, Embarc Tahoe LLC, Embarc Martinez LLC, Embarc Meyers LLC, Responsible and Compliant Retail Fairfield LLC, Responsible and Compliant Retail Blackstone LLC, Responsible and Compliant Retail Redwood City LLC, Embarc Sacramento LLC, Responsible and Compliant Retail Chico LLC, Responsible and Compliant Retail Tracy LLC, Indio Responsible and Compliant Retail LLC, Fontana Responsible and Compliant Retail LLC, 1784 Shaw Retail LLC, San Bruno Responsible and Compliant Retail LLC, Responsible and Compliant Retail Madera LLC, Woodland Responsible and Compliant Retail LLC, and Alameda Patients Group LLC ("Defendants" or "Responsible and Compliant Retail Ventura" is used herein as a placeholder) for alleged wage and hour violations. The Action was filed by a former Bay Area Community employee Dalisandra R. Partida ("Plaintiff") and seeks payment of (1) back wages and other relief for a class of current and former non-exempt employees ("Class Members") who worked for Defendant during the Class Period (December 19, 2020, through April 11, 2026) who did not sign a release or severance agreement during the Class Period ("Class Members"); and (2) penalties under the California Private Attorney General Act ("PAGA") for the State of California and all current and former non-exempt employees who worked for Defendants during the PAGA Period (December 21, 2023, through April 11, 2026.) ("Aggrieved Employees").

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

Based on Defendants' 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 Defendants' records you are not eligible for an Individual PAGA Payment under the Settlement because you didn't work during the PAGA Period.)

The above estimates are based on Defendants' 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 workweeks during either period, you can submit a challenge by the deadline date. See Section V of this Notice.

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

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

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

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

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

I. SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendants that are covered by this Settlement ("Released Claims").
You Can Opt-out of the Class Settlement but not the PAGA Settlement **The Opt-out Deadline is** _____	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Settlement Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section **VII** of this Notice.

	You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all Aggrieved Employees, and the LWDA must give up its rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement **Written Objections Must be Submitted by** _____	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section **VIII** of this Notice.
You Can Participate in the _____, Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section **IX** of this Notice.
You Can Challenge the Calculation of Your Workweeks/PAGA Pay Periods **Written Challenges Must be Submitted by _____.**	The amount of your Individual Class Payment and PAGA Payment (if any) depends on how many workweeks you worked at least one calendar day during the Class Period and how many PAGA Pay Periods you worked at least one calendar day during the PAGA Period. The number Class Period Workweeks and number of PAGA Pay Periods you worked according to Defendants' records is stated on the first page of this Notice. If you disagree with this number, you must challenge it by _____. See Section **V** of this Notice.
When is Your Deadline to Opt-Out of or Object to the Class Action Settlement?	You must submit your written and signed Request for Exclusion (to opt-out) or your written objection no later than 45 days after the Settlement Administrator mails this Notice to you or _____, (the "Response Deadline"). If your Notice is re-mailed to you because it was returned as undeliverable, you will have an additional 14 calendar days beyond the original 45-day deadline to submit your Request for Exclusion or objection.

II. WHAT IS THE ACTION ABOUT?

Plaintiff is a former Responsible and Compliant Retail Ventura. Plaintiff alleges that Defendants violated the following California wage and hours laws: (1) Failure to Provide Meal Periods (Lab. Code §§ 204, 223, 226.7, 512 and 1198); (2) Failure to Provide Rest Periods (Lab. Code §§ 204, 223, 226.7 and 1198); (3) Failure to Pay Hourly Wages and Overtime (Lab. Code §§ 223, 510, 1194, 1194.2, 1197, 1197.1 and 1198); (4) Failure to Provide Accurate Written Wage Statements (Lab. Code §§ 226(a)); (5) Failure to Timely Pay All Final Wages (Lab. Code §§ 201, 202 and 203); (6) Failure to Indemnify (Lab. Code § 2802); (7) Unfair Competition (Bus. & Prof. Code §§ 17200 et seq); (8) Civil Penalties (Lab. Code § 2698, et seq.); (9) Failure to Pay all Wages During Employment (Lab. Code § 204); and (10) Failure to Keep Requisite Payroll Records (Lab. Code § 1174(d)).

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

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

So far, the Court has made no determination whether Defendants or Plaintiff is correct on the merits.

In the meantime, Plaintiff and Defendants hired an experienced, neutral mediator to resolve the Action by negotiating an agreement to settle the case rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendants have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims.

By agreeing to settle, Defendants does not admit any violations or concede the merit of any claims. Defendants deny all liability or wrongdoing and contends that it made good faith efforts to comply with applicable state and federal wage and hour laws during the Class Period. Defendants agreed to resolve this matter to avoid the expense, burden, and uncertainty of continued litigation.

