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

ALEXANDER WILSON, individually, and on
behalf of other members of the general public
similarly situated,

Plaintiff,

vs.

RECREATIONAL EQUIPMENT, INC., a
Washington corporation; and DOES 1 through
10, inclusive,

Defendants.

Case No.: 34-2022-00328937-CU-OE-GDS

**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” or “Agreement”) is made and entered into by and between Plaintiff Alexander Wilson (“Plaintiff” or “Class Representative”), as an individual and on behalf of all others similarly situated, and Defendant Recreational Equipment, Inc. (“Defendant”), on behalf of itself, its co-operative, parent(s), divisions, affiliates, subsidiaries, predecessors and successors, and its directors, partners, principals, officers, members, fiduciaries, trustees, insurers, employees, attorneys, and agents. Named Plaintiff and Defendant are collectively referred to as 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 *Wilson v. Recreational Equipment, Inc.*, No. 34-2022-00328937-CU-OE-GDS filed in Sacramento County Superior Court on October 26, 2022, removed to the United States District Court, Eastern District of California on December 7, 2022, case No. 22-cv-02184-DJC-KJN, and remanded to Sacramento County Superior Court on March 29, 2024.

2. “Attorneys’ Fees and Costs” means the reasonable amounts allocated to Class Counsel for attorneys’ fees and approved by the Court for Class Counsel’s litigation and resolution of the Action, and all out-of-pocket costs incurred and to be incurred by Class Counsel in the Action, including but not limited to expert/consultant fees, investigation costs, and costs associated with documenting the Settlement, providing any notices required as part of the Settlement or Court order, securing the Court’s approval of the Settlement, administering the Settlement, and obtaining entry of a Judgment terminating the Action. Class Counsel will request attorneys’ fees not in excess of one-third (1/3) of the Gross Settlement Amount, or One Million Six Hundred Sixty-Six Thousand Six Hundred Sixty-Seven Dollars (\$1,666,667). 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.

3. “Class Counsel” means Capstone Law APC.

4. “Class List” means a complete list of all Class Members that Defendant will diligently

1 and in good faith compile from its records and provide to the Settlement Administrator within thirty (30)
2 calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in Microsoft
3 Office Excel and will include each Class Member's full name; last known mailing address and telephone
4 number; Social Security number; the respective number of Workweeks that each Class Member worked
5 during the Class Period; and the respective number of PAGA Pay Periods for the PAGA Members worked
6 during the PAGA Period.

7 5. "Class Member(s)" or "Settlement Class" means those individuals in the Class who have
8 not timely and properly opted-out of the Class. "Class" means those individuals who worked for Defendant
9 as non-exempt, hourly paid employees in the State of California from October 26, 2018 through January
10 8, 2024. As of the date of mediation on November 8, 2023, there are approximately Eight Thousand Three
11 Hundred Twenty-Nine (8,329) Class Members.

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

14 7. "Class Period" means the period from October 26, 2018 through January 8, 2024.

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

20 9. "Court" means the Sacramento County Superior Court.

21 10. "Defense Counsel" means Neal A. Fisher, Jr. and Brittany A. Sachs, Perkins Coie LLP.

22 11. "Effective Date" means the date by when all of the following have occurred: (a) execution
23 of this Settlement by Plaintiff and Class Counsel; (b) the Court enters a Judgment on its Order Granting
24 Final Approval of the Settlement; and (c) the Judgment is final. The judgment is final as of the latest of the
25 following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court
26 enters Judgment; (b) if one or more Participating Class Members object to the Settlement, the day after the
27 deadline for filing a notice of appeal from the judgment; or if a timely appeal from the Judgment is filed,
28 the day after the appellate court affirms the Judgment and issues a remittitur. The occurrence of the

Effective Date is a prerequisite to any distributions from the Gross Settlement Amount.

12. In the event there are written objections made prior to the Final Approval Hearing, or an appeal of the Court's approval of the Settlement taken, then the Effective Date shall be the later of the following events: when the period for filing any appeal, writ or other appellate proceeding opposing the settlement has elapsed without any appeal, writ or other appellate proceeding having been filed; or any appeal, writ or other appellate proceeding opposing the Settlement has been dismissed finally and conclusively with no right to pursue further remedies or relief; or any appeal, writ or other appellate proceeding has upheld the Court's Order of Final Approval with no right to pursue further remedies or relief.

13. "Final Approval" means the date on which the Court enters an order granting final approval of the Settlement Agreement.

14. "Final Judgment" means the Judgment Entered by the Court upon granting Final Approval of the Settlement.

15. "Gross Settlement Amount" means the Gross Settlement Amount of Five Million Dollars (\$5,000,000), which is the total amount Defendant agrees to pay under the Settlement, except as provided below. Defendant will pay the Gross Settlement Amount in full satisfaction of all Released Class Claims and Released PAGA Claims. The Gross Settlement Amount will cover 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 Defendant based on the aggregation of the agreed-upon settlement value of individual claims. In no event will Defendant 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 Defendant. Defendant will be separately responsible for any employer payroll taxes required by law, including the employer FICA, FUTA, and SDI contributions, which shall not be paid from the Gross Settlement Amount.

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

17. "Individual PAGA Payment" means the allegedly Aggrieved Employee's pro rata share

of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

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

19. "LWDA Letter" means the letter Plaintiff sent to the California Labor and Workforce Development Agency ("LWDA") on November 8, 2022, providing notice pursuant to Labor Code section 2699.3, subd. (a). The LWDA Letter is incorporated herein by this reference.

20. "Net Settlement Fund" means the Gross Settlement Amount less the following payments in the amounts approved by the Court: Attorneys' Fees and Costs, the Class Representative Enhancement Payment, Individual PAGA Payments, the LWDA PAGA Payment, and Settlement Administration Costs.

21. "Notice of Objection" means a Class Member's valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the objector's full name, signature, address, and telephone number, (b) a written statement of all grounds for the objection accompanied by any legal support for such objection; (c) copies of any papers, briefs, or other documents upon which the objection is based; (d) a statement whether the objector intends to appear at the final fairness hearing; and (e) must be postmarked no later than the last day of the Notice Period.

22. "Notice Period" refers to the time period of forty-five (45) days from the mailing date postmarked on the Class Notice mailed by the Settlement Administrator.

23. "Operative Complaint" means the Class Action Complaint & Enforcement Action Under the Private Attorneys General Act, California Labor Code §§ 2698, *et seq.*, which Plaintiff filed on January 24, 2023 in the United States District Court for the Eastern District of California.

