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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

IRYS WATSON, individually, and on
behalf of other members of the general
public similarly situated,

Plaintiff,

vs.

MSC INDUSTRIAL DIRECT CO.,
INC., a New York corporation; SID
TOOL CO., INC., a New York
corporation; and DOES 1 through 10,
inclusive,

Defendants.

Case No.: 2:25-cv-08431 ODW (AJRx)

JOINT STIPULATION OF CLASS
ACTION AND PAGA SETTLEMENT
AND RELEASE

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

This Joint Stipulation of Class Action and PAGA Settlement and Release (“Settlement” or “Settlement Agreement”) is made and entered into by and between Plaintiff Irys Watson (“Plaintiff” or “Class Representative”), as an individual and on behalf of all others similarly situated, and Defendants MSC Industrial Direct Co., Inc. and Sid Tool Co., Inc. (“Defendants”) (collectively with Plaintiff, the “Parties”).

DEFINITIONS

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

1. “Action” means *Watson v. MSC Industrial Direct Co., Inc.*, No. 25STCV22586 (Los Angeles County Superior Court), and subsequently removed to the Central District of California, Case No. CV 25-08431-ODW (AJRx).

2. “Attorneys’ Fees and Costs” means the amount paid from the Gross Settlement Amount and approved by the Court for Class Counsel’s attorneys’ fees for litigation and resolution of the Action, and all out-of-pocket costs incurred and to be incurred by Class Counsel in the Action, including but not limited to expert/consultant fees, investigation costs, and costs associated with documenting the Settlement, providing any notices required as part of the Settlement or Court order, securing the Court’s approval of the Settlement, administering the Settlement, and obtaining entry of a Judgment terminating the Action. Class Counsel will request attorneys’ fees not to exceed one-third (1/3) of the Gross Settlement Amount, or One Hundred Twenty-Five Thousand Dollars (\$125,000). The Attorneys’ Fees and Costs will also mean and include the additional reimbursement of any costs and expenses associated with Class Counsel’s litigation and settlement of the Action, up to Twenty Thousand Dollars (\$20,000), subject to the Court’s approval. Defendants have agreed not to oppose Class Counsel’s request for fees and reimbursement of costs as set forth above. If this settlement does not receive final approval from the Court (or if a final approval order is reversed on appeal), no party shall use this

provision or the award of attorneys' fees, costs, and expenses for any purpose whatsoever in the Action or in any other action or proceeding.

3. "Class Counsel" means Capstone Law APC.

4. "Class List" means a complete list of all Class Members that Defendants will diligently and in good faith compile from their records and provide to the Settlement Administrator within twenty (20) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in Microsoft Office Excel and will include each Class Member's full name; most recent mailing address and telephone number; Social Security number; dates of employment; the respective number of Workweeks/Pay Periods that each Class Member worked during the Class Period and PAGA Period; and any other relevant information needed to calculate settlement payments. The Class List shall be designated Confidential under the Stipulated Protective Order.

5. "Class Member(s)" or "Settlement Class Members" or "Settlement Class" means all individuals employed by Defendants as hourly, non-exempt employees in the State of California at any time during the Settlement Class Period.

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

7. "Class Period" or "Settlement Class Period" means the period from July 31, 2021, through the earlier of May 11, 2026, or the date of Preliminary Approval.

8. "Class Representative Enhancement Payment" means the amount paid from the Gross Settlement Amount and approved by the Court to be paid to Plaintiff in recognition of her effort and work in prosecuting the Action on behalf of Settlement Class Members. Subject to the Court granting final approval of this Settlement Agreement and subject to the exhaustion of any and all appeals, Plaintiff will request Court approval of a Class Representative Enhancement Payment of Ten Thousand Dollars (\$10,000).

9. "Court" means the United States District Court for the Central District of California.

10. "Defendants" means MSC Industrial Direct Co., Inc. and Sid Tool Co., Inc.

11. “Effective Date” means the later of: (a) the thirty-first (31st) calendar day after the date of Final Approval, provided no appeal is initiated; or (c) if a timely appeal is initiated, then the Effective Date will be the date of final resolution of that appeal (including any requests for rehearing and/or petitions for certiorari), resulting in final judicial approval of the Settlement. It is the intention of the Parties that this Settlement Agreement shall not become effective until the Order Granting Final Approval has become completely final, Judgment has been entered into in accordance with the terms of this Settlement Agreement, and no timely recourse remains for an appellant or objector to contest this Settlement Agreement.

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

13. “Gross Settlement Amount” means the maximum Gross Settlement Amount of Three Hundred Seventy-Five Thousand Dollars (\$375,000), to be paid by Defendants in full satisfaction of all Released Class Claims and Released PAGA Claims, which includes all Individual Settlement Payments, Attorneys’ Fees and Costs, the Class Representative Enhancement Payment, the PAGA Settlement Amount, and Settlement Administration Costs. This Gross Settlement Amount has been agreed to by Plaintiff and Defendants based on the aggregation of the agreed-upon settlement value of individual claims. In no event will Defendants be liable for more than the Gross Settlement Amount except as otherwise explicitly set forth herein. There will be no reversion of the Gross Settlement Amount to Defendants. Defendants will be separately responsible for any employer payroll taxes required by law, including the employer FICA, FUTA, and SDI contributions (“Employer Payroll Taxes”), which shall not be paid from the Gross Settlement Amount. The Settlement Administrator shall calculate all such taxes and notify Defendants as to the amount owed by Defendants for the Employer Payroll Taxes. Defendants will have no obligation to pay any amount in connection with this Settlement Agreement apart from the Gross Settlement Amount and Employer Payroll Taxes. Defendant’s sole monetary obligations under this Settlement Agreement shall be the

1 Gross Settlement Amount plus the Employer Payroll Taxes. At no time shall Defendants
2 have the obligation to segregate the funds comprising the Gross Settlement Amount.
3 Defendants shall retain exclusive authority over, and the responsibility for, those funds.

4 14. "Individual Settlement Payment" means each Participating Settlement Class
5 Member's and PAGA Member's respective shares of the Net Settlement Fund and PAGA
6 Fund. Settlement Class Members are not required to submit claim forms to receive their
7 share of the Individual Settlement Payments.

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

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

20 17. "PAGA Letter" means Plaintiff's written notice to the LWDA and
21 Defendants pursuant to California Labor Code section 2699.3(a), providing the
22 information required to exhaust administrative prerequisites to bringing a civil action
23 under the PAGA.

24 18. "PAGA Members" means all individuals employed by Defendants as
25 hourly, non-exempt employees in the State of California at any time during the PAGA
26 Period. Covered individuals shall have no right to opt out of the PAGA Settlement.

27 19. "PAGA Period" means the period from July 31, 2024, through the earlier of
28 May 11, 2026, or the date of Preliminary Approval.

