SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

MARIO REGALADO CONTRERAS, as an individual and on behalf of all others similarly situated, Plaintiff, v. INMAR SUPPLY CHAIN SOLUTIONS, LLC, a North Carolina limited liability company; and DOES 1 through 100, inclusive, Defendants.	Case No. 30-2024-01444626-CU-OE-CXC [*Assigned for all purposes to the Honorable Layne H. Melzer, Dept. CX102*] **[PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT** Date: March 19, 2026 Time: 2:00 p.m. Dept.: CX102

The Motion of Plaintiff Mario Regalado Contreras ("Plaintiff") for Preliminary Approval of Class Action Settlement ("Motion") came on regularly for hearing before this Court on March 19, 2026 at 2:00 p.m. in Department CX102. The Court, having considered the proposed Stipulation of Class and PAGA Action Settlement (the "Settlement"), attached as Exhibit 2 to the Declaration of Scott M. Lidman filed concurrently with the Motion for Preliminary Approval of Class Action Settlement and attached hereto as **Exhibit A**; having considered Plaintiff's Motion, Memorandum of Points and Authorities in support thereof, and supporting declarations filed therewith; and good cause appearing, HEREBY ORDERS THE FOLLOWING:

1. The Court GRANTS preliminary approval of the class action settlement as set forth in the Settlement and finds it terms to be within the range of reasonableness of a settlement that ultimately could be granted approval by the Court at a Final Fairness Hearing. For purposes of the Settlement, the Court finds that the proposed Settlement Class is ascertainable and that there is a sufficiently well-defined community of interest among the members of the Settlement Class in questions of law and fact. Therefore, for settlement purposes only, the Court grants conditional certification of the following Settlement Class:

> All persons currently or formerly employed by Defendant Inmar Supply Chain Solutions, LLC as non-exempt, hourly-paid employees who worked in California during the Class Period.
>
> For purposes of this Settlement Agreement, the "Class Period" is defined to mean the period from January 6, 2022, through July 14, 2025.

Additionally, for the purposes of this settlement only, Aggrieved Employees shall be defined as:

> All persons who are or were employed by Defendant Inmar Supply Chain Solutions, LLC as non-exempt or hourly employees in California during the PAGA Period.
>
> For purposes of this Settlement Agreement, the "PAGA Period" is defined to mean the period from December 6, 2023, through July 14, 2025.

2. For purposes of the Settlement, the Court designates named Plaintiff Mario Regalado Contreras as Class Representative, and Scott M. Lidman, Milan Moore, and Tiara

Gose-Hardy of Lidman Law, APC and Paul K. Haines of Haines Law Group, APC as Class Counsel.

3. The Court conditionally designates Phoenix Settlement Administrators ("Phoenix") as the third-party Settlement Administrator for mailing notices.

4. The Court approves, as to form and content, the following documents to be mailed to the Settlement Class in both English and Spanish:

a. Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval attached hereto as **Exhibit B**;

b. Allocation Form attached hereto as **Exhibit C**;

c. Request for Exclusion Form attached hereto as **Exhibit D**; and

d. Objection Form attached hereto as **Exhibit E**.

5. The Court finds that the form of notice to the Settlement Class regarding the pendency of the action and of the Settlement, and the methods of giving notice to Settlement Class members, constitutes the best notice practicable under the circumstances, and constitutes valid, due, and sufficient notice to all members of the Settlement Class. The form and method of giving notice complies fully with the requirements of California Code of Civil Procedure section 382, California Civil Code section 1781, California Rules of Court 3.766 and 3.769, the California and United States Constitutions, and other applicable law.

6. The Court further approves the procedures for Settlement Class members to opt out of or object to the Settlement, as set forth in the Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval.

7. The procedures and requirements for filing objections in connection with the Final Fairness Hearing are intended to ensure the efficient administration of justice and the orderly presentation of any Settlement Class member's objection to the Settlement, in accordance with the due process rights of all Settlement Class members.

8. The Court directs the Settlement Administrator to mail the Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval to all of the Class members in accordance with the terms of the Settlement.

9. The Class Notice shall provide at least 60 calendar days' notice for Settlement Class members to dispute, opt out of, or object to, the Settlement.

10. Specifically, any dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Parties shall file with the Court all disputes submitted by Settlement Class Members, including the evidence submitted and the resolution of the disputes. Although the Settlement Administrator may make the initial decision regarding claim disputes, the Court may review any initial decision made by the Settlement Administrator regarding a claim dispute. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Settlement Awards under the terms of this Settlement Agreement. In the absence of a dispute, the Settlement Administrator's determination of the eligibility for and amount of any Settlement Award shall be binding upon the Settlement Class Member and the Parties, unless the Court determines otherwise. In the case of any unresolved dispute, the Court will ultimately decide.

11. Members of the Settlement Class who do not request exclusion may object to this Settlement Agreement as explained in the Class Notice by filing a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Inmar Supply's counsel) or by appearing at the Final Fairness Hearing to object orally personally or through counsel. Inmar Supply's counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval. To be valid, any written objection must: (1) contain the objecting Settlement Class Member's full name and current address, as well as contact information for any attorney representing the objecting Settlement Class Member for purposes of the objection; (2) a concise statement of the objection; and (3) be postmarked no later

than the Response Deadline. Members of the Settlement Class who do not request exclusion may also object to the Settlement by appearing at the Final Approval Hearing irrespective of whether they submitted any written objections.

12. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class Member; (2) contain a statement that the Settlement Class Member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class Member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the Settlement, except that a Request for Exclusion not containing a Settlement Class Member's telephone number and last four digits of the Social Security number will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class Member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the Settlement, except insofar as such Settlement Class Member is a PAGA Employee, nor shall any such individual have any right to object, appeal or comment thereon.

13. The Final Fairness Hearing on the question of whether the Settlement should be finally approved as fair, reasonable, and adequate is scheduled in Department CX102 of the above-entitled Court, located at 330 West Broadway, San Diego, CA 92101 on _________ 2026 at _______ a.m. / p.m.

14. At the Final Fairness Hearing, the Court will consider: (a) whether the Settlement should be finally approved as fair, reasonable, and adequate for the Settlement Class; (b) whether a judgment granting final approval of the Settlement should be entered; and (c) whether Plaintiff's application for reasonable attorneys' fees, reimbursement of litigation expenses, service award to Plaintiff, and payment to the Labor and Workforce Development Agency ("LWDA") for penalties

under the Labor Code Private Attorneys General Act ("PAGA") should be granted.

15. Counsel for the parties shall file memoranda, declarations, or other statements and materials in support of their request for final approval of the Settlement, attorneys' fees, litigation expenses, Plaintiff's service award, settlement administration costs, and payment to the LWDA for PAGA penalties prior to the Final Fairness Hearing according to the time limits set by the Code of Civil Procedure and the California Rules of Court.

16. An implementation schedule is below:

Event	**Date**
Defendants to provide Class Data to Settlement Administrator	20 calendar days after the Court enters an order granting preliminary approval.
Settlement Administrator to mail Notice Packets to Class Members	10 business days after receiving Class Data from Defendant
Deadline for Class Members to request exclusion from, submit disputes, or object to, the Settlement	60 calendar days after mailing of the Notice by the Settlement Administrator
Deadline for Plaintiff to file Motion for Final Approval of Class Action Settlement (and to respond to any objections):	16 Court days before the Final Fairness Hearing (________, 2026)
Final Fairness Hearing:	__________, 2026

17. Pending the Final Fairness Hearing, all proceedings in this action, other than proceedings necessary to carry out or enforce the terms and conditions of the Settlement and this Order, are stayed.