24. "PAGA Member(s)" means those individuals who worked for Defendant as non-exempt, hourly paid employees in the State of California from November 8, 2021 through January 8, 2024.

25. "PAGA Pay Period" means any Pay Period during which a PAGA Member worked for Defendant during the PAGA Period. All PAGA Members will be deemed to have worked at least one PAGA Pay Period.

26. "PAGA Period" means the period from November 8, 2021 through January 8, 2024.

27. "PAGA Settlement Amount" means the total amount of PAGA civil penalties to be paid

1 from the Gross Settlement Amount, allocated 25% to the allegedly Aggrieved Employees and 75% to the
2 LWDA in settlement of Plaintiff's PAGA claims ("PAGA Settlement"). The Parties have agreed that Two
3 Hundred Fifty Thousand Dollars (\$250,000) of the Gross Settlement Amount will be allocated to the
4 PAGA Settlement. Pursuant to PAGA, Seventy-Five Percent (75%), or One Hundred Eighty-Seven
5 Thousand Five Hundred Dollars (\$187,500), of the PAGA Settlement Amount will be paid to the LWDA
6 ("Labor and Workforce Development Agency Payment"), and Twenty-Five Percent (25%), or Sixty-Two
7 Thousand Five Hundred Dollars (\$62,500) ("PAGA Fund"), of the PAGA Settlement will be disbursed
8 to PAGA Members. These payments will be made regardless of whether any PAGA Member requests
9 exclusion from the Settlement Class.

10 28. "Parties" means Plaintiff and Defendant collectively.

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

13 30. "Plaintiff" means Plaintiff Alexander Wilson.

14 31. "Preliminary Approval" means the date on which the Court enters an order granting
15 preliminary approval of the Settlement.

16 32. "Released Class Claims" means that all Participating Class Members, on behalf of
17 themselves and their respective former and present representatives, agents, attorneys, heirs, administrators,
18 successors, estates, executors and assigns, release Defendant and Released Parties from all state, federal,
19 and local claims, debts, liabilities, demands, obligations, guarantees, penalties, costs, expenses, attorneys'
20 fees, damages, liquidated damages, actions, or causes of action, of whatever kind or nature, whether known
21 or unknown, contingent or accrued, that were alleged or could have been alleged based on the allegations
22 in the pleadings and/or LWDA Letter regarding any matter(s) or fact(s) that occurred or are alleged to have
23 occurred including, but not limited to, claims for minimum wages, off-the-clock work, overtime, hours of
24 work, wage statements, record-keeping requirements, unreimbursed expenses, payment of wages, or
25 payment of final wages, and including, without limitation, all federal claims (including Fair Labor
26 Standards Act claims) or local claims that were asserted or could have been asserted in this Action based
27 on the allegations in the pleadings and/or LWDA Letter, including, but not limited to, claims for violation
28 of: (a) Labor Code sections 510 and 1198 (unpaid overtime); (b) Labor Code sections 1182.12, 1194,

1 1197, 1197.1, and 1198 (unpaid minimum wages); (c) Labor Code sections 226.7, 512(a), 516, and 1198
 2 (failure to provide meal periods); (d) Labor Code sections 226.7, 516, and 1198 (failure to authorize and
 3 permit rest periods); (e) Labor Code sections 226(a), 1174(d), and 1198 (non-compliant wage statements
 4 and failure to maintain payroll records); (f) Labor Code section 204 (failure to timely pay wages during
 5 employment); (g) Labor Code section 2802 (unreimbursed business expenses); (h) California Business &
 6 Professions Code sections 17200, *et seq.* (unlawful business practices); (i) California Business &
 7 Professions Code sections 17200, *et seq.* (unfair business practices); and (j) all derivative claims pertaining
 8 to the foregoing reasonably arising from, or reasonably related to, the same set of operative facts as those
 9 set forth in the pleadings and/or LWDA Letter during the Class Period. The Released Class Claims include
 10 any unknown claims that Participating Class Members do not know or suspect to exist in their favor, which
 11 if known by them, might have affected this Settlement with Defendant and release of Released Parties.

12 33. “Released PAGA Claims” means all PAGA members on their behalf and on behalf of
 13 their respective former and present representatives, heirs, executors, administrators, agents, successors,
 14 assigns, estates, and attorneys, fully and forever release and discharge Defendant and the Released Parties
 15 from any and all claims for civil penalties under California Labor Code §§ 2698, *et seq.*, that were brought
 16 or could reasonably have been brought based on the same facts alleged in Plaintiff’s LWDA Letter during
 17 the PAGA Period and Plaintiff’s Operative Complaint.

18 34. “Released Parties” means Defendant, including its past or present successors, subsidiaries,
 19 investors, parents, holding companies, investors, sister and affiliated companies, divisions, cooperative,
 20 association of members, and other related entities, as well as its successors, predecessors, shareholders,
 21 subsidiaries, investors, parent, sister and affiliated companies, officers, directors, partners, members,
 22 assigns, agents, employees, principals, heirs, administrators, attorneys, accountants, auditors, consultants,
 23 fiduciaries, insurers, reinsurers, employee benefit plans, and representatives, both individually and in their
 24 official capacities, past or present, as well as all persons acting by, through, under, or in concert with any
 25 of these persons or entities.

26 35. “Request for Exclusion” means a timely letter submitted by a Class Member indicating a
 27 request to be excluded from the Settlement Class. The Request for Exclusion must: (a) set forth the name,
 28 address, telephone number and last four digits of the Social Security Number of the Class Member

1 requesting exclusion; (b) be signed by the Class Member; (c) be returned to the Settlement Administrator;
2 (d) clearly state that the Class Member does not wish to be included in the Settlement; and (e) be faxed or
3 postmarked on or before the Response Deadline.

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

11 37. "Settlement Administration Costs" means the costs payable from the Gross Settlement
12 Amount to the Settlement Administrator for administering this Settlement, including, but not limited to,
13 printing, distributing, and tracking documents for this Settlement, tax reporting, distributing the Gross
14 Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The
15 Settlement Administration Costs will be paid from the Gross Settlement Amount, including, if necessary,
16 any such costs in excess of the amount represented by the Settlement Administrator as being the maximum
17 costs necessary to administer the Settlement. Settlement Administration Costs are currently estimated to
18 be Forty-Five Thousand Dollars (\$45,000).

19 38. "Settlement Administrator" means CPT Group, Inc., or any other third-party class action
20 settlement administrator agreed to by the Parties and approved by the Court for the purposes of
21 administering this Settlement. The Parties each represent that they do not have any financial interest in the
22 Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could
23 create a conflict of interest.