20. “PAGA Settlement Amount” means the amount that the Parties have agreed to pay to the Labor and Workforce Development Agency (“LWDA”) and PAGA Members in connection with Plaintiff’s claim under the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”) (“PAGA Settlement”). The Parties have agreed that Twenty-Five Thousand Dollars (\$25,000) of the Gross Settlement Amount will be allocated to the PAGA Settlement. Pursuant to PAGA, Sixty-Five Percent (65%), or Sixteen Thousand Two Hundred Fifty Dollars (\$16,250), of the PAGA Settlement Amount will be paid to the California Labor and Workforce Development Agency (“Labor and Workforce Development Agency Payment”), and Thirty-Five Percent (35%), or Eight Thousand Seven Hundred Fifty Dollars (\$8,750), of the PAGA Settlement will be disbursed to PAGA Members (“PAGA Fund”), regardless whether they request to be excluded from the Settlement Class.

21. “Parties” means Plaintiff and Defendants collectively.

22. “Participating Settlement Class Members” means all Settlement Class Members who do not submit timely and valid Requests for Exclusion.

23. “Pay Period(s)” means the number of pay periods during which each PAGA Member worked during the PAGA Period based on Defendants’ pay period schedule. All PAGA Members will be credited with at least one Pay Period.

24. “Plaintiff” means Plaintiff Irys Watson.

25. “Preliminary Approval” means the date on which the Court enters and serves a written order granting preliminary approval of the Settlement Agreement.

26. “Released Class Claims” means all claims, rights, demands, liabilities, and causes of action (excluding claims for PAGA civil penalties) alleged, or which could reasonably have been alleged, in the Action based on the same set of operative facts alleged in the initial and amended Complaints including all such claims arising under federal, state or local law, regulation or applicable Wage Order, and including claims for violation of: (1) Cal. Lab. Code §§ 510, 1194, and 1198, and the applicable IWC Wage Order (unpaid overtime); (2) Cal. Lab. Code §§ 1182.12, 1194, 1194.2, 1197, 1197.1, and

1 1198, and the applicable IWC Wage Order (unpaid minimum wages); (3) Cal. Lab. Code
2 §§ 226.7, 512(a), 516, and 1198, CCP § 1021.5, and the applicable IWC Wage Order
3 (failure to provide meal periods); (4) Cal. Lab. Code §§ 226.7, 516, and 1198, CCP §
4 1021.5, and the applicable IWC Wage Order (failure to authorize and permit rest periods);
5 (5) Cal. Lab. Code §§ 201, 202, 203, and 1021.5, CCP § 1021.5, and the applicable IWC
6 Wage Order (wages not timely paid upon termination); (6) Cal. Lab. Code §§ 204, 210,
7 CCP § 1021.5, and the applicable IWC Wage Order (failure to timely pay wages during
8 employment); (7) Cal. Lab. Code § 1198, the applicable IWC Wage Order, and California
9 Code of Regulations, Title 8, Section 11070 Subdivision 5(a) (failure to provide reporting
10 time pay); (8) Cal. Lab. Code § 2802, and the applicable IWC Wage Order (unreimbursed
11 business expenses); (9) Cal. Lab. Code. § 226 and 226.3 (accurate itemized wage
12 statements); (10) Cal. Bus. & Prof. Code §§ 17200, *et seq.* and CCP § 1021.5 (unlawful
13 business practices); and (11) Cal. Bus. & Prof. Code §§ 17200, *et seq.*, and CCP § 1021.5
14 (unfair business practices). For the avoidance of doubt, this release of claims shall include
15 all claims for (a) failure to pay all regular wages, minimum wages, and overtime wages
16 (including as a result of rounding of time, working during meal periods, on-call time,
17 and/or off-the-clock work); (b) failure to properly calculate the regular rate of pay,
18 including with respect to any meal and rest break premiums, sick time, incentive
19 payments, or bonuses paid; (c) failure to provide compliant meal breaks and/or rest breaks
20 and to pay premium pay in lieu thereof; (d) failure to provide complete, accurate, or
21 properly formatted wage statements and payroll records; (e) failure to timely pay wages
22 during and after employment; (f) failure to pay waiting time penalties; (g) failure to
23 properly calculate sick leave pay (Labor Code §§ 245.5, 246, 246.5, 247, 247.5, 248.5,
24 and 249); (h) engaging in unfair business practices that could have been premised on the
25 claims, causes of action or legal theories described above or pleaded in the operative
26 complaints; and (i) all declaratory relief, injunctive relief, damages, unpaid wages,
27 premiums, penalties, restitution, liquidated damages, disgorged amounts, actual,
28 consequential and incidental losses, interest, attorneys' fees, costs, and other amounts

1 recoverable under the claims, causes of action or legal theories described above or pleaded
2 in the operative complaints.

3 27. “Released PAGA Claims” means all claims for civil penalties recoverable
4 under PAGA, Cal. Lab. Code §§ 2698, *et seq.*, for Labor Code violations that were alleged
5 or could reasonably have been alleged based on the same facts alleged in Plaintiff’s PAGA
6 Letter, Complaint and Amended Complaint, during the PAGA Period, including those
7 listed in the Released Class Claims above.

8 28. “Released Parties” means Defendants, and each of its respective past,
9 present and future owners, stockholders, parent corporations, related or affiliated
10 companies, subsidiaries, officers, directors, shareholders, employees, agents, principals,
11 heirs, representatives, accountants, attorneys, auditors, consultants, insurers and re-
12 insurers, and each of their company-sponsored employee benefit plans of any nature
13 (including, without limitation, profit-sharing plans, pension plans, 401(k) plans, and
14 severance plans) and all of their respective their respective successors and predecessors
15 in interest, officers, directors, employees, administrators, fiduciaries, trustees and agents,
16 and any individual or entity which could be jointly liable with Defendants.

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

24 30. “Response Deadline” means the deadline by which Class Members must
25 postmark or fax to the Settlement Administrator Requests for Exclusion, postmark or fax
26 disputes concerning the calculation of Individual Settlement Payments, or postmark
27 Notices of Objection to the Settlement Administrator. The Response Deadline will be
28 forty-five (45) calendar days from the initial mailing of the Class Notice by the Settlement

1 Administrator, unless the forty-fifth (45th) calendar day falls on a Sunday or State holiday,
2 in which case the Response Deadline will be extended to the next day on which the U.S.
3 Postal Service is open.

4 31. "Settlement Administration Costs" means the costs payable from the Gross
5 Settlement Amount to the Settlement Administrator for administering this Settlement,
6 including, but not limited to, translating (if required), printing, distributing, remailing (if
7 necessary), and tracking documents for this Settlement, tax reporting, calculating and
8 submitting all required tax payments, including the employer-side taxes, responding to
9 Settlement Class Member inquiries, establishing and maintaining any website, email
10 address or telephone number related to the administration of this Settlement, establishing
11 a Qualified Settlement Account, calculating and distributing the Gross Settlement
12 Amount, providing any funds remaining in the QSF as a result of uncashed settlement
13 checks to the State Controller's Unclaimed Property Fund, and providing necessary
14 reports and declarations, as requested by the Parties. The Settlement Administration Costs
15 will be paid from the Gross Settlement Amount, as approved by the Court. Based on an
16 estimated Settlement Class of approximately One Hundred Eighty-Four (184) Class
17 Members, the Settlement Administration Costs are currently estimated to be Ten
18 Thousand Dollars (\$10,000).