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

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

1. Defendants Will Pay $430,000 as the Gross Settlement Amount ("Gross Settlement").

Defendants have agreed to deposit the Gross Settlement into an account controlled by the Settlement Administrator of the Settlement. The Settlement Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Settlement Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement in installments after the Judgment entered by the Court becomes final as follows:

- Defendants shall deposit the first payment, in the amount of $215,000 with the Settlement Administrator within thirty (30) days after the final approval order or by February 10, 2027, whichever is later (the "First Payment").

- Defendants shall deposit the second and final payment of $215,000 by February 10, 2028 (the "Second Payment").

Within 15 days after Defendants fully funds the Gross Settlement Amount, the Settlement Administrator will mail checks for the Individual PAGA Payments, the LWDA PAGA Payment, the Settlement Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment.

The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

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

   A. Up to $143,333.33 (one-third of the Gross Settlement to Class Counsel for attorneys' fees) plus reasonably incurred litigation costs, subject to court approval. To date, Class Counsel have worked and incurred expenses on the Action without payment. The Settlement Administrator will withhold ten percent (10%) of any Court-approved Class Counsel Fees Payment. This ten percent (10%) holdback will not be paid to Class Counsel until the distribution process is complete and the Court has reviewed and approved a final post-distribution accounting, as further described in Item 11 of this Section.

   B. Up to $7,500 as a Class Representative Service Payment to Plaintiff for filing the Action, working with Class Counsel, and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.

   C. Up to $8,000 to the Settlement Administrator for services administering the Settlement.

D. Up to $25,000 for PAGA Penalties, allocated 65% to the LWDA PAGA Payment, and 35% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

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

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

4. Taxes Owed on Payments to Class Members. Plaintiff and Defendants are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages ("Wage Portion") and 80% to interest and penalties ("Non-Wage Portion."). The Wage Portion will be subject to withholdings and will be reported on IRS W-2 Forms. Defendants will separately pay employer payroll taxes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Settlement Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

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

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

   You cannot opt-out of the PAGA Portion of the Settlement. Class Members who opt out

of the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendants based on the PAGA Period facts alleged in the Action.

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

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

   The Settlement Administrator's contact information is contained in **Section X** of this Notice.

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

   The Participating Class Members will be bound by the following release:

   > Upon entry of final judgment and funding of the Gross Settlement Amount, all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, shall release Released Parties from: (i) all claims, rights, demands, liabilities and causes of action that were alleged, based on the facts stated in the Operative Complaint, during the Class Period, including all claims under California Labor Code sections 201-204, 210, 226, 226.3, 226.7, 510, 512, 551, 552, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698, 2699, et seq., 2800 and 2802. This includes all claims for (a) failure to provide meal periods (b) failure to provide rest periods (c) any and all claims involving any alleged failure to pay hourly wages and overtime wages, whether due to off the clock work, break premium pay, or pay calculation methods (d) any and all claims involving any alleged failure to provide compliant wage statements for any reason, (e) any and all claims involving any alleged failure to accurately calculate or pay timely wages, for any reason, at termination or during

employment (f) failure to indemnify and (g) failure to keep requisite payroll records. The Released Class Claims expressly excludes 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.

10. Released PAGA Claims. After the Court's judgment is final, and Defendants have paid the Gross Settlement (and separately paid the employer-side payroll taxes), the LWDA, or any individual on behalf of the LWDA, will be barred from asserting PAGA claims against Defendants and other related Released Parties.

    The Released PAGA Claims is as follows:

    Released PAGA Claims. Plaintiff and the LWDA, and any individual on behalf of the LWDA, are deemed to release the Released Parties from all claims for PAGA penalties that were alleged in the PAGA Notice during the PAGA Period, including, penalties predicated on the underlying alleged violations for: California Labor Code sections 201-204, 210, 226, 226.3, 226.7, 510, 512, 551, 552, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698, 2699, et seq., 2800 and 2802. This includes all claims for (a) failure to provide meal periods (b) failure to provide rest periods (c) any and all claims involving any alleged failure to pay hourly wages and overtime wages, whether due to off the clock work, break premium pay, or pay calculation methods (d) any and all claims involving any alleged failure to provide compliant wage statements for any reason, (e) any and all claims involving any alleged failure to accurately calculate or pay timely wages, for any reason, at termination or during employment (f) failure to indemnify and (g) failure to keep requisite payroll records and any other violations of the California Labor Code that were alleged in Plaintiff's PAGA Notice. The Released PAGA Claims expressly excludes all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and PAGA claims outside of the PAGA Period. It is the intent of the Parties, that in the event that another Aggrieved Employee were to assert a subsequent claim on behalf of the LWDA, for any claim included in the Released PAGA Claims, Defendants will assert the Settlement Agreement as a defense to any such claims by the LWDA or anyone acting on behalf of the LWDA. *Arias v. Superior Court*, 46 Cal. 4th 969, 986 (2009) ("Because an aggrieved employee's action under the Labor Code Private Attorneys General Act of 2004 functions as a substitute for an action brought by the government itself, a judgment in that action binds all those, including nonparty aggrieved employees, who would be bound by a judgment in an action brought by the government.").

V. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

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

of Workweeks worked by each individual Participating Class Member.

2. Individual PAGA Payments. The Settlement Administrator will calculate Individual PAGA Payments by (a) dividing $8,750 (35% of the PAGA Penalties) by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.

3. Workweek/PAGA Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendants' records, are stated on the first page of this Notice. You have until _____, to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Settlement Administrator via mail, email or fax. **Section X** of this Notice has the Settlement Administrator's contact information.

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

VI. HOW WILL I GET PAID?

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

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

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

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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement to the Settlement Administrator by fax, email, or mail. The Settlement Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your

request, identify the Action as *Dalisandra R. Partida v. Responsible and Compliant Retail Ventura LLC, et al.*, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). **You must send your request to be excluded to the Settlement Administrator by _____, or it will be invalid.** Section **X** of the Notice has the Settlement Administrator's contact information.

VIII. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendants are asking the Court to approve. At least 16 court days before the _____ Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Payment stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Payment. Upon reasonable request, Class Counsel (whose contact information is in Section X of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website ____(url)____ or the Court's website https://ventura.courts.ca.gov/online-services/case-inquiry.

A Participating Class Member who disagrees with any aspect of the Settlement or the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Payment may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Settlement Administrator is _____**. Be sure to tell the Settlement Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Dalisandra R. Partida v. Responsible and Compliant Retail Ventura LLC, et al.* and include your name, current address, telephone number, and approximate dates of employment for Defendants and sign the objection. Section **X** of this Notice has the Settlement Administrator's contact information.

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

IX. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but do not have to, attend the Final Approval Hearing on _____, at _____ a.m./p.m. in Department 44 of the Ventura Superior Court, located at 800 South Victoria Avenue, Ventura, California 93009. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Settlement Administrator. The Court will invite comments from objectors, Class Counsel, and Defense Counsel before making a decision. You can

attend (or hire a lawyer to attend) personally or virtually via the Court's virtual appearance platform. Check the Court's website for the most current information.

It is possible the Court will reschedule the Final Approval Hearing. You should check the Settlement Administrator's website (url)_____ beforehand or contact Class Counsel or Defense Counsel to verify the date and time of the Final Approval Hearing.

X. HOW CAN I GET MORE INFORMATION?

The Settlement Agreement sets forth everything Defendants and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Settlement Agreement, the Judgment or any other Settlement documents is to go to the Settlement Administrator's website at (url)_____.

You can also telephone or send an email to Class Counsel, Defense Counsel, or the Settlement Administrator using the contact information listed below or consult the Superior Court website by going to https://ventura.courts.ca.gov/online-services/case-inquiry and entering the Case Number for the Action, Case No. 2024CUOE034864.

Class Counsel:	Settlement Administrator:	Defense Counsel:
D.Law, Inc. Elizabeth Harrier e.harrier@d.law Enoch J. Kim e.kim@d.law Marta Manus m.manus@d.law D.LAW, INC. 250 N. Madison Ave, 2nd Floor Pasadena, CA 91101 Tel.: (818) 962-6465	**NAME** Administrators [Email Address] [Mailing Address] [Telephone] [Fax Number]	Dina S. Glucksman dglucksman@grsm.com James D. Miller jdmiller@grsm.com 633 West Fifth Street, 52nd Floor Los Angeles, CA 90071 Tel: (213) 576-5071

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT

XI. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your Settlement check before cashing it, the Settlement Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the Unclaimed Property Fund at ucpi.sco.ca.gov or (916) 445-5361 for instructions on how to retrieve the funds.

XII. WHAT IF I CHANGE MY ADDRESS?

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

EXHIBIT 2

D.LAW, INC.
David Keledjian, Esq. (SBN 309135)
Enoch J. Kim (SBN 261146)
Marta Manus (SBN 260132)
250 N Madison Avenue, 2nd Floor
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m.manus@d.law

Attorneys for Plaintiff DALISANDRA R. PARTIDA

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF VENTURA

DALISANDRA R. PARTIDA, on behalf of herself and all others similarly situated, and the general public,

Plaintiffs,

v.