24 39. "Workweeks" means any week during which a Class Member worked for Defendant
25 during the Class Period. All Class Members will be deemed to have worked at least one Workweek.

26 **RECITALS**

27 40. It is agreed by and among Plaintiff and Defendant that the Action, including all allegations
28 in the Operative Complaint and any and all claims, damages, remedies sought or causes of action alleged

1 in the Complaint or that could have been alleged based on the factual allegations of the Complaint, as well
2 as the LWDA Notice Letter, shall be settled and compromised as between Plaintiff, the Settlement Class,
3 PAGA Members, and Defendant, as well as between the California LWDA in connection with the claims
4 asserted under California Labor Code section 2698 *et seq.*, subject to the terms and conditions set forth in
5 this Settlement and the approval of the Court, including through any Court-appointed referee or agent of
6 the Court or other judicial entity with jurisdiction over this matter.

7 41. On October 26, 2022, Plaintiff commenced this Action by filing a Complaint in
8 Sacramento County Superior Court, alleging causes of action against Defendant for (1) Unpaid Overtime;
9 (2) Unpaid Minimum Wages; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit
10 Rest Periods; (5) Non-Compliant Wage Statements and Failure to Maintain Payroll Records; (6) Failure
11 to Timely Pay Wages During Employment; (7) Unreimbursed Business Expenses; (8) Unlawful Business
12 Practices; and (9) Unfair Business Practices. On November 8, 2022, Plaintiff provided notice pursuant to
13 Labor Code section 2699.3, subd. (a) to the LWDA.

14 42. On December 7, 2022, Defendant removed the case to the United States District Court,
15 Eastern District of California. On January 24, 2023, Plaintiff filed an amended Complaint alleging: (1)
16 Unpaid Overtime; (2) Unpaid Minimum Wages; (3) Failure to Provide Meal Periods; (4) Failure to
17 Authorize and Permit Rest Periods; (5) Non-Compliant Wage Statements and Failure to Maintain Payroll
18 Records; (6) Failure to Timely Pay Wages During Employment; (7) Unreimbursed Business Expenses;
19 (8) Civil Penalties under PAGA; (9) Unlawful Business Practices; and (10) Unfair Business Practices.

20 43. On November 8, 2023, the Parties participated in an all-day mediation presided over by
21 the Honorable Carl J. West (Ret.), which led to this Agreement to settle the Action.

22 44. Prior to mediation, Plaintiff obtained through informal discovery, Plaintiff's personnel
23 file, policy documents, and an approximate 20% randomly selected sample of non-exempt employees that
24 worked at Defendant during the Class Period. Plaintiff's investigation was sufficient to satisfy the criteria
25 for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and
26 *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

27 45. In connection with the Settlement, the Parties stipulated to remand the Action to
28 Sacramento County Superior Court.

1 46. No court has granted class certification.

2 47. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any
3 other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

4 **TERMS OF AGREEMENT**

5 The Plaintiff, on behalf of himself, the Settlement Class, PAGA Members, and Defendant agree
6 as follows:

7 48. Funding of the Gross Settlement Amount. Defendant will make a one-time deposit of the
8 Gross Settlement Amount of Five Million Dollars (\$5,000,000) into a Qualified Settlement Fund (“QSF”)
9 under US Treasury Regulation section 468B-1, to be established by the Settlement Administrator.
10 Defendant will pay the employer’s share of payroll taxes separately. Defendant will deposit the Gross
11 Settlement Amount and the employer’s share of payroll taxes within sixty (60) calendar days after the
12 Effective Date (“Funding Date”). Defendant has no obligation to pay the Gross Settlement Amount (or
13 any payroll taxes) prior to the Effective Date.

14 49. Attorneys’ Fees and Costs. Class Counsel will file an application for Attorneys’ Fees and
15 Costs of not more than One Million Six Hundred Sixty-Six Thousand Six Hundred Sixty-Seven Dollars
16 (\$1,666,667), plus the reimbursement of all out-of-pocket costs and expenses associated with Class
17 Counsel’s litigation and settlement of the Action (including expert/consultant fees, investigations costs,
18 etc.), not to exceed Twenty Thousand Dollars (\$20,000), both of which will be paid from the Gross
19 Settlement Amount. Defendant takes no position on Plaintiff’s request for Court approval of Attorneys’
20 Fees and Costs provided they do not exceed \$1,666,667 in attorneys’ fees and \$20,000 in out-of-pocket
21 costs and expenses. Class Counsel assumes full responsibility and liability for taxes owed on the Attorneys’
22 Fees and Costs and holds Defendant and Defense Counsel harmless and indemnifies Defendant and
23 Defense Counsel, from any dispute or controversy regarding any division or sharing of any of these
24 payments. The Settlement Administrator, and not Defendant, shall issue IRS Form 1099 to Class Counsel
25 reflecting the awarded Attorneys’ Fees and Costs.

26 50. Class Representative Enhancement Payment. In exchange for a general release of all
27 claims, and in recognition of his effort and work in prosecuting the Action on behalf of Class Members,
28 Defendant agrees not to oppose or impede any application or motion for a Class Representative

Enhancement Payment of up to Ten Thousand Dollars (\$10,000). The Class Representative Enhancement Payment will be paid from the Gross Settlement Amount and will be in addition to Plaintiff's Individual Settlement Payment paid pursuant to the Settlement. Plaintiff will be solely and legally responsible to pay any and all applicable taxes on the Class Representative Enhancement Payment. If the Court approves Plaintiff's request for an Enhancement Payment, then Plaintiff, in his individual capacity, agrees that he will be solely responsible for correctly characterizing his Enhancement Payment for tax purposes and is solely responsible for paying any taxes owing on said amount(s). Plaintiff also agrees to indemnify and hold harmless Defendant and Defense Counsel for any tax liability, including penalties and interest, arising out of or relating to Plaintiff's failure to pay taxes on any amounts paid pursuant to this Settlement. Plaintiff understands and agrees that this Settlement Agreement shall remain in full force and effect even if the full amount of Class Representative Enhancement Payment sought by Plaintiff is not ultimately awarded by the Court.

51. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Gross Settlement Amount, which is currently estimated to be Forty-Five Thousand Dollars (\$45,000). These costs, which will be paid from the Gross Settlement Amount, will include, *inter alia*, the required tax reporting on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, distributing Class Notices, calculating and distributing the Gross Settlement Amount, and providing necessary reports and declarations.