18. Counsel for the parties are hereby authorized to utilize all reasonable procedures in connection with the administration of the Settlement which are not materially inconsistent with either this Order or the terms of the Settlement.

IT IS SO ORDERED.

Dated: _____________, 2025

____
Honorable Layne H. Melzer
Judge of the Superior Court

EXHIBIT A

EXHIBIT A

STIPULATION OF CLASS AND PAGA ACTION SETTLEMENT

This Stipulation of Settlement (this "Settlement Agreement" or the "Settlement") is reached by and between Plaintiff Mario Regalado Contreras ("Plaintiff"), individually and on behalf of all members of the Settlement Class (defined below), on one hand, and Defendant Inmar Supply Chain Solutions, LLC ("Inmar Supply" or "Defendant"), on the other hand. Plaintiff and Inmar Supply are referred to herein collectively as the "Parties." Plaintiff and the Settlement Class are represented by Paul K. Haines of Haines Law Group, APC and Scott M. Lidman, Milan Moore and Tiara Gose-Hardy of Lidman Law, APC (collectively, "Class Counsel"). Inmar Supply is represented by Christopher J. Boman, Boris Sorsher and Kelsey L. Wong Javier of Fisher & Phillips LLP.

On December 6, 2024, Plaintiff filed a Complaint against Defendant in Orange County Superior Court, in the matter entitled *Mario Regalado Contreras v. Inmar Supply Chain Solutions, LLC.*, Case No. 30-2024-01444626-CU-OE-CXC (the "Action"). On February 10, 2025, Plaintiff filed a First Amended Complaint alleging that Inmar Supply: (i) failed to pay all overtime wages owed; (i) failed to provide meal periods, or premium pay for non-compliant meal periods; (iii) failed to reimburse necessary business expenses; (iv) failed to issue accurate, itemized wage statements; (v) engaged in unfair business practices premised on the facts, claims, causes of action or legal theories described above; and (vi) is liable for civil penalties pursuant to the Labor Code Private Attorneys General Act, Cal. Labor Code § 2698 *et seq.* ("PAGA") as a result of the aforementioned alleged violations of the California Labor Code.

Inmar Supply denies Plaintiff's claims in the Action in their entirety and denies that the Action is suitable for treatment as a class action or on any representative basis.

Given the uncertainty and cost of litigation, Plaintiff and Inmar Supply wish to settle the Action and the Released Class Claims (defined below), both individually and on behalf of the Settlement Class. Accordingly, Plaintiff and Inmar Supply agree as follows:

1. **Second Amended Complaint**. Within thirty (30) days of the full execution of this Stipulation of Class and PAGA Settlement, the Parties shall enter into a Joint Stipulation, subject to Court approval, which shall permit Plaintiff to file a Second Amended Complaint to add class allegations for: (i) failure to pay all minimum wages owed; (ii) failure to authorize and permit all legally required rest periods; and (iii) failure to timely pay all wages owed upon separation of employment and to add, after the PAGA exhaustion period has expired, an allegation that the PAGA cause of action is also based on these three aforementioned allegations.

2. **Settlement Class**. For the purposes of this Settlement Agreement only, Plaintiff and Inmar Supply stipulate to the certification of the following Settlement Class:

> All persons currently or formerly employed by Defendant Inmar Supply Chain Solutions, LLC as non-exempt, hourly-paid employees who worked in California during the Class Period.

For purposes of this Settlement Agreement, the "Class Period" is defined to mean the period from January 6, 2022, through July 14, 2025.

The Parties agree that certification for purposes of this Settlement Agreement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible, void ab initio, and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

3. **PAGA Employees**. For the purposes of this Settlement Agreement only, Plaintiff and Inmar Supply stipulate to the following definition of PAGA Employees:

> All persons who are or were employed by Defendant Inmar Supply Chain Solutions, LLC as non-exempt or hourly employees in California during the

For purposes of this Settlement Agreement, the "PAGA Period" is defined to mean the period from December 6, 2023, through July 14, 2025.

4. **Release by Settlement Class Members and Plaintiff**. Plaintiff and every member of the Settlement Class (except those who timely and properly submit a Request for Exclusion as set forth below) will fully and forever completely discharge Inmar Supply, and all of its current or former parent companies, subsidiaries, sister companies, divisions, joint ventures, affiliates, affiliated companies, assigns, trustees, guarantors, fiduciaries, partnerships, present and former owners, employees, shareholders, insurers, attorneys, and affiliated entities, successor entities, and/or any other related company that could be jointly liable with Defendant (collectively, the "Released Parties"), as follows:

A. Settlement Class Members' Release: Settlement Class Members and Plaintiff will release any and all claims, demands, rights, liabilities and causes of action that were pled or reasonably could have been pled based on the factual allegations contained in the proposed operative Second Amended Complaint under any state law, federal law, common law, equity or other theory that arose during the Class Period with respect to the following claims: (1) failure to pay minimum wages [Cal. Lab. Code §§ 204, 1194, 1194.2, and 1997]; (2) failure to pay overtime compensation [Cal. Lab. Code §§ 1194 and 1198]; (3) failure to provide meal periods or pay meal period premiums at the regular rate of pay [Cal. Lab. Code §§ 226.7, 512]; (4) failure to authorize and permit rest breaks or pay rest period premiums at the regular rate of pay [Cal. Lab. Code § 226.7]; (5) failure to indemnify necessary business expenses [Cal. Lab. Code § 2802]; (6) failure to timely pay wages at termination [Cal. Lab. Code §§ 201-203]; (7) failure to provide accurate itemized wage statements [Cal. Lab. Code § 226]; and (8) Unfair Business Practices [Cal. Bus. & Prof. Code §§ 17200, *et seq.*). (collectively, the "Released Class Claims").

The time period for the release of the Released Class Claims against the Released Parties shall be the same time period as the Class Period.

B. <u>PAGA Release</u>: PAGA Employees, including Plaintiff and those who timely and properly submit a Request for Exclusion as set forth below, will release and discharge Defendant and the Released Parties from all civil penalties available under PAGA based on the facts alleged in the operative Second Amended Complaint and alleged in the letters to the LWDA dated December 6, 2024 and July 22, 2025, including: (1) failing to pay for all hours worked, including minimum wages, straight time wages, and overtime wages (Cal. Lab. Code §§ 204, 510, 1194, 1197, and 1198); (2) failing to provide meal periods or pay meal period premiums at the regular rate of pay (Cal. Lab . Code §§ 226.7, 512, and applicable Wage Orders); (3) failing to authorize and permit rest breaks or pay rest period premiums at the regular rate of pay (Cal. Lab. Code§§ 226.7 and applicable Wage Orders); (4) failing to maintain accurate records of hours worked and meal periods taken or missed (Cal. Lab. Code §§ 1174.5 and applicable Wage Orders); (5) failing to reimburse and indemnify employees for expenses and losses in the direct consequence and discharge of their duties (Cal. Lab. Code § 2802); (6) willfully failing to pay all wages due at termination (Cal. Lab. Code §§ 201-203); (7) failing to provide accurate itemized wage statements (Cal. Lab. Code § 226); and (8) any recovery under Labor Code Sections 2699, *et set.*, for these alleged violations (collectively, the "PAGA Released Claim").

The time period for the release of the PAGA Release against the Released Parties shall be the same time period as the PAGA Period. PAGA Employees may not opt-out of the PAGA Release.