19 32. "Settlement Administrator" means CPT Group, Inc., or any other third-party
20 class action settlement administrator agreed to by the Parties and approved by the Court
21 for the purposes of administering this Settlement. If the Settlement Administrator sets up
22 a website related to this Settlement, the Settlement Administrator shall seek the Parties'
23 agreement as to the domain name and content of any such website. The Parties each
24 represent that they do not have any financial interest in the Settlement Administrator or
25 otherwise have a relationship with the Settlement Administrator that could create a conflict
26 of interest.

27 33. "Workweeks" means "Workweeks" means the actual workweeks based on
28 Defendants' workweek schedule from Sunday to Saturday for each Settlement Class

1 Member during the Settlement Class Period, excluding nonproductive workweeks. All
2 Settlement Class Members will be credited with at least one Workweek during the
3 Settlement Class Period.

4 **TERMS OF AGREEMENT**

5 Subject to Court approval, the Plaintiff, on behalf of herself and the Settlement
6 Class, and Defendants agree as follows:

7 34. First Amended Complaint, LWDA Letter and Notice of Settlement. As a
8 condition of settlement, Plaintiff will submit all required documentation to the LWDA
9 and shall file a First Amended Complaint (“FAC”) to conform the pleadings with the
10 scope of the Released Class Claims and Released PAGA Claims. Defendants will not be
11 required to file an answer or other responsive pleading to the FAC unless directed by the
12 Court. If, for any reason, the Court does not approve of the Settlement, or if the
13 Settlement does not become final for any reason, then the FAC will be deemed
14 withdrawn and the original Complaint will again become the operative complaint
15 without prejudice to Plaintiff’s right to seek leave to file another amended complaint and
16 without prejudice to Defendants’ rights to object and/or challenge an amended pleading.
17 Defendants do not impliedly or expressly waive any arguments or defenses to the FAC.
18 Defendant will provide notice to the appropriate federal and state officials in accordance
19 with the Class Action Fairness Act of 2005 (“CAFA”), 28 U.S.C. § 1715. Plaintiff will
20 provide notice to the LWDA and all necessary PAGA documents pursuant to Cal. Labor
21 Code sections 2699 and 2699.3, and shall provide a copy and proof of such submissions
22 to Defendants at the time of submission to the LWDA.

23 35. Funding of the Gross Settlement Amount. Defendants will make a one-time
24 deposit of the Gross Settlement Amount of Three Hundred Seventy-Five Thousand
25 Dollars (\$375,000) into a Qualified Settlement Account to be established by the
26 Settlement Administrator. After the Effective Date, the Gross Settlement Amount will be
27 used for: (a) Individual Settlement Payments; (b) the Labor and Workforce Development
28 Agency Payment; (c) the Class Representative Enhancement Payment; (d) Attorneys’

1 Fees and Costs; and (e) Settlement Administration Costs. The Settlement Administrator
2 shall notify Defendants as to the amount of Employer Payroll Taxes due and owing under
3 this Settlement Agreement no later than seven (7) calendar days after the Effective Date.
4 The Settlement Administrator also will notify Defendants' counsel of the account
5 information to which Defendant will wire the Gross Settlement Amount and Employer
6 Payroll Taxes into the QSF. Upon establishing the QSF, the Settlement Administrator will
7 maintain the fund until completion of all settlement administration duties. Defendants will
8 deposit the Gross Settlement Amount and the Employer Payroll Taxes into the QSF
9 within thirty (35) calendar days of the Effective Date ("Funding Date").

10 36. Attorneys' Fees and Costs. Defendants agree not to oppose or impede any
11 application or motion for attorneys' fees and costs by Settlement Class Counsel for
12 Attorneys' Fees and Costs of not more than One Hundred Twenty-Five Thousand Dollars
13 (\$125,000), plus the reimbursement of all out-of-pocket costs and expenses associated
14 with Class Counsel's litigation and settlement of the Action (including expert/consultant
15 fees, mediation fees, investigation costs, etc.), not to exceed Twenty Thousand Dollars
16 (\$20,000), both of which will be paid from the Gross Settlement Amount.

17 37. Class Representative Enhancement Payment. In recognition of her effort
18 and work in prosecuting the Action on behalf of Settlement Class Members, Defendants
19 agree not to oppose or impede any application or motion for a Class Representative
20 Enhancement Payment of Ten Thousand Dollars (\$10,000) for Irys Watson. The Class
21 Representative Enhancement Payment in an amount approved by the Court will be paid
22 from the Gross Settlement Amount and will be in addition to Plaintiff's Individual
23 Settlement Payment paid pursuant to the Settlement. Plaintiff will be solely and legally
24 responsible to pay any and all applicable taxes on the Class Representative Enhancement
25 Payment and will hold Defendant harmless from any claim or liability for taxes, penalties,
26 or interest arising from this payment. Plaintiff understands and agrees that this Settlement
27 Agreement shall remain in full force and effect and Plaintiff will not have the right to
28 revoke this Settlement even if the full amount of the Class Representative Enhancement

1 Payment sought by Plaintiff is not ultimately awarded by the Court. Any portion of the
2 Class Representative Enhancement Payment not awarded to Plaintiff will be added to the
3 Net Settlement Fund. The Settlement Administrator will issue an IRS Form 1099 to
4 Plaintiff with respect to the awarded Class Representative Enhancement Payment.

5 38. Settlement Administration Costs. The Settlement Administrator will be paid
6 from the Gross Settlement Amount for the reasonable costs of administration of the
7 Settlement and distribution of payments from the Gross Settlement Amount, which is
8 currently estimated to be Ten Thousand Dollars (\$10,000). These costs, which will be paid
9 from the Gross Settlement Amount, will include, *inter alia*, the required tax reporting on
10 the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, calculating
11 and submitting all required tax payments, including the employer-side taxes, responding
12 to Settlement Class Member inquiries, establishing and maintaining any required website,
13 email address and/or, toll-free telephone number for Settlement Class Member inquiries,
14 translating, distributing and tracking notices and other documents, establishing a Qualified
15 Settlement Account, distributing Class Notices, calculating and distributing the Gross
16 Settlement Amount, and providing necessary reports and declarations.

17 39. PAGA Settlement Amount. Subject to Court approval, the Parties agree that
18 the amount of Twenty-Five Thousand Dollars (\$25,000) from the Gross Settlement
19 Amount will be designated for satisfaction of Plaintiff's PAGA claim. Pursuant to PAGA,
20 Sixty-Five Percent (65%), or Sixteen Thousand Two Hundred Fifty Dollars (\$16,250), of
21 this sum will be paid to the LWDA and Thirty-Five Percent (35%), or Eight Thousand
22 Seven Hundred Fifty Dollars (\$8,750), will be paid to PAGA Members in proportion to
23 the number of Pay Periods worked during the PAGA Period.

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

of the PAGA Fund. The Parties also agree that no PAGA Member has the right to object to the PAGA Settlement Amount.