52. PAGA Settlement Amount. Subject to Court approval, the Parties agree that the amount of Two Hundred Fifty Thousand Dollars (\$250,000) from the Gross Settlement Amount will be designated for satisfaction of Plaintiff's PAGA claim. Pursuant to PAGA, Seventy-Five Percent (75%), or One Hundred Eighty-Seven Thousand Five Hundred Dollars (\$187,500), of this sum will be paid to the LWDA and Twenty-Five Percent (25%), or Sixty-Two Thousand Five Hundred Dollars (\$62,500), will be paid to PAGA Members in proportion to the number of PAGA Pay Periods during the PAGA Period.

53. No Right to Exclusion or Objections to the PAGA Settlement. Because this settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as a Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that no PAGA

1 Member has the right to exclude himself, herself, or themselves from the release of the Released PAGA
2 Claims, and all PAGA Members will receive their shares of the PAGA Fund. The Parties also agree that
3 no PAGA Member has the right to object to the PAGA Settlement Amount.

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

6 55. PAGA Fund. The entire PAGA Fund will be distributed to all PAGA Members. No
7 portion of the PAGA Fund will revert to or be retained by Defendant. For tax purposes, Individual PAGA
8 Payments will be treated by the Parties as non-wage civil penalties, not subject to payroll withholdings,
9 and shall be reported on an IRS Form 1099, which is to be provided by the Settlement Administrator.
10 PAGA Members shall be solely and exclusively responsible for remitting to state and/or federal taxing
11 authorities any applicable other taxes due as a result of their respective Individual PAGA Payments. If the
12 IRS or other taxing authority subsequently determines that payments under this Agreement were
13 mischaracterized, and that additional taxes are due, Defendant will be responsible for any employer-side
14 taxes found due (including, but not limited to, FICA, FUTA, and all other state and federal payroll taxes),
15 and PAGA Members will be responsible for any employee-side taxes found due (including, but not limited
16 to, FICA, FUTA, and all other employment related taxes).

17 56. Individual Settlement Payment Calculations. Individual Settlement Payments will be
18 calculated and apportioned from the Net Settlement Fund and PAGA Fund based on the number of
19 Workweeks a Class Member worked during the Class Period and PAGA Pay Periods a PAGA Member
20 worked during the PAGA Period. Specific calculations of Individual Settlement Payments will be made
21 as follows:

22 56(a) Payments to Class Members from the Net Settlement Fund. Defendant will
23 calculate the total number of Workweeks worked by each Class Member
24 during the Class Period and the aggregate total number of Workweeks
25 worked by all Class Members during the Class Period. To determine each
26 Class Member's estimated "Individual Settlement Payment" from the Net
27 Settlement Fund, the Settlement Administrator will use the following
28 formula: The Net Settlement Fund will be divided by the aggregate total

1 number of Workweeks during the Class Period, resulting in the “Workweek
2 Value.” Each Class Member’s “Individual Settlement Payment” will be
3 calculated by multiplying each individual Class Member’s total number of
4 Workweeks by the Workweek Value. The Individual Settlement Payment
5 will be reduced by any required deductions for each Participating Class
6 Member as specifically set forth herein, including employee-side tax
7 withholdings or deductions. The entire Net Settlement Fund will be disbursed
8 to all Class Members who do not submit timely and valid Requests for
9 Exclusion. If there are any valid and timely Requests for Exclusion, the
10 Settlement Administrator shall proportionately increase the Individual
11 Settlement Payment for each Participating Class Member according to the
12 number of Workweeks worked, so that the amount actually distributed to the
13 Settlement Class equals 100% of the Net Settlement Fund.

14 56(b) Payments to PAGA Members from the PAGA Fund. Defendant will
15 calculate the total number of PAGA Pay Periods worked by each PAGA
16 Member during the PAGA Period and then aggregate total number of PAGA
17 Pay Periods worked by all PAGA Members during the PAGA Period. To
18 determine each PAGA Member’s estimated “Individual Settlement
19 Payment,” the Settlement Administrator will use the following formula: The
20 PAGA Fund will be divided by the aggregate total number of PAGA Pay
21 Periods during the PAGA Period, resulting in the “PAGA Pay Period Value.”
22 Each PAGA Member’s “Individual Settlement Payment” will be calculated
23 by multiplying each individual PAGA Member’s total number of PAGA Pay
24 Periods by the PAGA Pay Period Value. The entire PAGA Fund will be
25 disbursed to all PAGA Members.

26 57. Escalator Clause. The Gross Settlement Amount was calculated with, and is premised on,
27 the understanding that there are Eight Thousand Three Hundred Twenty-Nine (8,329) Class Members as
28 of the date of mediation. If the actual number of Class Members eligible to participate in the Settlement is

greater than Ten Percent (10%) of this estimate, then Defendant must either: (a) proportionally increase the Gross Settlement Amount by the same percentage increase above Ten Percent (10%); or (b) at Defendant's election, Defendant may choose to shorten the Class Period and PAGA Period to correspond to the last date on which the total number of Class Members was not in excess of Nine Thousand One Hundred and Sixty-Two (9,162).

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

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

60. Delivery of the Class List. Within thirty (30) calendar days of Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator. To protect Class Members' and PAGA Members' privacy rights, the Settlement Administrator must maintain the Class List in confidence, use the Class List only for purpose of this Settlement and for no other purpose, and restrict access to the Class List to Settlement Administrator employees who need access to it to effect and perform under this Agreement.

61. Notice by First-Class U.S. Mail. Within fourteen (14) calendar days after receiving the Class List from Defendant, the Settlement Administrator will mail a Class Notice to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

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

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

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

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

66. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the Settlement Agreement must sign and fax or postmark a written Request for Exclusion to the Settlement Administrator within the Response Deadline. In the case of Requests for Exclusion that are mailed to the Settlement Administrator, the postmark date will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to opt out of the Settlement. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

67. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member who does not affirmatively opt-out of the Settlement Agreement by submitting a timely and valid Request for Exclusion will be a Participating Class Member under this Agreement and bound by all of its terms, including those pertaining to the Released Class Claims, as well as any Judgment that may be entered by the Court if it grants final approval of the Settlement, and regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

68. Releases by Participating Class Members. Upon the Funding Date, each Participating Class Member, together and individually, on their behalf and on behalf of their respective representatives, heirs, executors, administrators, agents, successors, estates, assigns, executors and attorneys, fully and forever release and discharge Defendant and the Released Parties from any and all Released Class Claims during the Class Period.