C. <u>General Release by Plaintiff</u>: In consideration for Defendant's promises and obligations under this Settlement Agreement, Plaintiff agrees to a general and comprehensive release of all of his known and unknown claims against the Released Parties, including, without limitation, all claims that were or could have been alleged in the Complaints in the Action under any state law, federal law, common law, equity or other theory arising in any way out of Plaintiff's employment with Defendant or any of the Released Parties. As part of this release, Plaintiff further releases all unknown claims against Defendant and any of the Released Parties, covered by California Civil Code Section 1542, which states:

> 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.

Plaintiff understands that he is an individual, a "creditor" and "releasing party" within the meaning of Civil Code section 1542, and thereby expressly waives and relinquishes any and all rights and benefits under Section 1542 of the Civil Code of the State of California and under any statute, rule, or principle of common law or equity, of any jurisdiction, that is similar to Section 1542.

Notwithstanding the foregoing, the waiver and releases in this Settlement Agreement do not apply to: (i) those rights as a matter of law that cannot be waived, including, but not limited to, workers' compensation claims; (ii) rights or claims arising after this Settlement Agreement is executed by Plaintiff; (iii) rights or claims arising out of this Settlement Agreement related to the enforcement thereof. The Settlement Agreement in no way affects Plaintiff's entitlement and/or benefits to be received by Plaintiff in workers' compensation pursuant to the jurisdiction of workers' compensation.

Plaintiff also agrees to not request an exclusion from this Settlement, nor shall Plaintiff object to any portion of the Settlement. Any Incentive Award approved by the Court will result in the issuance of a Form 1099 to the class representative, who shall assume full responsibility and liability for the payment of taxes due on such award.

D. The releases identified herein shall become effective on the date Defendant fully funds the Gross Settlement Amount and the employer's share of payroll taxes pursuant to the terms of this Settlement Agreement (the "Effective Date of the Releases"). Upon the Effective Date of the Releases, all Settlement Class Members shall be deemed to have, and by operation of Judgment shall have, released, waived and relinquished the Released Class Claims, and all PAGA Employees and the State of California shall be deemed to have, and by operation of the Judgment shall have, released, waived and relinquished the PAGA Released Claim.

5. **Gross Settlement Amount**. As consideration, Defendant agrees to pay a "Gross Settlement Amount" of One Hundred Sixty Thousand Dollars (**$160,000.00**) in full and complete settlement of the Action, as follows:

A. The Parties have agreed to engage Phoenix Settlement Administrators as the "Settlement Administrator" to administer this Settlement. All settlement administration costs shall be paid from the Gross Settlement Amount.

B. This Settlement shall become effective on the "Effective Date" which is defined as the date by when both of the following have occurred: (a) the Court enters a Judgment on its order granting final approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Settlement Class member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Settlement Class member objects to the Settlement, the day after the deadline for filing a notice for appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

C. Defendant shall deposit the Gross Settlement Amount (including one-third of any increase to the Gross Settlement Amount pursuant to the Escalator Clause if such increase is triggered pursuant to Section 5(f), below) and Defendant's share of all payroll taxes on the portion allocated as wages into a Qualified Settlement Fund established by the Settlement Administrator within 28 days of the Effective Date.

D. This is a **non-reversionary** settlement. The Gross Settlement Amount includes:

(1) All payments to the Settlement Class Members;

(2) All costs of the Settlement Administrator and settlement administration, which are anticipated to be no greater than Eight Thousand Five Hundred Dollars and Zero Cents ($8,500.00);

(3) An amount not to exceed Seven Thousand Five Hundred Dollars and Zero Cents ($7,500.00) for Plaintiff's Class Representative Service Award, in recognition of his contributions to the Action, and his service to the Settlement Class and Plaintiff's additional releases. Even in the event that the Court reduces or does not approve the requested Class Representative Service Award, Plaintiff shall not have the right to revoke this Settlement Agreement, and this Settlement shall remain binding;

(4) Up to one-third of the Gross Settlement Amount (including one-third of any increase to the Gross Settlement Amount pursuant to the Escalator Clause) in Class Counsel's attorneys' fees, plus actual costs and expenses incurred by Class Counsel related to the Action as supported by declaration, which are currently estimated to be no greater than Twenty Thousand Dollars and Zero Cents ($20,000.00). In the event that the Court reduces or does not approve the requested Class Counsel attorneys' fees or costs, Class Counsel shall not have the right to revoke this Settlement Agreement, and it will remain binding; and

(5) Ten Thousand Dollars and Zero Cents ($10,000.00) of the Gross Settlement Amount has been set aside by the Parties as "PAGA Civil Penalties". Per Labor Code § 2699(i), sixty-five percent (65%) of such penalties, or Six Thousand Five Hundred Dollars and Zero Cents ($6,500.00) will be payable to the Labor & Workforce Development Agency (the "LWDA"), and the remaining thirty-five percent (35%), or Three Thousand Five Hundred Dollars and Zero Cents ($3,500.00), will be payable to PAGA Employees as the "PAGA Amount," as described below.

E. Defendant's share of payroll taxes shall be paid by Defendant separately from, and in addition to, the Gross Settlement Amount and is due within 28days after the Effective Date.

F. **<u>Escalator Clause</u>**. Defendant represents that there are approximately 12,842 workweeks worked by Settlement Class Members through February 9, 2025. If the actual number of workweeks worked by Settlement Class Members during the Class Period is more than 10% greater than this figure (i.e., if there are 14,127 or more workweeks worked by the Settlement Class Members), Defendant will increase the GSA by a proportional amount above the 10% figure (i.e., if there was a 13% increase in the number of workweeks during the Class Period, Defendant would agree to increase the GSA by 3%).

(1) Within ten (10) business days of the Settlement Administrator's receipt of the Class Data, the Settlement Administrator shall notify Defendant's counsel and Class Counsel if the Escalator Clause is triggered.

6. **No Undue Publicity**. Except as required to obtain preliminary or final approval in this case or to carry out their duties as the Class Representative or Class Counsel, Plaintiff and Class Counsel agree not to publicize the amount or other terms of this Settlement to any person. Nothing herein will restrict Class Counsel from indicating publicly available information regarding the Settlement in future judicial submissions regarding Class Counsel's qualifications and experience.

7. **Payments to the Settlement Class**. Settlement Class Members are <u>not</u> required to submit a claim form to receive a payment (the "Settlement Award") from the Net Settlement Amount (as defined below). Settlement Awards will be determined and paid as follows:

A. The Settlement Administrator shall first deduct from the Gross Settlement Amount the amounts approved by the Court for Class Counsel's attorneys' fees, Class Counsel's costs and expenses, Plaintiff's Class Representative Service Award, the Settlement Administrator's fees and expenses for administration, and the amount designated as PAGA Civil Penalties. The remaining amount shall be known as the "Net Settlement Amount."

B. From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class Member's Settlement Award based on the following formula:

i. Each participating Settlement Class Member shall receive a proportionate settlement share based upon the number of workweeks worked during the Class Period, the numerator of which is the Settlement Class Member's total workweeks worked during the Class Period, and the denominator of which is the total Workweeks worked by all Settlement Class Members who worked during the Class Period.

b. <u>PAGA Amount</u>: Three Thousand Five Hundred Dollars and Zero Cents ($3,500.00) of the Gross Settlement Amount has been designated as the "PAGA Amount" as described above. Each PAGA Employee shall receive a portion of the PAGA Amount proportionate to the number of pay periods that he or she worked during the PAGA Period, and which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the PAGA Employee's number of pay periods worked during the PAGA Period, and the denominator of which is the total number of pay periods worked by all PAGA Employees.