RESPONSIBLE AND COMPLIANT RETAIL VENTURA LLC, a California limited liability company; EMBARC VENTURA CANNABIS DISPENSARY, a business entity of unknown form; and DOES 1 through 50, inclusive,

Defendants.

Case No. 2024CUOE034864

CLASS ACTION

DECLARATION OF JONATHAN PAUL IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT

Honorable Charmaine H. Buehner
Dept. J4

Date:
Time:

Action filed: December 19, 2024
Trial date:

DECLARATION OF JONATHAN PAUL

I, Jonathan Paul, declare as follows:

1. I am a resident of the United States of America and am over the age of 21. I am the CEO for Xpand Legal Consulting LLC ("Xpand"), a legal administration service provider. I am preparing this declaration at the request of Plaintiffs' Counsel. I have personal knowledge of the facts contained herein, and, if called upon to testify, I could testify accordingly.

2. Xpand has extensive experience in disseminating class action notices and administering class action settlements. This includes direct mail, telephone and online support, foreign language translation, database management, form processing and fund distribution. The cases our team has administered have ranged from 17 to 350,000 Class Members. Attached as **Exhibit A** is a true and correct copy of Xpand's CV, outlining our core competencies in legal administration. Xpand maintains the highest level of confidentiality of class member data. The data and communication received by Xpand will be held confidential, and Xpand will set up a secure folder to allow Defense Counsel to upload class or representative member information. Xpand is insured with E&O and Cyber Insurance policies in excess of the gross settlement value for this matter.

3. Xpand has no financial interest in or affiliation with either Party in this matter.

4. If selected by the Parties and appointed by the Court to handle the administration of this case, Xpand understands its duties will include but are not limited to: (a) performing address location services to locate class member addresses; (b) mailing English and Spanish notices to class members; (c) creating and maintaining a case website where any relevant Court documents, including the final order and judgment, will be posted for class members; (d) handling inquiries from class members concerning the class notice; (e) resolving disputes; and (f) performing other such duties as the parties and/or the Court may direct.

5. Once appointed, Xpand will provide a mailing address, website, and toll-free telephone number to receive correspondence and inquiries from class members. After receiving the class data file from Defendant, that should contain the class members' names, last known addresses, and Social Security numbers, Xpand will upload the data

into a database and check for duplicates and other potential inconsistencies.

6. Prior to sending out the notice, Xpand will translate the notice into Spanish, fill in the specific date for the deadline so that all class members will know when any applicable forms, if any, will be due. At the expiration of the deadline, Xpand will inform the parties of the number and name of those individuals who filed a timely opt-out, dispute, or objection.

7. While preparing to mail the class notice, Xpand will utilize the National Change of Address ("NCOA") database, maintained by the United States Postal Service ("USPS"), to update or confirm the mailing addresses of class members. If an updated address is found, Xpand will use the new address to mail the class notice. If Xpand does not locate an updated address, it will use the original address provided by Defendant to mail the class notice.

8. If any class notices are returned to Xpand's office as undeliverable, Xpand will attempt to locate an updated address using industry standard skip trace databases and will quickly remail the class notice.

9. Prior to the Final Approval Hearing, Xpand will provide the parties with copies of exclusions and objections received by class members.

10. Xpand's distribution process will include; (a) applying for case specific Employer Identification Number ("EIN"); (b) establishing Qualified Settlement Fund ("QSF"); (c) reconciling the QSF; (d) calculating payment amounts and applicable taxes, if any; (e) distributing payments to eligible class members, attorneys' fees and costs; class representative enhancement awards; (f) providing applicable tax forms, if any (e.g. W2, 1099-MISC, 1099-INT, etc.); (g) performing other duties directed by the parties or court.

11. The services above are included in Xpand's cost estimate, which is attached to this declaration as **Exhibit B** and reflects a not to exceed amount of $7,500.00. The fees/costs are broken down by category and outlined as hourly or transactional, but the cost above is a flat fee.

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I declare, under penalty of perjury under the laws of the State of California, that the foregoing is true and correct. Executed this 30th day of September 2026, at Laguna Hills, California.



Jonathan Paul

EXHIBIT “A”

ABOUT XPAND

Xpand is a fast-growing legal administration firm. With over 20 years of industry experience, CEO, Jonathan Paul, leverages his subject matter expertise to ensure excellence is at the core of all we do. Starting his legal administration career as a Project Manager, he later advanced into positions such as Senior Vice President at one of the largest administrators in the country and President of Sales & Marketing for a long-standing boutique firm. He now works closely with the project and case teams to ensure best in class processes are followed.

COO, Tiffany Paul, comes with over a decade of experience at one of the largest consumer goods companies in the world. Coupled with the successful launch and scale of her own startups, Tiffany brings creative solutions to a field that has a tendency to be stuck in its ways and has improved dozens of processes during her tenure running legal administration projects.