69. Releases by PAGA Members. Upon the Funding Date, each PAGA Member, together

1 and individually, on their behalf and on behalf of their respective representatives, heirs, executors,
2 administrators, agents, successors, assigns, estates, executors and attorneys, fully and forever release and
3 discharge Defendant and the Released Parties from any and all Released PAGA Claims during the PAGA
4 Period. Upon the Funding Date, the State of California shall also be deemed to fully forever, irrevocably,
5 and unconditionally release and discharge Defendant and the Released Parties from any and all Released
6 PAGA Claims during the PAGA Period.

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

15 71. Objection Procedures. Only Participating Class Members may object to the class action
16 components of the Settlement and/or this Agreement. To object to the Settlement Agreement, a Class
17 Member may either postmark a valid Notice of Objection to the Settlement Administrator on or before the
18 Response Deadline, or appear in person at the Final Approval Hearing. Class Members who fail to object
19 either by submitting a valid Notice of Objection or appearing in person at the Final Approval Hearing will
20 be deemed to have waived all objections to the Settlement and will be foreclosed from making any
21 objections, whether by appeal or otherwise, to the Settlement Agreement. At no time will any of the Parties
22 or their counsel seek to solicit or otherwise encourage Class Members to submit written objections to the
23 Settlement Agreement or appeal from the final approval order and judgment. Class Counsel will not
24 represent any Class Members with respect to any such objections to this Settlement. If a Class Member
25 timely submits both a Notice of Objection and a Request for Exclusion, the Request for Exclusion will be
26 given effect and considered valid, the Notice of Objection shall be rejected, and the Class Member shall
27 not participate in or be bound by the Settlement.

28 72. Certification Reports Regarding Individual Settlement Payment Calculations. The

1 Settlement Administrator will provide Defense Counsel and Class Counsel a weekly report that certifies
2 the number of Class Members who have submitted valid Requests for Exclusion or objections to the
3 Settlement, and whether any Class Member has submitted a challenge to any information contained in
4 their Class Notice, including those received after the Response Deadline. Additionally, the Settlement
5 Administrator will provide to counsel for both Parties any updated reports regarding the administration of
6 the Settlement Agreement as needed or requested.

7 73. Distribution Timing of Individual Settlement Payments. Within ten (10) calendar days of
8 the Funding Date, the Settlement Administrator will issue payments to: (a) Participating Class Members
9 and PAGA Members; (b) the Labor and Workforce Development Agency; (c) Plaintiff; and (d) Class
10 Counsel. The Settlement Administrator will also issue a payment to itself for Court-approved services
11 performed in connection with the Settlement. The face of the check shall prominently state the date when
12 the check will be voided.

13 74. Un-cashed Settlement Checks. Pursuant to Code of Civil Procedure section 384, proceeds
14 represented by Individual Settlement Payment checks returned as undeliverable and Individual Settlement
15 Payment checks remaining un-cashed for more than one hundred and eighty (180) calendar days after
16 issuance will be tendered in equal shares to: (a) Sacramento Tree Foundation and (b) Center for Nature
17 and Health at the University of California—San Francisco (collectively, “Cy Pres Recipients”). The Parties
18 do not have a connection to or a relationship with the Cy Pres Recipients that could reasonably create the
19 appearance of impropriety as between the selection of the Cy Pres Recipients as the recipient of the
20 unclaimed residuals and the interests of the class.

21 75. Certification of Completion. Upon completion of administration of the Settlement, the
22 Settlement Administrator will provide a written declaration under oath to certify such completion to the
23 Court and counsel for all Parties.

24 76. Treatment of Individual Settlement Payments. All Individual Settlement Payments will
25 be allocated as follows: (a) Fifteen Percent (15%) of each Individual Settlement Payment will be allocated
26 as wages for which IRS Forms W-2 will be issued; and (b) Eighty-Five Percent (85%) will be allocated as
27 non-wages for which IRS Forms 1099-MISC will be issued. Payments issued to PAGA Members from
28 the PAGA Fund will be treated as non-wages for which IRS Forms 1099-MISC will be issued.

1 Participating Class Members shall be solely and exclusively responsible for remitting to state and/or
2 federal taxing authorities any applicable other taxes due as a result of their respective settlement payments.
3 If the IRS or other taxing authority subsequently determines that payments under this Agreement were
4 mischaracterized, and that additional taxes are due, Defendant will be responsible for any employer-side
5 taxes found due (including, but not limited to, FICA, FUTA, and all other state and federal payroll taxes)
6 and Participating Class Members will be responsible for any employee-side taxes found due (including,
7 but not limited to, FICA, FUTA, and all other employment related taxes).

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

13 78. Tax Liability. The Parties make no representation as to the tax treatment or legal effect of
14 the payments called for hereunder, and Plaintiff, Participating Class Members, and PAGA Members are
15 not relying on any statement, representation, or calculation by Defendant, Defense Counsel or by the
16 Settlement Administrator in this regard.

17 79. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES
18 OF THIS PARAGRAPH, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS
19 AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY")
20 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO
21 WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR
22 THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL
23 ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE
24 RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY
25 DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
26 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN,
27 INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN
28 CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT

1 BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR
2 ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
3 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER
4 PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
5 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY
6 HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY
7 SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH
8 LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING
9 PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION,
10 INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

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

15 81. Nullification of Settlement Agreement. In the event that: (a) the Court does not finally
16 approve the Settlement as provided herein; or (b) the Settlement does not become final for any other reason
17 (including because a reviewing court vacates, reverses, or modifies the Judgment in a matter that requires
18 a material modification of this Agreement), then this Settlement Agreement, and any documents generated
19 to bring it into effect, will be null and void. The Parties agree that class certification, representative
20 treatment and agreement to remand is for purposes of this Settlement only. Defendant reserves all rights
21 to challenge certification, representative treatment and remand if a court determines the Settlement
22 Agreement is null and void. Any order or judgment entered by the Court in furtherance of this Settlement
23 Agreement will likewise be treated as void from the beginning.

24 82. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to request
25 the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval Order
26 for: (a) conditional certification of the Settlement Class for settlement purposes only, (b) preliminary
27 approval of the proposed Settlement Agreement, (c) setting a date for a final fairness hearing. The
28 Preliminary Approval Order will provide for the Class Notice to be sent to all Class Members as specified

1 herein. In conjunction with the Preliminary Approval hearing, Plaintiff will submit this Settlement
2 Agreement, which sets forth the terms of this Settlement, and will include the proposed Notice of Class
3 Action Settlement, attached as Exhibit A. Class Counsel will be responsible for drafting all documents
4 necessary to obtain preliminary approval.