C. Within ten (10) calendar days following Inmar Supply fully funding the Gross Settlement Amount and required employer-side payroll taxes with the Settlement Administrator, the Settlement Administrator will calculate Settlement Award amounts and provide the same to counsel for the Parties for review and approval. Within seven (7) calendar days of approval by counsel for the Parties, the Settlement Administrator will prepare and mail Settlement Awards, less applicable taxes and withholdings, to participating Settlement Class Members. The Settlement Administrator shall simultaneously pay the withholdings to the applicable authorities with the necessary reports, submitting copies to Inmar Supply's counsel.

D. For purposes of calculating applicable taxes and withholdings, each Settlement Award shall be allocated as follows: For Settlement Class Members, eighty percent (80%) as penalties and interest; and twenty percent (20%) as wages. All PAGA penalties shall be designated as 100% penalties and reported on an IRS Form 1099. If an PAGA Employee submits a timely and valid Request for Exclusion (and is therefore not a Settlement Class Member), the PAGA Employee's Settlement Award shall be designated as one hundred percent (100%) penalties and reported on an IRS Form 1099. The Settlement Administrator will be responsible for issuing to participating Settlement Class Members IRS Forms W-2 for amounts deemed "wages" and IRS Forms 1099 for the amounts allocated as penalties and interest. Each Settlement Class Member who receives a Settlement Award will be responsible for correctly characterizing the payment for tax purposes and for payment of any taxes owing on said amount. Notwithstanding the treatment of the payments to each Settlement Class Member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans.

Each member of the Settlement Class who receives a Settlement Award must cash the check(s) within 180 days from the date the Settlement Administrator mails it/them. Any Settlement Award returned to the Settlement Administrator as non-delivered on or before the 180-day deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within 5 business days of receiving the returned Settlement Payment.

E. Any funds payable to Settlement Class Members whose checks were not cashed within 180 days after mailing will escheat to the California Secretary of State-Unclaimed Property Fund under the unclaimed property laws in the name of the Settlement Class Member.

F. Neither Plaintiff nor Inmar Supply shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

8. **Attorneys' Fees and Costs**. Inmar Supply will not object to Class Counsel's request for a total award of attorneys' fees of one-third of the Gross Settlement Amount (including one-third of any increase of the Gross Settlement Amount pursuant to the Escalator Clauses above if triggered and such increase is elected by Defendant); the award of attorneys' fees is currently estimated to be Fifty Three Thousand Thirty-Three Dollars and Thirty-Three Cents ($53,333.33). Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed Twenty Thousand Dollars and Zero Cents ($20,000.00) from the Gross Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when the Settlement Administrator pays the fee award allowed by the Court.

9. **Class Representative Service Award**. Inmar Supply will not object to a request for a Class Representative Service Award up to Seven Thousand Five Hundred Dollars and Zero Cents ($7,500.00) to Plaintiff for his time and risk in prosecuting this case, his service to the Settlement Class, and his additional releases. This award will be in addition to Plaintiff's Settlement Award as a Settlement Class Member and shall be reported on an IRS Form 1099 issued by the Settlement Administrator. Even in the event that the Court reduces or does not approve the requested Service Award, Plaintiff shall not have the right to revoke this Settlement, and it will remain binding.

10. **Settlement Administrator**. Inmar Supply agrees to the appointment of Phoenix Settlement Administrators as the Settlement Administrator. Defendant will not object to Plaintiff's request to pay the Settlement Administrator Eight Thousand Five Hundred Dollars and Zero Cents ($8,500.00) from the Gross Settlement Amount for its services. The Settlement Administrator shall be responsible for sending notices and for calculating Settlement Awards and preparing all checks and mailings, calculating Inmar Supply's share of taxes payable on the wages, which shall be paid by Inmar Supply separate and apart from the Gross Settlement Amount, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Amount by Class Counsel only after Settlement Awards have been mailed to all participating Settlement Class Members.

11. **Preliminary Approval**. Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiff shall apply to the Court for the entry of an Order:

A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;

B. Appointing Paul K. Haines of Haines Law Group, APC and Scott M. Lidman, Milan Moore and Tiara Gose-Hardy of Lidman Law, APC as Class Counsel;

C. Appointing Mario Regalado Contreras as Class Representative for the Settlement Class;

D. Approving Phoenix Settlement Administrators as Settlement Administrator;

E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;

F. Approving the form and content of the Notice Packet (which is comprised of the Notice of Pendency of Class Action and Proposed Class and PAGA Settlement, Workweek Dispute & Change of Address Form, Request for Exclusion Form, and Objection Form, drafts of which are attached collectively hereto as **Exhibit A**), and directing the mailing of same in both Spanish and English; and

G. Scheduling a Final Approval hearing.

12. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

A. Within twenty (20) calendar days after entry of an order preliminarily approving this Settlement Agreement, Inmar Supply will provide the Settlement Administrator with the names, last known addresses, phone numbers, social security numbers, the dates of employment and/or sufficient information for the Settlement Administrator to determine the number of Workweeks for each Settlement Class Member and agrees to make best efforts to provide this information in excel format (collectively referred to as the "Class Data"). The Class Data shall be provided to the Settlement Administrator in an electronic format satisfactory to the Settlement Administrator.

B. Within ten (10) business days from receipt of this information, the Settlement Administrator shall (i) run the names of all Settlement Class Members through the National Change of Address ("NCOA") database to determine any updated addresses for Settlement Class Members; (ii) update the address of any Settlement Class Member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Settlement Award for each Settlement Class Member; and (iv) mail a Notice Packet in both English and Spanish to each Settlement Class Member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.

C. Requests for Exclusion. Any Settlement Class Member who wishes to opt-out of the Settlement must complete and mail a Request for Exclusion (defined below) to the Settlement Administrator within sixty (60) calendar days of the date of the initial mailing of the Notice Packets (the "Response Deadline").

i. The Notice Packet shall state that Settlement Class Members who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Notice Packet shall state that Settlement Class Members who submit a Request for Exclusion by the Response Deadline shall remain a PAGA Employee, bound by the PAGA Release, and receive a portion of the PAGA Amount. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class Member; (2) contain a statement that the Settlement Class Member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class Member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the Settlement, except that a Request for Exclusion not containing a Settlement Class Member's telephone number and last four digits of the Social Security number will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class Member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the Settlement, except insofar as such Settlement Class Member is a PAGA Employee, nor shall any such individual have any right to object, appeal or comment thereon.

ii. Defendant shall retain the right, in the exercise of its sole discretion, to nullify this Settlement in the event that more than ten percent (10%) of the Class Members submit a timely and valid Request for Exclusion. Defendant must provide written notice to Class Counsel of its withdrawal not later than seven (7) business days after the Response Deadline. If Defendant exercises this right, it shall be solely responsible for the costs incurred for settlement administration up to the date of nullification. Should Defendant exercise this right, neither this Settlement Agreement, nor the fact such Settlement Agreement was reached, shall be used in any subsequent proceeding for purposes of establishing liability or damages, and this Settlement Agreement shall be considered null and void *ab initio*.