The case management team has been involved in projects spanning several practice areas, including:

- Data Breach
- Consumer Protection
- Discrimination
- Mass Tort
- PAGA
- Personal Injury
- Product Liability
- Wage and Hour
- ERISA
- Antitrust

ABOUT OUR STRATEGY

Xpand's taking a fresh look at the processes and procedures that have dominated the legal administration space for decades and quickly finding there is plenty of opportunity to innovate.

We've partnered with industry leaders in HR, IT, printing, telecom, banking, and tax reporting to build solutions that meet the needs of any project. Whether it's a small wage & hour case in need of cost effective administration or a multi-tiered mass tort case in need of sophisticated implementation, Xpand has the solution. We spend the time understanding the clients' needs before deploying the right resources in as quickly as 24 hours, allowing law firms to continue their day to day without disruption.

XPAND LEGAL
Mass Tort • Class Action • Mass Arbitration

ABOUT OUR SERVICES

Xpand is growing quickly and regularly adding services to our repertoire, but currently offers:

- Notification
- Project Management
- Print & Mail
- Call Center
- Legal Advertising
- Website Development
- Forms Processing
- Client Intake
- Address Location
- Data Management
- Qualified Settlement Fund (QSF) Management
- Fund Distribution
- Tax Reporting
- Medical Record Review
- Lien Resolution

ABOUT OUR EXPERIENCE

Some of the cases Xpand has managed:

- *Ramirez, et al. v. S&E Gourmet Cuts, Inc., Superior Court of California, County of San Bernardino, Case No. CIVSB2201247*
- *Johnson v Investment Concepts, Superior Court of CA, County of San Diego, Case No. 37-2022-00018300-CU-NP-CTL*
- *Chavis v. Grocery Outlet, Superior Court of California, County of Sacramento, Case No. 34-2021-00309003-CU-OE-GDS:*
- *Busby v. Mission Loans, LLC, et al., Superior Court of California, County of Los Angeles, Case No. 23STCV07682*
- *Barton v. United Development Group, Inc., Superior Court of CA County of SD, Case No. 37-2021-00039885-CU-OE-CTL*
- *Fleschert v. Cedars-Sinai Medical Center, Superior Court of California, County of Los Angeles, Case No. 19STCV05681*
- *Cruz, et al. v. Los Compadres Restaurant, Inc., Superior Court of CA, County of Los Angeles*
- *Aguero, et al. v. SR Long Beach FD, et al., Superior Court of CA, County of Los Angeles, Case No. BC650977*
- *Arizmendi v. Diamond Environmental, Superior Court of CA, County of San Diego, Case No. 37-2023-00051655-CU-OE-CTL*
- *Ascencio v. Kumar Hotels, Superior Court of CA, County of Tehama, Case No. 23C1-00020*
- *Betancur v. Pride Conveyance Systems, Inc., Superior Court of CA, County of San Benito, Case No. CU-21-000022*
- *Britton v. Rice Wings, LLC, Superior Court of Washington, County of King at Kent, Case No. 23-2-09301-1 KNT*
- *California Truck Centers, Superior Court for the State of California, San Joaquin County Superior Court, Case No. STK-CV-UOE-2023-0006967*
- *Calkins v. United Security, Superior Court of CA, County of Los Angeles, Case No. 20STCV35391*