5 83. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the
6 deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with the
7 Court's permission, a final fairness hearing will be conducted to determine the Final Approval of the
8 Settlement Agreement along with the amounts properly payable for: (a) Attorneys' Fees and Costs; (b) the
9 Class Representative Enhancement Payment; (c) Individual Settlement Payments; (d) the Labor and
10 Workforce Development Agency Payment; (e) all Settlement Administration Costs. The final fairness
11 hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Class Counsel
12 will be responsible for drafting all documents necessary to obtain final approval. Class Counsel will also
13 be responsible for drafting the attorneys' fees and costs application to be heard at the final approval hearing.

14 84. Judgment and Continued Jurisdiction. Upon Final Approval of the Settlement by the
15 Court or after the final fairness hearing, the Parties will present the Judgment to the Court for its approval.
16 After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of addressing:
17 (a) the interpretation and enforcement of the terms of the Settlement, (b) Settlement administration matters,
18 and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement
19 Agreement.

20 85. Release by Plaintiff. Except for those obligations created by or arising out of this
21 Agreement, and except as provided below, upon the Funding Date, Plaintiff will release and discharge,
22 and covenant not to sue Defendant, and any of Defendant's past, present, and future parents, holding
23 companies, cooperative, association of members, subsidiaries, affiliates, officers, directors, employees,
24 partners, members, shareholders, insurers, predecessors, successors, assigns, agents, vendors, third-party
25 service providers, or other related parties, including but not limited to Released Parties as defined, from
26 and with respect to any and all claims, liabilities, agreements, obligations, losses, damages, costs, expenses,
27 attorneys' fees, injuries, demands, indemnities and causes of action of every kind and nature in law, equity
28 or otherwise, known or unknown, suspected or unsuspected, disclosed or undisclosed, contingent or

1 accrued, including but not limited to those arising out of or in any way connected with Plaintiff's work
 2 relationship with or separation from Defendant, or any other occurrences, actions, omissions or claims
 3 whatever, known or unknown, suspected or unsuspected, which Plaintiff now owns or holds or has at any
 4 time heretofore owned or held as against Defendant and the Released Parties.

5 86. Without limiting the generality of the foregoing, Plaintiff will release and forever
 6 discharge Defendant and the Released Parties, to the fullest extent permitted by law, of and from any and
 7 all claims and disputes, known and unknown, asserted and not asserted, arising out of any state, municipal,
 8 or federal statute, ordinance, regulation, order or common law, including without limitation: claims under
 9 Title VII of the Civil Rights Act of 1964, as amended, the Civil Rights Act of 1866 and 1871; the Civil
 10 Rights Act of 1991; 42 U.S.C. § 1981, as amended; the Age Discrimination in Employment Act and the
 11 Older Workers Benefit Protection Act; the Fair Labor Standards Act; Sections 503 and 504 of the
 12 Rehabilitation Act of 1973; the Americans with Disabilities Act; the Employee Retirement Income
 13 Security Act, as amended; the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended;
 14 the Family Medical Leave Act; the Pregnancy Discrimination Act; the Equal Pay Act of 1973; the
 15 Occupational Safety and Health Act; the Immigration Reform and Control Act; the California Unfair
 16 Competition Law (Cal. Bus. & Prof. Code § 17200 *et seq.*); the Worker Adjustment Retraining and
 17 Notification Act of 1973, as amended; the Worker Adjustment Retraining and Notification Act of 1099,
 18 as amended; the Uniformed Services Employment and Reemployment Rights Act; the Health Insurance
 19 Portability and Accountability Act of 1996; the National Labor Relations Act of 1935, the Fair Credit
 20 Reporting Act; the California Government Code; the California Civil Code; any federal, state and local
 21 employment laws relating to COVID-19; the California Family Rights Act; each and every provision of
 22 the California Labor Code and the Orders of the California Industrial Welfare Commission regulating
 23 wages, hours and working conditions; the California Fair Employment and Housing Act, as amended, Cal.
 24 Govt. Code § 12900, *et seq.*; each and every provision of the California Business and Professions Code
 25 (including but not limited to Sections 17200, *et seq.*) California's Whistleblower Protection Act; any state,
 26 civil, or statutory laws, including any and all human rights laws and laws against discrimination; any other
 27 federal, state, or local statutes, codes, or ordinances; any common law, contract law, or tort law cause of
 28 action; Title II of the Genetic Information Non-Disclosure Act; and all other local, state or federal laws

1 including but not limited to those relating to discrimination, denial or discharge of employment or health
2 benefit or benefits of any other kind, or any claims of breach or violation of public policy, any claims
3 arising under the Federal or any state constitution, wrongful or constructive discharge, retaliatory
4 discharge, breach of contract, wage claims, including but not limited to claims for bonuses, severance,
5 vacation and overtime, promissory estoppel, unjust enrichment, whistleblower claims, fraud, fraudulent
6 misrepresentation or concealment, retaliation, breach of the covenant of good faith and fair dealing,
7 intentional and/or negligent infliction of emotional distress, interference with prospective business
8 advantage, negligence, negligent misrepresentation or concealment, wrongful or bad faith discharge,
9 defamation and other business or personal injury, or any other claims or rights to damages, whether
10 contractual, liquidated, compensatory, exemplary, or punitive, or rights to or claims for injunctive or
11 equitable relief, or rights or claims to reimbursement of expenses, costs or other losses which Plaintiff has
12 or might have by virtue of any fact(s), act(s) or event(s) occurring prior to the execution of this Agreement
13 by Plaintiff. Plaintiff acknowledges that this release specifically covers any entitlement to unpaid overtime
14 and all potential wage/hour claims under local, state, and federal law, including California's Labor Code
15 and the FLSA. To the extent any of the preceding claims by, through, or on behalf of Plaintiff against
16 Defendant and the Released Parties cannot be released as a matter of law, Plaintiff fully transfers his right
17 to pursue such to Defendant and the Released Parties ("Plaintiff's Release"). To the extent there is any
18 claim or potential claim of unpaid wages arising on or before the date of execution of this Agreement by
19 Plaintiff, Plaintiff acknowledges that the consideration provided under this Agreement serves as a
20 complete settlement and compromise of all such claims and that, for purposes of local, state, and federal
21 employment laws, including the FLSA and California Labor Code, there is a good faith dispute that any
22 such wages are due. In sum, Plaintiff knowingly and voluntarily releases any and all claims against
23 Defendant and the Released Parties for any conduct or claims arising prior to the execution of this
24 Agreement by Plaintiff.