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

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

43. Individual Settlement Payment Calculations. Individual Settlement Payments will be calculated and apportioned from the Net Settlement Fund and PAGA Fund based on the number of Workweeks/Pay Periods a Class Member worked during the Class Period and PAGA Period. The specific calculations of Individual Settlement Payments will be made as follows:

43(a) Payments from the Net Settlement Fund. Defendants will calculate the total number of Workweeks worked by each Class Member during the Class Period and the aggregate total number of Workweeks worked by all Class Members during the Class Period. To determine each Class Member's estimated "Individual Settlement Payment" from the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks during the Class Period, resulting in the "Workweek Value." Each Class Member's "Individual Settlement Payment" will be calculated by multiplying each individual Class Member's total number of Workweeks by the Workweek Value. The Individual Settlement Payment will be reduced by any required deductions for each Participating Class Member as specifically set forth herein, including employee-side tax withholdings or deductions. The entire Net Settlement Fund will be disbursed to

1 all Class Members who do not submit timely and valid Requests
2 for Exclusion. If there are any valid and timely Requests for
3 Exclusion, the Settlement Administrator shall proportionately
4 increase the Individual Settlement Payment for each Participating
5 Class Member according to the number of Workweeks worked,
6 so that the amount actually distributed to the Settlement Class
7 equals 100% of the Net Settlement Fund.

8 43(b) Payments from the PAGA Fund. Defendants will calculate the
9 total number of Pay Periods worked by each PAGA Member
10 during the PAGA Period and the aggregate total number of Pay
11 Periods worked by all PAGA Members during the PAGA Period.
12 To determine each PAGA Member's estimated "Individual
13 Settlement Payment," the Settlement Administrator will use the
14 following formula: The PAGA Fund will be divided by the
15 aggregate total number of Pay Periods during the PAGA Period,
16 resulting in the "PAGA Pay Period Value." Each PAGA
17 Member's "Individual Settlement Payment" will be calculated by
18 multiplying each individual PAGA Member's total number of
19 Pay Periods by the PAGA Pay Period Value. The entire PAGA
20 Fund will be disbursed to all PAGA Members.

21 43(c) No person shall have any claim against Defendants, Defendants'
22 counsel, Plaintiff, Settlement Class Counsel, or the Settlement
23 Administrator based on distributions and payments made in
24 accordance with this Settlement Agreement.

25 44. No Credit Toward Benefit Plans. The Individual Settlement Payments made
26 to Participating Class Members under this Settlement, as well as any other payments made
27 pursuant to this Settlement, will not be utilized to calculate any additional benefits under
28 any benefit plans to which any Class Members may be eligible, including, but not limited

1 to, profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans,
2 sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention
3 that this Settlement Agreement will not affect any rights, contributions, or amounts to
4 which any Class Members may be entitled under any benefit plans.

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

8 46. Delivery of the Class List. Within twenty (20) calendar days of Preliminary
9 Approval, Defendants will provide the Settlement Class List to the Settlement
10 Administrator.

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

15 48. Confirmation of Updated Contact Information in the Settlement Class Lists.
16 Prior to mailing, the Settlement Administrator will perform a search based on the National
17 Change of Address Database for information to update and correct for any known or
18 identifiable address changes. Any Class Notices returned to the Settlement Administrator
19 as non-deliverable on or before the Response Deadline will, within five (5) business days
20 of receipt, be sent promptly via regular First-Class U.S. Mail to the forwarding address
21 affixed thereto, and the Settlement Administrator will indicate the date of such re-mailing
22 on the Class Notice. If no forwarding address is provided, the Settlement Administrator
23 will promptly attempt to determine the correct address using a skip-trace, or other search
24 using the name, address, and/or Social Security number of the Settlement Class Member
25 involved, and will then perform a single re-mailing. Those Settlement Class Members
26 who receive a re-mailed Class Notice, whether by skip-trace or by request, will have either
27 (a) an additional fifteen (15) calendar days or (b) until the Response Deadline, whichever
28 is later, to submit a Request for Exclusion or an objection to the Settlement.

1 49. Class Notices. All Settlement Class Members will be mailed a Class Notice.
2 Each Class Notice will provide: (a) information regarding the nature of the Action; (b) a
3 summary of the Settlement's principal terms; (c) the Settlement Class and PAGA Member
4 definitions; (d) the total number of Workweeks/Pay Periods each respective Settlement
5 Class Member and PAGA Member worked for Defendants during the Settlement Class
6 Period and PAGA Period; (e) each Settlement Class Member's and PAGA Member's
7 estimated Individual Settlement Payment and the formula for calculating Individual
8 Settlement Payments; (f) the dates which comprise the Settlement Class Period and PAGA
9 Period; (g) instructions on how to submit Requests for Exclusion or Notices of Objection;
10 (h) the deadlines by which the Settlement Class Member must postmark or fax Requests
11 for Exclusion, or postmark Notices of Objection to the Settlement; and (i) the claims to be
12 released.

13 50. Disputed Information on Class Notices. Settlement Class Members will
14 have an opportunity to dispute the information provided in their Class Notices. To the
15 extent Settlement Class Members dispute their employment dates or the number of
16 Workweeks on record, Settlement Class Members may produce evidence to the
17 Settlement Administrator showing that such information is inaccurate. Defendants'
18 records will be presumed correct, but the Settlement Administrator shall contact the Parties
19 regarding the dispute and the Parties will work in good faith to resolve it. All disputes must
20 be submitted by the Response Deadline, and will be decided within ten (10) business days
21 after the Response Deadline.

22 51. Defective Submissions. If a Settlement Class Member's Request for
23 Exclusion is defective as to the requirements listed herein, that Settlement Class Member
24 will be given an opportunity to cure the defect(s). The Settlement Administrator will mail
25 the Settlement Class Member a cure letter within three (3) business days of receiving the
26 defective submission to advise the Settlement Class Member that his/her/their submission
27 is defective and that the defect must be cured to render the Request for Exclusion valid.
28 The Settlement Class Member will have until (a) the Response Deadline or (b) fifteen (15)

1 calendar days from the date of the cure letter, whichever date is later, to postmark or fax a
2 revised Request for Exclusion. If the revised Request for Exclusion is not postmarked or
3 received by fax within that period, it will be deemed untimely.

4 52. Request for Exclusion Procedures. Any Settlement Class Member wishing
5 to opt-out from the Settlement Agreement must sign and fax or postmark a written
6 Request for Exclusion to the Settlement Administrator within the Response Deadline. In
7 the case of Requests for Exclusion that are mailed to the Settlement Administrator, the
8 postmark date will be the exclusive means to determine whether a Request for Exclusion
9 has been timely submitted. The Settlement Administrator shall maintain the completed
10 Requests For Exclusion throughout the administration of the settlement. The Settlement
11 Administrator shall make the completed Requests For Exclusion available to Defendant
12 upon a reasonable request for such forms. Plaintiff agrees that she is bound by this
13 Agreement, she cannot opt out of this Agreement, and she has no right to object to this
14 Agreement.

15 53. Escalator. Defendants represent that as of December 31, 2025, Class
16 Members worked an aggregate total of approximately Seventeen Thousand Fifty-Seven
17 (17,057) Workweeks during the Class Period. If the actual aggregate total of Workweeks
18 worked during the Class Period is greater than Ten Percent (10%) of this estimate, then
19 Defendants will proportionally increase the Gross Settlement Amount according to the
20 following formula: Total Number of Workweeks ÷ 18,763 Workweeks × \$390,000.