D. Objections. Members of the Settlement Class who do not request exclusion may object to this Settlement Agreement as explained in the Class Notice by filing a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Inmar Supply's counsel) or by appearing at the Final Fairness Hearing to object orally personally or through counsel. Inmar Supply's counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval. To be valid, any written objection must: (1) contain the objecting Settlement Class Member's full name and current address, as well as contact information for any attorney representing the objecting Settlement Class Member for purposes of the objection; (2) a concise statement of the objection; and (3) be postmarked no later than the Response Deadline. Members of the Settlement Class who do not request exclusion may also object to the Settlement by appearing at the Final Approval Hearing irrespective of whether they submitted any written objections.

E. Notice of Settlement Award / Disputes. Each Notice Packet mailed to a Settlement Class Member shall disclose the amount of the Settlement Class Member's estimated Settlement Award, including the Settlement Class Member's number of workweeks worked during the Class Period. Settlement Class Members will have the opportunity, should they disagree with Inmar Supply's records regarding the information stated in the Notice of Settlement Award, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Parties shall file with the Court all disputes submitted by Settlement Class Members, including the evidence submitted and the resolution of the disputes. Although the Settlement Administrator may make the initial decision regarding claim disputes, the Court may review any initial decision made by the Settlement Administrator regarding a claim dispute. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Settlement Awards under the terms of this Settlement Agreement. In the absence of a dispute, the Settlement Administrator's determination of the eligibility for and amount of any Settlement Award shall be binding upon the Settlement Class Member and the Parties, unless the Court determines otherwise. In the case of any unresolved dispute, the Court will ultimately decide.

F. Notice Packets: Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class Member immediately, and in any event within three (3) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class Member. Settlement Class Members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, to submit a Request for Exclusion, Objection, or dispute. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline. If a Settlement Class Member's Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, the Settlement Administrator shall continue to locate an updated address up to and including the Response Deadline to re-mail the Notice Packet. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Inmar Supply's Counsel to provide notice of the proposed Settlement.

13. **Final Approval**. Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:

A. Granting final approval of the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;

B. Approving Plaintiff's and Class Counsel's application for attorneys' fees and costs, Class Representative Service Award, and settlement administration costs; and

C. Entering judgment pursuant to California Rule of Court 3.769 and posting notice of the judgment on a static website created and maintained by the Settlement Administrator.

14. **No Admission of Liability**. Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. In particular, but without limiting the generality of the foregoing, nothing about this Settlement Agreement shall be offered or construed as an admission of liability, wrongdoing, impropriety, responsibility, or fault whatsoever on the part of Inmar Supply and/or the Released Parties, and it shall not be construed as or deemed to be evidence of, or an admission or concession that the Settlement Class or any Settlement Class Member has suffered any damage. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement.

The Parties understand and agree that this Settlement Agreement is the result of a good faith compromise of disputed claims, and no part of this Settlement Agreement, or any conduct or written or oral statements made in connection with this Settlement Agreement, whether or not the settlement is finally approved and/or consummated, or the negotiations leading to the Settlement Agreement, or any document filed or exchanged in support thereof, including any prior Memoranda of Understanding, should be construed as an admission or concession of any kind by Defendant or of any of the Released Parties. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152.

15. **Legal Developments**. The Parties agree that Plaintiff will submit to the Court a motion for preliminary approval of this Settlement containing all of the terms and conditions contained herein notwithstanding any new legal developments regarding the Released Claims.

16. **Waiver and Amendment**. The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties, and subject

to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

17. **Attorneys' Fees**. In the event of any dispute arising out of the interpretation, performance, or breach of any provision of this Settlement Agreement, the prevailing party in such dispute(s) shall be entitled to recover her and/or its reasonable attorneys' fees and costs incurred arising from such dispute. Both Parties agree that the forum for such disputes shall be the Court in which this Action is pending. This provision only applies to the Parties identified in this Settlement Agreement and does not apply to the unidentified Settlement Class Members or PAGA Employees.

18. **Notices**. All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendant:	Christopher J. Boman, Boris Sorsher and Kelsey L. Wong Javier of Fisher & Phillips LLP, 2050 Main Street, Suite 1000, Irvine, CA 92614; cbowman@fisherphillips.com, bsorsher@fisherphillips.com, kjavier@fisherphillips.com.
if to Plaintiff:	Scott M. Lidman, Milan Moore and Tiara Gose-Hardy of Lidman Law, APC, 2155 Campus Drive, Suite 150, El Segundo, California 90245; slidman@lidmanlaw.com, mmoore@lidmanlaw.com, and tgose@lidmanlaw.com
	Paul K. Haines, Haines Law Group, APC, 2155 Campus Drive, Suite 180, El Segundo, California 90245; phaines@haineslawgroup.com

19. **Cooperation and Attorney Authorization**. The Parties agree to work cooperatively, diligently and in good faith to ensure that all documents necessary to effectuate this Settlement are properly and timely filed. The Parties further agree that they authorize their attorneys to execute any subsequent amendments to this Settlement Agreement as may be required by the Court to secure preliminary or final approval of the same. Section headings are included as descriptions only and do not have the force and effect of contract terms.

20. **Entire Agreement**. This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

21. **Counterparts**. This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

DATED: DEFENDANT INMAR SUPPLY CHAIN

SOLUTIONS, LLC

By:___________________________________

Its: ___________________________________

DATED: PLAINTIFF MARIO REGALADO CONTRERAS

By:____

Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: FISHER & PHILLIPS LLP

By:__________________________________

Boris Sorsher
Kelsey L. Wong Javier

Attorneys for Defendant INMAR SUPPLY CHAIN SOLUTIONS, LLC

DATED: HAINES LAW GROUP, APC

By:__________________________________

Paul K. Haines

Attorneys for Plaintiff MARIO REGALADO CONTRERAS

DATED: LIDMAN LAW, APC

By:__________________________________

Scott M. Lidman

Milan Moore

Attorneys for Plaintiff MARIO REGALADO CONTRERAS

EXHIBIT B

EXHIBIT B

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ORANGE

MARIO REGALADO CONTRERAS, as an individual and on behalf of all others similarly situated, Plaintiff, vs. INMAR SUPPLY CHAIN SOLUTIONS, LLC, a North Carolina limited liability company; and Does 1 through 100, Defendants.	Case No. 30-2024-01444626-CU-OE-CXC **NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED CLASS AND PAGA SETTLEMENT**

To: All persons currently or formerly employed by Defendant Inmar Supply Chain Solutions, LLC as non-exempt, hourly-paid employees who worked in California during the Class Period. The "Class Period" is defined to mean the period from January 6, 2022, through July 14, 2025**.** Collectively, these employees will be referred to as "Settlement Class Members."

PLEASE READ THIS NOTICE CAREFULLY
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT

Why should you read this notice?

The Court has granted preliminary approval of a proposed class action settlement (the "Settlement") in the lawsuit entitled *Mario Regalado Contreras v. Inmar Supply Chain Solutions, LLC.,* Case No. 30-2024-01444626-CU-OE-CXC (the "Lawsuit"). Because your rights may be affected by the Settlement, it is important that you read this notice carefully.

You may be entitled to money from this Settlement. Defendant's records show that you were employed by Defendant at any time in California during the Class Period as a non-exempt, hourly employee. The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this notice is to provide you with a brief description of the Lawsuit, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment.

What is this case about?

Plaintiff Mario Regalado Contreras ("Plaintiff") brought this Lawsuit against Defendant, seeking to assert claims on behalf of a class of persons currently or formerly employed by Defendant Inmar Supply Chain Solutions, LLC as non-exempt, hourly-paid employees who worked in California during the Class Period. The "Class Period" is defined to mean the period from January 6, 2022, through July 14, 2025. Plaintiff Mario Regalado Contreras is known as the "Class Representative," and his attorneys, who also represent the interests of all Settlement Class Members, are known as "Class Counsel."