25 87. Plaintiff agrees that any payment he receives under the Settlement shall be deemed to
26 compensate him for all compensation due to him arising from his work for Defendant, as well as any civil
27 penalties purportedly owed under PAGA, and that upon the Funding Date, Plaintiff agrees that he will no
28 longer be able to recover any remedies as an "aggrieved employee" in any way for purposes of any claims

1 under PAGA for any conduct or claims arising prior to the execution of this Agreement by Plaintiff.
2 Therefore, Defendant is not liable to Plaintiff for any future civil penalties pursuant to PAGA for any
3 conduct arising during Plaintiff's work for Defendant or the end of the relationship between him and
4 Defendant.

5 88. Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of
6 Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any,
7 of section 1542 of the California Civil Code which reads:

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

14 89. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the
15 terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth
16 herein. Any Exhibits to this Settlement Agreement are an integral part of the Settlement.

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

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

27 92. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
28 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement

1 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to
2 this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate
3 the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and
4 use their best efforts to effect the implementation of the Settlement. If the Parties are unable to reach
5 agreement on the form or content of any document needed to implement the Settlement, or on any
6 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties
7 may seek the assistance of the Court to resolve such disagreement.

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

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

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

16 96. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
17 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this
18 Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account
19 all relevant factors, present and potential. The Parties further acknowledge that they are each represented
20 by competent counsel and that they have had an opportunity to consult with their counsel regarding the
21 fairness and reasonableness of this Settlement.

22 97. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement
23 invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent
24 with applicable precedents so as to define all provisions of this Settlement Agreement valid and
25 enforceable.

26 98. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class
27 certification for purposes of this Settlement only; except, however, that Plaintiff or Class Counsel may
28 appeal any reduction to the Attorneys' Fees and Costs below the amount they request from the Court, and

1 either Party may appeal any court order that materially alters the Settlement Agreement's terms.

2 99. Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate to
3 class action certification for purposes of the Settlement only. If, for any reason, the Settlement is not
4 approved, the stipulation to certification will be void and Defendant reserves and retains all available
5 defenses to this Action, including, but not limited to, contesting certification of a class for any reason. The
6 Parties further agree that certification for purposes of the Settlement is not an admission that class action
7 certification is proper under the standards applied to contested certification motions and that this Settlement
8 Agreement will not be admissible in this or any other proceeding as evidence that (a) a class action should
9 be certified; (b) the PAGA claims are appropriate for representative treatment; or (c) Defendant is liable to
10 Plaintiff, any allegedly Aggrieved PAGA Member, or any Class Member, other than according to the
11 Settlement's terms.

12 100. Non-Admission of Liability. The Parties enter into this Settlement to resolve the dispute
13 that has arisen between them and to avoid the burden, expense and risk of continued litigation. In entering
14 into this Settlement, Defendant does not admit, and specifically denies, that it violated any federal, state,
15 or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other
16 applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty;
17 engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to
18 its employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the
19 negotiations connected with it, will be construed as an admission or concession by Defendant of any such
20 violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce
21 the terms of this Settlement, this Settlement Agreement and its terms and provisions will not be offered or
22 received as evidence in any action or proceeding to establish any liability or admission on the part of
23 Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance
24 with, federal, state, local or other applicable law.

25 101. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant, and
26 Defense Counsel separately agree that, until the Motion for Preliminary Approval is filed, they and each
27 of them will not disclose, disseminate and/or publicize or cause or permit another person to disclose,
28 disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally,

1 to any person, corporation, association, government agency, or other entity except: (a) to the Parties'
2 attorneys, accountants, or spouses, all of whom will be instructed to keep this Settlement Agreement
3 confidential; (b) counsel in a related matter; (c) to the extent necessary to report income to appropriate
4 taxing authorities; (d) in response to a court order or subpoena; or (e) in response to an inquiry or subpoena
5 issued by a state or federal government agency. Each Party agrees to immediately notify each other Party
6 of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel,
7 Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or
8 other communication, before the filing of the Motion for Preliminary Approval, with any third party
9 regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the
10 matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's
11 communications with Class Members in accordance with Class Counsel's ethical obligations owed to
12 Class Members.

13 102. Confidentiality. To the extent permitted by law, all agreements made, and orders entered
14 during this Action and in this Settlement Agreement relating to the confidentiality of information shall
15 survive the execution of this Settlement Agreement. Plaintiff and Class Counsel separately agree not to
16 issue any press releases, initiate any contact with the press, respond to any press inquiry or have any
17 communications with the press about the facts, amount, or terms of this Settlement.

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

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

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

counsel for one of the Parties, it being recognized that, because of the arms'-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

106. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

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

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

109. Use and Return of Class List. Information provided to Class Counsel pursuant to Cal. Evid. Code § 1152, and all copies and summaries of the Class List and/or other Class data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class List and/or Class data received from Defendant unless, prior to the Court's discharge of the Settlement Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destruction, of Class data.

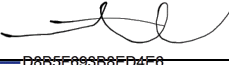
110. Stay of Litigation. The Parties agree that upon execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement.

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

READ CAREFULLY BEFORE SIGNING

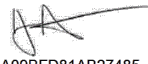
PLAINTIFF

Dated: 9/4/2024

Signed by: 
D685F093B8ED4E0...
Alexander Wilson

DEFENDANT RECREATIONAL EQUIPMENT, INC.

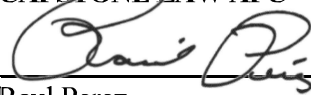
Dated: 11/6/2024

DocuSigned by: 
A09BED81AB27485...
Name: Kelley Hall
Title: EVP, Chief Financial Officer

APPROVED AS TO FORM

CAPSTONE LAW APC

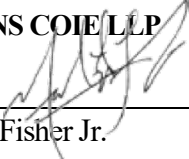
Dated: 9/4/2024

By: 
Raul Perez

Attorneys for Plaintiff Alexander Wilson

PERKINS COIE LLP

Dated: December 6, 2024

By: 
Neal A. Fisher Jr.

Attorneys for Defendant Recreational Equipment, Inc.

Exhibit A

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

Wilson v. Recreational Equipment, Inc., No. 34-2022-00328937-CU-OE-GDS
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF SACRAMENTO
NOTICE OF CLASS ACTION SETTLEMENT

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

To: All persons who worked for Defendant Recreational Equipment, Inc. (“Defendant”) as non-exempt, hourly paid employees in the State of California at any time from October 26, 2018 through January 8, 2024 (“Class Members”).

All persons who worked for Defendant as non-exempt, hourly paid employees in the State of California at any time from November 8, 2021 through January 8, 2024 (“PAGA Members”).