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

26 55. Releases by Participating Settlement Class Members. Upon the Funding
27 Date, and except as to such rights or claims as may be created by this Settlement
28 Agreement, each Participating Settlement Class Member, together and individually, on

1 their behalf and on behalf of their respective heirs, descendants, dependents, executors,
2 administrators, agents, assigns, and successors, and attorneys, shall fully and forever
3 release and discharge all of the Released Parties, or any of them, from each of the Released
4 Class Claims arising during the Class Period.

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

11 57. Defendants' Right to Rescind. Defendants will have, in their sole discretion,
12 the right to void and withdraw from the Settlement if, at any time prior to Final Approval,
13 Ten Percent (10%) or more of Class Members opt out of the settlement. Defendants must
14 exercise this right of rescission in writing to Class Counsel within thirty (30) calendar days
15 after the Response Deadline. If the option to rescind is exercised, then the Parties agree
16 this Settlement Agreement shall be void ab initio, have no force or effect whatsoever and
17 neither Party will have any further obligation to perform under this Settlement Agreement
18 provided however that Defendants will be solely responsible for all Settlement
19 Administration Costs incurred to the date of rescission.

20 58. Objection Procedures. To object to the Settlement Agreement, a Settlement
21 Class Member may either postmark a valid Notice of Objection to the Settlement
22 Administrator on or before the Response Deadline, or appear in person at the Final
23 Approval Hearing. Settlement Class Members who fail to object either by submitting a
24 valid Notice of Objection or appearing in person at the Final Approval Hearing will be
25 deemed to have waived all objections to the Settlement and will be foreclosed from
26 making any objections, whether by appeal or otherwise, to the Settlement Agreement. At
27 no time will any of the Parties or their counsel seek to solicit or otherwise encourage
28 Settlement Class Members to submit written objections to the Settlement Agreement or

1 appeal from the final approval order and judgment. Class Counsel will not represent any
2 Settlement Class Members with respect to any such objections to this Settlement. If a
3 Settlement Class Member timely submits both a Notice of Objection and a Request for
4 Exclusion, the Request for Exclusion will be given effect and considered valid, the Notice
5 of Objection shall be rejected, and the Settlement Class Member shall not participate in or
6 be bound by the Settlement.

7 59. Certification Reports Regarding Individual Settlement Payment
8 Calculations. The Settlement Administrator will provide Defendants' counsel and Class
9 Counsel a weekly report that certifies the number of Class Members who have submitted
10 valid Requests for Exclusion or objections to the Settlement, and promptly report whether
11 any Settlement Class Member has submitted a challenge to any information contained in
12 their Class Notice, including those received after the Response Deadline. Additionally, the
13 Settlement Administrator will promptly provide to counsel for both Parties any updated
14 reports regarding the administration of the Settlement Agreement as needed or requested.

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

21 61. Un-cashed Settlement Checks. Funds represented by Individual Settlement
22 Payment checks returned as undeliverable and Individual Settlement Payment checks
23 remaining un-cashed for more than one hundred and eighty (180) calendar days after
24 issuance will be tendered to the State Controller's Office, Unclaimed Property Division,
25 in the name of each Settlement Class Member who did not negotiate his or her check,
26 thereby leaving no "unpaid residue" subject to the requirements of California Code of
27 Civil Procedure Section 384, subd. (b). The Settlement Administrator shall provide the
28 Parties' counsel with a declaration of deposit with the State Controller's Unclaimed

1 Property Fund.

2 62. Certification of Completion. Upon completion of administration of the
3 Settlement, the Settlement Administrator will provide a written declaration under oath to
4 certify such completion to the Court and counsel for all Parties.

5 63. Treatment of Individual Settlement Payments. All payments to Participating
6 Settlement Class Members from the Net Settlement Fund will be allocated as follows: (a)
7 Twenty Percent (20%) of each payment will be allocated as wages for which IRS Forms
8 W-2 will be issued; and (b) Eighty Percent (80%) will be allocated as non-wages for which
9 IRS Forms 1099-MISC will be issued. Payments issued to PAGA Members from the
10 PAGA Fund will be treated as non-wages for which IRS Forms 1099-MISC will be
11 issued.

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

19 65. Tax Liability. The Parties make no representation as to the tax treatment or
20 legal effect of the payments called for hereunder, and Plaintiff, Participating Settlement
21 Class Members, and PAGA Members are not relying on any statement, representation, or
22 calculation by Plaintiff, Settlement Class Counsel, Defendants, Defendants' counsel, or
23 the Settlement Administrator in this regard. Plaintiffs and Settlement Class Members
24 understand and agree that they will be solely responsible for the payment of any taxes and
25 penalties assessed on the payments described herein.

26 66. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR
27 PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH
28 PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING

PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

67. No Prior Assignments. The Parties and their counsel represent, covenant, 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 herein released and discharged.

68. Nullification of Settlement Agreement. In the event that: (a) the Court does

1 not finally approve the Settlement as provided herein; or (b) the Settlement does not
2 become final for any other reason, then this Settlement Agreement, and any documents
3 generated to bring it into effect, will be null and void and shall be inadmissible for any and
4 all purposes. Any order or judgment entered by the Court in furtherance of this Settlement
5 Agreement will likewise be treated as void from the beginning and shall be inadmissible
6 for any and all purposes.

7 69. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the
8 Court to request the Preliminary Approval of the Settlement Agreement, and the entry of
9 a Preliminary Approval Order for: (a) conditional certification of the Settlement Class for
10 settlement purposes only; (b) preliminary approval of the proposed Settlement
11 Agreement; and (c) setting a date for a final fairness hearing. The Preliminary Approval
12 Order will provide for the Class Notice to be sent to all Settlement Class Members as
13 specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will
14 submit to the Court this Settlement Agreement, which sets forth the terms of this
15 Settlement, and will include the proposed Notice of Class Action Settlement, attached as
16 **Exhibit A**. Class Counsel will be responsible for drafting all documents necessary to
17 obtain preliminary approval and shall provide Defendants' counsel a reasonable period of
18 time (no less than 5 business days) to review such filings before they are filed with the
19 Court. Any proposed Order shall be agreed upon by the Parties before being filed with
20 the Court.

21 70. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration
22 of the deadlines to postmark Requests for Exclusion or objections to the Settlement
23 Agreement, and with the Court's permission, a final fairness hearing will be conducted to
24 determine the Final Approval of the Settlement Agreement along with the amounts
25 properly payable for: (a) Attorneys' Fees and Costs; (b) the Class Representative
26 Enhancement Payment; (c) Individual Settlement Payments; (d) the Labor and Workforce
27 Development Agency Payment; and (e) all Settlement Administration Costs. Class
28 Counsel will be responsible for drafting all documents necessary to obtain final approval

1 and shall provide Defendants' counsel a reasonable period of time (no less than 5 business
2 days) to review such filings before they are filed with the Court. Any proposed Order and
3 form of Judgment shall be agreed upon by the Parties before being filed with the Court.
4 Class Counsel will also be responsible for drafting the attorneys' fees and costs application
5 to be heard at the final approval hearing.