The Lawsuit alleges that Defendant failed to pay all minimum wages owed; failed to pay all overtime wages owed; failed to provide meal periods, or premium pay for non-compliant meal periods; failed to authorize and permit rest periods, or provide premium pay for non-compliant rest periods; failed to reimburse for necessary business expenses; failed to timely pay all wages due upon separation of employment; and failed to issue accurate, itemized wage statements in compliance with California law. As a result of the foregoing alleged violations, Plaintiff also alleges that Defendant engaged in unfair business practices and is liable for civil penalties under the Labor Code Private Attorney General Act ("PAGA").

Defendant denies the claims and denies the Lawsuit is appropriate for class treatment. Defendant further denies that it owes Settlement Class Members any wages, restitution, penalties, or other damages. No Court has made any determination as to the factual allegations in the Lawsuit. Rather, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Defendant, which expressly denies all liability.

The Court has not ruled on the merits of Plaintiff's claims. However, to avoid the additional expense, inconvenience, and interference with Defendant's business operations and in light of the risks the Parties face with litigating, the Parties have concluded that it is in their best interests and the interests of Settlement Class Members to settle the Lawsuit on the terms summarized in this Notice. After Defendant provided relevant information to Class Counsel, the Settlement was reached following mediation and arm's-length negotiations between the parties.

The Class Representative and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Defendant, the risk of denial of class certification, the inherent risks of trial on the merits, and the delays, costs, and uncertainties associated with litigation.

If you are still employed by Defendant, your decision about whether to participate in the Settlement will not affect your employment. California law and Defendant's policies strictly prohibit unlawful retaliation. Defendant will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Settlement Class Member because of the Settlement Class Member's decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for the Plaintiff / Settlement Class Members:	Attorneys for Defendant Inmar Supply Chain Solutions, LLC
LIDMAN LAW, APC Scott M. Lidman slidman@lidmanlaw.com Milan Moore mmoore@lidmanlaw.com Tiara Gose-Hardy tgose@lidmanlaw.com 2155 Campus Drive, Suite 150 El Segundo, California 90245 Tel: (424) 322-4772 Fax: (424) 322-4775 www.lidmanlaw.com	CHRISTOPHER J. BOMAN (SBN 198798) cboman@fisherphillips.com BORIS SORSHER (SBN 251718) bsorsher@fisherphillips.com KELSEY L. WONG JAVIER (SBN 316738) kjavier@fisherphillips.com **FISHER & PHILLIPS LLP** 2050 Main Street, Suite 1000 Irvine, California 92614 Telephone: (949) 851-2424 Facsimile: (949) 851-0152

What are the terms of the Settlement?

On [**INSERT DATE OF PRELIMINARY APPROVAL**], the Court preliminarily certified a class, comprised of, for settlement purposes only, persons currently or formerly employed by Defendant Inmar Supply Chain Solutions, LLC as non-exempt, hourly-paid employees who worked in California during the Class Period. For purposes of this Settlement Agreement, the "Class Period" is defined to mean the period from January 6, 2022, through July 14, 2025**.** Settlement Class Members who do not opt out of the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against Defendant as described below in the section titled "Released Class Claims". A Settlement Class Member who opts-out cannot opt-out of the PAGA Release.

Defendant has agreed to pay $160,000.00 (the "Gross Settlement Amount") to fully resolve all claims in the Lawsuit, which includes payments to Settlement Class Members, attorneys' fees and expenses, payment to the Labor Workforce Development Agency (the "LWDA"), settlement administration costs, and the Class Representative's Service Award. Defendant's share of payroll taxes associated with any wage payments to Settlement Class Members shall be paid by Defendants separately from, and in addition to, the Gross Settlement Amount.

The following deductions from the Gross Settlement Amount will be requested by the Parties:

> <u>Settlement Administration Costs</u>. The Court has approved Phoenix Settlement Administrators to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the Settlement. The Court has approved paying the Settlement Administrator a flat fee of $8,500.00 from the Gross Settlement Amount to administer the Settlement.
>
> <u>Attorneys' Fees and Expenses</u>. Class Counsel have been prosecuting the Lawsuit on behalf of the Settlement Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which will be paid from the Gross Settlement Amount. Settlement Class Members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for fees of up to one-third of the Gross Settlement Amount, which is currently estimated to be $53,333.33, as reasonable compensation for the work Class Counsel performed and will continue to perform in this Lawsuit through Settlement finalization. Class Counsel also will ask for reimbursement in an amount not to exceed $20,000.00 for verified costs Class Counsel incurred in connection with the Lawsuit.
>
> <u>Service Award to Class Representative</u>. Class Counsel will ask the Court to award the Class Representative a service award in the amount not to exceed $7,500.00, to compensate him for his service and extra work provided on behalf of the Settlement Class Members.
>
> <u>LWDA Payment</u>. Class Counsel will ask the Court to approve a payment in the total amount of $10,000.00 as and for alleged civil penalties, payable pursuant to the California Labor Code Private Attorney General Act ("PAGA"). Per Labor Code § 2699(i), sixty-five percent (65%) of such penalties, or Thirty Thousand Dollars and Zero Cents ($6,500.00) will be payable to the LWDA, and the remaining thirty-five percent (35%), or Ten Thousand Dollars and Zero Cents ($3,500.00), will be payable to PAGA Employees as the "PAGA Amount," as described below.

<u>Calculation of Individual Settlement Class Members' Settlement Award</u>. After deducting the Court-approved amounts above, the balance of the Gross Settlement Amount will form the Net Settlement Amount, which will be distributed to all Settlement Class Members who do not submit a valid and timely Request for Exclusion (described below). The Net Settlement Amount is estimated at approximately $<<   >>, to be shared among an up to <<__>> estimated Settlement Class Members. The Net Settlement Amount will be divided as follows:

> Each participating Settlement Class Member shall receive a proportionate Settlement share based upon the number of workweeks worked during the Class Period, the numerator of which is the Settlement Class Member's total workweeks worked during the Class Period, and the denominator of which is the total workweeks worked by all Settlement Class Members who worked during the Class Period.

In addition, Ten Thousand Dollars and Zero Cents ($3,500.00), of the Gross Settlement Amount has been designated as the "PAGA Amount" as described above. All PAGA Employees shall receive a portion of the PAGA Amount. "PAGA Employees" include all persons who are or were employed by Defendant Inmar

Supply Chain Solutions, LLC as non-exempt or hourly employees in California during the PAGA Period. For purposes of this Settlement Agreement, the "PAGA Period" is defined to mean the period from December 6, 2023, through July 14, 2025**.**

A PAGA Employee shall receive a portion of the PAGA Amount proportionate to the number of pay periods that he or she worked during the PAGA Period and which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the PAGA Employee's number of pay periods worked during the PAGA Period, and the denominator of which is the total number of pay periods worked by all PAGA Employees during the PAGA Period.

Payments to Settlement Class Members. If the Court grants final approval of the Settlement, Settlement Awards will be mailed to all Settlement Class Members who did not submit a valid and timely Request for Exclusion.

If you are a PAGA Employee and you submit a Request for Exclusion, you will still receive a proportionate share of the PAGA Payment regardless of whether you exclude yourself from the Settlement.