- *Clayton v. Soho House, LLC, et al., Superior Court of CA, County of Los Angeles, Case No. 24SMCV02114*
- *Flores v. JR & MRP, Superior Court of CA, County of Los Angeles, Case No. 56-2021-00557205-CU-OE-VTA*
- *Gatica-Castro v. Specialty Team Plastering, Inc., Superior Court of CA, County of Santa Barbara, Case No. 22CV01120*
- *Guinto v. C&K Market, Superior Court of CA, County of Siskiyou, Case No. SCCV-CVCV-2021-964*
- *Hawkins, et al. v. Ontel Security Services, Inc., Superior Court of CA, County of Stanislaus, Case No. CV-20-005404*
- *Horowitz v. Skywest Airlines, Inc. United States District Court Northern District of CA – San Francisco, Case No, 21-CV-04674-MMC*
- *Huffman v. K&M Casinos, Inc., Superior Court of CA, County of Sacramento, Case No. 34-2021-00300960*
- *Kaiser v. Equity Residencial Management, Superior Court of CA, County of Los Angeles, Case No. 21STCV42487*
- *Lambert v. Dual Diagnosis PAGA, Superior Court of CA, County of Los Angeles – Spring Street Courthouse, Case No. BC616149*
- *Laninovich v. Bear Valley Springs, Superior Court of CA for the County of Kern, Case No. BCV-21-102750-BCB*
- *LaVia v. Curaleaf Holdings, Inc., Supreme Court of the State of NY, County of Nassau, Case No. 610309/2024*
- *Lopez v. DH Long Point Management LLC, Superior Court of CA, County of Los Angeles – Spring Street Courthouse, Case No. 21STCV35029*
- *Mayorga, et al. v. Qualawash Holding, LLC, et al., Superior Court of CA, County of Los Angeles, Case No. 23STCV00914 and 23NWCV00148*
- *McLane v. GoPlus Corp, Superior Court of CA, County of San Bernadino- Civil Division-Complex, Case No. C1VDS1819150*
- *Mireles v. Lodi Memorial Hospital, Superior Court of CA, County of San Joaquin, Case No.STK-CV-UOE-2020-0004458*
- *Moreno, et al. v. Infiniti Group, LLC, et al., Superior Court of CA, County of San Bernadino, Case No. C1VSB2223551*
- *Norfleet v. RevCore Recovery Center, Supreme Court of the State of New York, Case No. 617754/2023*
- *Norris v. CG Hospitality Group, Inc., Superior Court of CA, County of Los Angeles, Case No. 23STCV12946*
- *Pascual v. Heritage on the Marina, Superior Court of CA, County of San Francisco, Case No. CGC-23-607790*
- *Pipich, et al. v. O'Reilly Auto Enterprises, LLC, et. al., United States District Cour for the Southern District of CA, Case No. 3:21-cv-00120-L-JLB*
- *Sanchez v. JR Pierce Plumbing, Superior Court of CA, County of Sacramento, Case No. 34-2021-00300960-CU-OE-GDS*
- *Sanchez v. MiTac Information Systems Corp., et al., Superior Court of CA, County of Alameda, Case No. 22CV005940*
- *Santos v. Replanet Packaging, Superior Court of CA, County of Tulare, Case No. VCU285878*
- *Sim v. Maddox Resources, Inc., Superior Court of CA, County of Los Angeles, Case No. 22STCV20798*

- *Sorensen v. P.F. Automotive, Superior Court of CA, County of San Diego, Case No. 37-2023-0025169-CU-OE-CTL*
- *Sproul v. IKEA, Superior Court of CA, County of Kern, Case No. BCV-20-101600*
- *Tellez v. Mercy Housing Management, Superior Court of CA, County of Alameda, Case No. 23CV031003*
- *Touch v. Cox Automotive, United States District Court Eastern District of CA, Case No. 2:23-cv-09145-TLN-CSK*
- *Trimmer, et al. v. Barclay Water Management, Inc., Supreme Court of the State of New York, New York County, Case No. 653139/24*

- *Vasquez v. PJ Farm Labor, Superior Court of CA, County of Kings, Case No. 22C-0382*
- *Wolff v. Enterprise Fleet Management, Inc., Superior Court of CA, County of Los Angeles, Case No. 23STCV16885*
- *Wright v. Home Box Office, Inc., et al, Superior Court of CA, County of Los Angeles, Case No. 21STCV19636*
- Mass Tort: Several medical device, pharmaceutical cases, natural disaster, fire and sexual abuse cases which are confidential.

EXHIBIT “B”

Case Name:	**Partida v. Responsible & Compliant Retail**
Date:	July 27, 2026
Client Name:	Marta Manus
Client Email:	m.manus@d.law
Xpand Contact:	Dan Stone
Xpand Contact Email Address:	dan@xpandlegal.com
Xpand Contact Phone Number:	858.752.4576

**Cost Estimate for Legal Administration Services*
**Pricing Good for 90 Days*
**Assumes Scope Within - Additional Services Priced Accordingly*

Key Assumptions Used for Pricing	
Class Size	603
Undeliverable Mail (estimated %)	10%
Forwarded Mail (estimated %)	5%
Toll Free Telephone Support	No
Website	Yes
Spanish Translation	Yes
National Change of Address (NCOA)	Yes
Wage Tax Reporting	Yes
Number of States for Tax Reporting	1
Number of Payment Distributions	1
Tax Reporting Years	1
Remaining Funds After Distribution	Unclaimed Property

Case Setup

Service	Type	Cost Per Piece	Volume	Total
Project Manager - Case Setup, Document Review & Timeline	Hourly	$125.00	1	$125.00
Data Analyst - Data Analysis, Formatting, Uploading to Database*	Hourly	$125.00	1	$125.00
NCOA (Includes CASS & LACS)	Flat Fee	$250.00	1	$250.00
Spanish Translation	Flat Fee	$500.00	1	$500.00
Toll Free Telephone Support	Flat Fee	$0.00	0	$0.00
Static Website	Flat Fee	$500.00	1	$500.00
			Total	**$1,500.00**