6 71. Judgment and Continued Jurisdiction. Upon final approval of the Settlement
7 by the Court or after the final fairness hearing, the Parties will present the Judgment to the
8 Court for its approval. After entry of the Judgment, the Court will have continuing
9 jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement of the
10 terms of the Settlement; (b) Settlement administration matters; and (c) such post-Judgment
11 matters as may be appropriate under court rules or as set forth in this Settlement
12 Agreement. A copy of the Judgment will be posted to the Settlement Administrator's
13 website.

14 72. Release by Plaintiff. Upon the Funding Date, in addition to the claims being
15 released by all Participating Settlement Class Members, Plaintiff, on behalf of herself and
16 her former and present spouses, representatives, agents, attorneys, heirs, administrators,
17 successors, and assigns, will generally release and forever discharge the Released Parties,
18 to the fullest extent permitted by law, of and from any and all claims, transactions, or
19 occurrences, known and unknown, asserted and not asserted, which Plaintiff has or may
20 have against the Released Parties as of the date of execution of this Settlement Agreement.
21 Plaintiff's Release includes, but is not limited to, all claims arising from her employment
22 with or termination from Defendants. Plaintiff acknowledges that she may discover facts
23 or law different from, or in addition to, the facts or law Plaintiff now knows or believes to
24 be true but agrees that Plaintiff's Release shall remain effective in all respects,
25 notwithstanding such different or additional facts or the discovery of them. To the extent
26 the foregoing release is a release to which Section 1542 of the California Civil Code or
27 similar provisions of other applicable law may apply, Plaintiff expressly waives any and
28 all rights and benefits conferred upon her by the provisions of Section 1542 of the

1 California Civil Code or similar provisions of applicable law, which are as follows:

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

8 73. To the extent Plaintiff has any pending claims against Defendants, including
9 but not limited to her claim before the Department of Industrial Relations, Case No. WC-
10 CM-1025296, she shall take all steps necessary to effectuate the dismissal with prejudice
11 of such claim(s) by no later than seven days after Final Approval of this Settlement and
12 Plaintiff shall not be entitled to nor shall she receive any amounts as a result of such claims.
13 Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the
14 terms set forth in any attached Exhibits, which are incorporated by this reference as though
15 fully set forth herein. Any Exhibits to this Settlement Agreement are an integral part of the
16 Settlement.

17 74. Entire Agreement. This Settlement Agreement and any attached Exhibits
18 constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous
19 written or oral agreements may be deemed binding on the Parties. The Parties expressly
20 recognize California Civil Code Section 1625 and California Code of Civil Procedure
21 Section 1856(a), which provide that a written agreement is to be construed according to
22 its terms and may not be varied or contradicted by extrinsic evidence, and the Parties agree
23 that no such extrinsic oral or written representations or terms will modify, vary, or
24 contradict the terms of this Settlement Agreement. This provision has no application or
25 impact on any arbitration agreements, confidentiality agreements, employee handbooks,
26 or policies executed by a Settlement Class Member during his or her employment with
27 Defendant, which remain in full force and effect.

28 75. Amendment or Modification. No amendment, change, or modification to

1 this Settlement Agreement will be valid unless in writing and signed, either by the Parties
2 or their counsel, and approved by the Court.

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

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

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

20 79. Execution and Counterparts. This Settlement Agreement is subject only to
21 the execution of all Parties. However, the Settlement Agreement may be executed in one
22 or more counterparts. All executed counterparts and each of them, including electronic
23 (e.g., DocuSign), facsimile, and scanned copies of the signature page, will be deemed to
24 be one and the same instrument. If Plaintiff signs this agreement using an electronic
25 signature, the audit trail validating such signature shall be provided with the signed
26 agreement.

27 80. Acknowledgment that the Settlement is Fair and Reasonable. The Parties
28 believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the

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

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

10 82. Waiver of Certain Appeals. The Parties agree to waive appeals and to
11 stipulate to class certification for purposes of this Settlement only; except, however, that
12 Plaintiff or Settlement Class Counsel may appeal any reduction to the Attorneys' Fees and
13 Costs below the amount they request from the Court, and either party may appeal any
14 court order that materially alters the Settlement Agreement's terms.

15 83. Class Action Certification for Settlement Purposes Only. The Parties agree
16 to stipulate to class action certification for purposes of the Settlement only. If, for any
17 reason, the Settlement is not approved, the stipulation to certification will be void, will
18 have no force or effect and will be immediately revoked. The Parties further agree that
19 certification for purposes of the Settlement is not an admission that class action
20 certification is proper under the standards applied to contested certification motions and
21 that this Settlement Agreement will not be admissible in this or any other proceeding as
22 evidence that either (a) a class action should be certified or (b) Defendants are liable to
23 Plaintiff or any Class Member, except to enforce this Settlement Agreement's terms.

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

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

12 85. No Public Comment: The Parties and their counsel agree that they will not
13 issue any press releases, initiate any contact with the press, respond to any press inquiry,
14 or have any communication with the press about this Action and/or the fact, amount, or
15 terms of the Settlement.

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

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

26 88. Mutual Preparation. The Parties have had a full opportunity to negotiate the
27 terms and conditions of this Settlement Agreement. Accordingly, this Settlement
28 Agreement will not be construed more strictly against one party than another merely by

1 virtue of the fact that it may have been prepared by counsel for one of the Parties, it being
2 recognized that, because of the arm's-length negotiations between the Parties, all Parties
3 have contributed to the preparation of this Settlement Agreement.

4 89. Representation By Counsel. The Parties acknowledge that they have been
5 represented by counsel throughout all negotiations that preceded the execution of this
6 Settlement Agreement, and that this Settlement Agreement has been executed with the
7 consent and advice of counsel. Further, Plaintiff and Settlement Class Counsel warrant
8 and represent that there are no liens on the Settlement Agreement or amounts to be paid
9 hereunder.

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

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

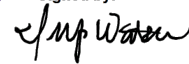
15 92. Litigation Documents. Plaintiff and Class Counsel agree that they shall
16 continue to be bound by the Stipulated Protective Order entered into in this case and that
17 none of the documents and information provided to them by Defendants shall be used
18 for any purpose other than prosecution of this Action.

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

25
26
27 **READ CAREFULLY BEFORE SIGNING**
28

PLAINTIFF

Dated: 6/17/2026

Signed by:

UB2BD648F84A497...
Irys Watson

DEFENDANTS

Dated: June 18, 2026

Neal Dongre
Neal Dongre (Jun 18, 2026 09:45:56 EDT)

Neal Dongre
MSC Industrial Direct Co., Inc. and Sid Tool
Co., Inc.

APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: June 17, 2026

By: 
Raul Perez
Attorneys for Plaintiff Irys Watson

HUNTON ANDREWS KURTH LLP

Dated: June 18, 2026

By: 
Emily Burkhardt Vicente
Attorneys for Defendants MSC Industrial
Direct Co., Inc. and Sid Tool Co., Inc.