Payment by Defendant of Gross Settlement Amount. Defendant shall deposit the Gross Settlement Amount with the Settlement Administrator within 28 days of the Effective Date. The "Effective Date" is the date by when both of the following have occurred: (a) the Court enters a Judgment on its order granting final approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Settlement Class member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Settlement Class member objects to the Settlement, the day after the deadline for filing a notice for appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

Within ten (10) calendar days following Defendant's deposit of the Gross Settlement Amount with the Settlement Administrator, the Settlement Administrator will calculate Individual Settlement Award amounts and provide the same to the Parties' counsel for review and approval. Within seven (7) calendar days of approval by the Parties' counsel, the Settlement Administrator will prepare and mail Individual Settlement Awards, less applicable taxes and withholdings, to participating Settlement Class Members.

Allocation and Taxes. For tax purposes, each Settlement Award to Class Members shall be allocated as follows: eighty percent (80%) as penalties and interest; and twenty percent (20%) as wages. All PAGA penalties shall be designated as one hundred percent (100%) penalties and reported on an IRS Form 1099. If a PAGA Employee submits a Request for Exclusion, the PAGA Employee's Settlement Award shall be designated as one hundred percent (100%) penalties and reported on an IRS Form 1099. The Settlement Administrator will be responsible for issuing to participating Settlement Class Members IRS Forms W-2 for amounts deemed "wages" and IRS Forms 1099 for the amounts allocated as penalties and interest. Settlement Class Members are responsible for the proper income tax treatment of the Individual Settlement Awards. The Settlement Administrator, Defendant and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement Class Members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Released Class Claims. If the Court approves the Settlement, the Settlement Class, and each Settlement Class Member who has not submitted a timely and valid Request for Exclusion, will fully and forever completely discharge Inmar Supply, and all of its current or former parent companies, subsidiaries, sister companies, divisions, joint ventures, affiliates, affiliated companies, assigns, trustees, guarantors, fiduciaries, partnerships, present and former owners, employees, shareholders, insurers, attorneys, and affiliated entities, successor entities, and/or any other related company that could be jointly liable with Defendant (collectively, the "Released Parties"), from any and all claims, demands, rights, liabilities and causes of action that were pled or reasonably could have been pled based on the factual allegations contained in the proposed operative Second Amended Complaint under any state law, federal law, common law, equity or other theory that arose during the Class Period with respect to the following claims: (1) failure to pay minimum wages [Cal. Lab. Code §§ 204, 1194, 1194.2, and 1997]; (2) failure to pay overtime compensation [Cal. Lab. Code §§ 1194 and 1198]; (3) failure to provide meal periods or pay meal period premiums at the regular rate of pay [Cal. Lab. Code §§ 226.7, 512]; (4) failure to authorize and permit rest breaks or pay rest period premiums at the regular rate of pay [Cal. Lab. Code § 226.7]; (5) failure to indemnify necessary business expenses [Cal. Lab. Code § 2802]; (6) failure to timely pay wages at termination [Cal. Lab. Code §§ 201-203]; (7) failure to provide accurate itemized wage statements [Cal. Lab. Code § 226]; and (8) Unfair Business Practices (collectively, the "Released Class Claims").

The time period for the release of the Released Class Claims against the Released Parties shall be the same time period as the Class Period.

PAGA Release and PAGA Employees. If the Court approves the Settlement, all PAGA Employees including Plaintiff and those who timely and properly submit a Request for Exclusion as set forth below, will release and discharge Defendant and the Released Parties from all civil penalties available under PAGA based on the facts alleged in the operative Second Amended Complaint and alleged in the letters to the LWDA dated December 6, 2024 and July 22, 2025, including: (1) failing to pay for all hours worked, including minimum wages, straight time wages, and overtime wages (Cal. Lab. Code §§ 204, 510, 1194, 1197, and 1198); (2) failing to provide meal periods or pay meal period premiums at the regular rate of pay (Cal. Lab . Code §§ 226.7, 512, and applicable Wage Orders); (3) failing to authorize and permit rest breaks or pay rest period premiums at the regular rate of pay (Cal. Lab. Code§§ 226.7 and applicable Wage Orders); (4) failing to maintain accurate records of hours worked and meal periods taken or missed (Cal. Lab. Code §§ 1174.5 and applicable Wage Orders); (5) failing to reimburse and indemnify employees for expenses and losses in the direct consequence and discharge of their duties (Cal. Lab. Code § 2802); (6) willfully failing to pay all wages due at termination (Cal. Lab. Code §§ 201-203); (7) failing to provide accurate itemized wage statements (Cal. Lab. Code § 226); and any recovery under Labor Code Sections 2699, *et set.*, for these alleged violations (collectively, the "PAGA Released Claim").

You are a PAGA Employee if you are or were employed by Defendant Inmar Supply Chain Solutions, LLC as non-exempt or hourly employees in California during the PAGA Period**.** For purposes of this Settlement Agreement, the "PAGA Period" is defined to mean the period from December 6, 2023, through July 14, 2025 The time period of the PAGA Release is the PAGA Period.

You cannot submit a Request for Exclusion from the PAGA Release.

The Released Class Clams and PAGA Release shall become effective on the Effective Date, provided Defendant fully funds the Gross Settlement Amount and the employer's share of payroll taxes as required by the Agreement (the "Effective Date of the Releases").

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, and the entry of Judgment.

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the proportionate number of workweeks you worked during the Class Period (as explained above), and as stated in the accompanying Notice of Settlement Award. You also will be bound by the Settlement, including the release of claims stated above.

What other options do I have?

Dispute Information in Notice of Individual Settlement Award. Your award is based on the proportionate number of workweeks you worked during the Class Period and pay periods you worked during the PAGA Period (if any). The information contained in Defendant's records regarding all of these factors, along with your estimated Settlement Award, is listed on the accompanying Workweek Dispute & Change of Address Form. If you disagree with the information in your Workweek Dispute & Change of Address Form, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Workweek Dispute & Change of Address Form. Any disputes, along with supporting documentation, must be postmarked no later than <<RESPONSE DEADLINE>>.

DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.

The Parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class Members. Unless the Court determines otherwise, the Settlement Administrator's decision regarding any dispute will be final.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by completing, signing and mailing the enclosed Request for Exclusion Form directly to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. Any person who files a timely Request for Exclusion from the Settlement shall, upon receipt by the Settlement Administrator, no longer be a Settlement Class Member, shall be barred from participating in any portion of the Class Action Settlement, and shall receive no benefits from the Class Action Settlement.

If you submit a Request for Exclusion, you will only be excluded from the Released Class Claims. You cannot submit a Request for Exclusion from the PAGA Release. You will receive a proportionate share of the PAGA Payment regardless of whether you exclude yourself from the Settlement if you were employed between December 6, 2023, through July 14, 2025**.**

Do not submit both a Dispute and a Request for Exclusion. If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

Objecting to the Settlement. If you do not submit a Request for Exclusion, you also have the right to object to the terms of the Settlement by either submitting a written objection or appearing at the Final Fairness Hearing. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to submit a written objection to the Settlement, or any portion of it, you may complete, sign and mail the enclosed Objection Form to the Settlement Administrator. Your written objection must include your name, address, phone number, the case name and number, and a concise reason for your objection, including the factual basis for it. Written objections must be postmarked on or before <<RESPONSE DEADLINE>>.