**Xpand assumes mailing data will be provided in Microsoft Excel or other usable format and will not require substantial manipulation. Additional formatting and manipulation will be billed at $125/hour.*

Notification

Service	Type	Cost Per Piece	Volume	Total
Print & Mail Notice Package	Per Piece	$1.00	603	$603.00
USPS First Class Mail - 1oz	Per Piece	$0.80	603	$482.40
Submission Processing (Opt Outs, Disputes, Objections)	Hourly	$75.00	2	$150.00
Undeliverable Mail Processing	Per Piece	$3.00	61	$183.00
Address Trace Undeliverable Mail	Per Piece	$3.00	61	$183.00
Remail Notice Package (Undeliverable & Forwards)	Per Piece	$3.00	79	$237.00
			Total	**$1,838.40**

Project Management

Service	Type	Cost Per Piece	Volume	Total
Project Manager - Client Inquiries, General Oversight & Management	Hourly	$125.00	2	$250.00
Status Reporting (Ongoing & Final)	Hourly	$75.00	2	$150.00
Declaration (Final Approval & Payment)	Hourly	$125.00	2	$250.00
Executive Oversight	Hourly	$200.00	1	Waived
			Total	**$650.00**

Distribution

Service	Type	Cost Per Piece	Volume	Total
Project Manager - Setup & Preparation	Hourly	$125.00	1	$125.00
Data Analyst - Payment File Production & Quality Review	Hourly	$125.00	1	$125.00
Print & Mail Payments	Per Piece	$1.00	603	$603.00
USPS First Class Mail - 1oz	Per Piece	$0.80	603	$482.40
Undeliverable Payment Processing	Per Piece	$3.00	61	$183.00
Address Trace Undeliverable Mail	Per Piece	$3.00	61	$183.00
Remail Payments (Undeliverable & Forwards)	Per Piece	$3.00	79	$237.00
Tax ID Setup & Shutdown	Flat Fee	$250.00	2	$500.00
Qualified Settlement Fund (QSF) Creation, Reporting & Closure	Hourly	$150.00	3	$450.00
QSF Monthly Fees & Account Reconciliation	Monthly	$50.00	8	$400.00
Process Remaining Funds	Flat Fee	$223.20	1	$223.20
			Total	**$3,511.60**

Total Case Cost - Not to Exceed: $7,500.00

Terms & Conditions

All services to be provided by Xpand Legal Consulting LLC (hereinafter, "Xpand") to you (hereinafter, the "Client") shall be subject to the following terms and conditions (these "Terms and Conditions") of this Agreement:

1. **Services:** Subject to the terms hereof, Xpand agrees to provide the Client with administration services (hereinafter, "Services") as specified in the Proposal provided to the Client to which these Terms and Conditions are referenced (the "Proposal" and together with these Terms and Conditions, this "Agreement"). The Services do not constitute legal services or advice.
2. **Independent Contractor Status:** Xpand is performing the Services to the Client as an independent contractor for the purposes of federal, state, and local law, and neither it nor its employees shall be deemed to be employees of the Client. Xpand shall have full control over the methods, techniques, sequences, and procedures of the Services, is free to perform services for other clients, and is not subject to the supervision or control of the Client in the performance of the Services, except as to the results to be achieved.
3. **Fees for Services:** Fees to the Client for Services, including all fees and expenses in accordance with Section 4 below ("Fees") shall be on a time and materials basis at our prevailing rates and are subject to change. Any estimates of Fees set forth in the Proposal are estimates only, based on information provided by the Client to Xpand and the Services referenced in the Proposal, and do not cover any applicable taxes nor third-party fees. Actual Fees payable by the Client may be greater or less than such estimates. Expenses incurred related to corrective files due to voids and re-issues of payments and related correspondence with state and federal taxing authorities will not be charged to the Client to the extent that funds are received from the taxing authorities offset such expenses. The Client acknowledges and agrees that Xpand may derive financial benefits from financial institutions in connection with the deposit and investment of relevant funds with such institutions, including without limitation, income proceeds derived therefrom, discounts on eligible banking services and fees, and loans at favorable rates.
4. **Payment of Fees:** Fees will be invoiced by Xpand and shall be due and payable by the Client upon distribution of the applicable payments to class members and counsel in accordance with the direction of the court in the applicable matter (the "Court"). For all matters where print and postage costs exceed $25,000, such fees shall be due and payable at the time of mailing. For matters that do not involve payment distributions, payment is due within 30 days of completion of mailing. If any invoice remains unpaid for more than thirty (30) days from the invoice date, interest may accrue on the outstanding balance at the rate of 0.8333% per month (10% per annum). The Services are not provided on a contingency fee basis. Xpand's fees are earned as Services are performed and are not contingent upon court approval, settlement approval, settlement funding, distribution of settlement proceeds, recovery by any party, or any other case outcome. For the avoidance of doubt, the Client's obligation to pay for Services rendered shall remain in full force and effect notwithstanding any court order, settlement withdrawal, settlement disapproval, case dismissal, termination of the matter, or other action taken by the Court or any party.
5. **Indemnification:** The Client will indemnify and hold Xpand and its affiliates (and their respective officers, employees, and agents) harmless against any losses, claims, damages, liabilities, costs and expenses (including reasonable attorneys' fees and expenses) incurred by Xpand, arising out of, in connection with, or related to (i) any breach of the Agreement, including these Terms and Conditions, by the Client; or (ii) the processing and handling of any aspect of the project by Xpand, including but not limited to the Services, in accordance with Client's instructions.
6. **Confidentiality:** Xpand will maintain reasonable and appropriate security measures and safeguards to protect the security and confidentiality of data provided to Xpand by the Client or another party to the action. In the event Xpand is notified of any judicial order or other proceedings in which a third party seeks to obtain access to the confidential data created by or for the Client, Xpand will notify the Client, unless prohibited by applicable law. The Client shall have the option to, within ten (10) business days of receipt of such notification, (1) provide legal representation at the Client's expense to avoid such access, or (2) promptly reimburse Xpand for any of its costs, including attorneys' fees, reasonably incurred in avoiding, attempting to avoid or providing such access and not paid by the entity seeking the data. If the Client does not timely select its option, it shall be irrevocable deemed to have select option (2) and be obligated to reimburse Xpand in accordance therewith. If Xpand is required, pursuant to a court order, to produce documents, disclose data, or otherwise act in contravention of the obligations imposed by this Agreement, or otherwise, with respect to maintaining the confidentiality, proprietary nature and secrecy of the produced documents or disclosed data, Xpand will not be liable for breach of said obligation.
7. **Data Rights:** Xpand does not convey nor does the Client obtain any rights in the programs, system data, or materials utilized or provided by Xpand in the ordinary course of business in the performance of this Agreement.
8. **Document Retention:** Unless directed otherwise in writing by the Client, Xpand will maintain documents and other correspondence for the later of (a) one (1) year after final distribution of relevant funds or benefits, or (b) until the date that the disposition of the relevant case is no longer subject to appeal or review.
9. **Limitation of Damages:** Xpand is not responsible to the Client for any special, consequential, or incidental damages incurred by the Client. Any liability of Xpand to the Client shall not exceed the total amount of Fees billed to the Client for the Services that give rise to such liability.
10. **Termination:** The Services to be provided under this Agreement may be terminated by the Client with or without cause upon at least thirty (30) calendar days' prior written notice to Xpand. The Client's obligation to pay Fees for Services still in progress at the time of notice of termination shall continue throughout that 30-day period. Xpand may terminate this Agreement (i) if the Client has not paid its Fees in accordance with Section 4 of these Terms and Conditions, upon at least ten (10) calendar days' prior written notice; or (ii) in any other event, upon at least three (3) months' prior written notice to the Client. The Client is obligated to pay for all Fees and Services at the time of termination under this paragraph; no deferral period shall take effect.
11. **Notice:** Any notice required or permitted hereunder shall be in writing and shall be delivered personally, or sent by registered mail, postage prepaid, or overnight courier service to the responsible officer or principal of Xpand or the Client, as applicable, and shall be deemed given when so delivered personally, or, if mailed, three (3) business days after the date of deposit in United States mail, or, if sent by courier, two (2) business days after delivery to such courier service.
12. **Force Majeure:** To the extent performance by Xpand of any of its obligations hereunder is substantially prevented by reason of any act of God or by reason of any other matter beyond Xpand's reasonable control, then such performance shall be excused and this Agreement, at Xpand's option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.
13. **Waiver of Rights:** No failure or delay on the part of either party hereto in exercising any right under these Terms and Conditions will operate as a waiver of, or impair, any right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in writing by the relevant party's authorized representative.
14. **Jurisdiction:** The parties hereto submit to the jurisdiction of the Court for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby waive any objection to the laying of venue of any such suit, action or proceeding in the Court.
15. **Entire Agreement:** These Terms and Conditions and the Proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. No changes in, additions to, or waivers of, the Terms and Conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.
16. **Counterparts:** These Terms and Conditions and the Proposal may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single Agreement. Delivery of an executed counterpart of a signature page of these Terms and Conditions and the

EXHIBIT 3