Exhibit A

Watson v. MSC Industrial Direct Co., Inc., No. 2:25-cv-08431 ODW (AJRx)
UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA
NOTICE OF CLASS ACTION SETTLEMENT

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

Si desea una traducción al Español de este Aviso, por favor llame al administrador al ***--*******

To: All individuals employed by Defendants MSC Industrial Direct Co., Inc. (“MSC”) or Sid Tool Co., Inc. (“Sid Tool”) (collectively “Defendants”) as hourly, non-exempt employees in the State of California at any time during the period from July 31, 2021, through the earlier of May 11, 2026, or the date of Preliminary Approval (the “Settlement Class Members”).

All individuals employed by Defendants as hourly, non-exempt employees in the State of California at any time during the period from July 31, 2024, through the earlier of May 11, 2026, or the date of Preliminary Approval (the “PAGA Members”).

On _____, the Honorable Otis D. Wright of the United States District Court for the Central District of California, granted preliminary approval of this class action settlement and ordered the litigants to notify all Settlement Class Members of the settlement. **You have received this notice because Defendants’ records indicate that you are a Settlement Class Member, and you may therefore be entitled to a payment from the settlement.**

Unless you choose to opt out of the settlement by following the procedures described below, you will be deemed a Settlement Class Member and, if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement fund. The Final Approval Hearing on the adequacy, reasonableness, and fairness of the settlement will be held at ____:00 __.m. on _____, 2027 in Courtroom 5D of the United States District Court for the Central District of California, located at 350 West 1st Street, Los Angeles, CA 90012.

You are not required to attend the hearing, but if you wish to attend, you may attend the hearing.

Please also note that the Final Approval Hearing may be rescheduled by the Court to another date and/or time. Please visit **[settlement website]** for any scheduling changes.

If you move, you must send the Settlement Administrator your new address; otherwise, you may never receive your settlement payment. It is your responsibility to keep your current address on file with the Settlement Administrator. You may contact the Settlement Administrator by email or mail using the contact information found at the end of this Notice.

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 deemed a “Participating Settlement Class Member,” and will be eligible for a payment from the Net Settlement Fund and, if you are also a PAGA Member, the PAGA Fund. In exchange, you will be bound by the terms of the proposed Settlement and give up your right to assert wage and hour claims against Defendants based on the same facts alleged in the Action during the Class Period.
---	--

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

You Can Opt-out of the Class Settlement but not the PAGA Settlement	If you don't want to participate in the proposed class settlement, you can opt-out of the class settlement by sending the Settlement Administrator a written Request for Exclusion. Once excluded, you will no longer be eligible for a payment from the Net Settlement Fund and will not be bound by the terms of the proposed class settlement.
The Opt-out Deadline is [DATE]	You cannot opt-out of the PAGA portion of the proposed Settlement. PAGA Members remain eligible to receive a payment from the PAGA Fund and must give up their rights to pursue PAGA penalty claims against Defendants based on the facts alleged in the Action during the PAGA Period.
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement	All Settlement Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed class settlement, but not the PAGA settlement.
Written Objections Must be Submitted by [DATE]	
You Can Participate in the [DATE] Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [DATE] in Courtroom 5D of the United States District Court for the Central District of California, located at 350 West 1st Street, Los Angeles, CA 90012. 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).. Participating Settlement Class Members can verbally object to the Settlement at the Final Approval Hearing. If the Court grants final approval of the Settlement despite your objection, you will receive a payment from the Net Settlement Fund and you will be bound by the terms of the Settlement and Release.

Summary of the Litigation

Plaintiff Irys Watson, on her own behalf and on behalf of other current and former non-exempt California employees, alleges that Defendants violated California state labor laws as a result of their alleged failure to, among other things: (1) pay minimum and overtime wages to employees for all hours worked; (2) provide employees with meal and rest breaks; (3) timely pay all wages owed to employees during each pay period and upon termination of their employment; (4) provide reporting time pay; (5) provide reimbursement for business expenses; and (6) provide employees with accurate, itemized wage statements. Plaintiff also alleged a claim for penalties under the California Private Attorneys' General Act ("PAGA").

Defendants have denied, and continue to deny, the factual and legal allegations in the case and believe that they have valid defenses to Plaintiff's claims. By agreeing to settle, Defendants are not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action. Defendants have agreed to settle the case as part of a compromise with Plaintiff. After the exchange of relevant information and evidence, the parties agreed to enter into settlement negotiations in an attempt to informally resolve the claims in the case. The parties participated in a mediation with the Hon. Peter H. Kirwan (Ret.), an experienced and well-respected class action mediator. With Judge Kirwan's guidance, the parties were able to negotiate a complete settlement of Plaintiff's claims.

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

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

Summary Of The Proposed Settlement Terms

Plaintiff and Defendants have agreed to settle the underlying class claims in exchange for a Gross Settlement Amount of \$375,000. This amount is inclusive of: (1) individual settlement payments to all Participating Settlement Class Members; (2) a Class Representative Enhancement Payment of \$10,000 to Irys Watson for her services on behalf of the class, and for a release of all claims arising out of her employment with Defendants; (3) \$125,000 in attorneys' fees and up to \$20,000 in litigation costs and expenses; (4) a \$25,000 settlement of claims under the Labor Code Private Attorneys General Act of 2004 ("PAGA"), inclusive of a \$16,250 payment to the California Labor and Workforce Development Agency ("LWDA") in connection with the PAGA, and an \$8,750 payment ("PAGA Fund") to all PAGA Members; and (5) reasonable Settlement Administrator's fees and expenses currently estimated at \$10,000. After deducting the above payments, a total of approximately \$185,000 will be allocated to Settlement Class Members who do not opt out of the Settlement Class ("Net Settlement Fund"). Additionally, all PAGA Members will receive a proportional share of the \$8,750 PAGA Fund, regardless whether they opt out of the Settlement Class.

Payments from Net Settlement Fund. Defendants will calculate the total number of Workweeks worked by each Settlement Class Member from July 31, 2021, through the earlier of May 11, 2026, or the date of Preliminary Approval ("Class Period"), and the aggregate total number of Workweeks worked by all Settlement Class Members during the Settlement Class Period. To determine each Settlement Class Member's estimated share of the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks during the Settlement Class Period, resulting in the "Workweek Value." Each Settlement Class Member's share of the Net Settlement Fund will be calculated by multiplying each individual Settlement Class Member's total number of Workweeks by the Workweek Value. The Individual Settlement Payment will be reduced by any required deductions for each Settlement Class Member as specifically set forth herein, including employee-side tax withholdings or deductions. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase each Participating Settlement Class Member's share of the Net Settlement Fund according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Fund.

According to Defendants' records, you worked during the Settlement Class Period in a non-exempt position in California for a total of ____ Workweeks. Accordingly, your estimated payment from the Net Settlement Fund is approximately \$ ____.