If you choose to object to the Settlement, you may also appear at the Final Approval Hearing scheduled for <<FINAL APPROVAL HEARING DATE/TIME>> in Department CX102 of the Orange County Superior Court, located at 751 W. Santa Ana Blvd., Santa Ana, CA 92701. You have the right to appear either remotely, in person or through your own attorney at this hearing. All objections or other correspondence must state the name and number of the case, which is *Mario Regalado Contreras v. Inmar Supply Chain Solutions, LLC.,* Case No. 30-2024-01444626-CU-OE-CXC.

Any Settlement Class Member who elects to appear personally at the Court for any reason related to this Lawsuit must comply with the Court's orders related to COVID-19. All such rules and orders can be located at the Court's website: https://www.occourts.org/media-relations/CoronaVirusUpdate.html

For more information on how to appear remotely, please visit the Court's website at https://www.occourts.org/media-relations/civil.html.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class Members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department CX102 of the Orange County Superior Court, located at 751 W. Santa Ana Blvd., Santa Ana, CA 92701. The Court will consider any requests for exclusion, objections, and disputes at the Final Approval Hearing. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses and the Service Award to the Class Representative. The Final Approval Hearing may be postponed without further notice to Settlement Class Members. **You are <u>not</u> required to attend the Final Approval Hearing, although any Settlement Class Member is welcome to attend the hearing.**

Any changes to date, time, or location of the Final Approval Hearing will be posted on the Settlement Administrator's website (http://www.__________________.com). Notice of the Court's final judgment will be posted on the Settlement Administrator's website (http://www.__________________.com).

How can I get additional information?

This Notice is only a summary of the Lawsuit and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the Orange County Superior Court, located at 751 W. Santa Ana Blvd., Santa Ana, CA 92701, during regular court hours. You may also access the documents at https://civilwebshopping.occourts.org/Login.do, enter the "01444626" for the Case Number and "2024" for the Year Filed. You may also contact the Settlement Administrator and/or Class Counsel using the contact information listed above for more information.

<u>PLEASE DO NOT CALL OR WRITE THE COURT, DEFENDANT OR DEFENDANT'S ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS</u>

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is <<**RESPONSE DEADLINE**>>. These deadlines will be strictly enforced.

BY ORDER OF THE COURT ENTERED ON <<PRELIM APPROVAL DATE>>.

EXHIBIT C

EXHIBIT C

WORKWEEK DISPUTE & CHANGE OF ADDRESS FORM

Mario Regalado Contreras v. Inmar Supply Chain Solutions, LLC.

Orange County Superior Court Case No. Case No. 30-2024-01444626-CU-OE-CXC

You do NOT have to mail this Form to get your Individual Settlement Payment

Please complete, sign, date and return this form to <<ADMINISTRATOR CONTACT INFO>> **ONLY IF** (1) your personal contact information has changed, ***and/or*** (2) you wish to dispute any of the items listed in Section (III), below. It is your responsibility to keep a current address on file with the Settlement Administrator.

(I) Please type or print your name:

____

(First, Middle, Last)

(II) Please type or print the following identifying information if your contact information has changed. Please use your *new* address information below:

____

Former Names (if any)

____

Street Address

____

City State Zip Code

(III) Information Used to Calculate Your Individual Settlement Payment and Aggrieved Employee Payment:

According to Inmar Supply Chain Solutions, LLC's ("Inmar Supply") records:

You worked ______ workweeks during the Class Period for Defendant as a non-exempt, hourly employee in California.

You worked ______ pay periods during the PAGA Period for Defendant as a non-exempt, hourly employee in California.

Based on the above, your Individual Settlement Award for the Class Period is estimated to be $________ and your PAGA Employee Payment is estimated to be $________.

(IV) If you disagree with items in Section (III) above, please explain why in the space provided below and include copies of any supporting evidence or documentation with this form:

____

____

____

____

____

If you dispute the above information from Inmar Supply's records, Inmar Supply's records will control unless you are able to provide documentation that establishes that Inmar Supply's records are mistaken. If there is a dispute about whether Inmar Supply's information or yours is accurate, and the dispute cannot be resolved informally, the dispute will be resolved by the Parties and the Settlement Administrator as described in the "NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED CLASS AND PAGA SETTLEMENT" that accompanies this Form. Unless the Court orders otherwise, the Settlement Administrator will render all final decisions on disputes.

ANY DISPUTES, ALONG WITH ANY SUPPORTING DOCUMENTATION, MUST BE POSTMARKED NO LATER THAN <<RESPONSE DEADLINE>

EXHIBIT D

EXHIBIT D

REQUEST FOR EXCLUSION FORM

Mario Regalado Contreras v. Inmar Supply Chain Solutions, LLC
Orange County Superior Court Case No. Case No. 30-2024-01444626-CU-OE-CXC

SUBMIT THIS FORM ONLY IF YOU WISH TO BE EXCLUDED FROM PARTICIPATING IN THE CLASS ACTION SETTLEMENT

By signing and returning this form, I represent that it is my desire to exclude myself from participating in the Settlement of the Class Action entitled ***Mario Regalado Contreras v. Inmar Supply Chain Solutions, LLC., Case No. 30-2024-01444626-CU-OE-CXC***, and that I received notice of the Settlement. I understand by excluding myself, I will receive a PAGA Payment if I worked during the PAGA Period, but I will not receive any other money from the Settlement reached in this matter.

Please note: Any person who submits this form will not receive an Individual Settlement Payment.

Name (Please Print):____
(First) (Middle) (Last)

Address:____
(Street)

____
(City) (State) (Zip)

Last 4 Digits of Social Security Number: __________ Telephone No.: ____________________________

Dated: ________________________ Signature: __________________________________

TO BE VALID, THIS FORM MUST BE POST-MARKED NO LATER THAN _________, 2025 AND MAILED TO THE SETTLEMENT ADMINISTRATOR AT:

Mario Regalado Contreras v. Inmar Supply Chain Solutions, LLC
Phoenix Settlement Administrator
c/o _______________
____
____

EXHIBIT E

EXHIBIT E

OBJECTION FORM
Mario Regalado Contreras v. Inmar Supply Chain Solutions, LLC.
Orange County Superior Court Case No. Case No. 30-2024-01444626-CU-OE-CXC

COMPLETE THIS FORM ONLY IF YOU WISH TO OBJECT TO THE CLASS ACTION SETTLEMENT

In order for you to object to the Class Action Settlement in *Mario Regalado Contreras v. Inmar Supply Chain Solutions, LLC., Case No. 30-2024-01444626-CU-OE-CXC,* you may either appear at the Final Fairness Hearing and object orally or you may submit a written object by completing the steps listed in 1-5 below. You are not required to appear in Court in order to object to the Settlement. However, if you are planning on appearing in Court, please circle "yes" in Section 3 below. You may appear in Court to make an objection at the Final Approval Hearing whether or not you submit this form.

1. Provide the following information:

Your Name (Please Print):____
(First) (Middle) (Last)

Your Address:____

Last 4 Digits of your Social Security Number: __________

2. Describe the reasons for your objection to the Settlement, including the factual basis for it (please attach additional documents if you need more space):

____
____
____
____
____

3. Do you intend to appear in Court at the Final Fairness Hearing, currently scheduled for [ADD DATE AND TIME]?

Circle One: Yes No

4. Date and sign this form below:

Dated: ______________________ Signature: ____________________________________

5. COMPLETE AND MAIL THIS FORM TO THE SETTLEMENT ADMINISTRATOR AT THE ADDRESS BELOW SO THAT IT IS POST-MARKED NO LATER THAN ________________.

Mario Regalado Contreras v. Inmar Supply Chain Solutions, LLC
Phoenix Settlement Administrator
c/o _______________
____
____