Payments from PAGA Fund. Defendants will calculate the total number of pay periods worked by each PAGA Member from July 31, 2024, through the earlier of May 11, 2026, or the date of Preliminary Approval ("PAGA Period"), and the aggregate total number of pay periods worked by all PAGA Members during the PAGA Period. To determine each PAGA Member's estimated share of the PAGA Fund, the Settlement Administrator will use the following formula: The PAGA Fund will be divided by the aggregate total number of pay periods during the PAGA Period, resulting in the "PAGA Pay Period Value." Each PAGA Member's share of the PAGA Fund will be calculated by multiplying each individual PAGA Member's total number of pay periods by the PAGA Pay Period Value. A Request for Exclusion does not exclude a PAGA Member from the release of claims under California Labor Code §§ 2698, *et seq.*, and the PAGA Member will receive their portion of the PAGA Fund even if he/she/they submits a valid Request for Exclusion.

According to Defendants' records, you worked during the PAGA Period in a non-exempt position in California for a total of ____ pay periods. Accordingly, your estimated payment from the PAGA Fund is approximately \$ ____.

Your Estimated Payment: Based on the above, your total estimated payment from the settlement is approximately \$ _____. If you believe the Workweek information provided above is incorrect, please contact the Settlement Administrator to dispute the calculation. You must attach all documentation in support of your dispute (such as check stubs, W-2s, or

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

letters from HR). All disputes must be postmarked or faxed on or before **[insert date of Response Deadline]** and must be sent to:

Settlement Administrator

c/o _____

Fax No. _____

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

Taxes on Settlement Payments. IRS Forms W-2 and 1099 will be distributed to Participating Settlement Class Members and the appropriate taxing authorities reflecting the payments they receive under the settlement. Settlement Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the settlement. For purposes of this settlement, 20% of each settlement payment will be allocated as wages, for which IRS Forms W-2 will be issued, and 80% will be allocated as non-wages, for which IRS Forms 1099-MISC will be issued. Payments issued to PAGA Members from the PAGA Fund will be treated as non-wages, for which IRS Forms 1099-MISC will be issued.

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

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

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

Released Class Claims: all claims, rights, demands, liabilities, and causes of action (excluding claims for PAGA civil penalties) alleged, or which could reasonably have been alleged, in the Action based on the same set of operative facts alleged in the initial and amended Complaints including all such claims arising under federal, state or local law, regulation or applicable Wage Order, and , including claims for violation of: (1) Cal. Lab. Code §§ 510, 1194, and 1198, and the applicable IWC Wage Order (unpaid overtime); (2) Cal. Lab. Code §§ 1182.12, 1194, 1194.2, 1197, 1197.1, and 1198, and the applicable IWC Wage Order (unpaid minimum wages); (3) Cal. Lab. Code §§ 226.7, 512(a), 516, and 1198, CCP § 1021.5, and the applicable IWC Wage Order (failure to provide meal periods); (4) Cal. Lab. Code §§ 226.7, 516, and 1198, CCP § 1021.5, and the applicable IWC Wage Order (failure to authorize and permit rest periods); (5) Cal. Lab. Code §§ 201, 202, and 202.203, and 1021.5, CCP § 1021.5, and the applicable IWC Wage Order (wages not timely paid upon termination); (6) Cal. Lab. Code §§ 204, 210, CCP § 1021.5, and the applicable IWC Wage Order (failure to timely pay wages during employment); (7) Cal. Lab. Code § 1198, the applicable IWC Wage Order, and California Code of Regulations, Title 8, Section 11070 Subdivision 5(a) (failure to provide reporting time pay); (8) Cal. Lab. Code § 2802, and the applicable IWC Wage Order (unreimbursed business expenses); (9) Cal. Lab. Code. § 226 and 226.3 (accurate itemized wage statements); (10) Cal. Bus. & Prof. Code §§ 17200, et seq. and CCP § 1021.5 (unlawful business practices); and (11) Cal. Bus. & Prof. Code §§ 17200, et seq., and CCP § 1021.5 (unfair business practices). For the avoidance of doubt, this release of claims shall include all claims for (a) failure to pay all regular wages, minimum wages, and overtime wages (including as a result of rounding of time, working during meal periods, on-call time, and/or off-the-clock work); (b) failure to properly calculate the regular rate of pay, including with respect to any meal and rest break premiums, sick time, incentive payments, or bonuses paid; (c) failure to provide compliant meal breaks and/or rest

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breaks and to pay premium pay in lieu thereof; (d) failure to provide complete, accurate, or properly formatted wage statements and payroll records; (e) failure to timely pay wages during and after employment; (f) failure to pay waiting time penalties; (g) failure to properly calculate sick leave pay (Labor Code §§ 245.5, 246, 246.5, 247, 247.5, 248.5, and 249); (h) engaging in unfair business practices that could have been premised on the claims, causes of action or legal theories described above or pleaded in the operative complaints; and (i) all declaratory relief, injunctive relief, damages, unpaid wages, premiums, penalties, restitution, liquidated damages, disgorged amounts, actual, consequential and incidental losses, interest, attorneys' fees, costs, and other amounts recoverable under the claims, causes of action or legal theories described above or pleaded in the operative complaints..

Released PAGA Claims: all claims for civil penalties recoverable under PAGA, Cal. Lab. Code §§ 2698, et seq., for Labor Code violations that were alleged or could reasonably have been alleged based on the same facts alleged in Plaintiff's PAGA Letter, Complaint and Amended Complaint, during the PAGA Period, including those listed in the Released Class Claims above.

Option 2 – Opt Out of the Settlement

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

Settlement Administrator

c/o _____

The Request for Exclusion must be postmarked or faxed not later than _____, 2027. If you submit a Request for Exclusion which is not postmarked or faxed by _____, 2027, your Request for Exclusion will be rejected, and you will be included in the Settlement Class.

If you choose **Option 2**, and properly and timely opt-out, you will no longer be a Settlement Class Member, and you will:

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

Option 3 – Object to the Settlement

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

All written objections must be received by the administrator by no later than _____ 2027. By submitting an objection, you are not excluding yourself from the settlement. To exclude yourself from the settlement, you must follow the directions described above. Please note that you cannot both object to the settlement and exclude yourself. You must choose one option only.

You may also, if you wish, appear at the Final Approval Hearing set for _____ at _____ a.m./p.m. in Courtroom 5D, of the United States District Court for the Central District of California, located at 350 West 1st Street,

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Los Angeles, CA 90012, and discuss your objection with the Court and the Parties at your own expense. You may also retain an attorney to represent you at the hearing.

Settlement Class Members who fail to object either by submitting a valid and timely written Notice of Objection or appearing in person at the Final Approval Hearing will be deemed to have waived all objections to the Settlement and will be foreclosed from making any objections, whether by appeal or otherwise, to the Settlement Agreement.

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

Additional Information

This Notice of Class Action Settlement is only a summary of the case and the Settlement. For a more detailed statement of the matters involved in the case and the Settlement, you may refer to the pleadings, the Settlement Agreement, and other papers filed in the case. These documents can be reviewed at [\[insert website\]](#).

All inquiries by Settlement Class Members regarding this Class Notice and/or the settlement or to update address information should be directed to the Settlement Administrator at:

[insert Settlement Administrator Info]

or Settlement Class Counsel.

Raul Perez
Capstone Law APC
1875 Century Park E., Suite 1860
Los Angeles, CA 90067
Phone: [Case Specific Phone Number]

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, OR DEFENDANTS' ATTORNEYS WITH INQUIRIES.

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