On _____, the Honorable Lauri A. Damrell of the Sacramento County Superior Court granted preliminary approval of this class action settlement and ordered the litigants to notify all Class Members of the Settlement. **You have received this notice because Defendant’s records indicate that you are a Class Member, and are therefore entitled to a payment from the Settlement.**

Unless you choose to opt out of the Settlement by following the procedures described below, you will be deemed a Class Member and, if the Court grants final approval of the Settlement, you will be mailed a check for your share of the settlement fund. The Final Fairness Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at _:00 _m. on _____, 2025 in Department 28 of the Sacramento County Superior Court located at 720 9th Street, Sacramento, California 95814.

Class Members may appear at the final approval hearing in person or remotely using the Department’s Zoom link or phone number: To join by Zoom link: <https://saccourt-cagov.zoomgov.com/my/sscdept22>; To join by phone: (833) 568-8864 / ID: 16184738886

Please note that the Final Fairness 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 a current address on file with the Settlement Administrator.

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 Class Member,” and will be eligible for a payment from the Net Settlement Fund and, if you are also a PAGA Member, you will receive an additional payment from the PAGA Fund. In exchange, you will be bound by the terms of the proposed Settlement and give up your right to assert wage and hour claims against Defendant based on the same facts alleged in the Action during the Class Period and, if you are also a PAGA Member, the PAGA Period.
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You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is [DATE]	If you do not 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. However, even if you exclude yourself from the Class Settlement, you cannot opt-out of the PAGA portion of the proposed Settlement. PAGA Members remain eligible to receive a payment from the PAGA Fund and must give up their rights to pursue PAGA penalty claims against Defendant 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 Written Objections Must be Submitted by [DATE]	All Class Members who do not opt-out of the Class Settlement (“Participating Class Members”) can object to any aspect of the proposed Class Settlement, but not the PAGA settlement.
You Can Participate in the [DATE] Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on [DATE] in Department 28 of the Sacramento County Superior Court located at 720 9th Street, Sacramento, California 95814. You do not have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. If the Court grants final approval of the Settlement 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 Alexander Wilson, on his behalf and on behalf of other current and former non-exempt California employees, alleges that Defendant violated California state labor laws by failing 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; and (4) provide employees with accurate, itemized wage statements; and (5) reimburse business expenses.

After the exchange of relevant information and evidence, the Parties agreed to enter into settlement negotiations in an attempt to informally resolve the claims in the case. On November 8, 2023 the Parties participated in a mediation with the Hon. Carl J. West West (Ret.), an experienced and well-respected class action mediator. With Judge West’s guidance, the Parties were able to negotiate a complete settlement of Plaintiff’s claims.

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

Defendant has denied, and continues to deny the factual and legal allegations in the case and believes that it has valid defenses to Plaintiff’s claims. By agreeing to settle, Defendant is not admitting liability on any of the factual allegations or

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

claims in the case or that the case can or should proceed as a class action or as a representative action under PAGA. Defendant has agreed to settle the case as part of a compromise with Plaintiff.

Summary of The Proposed Settlement Terms

Plaintiff and Defendant have agreed to settle the underlying claims in exchange for a Gross Settlement Amount of \$5,000,000. This amount is inclusive of: (1) individual settlement payments to all Participating Class Members; (2) a Class Representative Enhancement Payment of \$10,000 to Alexander Wilson for his services on behalf of the class, and for a release of all claims arising out of his employment with Defendant; (3) not more than \$1,666,667 in attorneys' fees and up to \$20,000 in litigation costs and expenses; (4) a \$250,000 settlement of claims under the Labor Code Private Attorneys General Act of 2004 ("PAGA"), inclusive of a \$187,500 payment to the California Labor and Workforce Development Agency ("LWDA") in connection with the PAGA, and a \$62,500 payment ("PAGA Fund") to all PAGA Members; and (5) reasonable Settlement Administrator's fees and expenses currently estimated at \$[REDACTED]. After deducting the above payments, a total of approximately \$[REDACTED] will be allocated to Class Members who do not opt out of the Settlement Class ("Net Settlement Fund"). Additionally, all PAGA Members will receive a proportional share of the \$62,500 PAGA Fund, regardless whether they opt out of the Settlement Class.

Payments from Net Settlement Fund. Defendant will calculate the total number of Workweeks worked by each Class Member from October 26, 2018 through January 8, 2024 ("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 share of the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks during the Class Period, resulting in the "Workweek Value." Each Class Member's share of the Net Settlement Fund will be calculated by multiplying each individual Class Member's total number of Workweeks by the Workweek Value. The Individual Settlement Payment will be reduced by any required deductions for each Class Members as specifically set forth herein, including employee-side tax withholdings or deductions. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase each Participating Class Member's share of the Net Settlement Fund according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Fund.

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

Payments from PAGA Fund. Defendant will calculate the total number of Pay Periods worked by each PAGA Member from November 8, 2021 through January 8, 2024 ("PAGA Period") and the aggregate total number of Pay Periods worked by all PAGA Members during the PAGA Period. To determine each PAGA Member's estimated share of the PAGA Fund, the Settlement Administrator will use the following formula: The PAGA Fund will be divided by the aggregate total number of Pay Periods during the PAGA Period, resulting in the "PAGA Pay Period Value." Each PAGA Member's share of the PAGA Fund will be calculated by multiplying each individual PAGA Member's total number of Pay Periods by the PAGA Pay Period Value. A Request for Exclusion does not exclude a PAGA Member from the release of claims under California Labor Code §§ 2698, *et seq.* and the PAGA Member will receive their portion of the PAGA fund even if he/she/they submits a valid Request for Exclusion.

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

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

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

Settlement Administrator

c/o _____

Fax No. _____

If you dispute the information stated above, Defendant's 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 Class Members and the appropriate taxing authorities reflecting the payments they receive under the Settlement. For purposes of this settlement, 15% of each settlement payment will be allocated as wages for which IRS Forms W-2 will be issued, and 85% will be allocated as non-wages for which IRS Forms 1099-MISC will be issued.

Although Plaintiff and Defendant have agreed to these tax allocations, neither side is giving you any advice on whether your payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) and on any payments received from the proposed Settlement. Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement.

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 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 and judgment is entered, you will be mailed a check for your share of the settlement funds. In addition, 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, which are summarized below:

Released Class Claims: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, estates, executors and assigns, release Defendant and Released Parties from all state, federal, and local claims, debts, liabilities, demands, obligations, guarantees, penalties, costs, expenses, attorneys' fees, damages, liquidated damages, actions, or causes of action, of whatever kind or nature, whether known or unknown, contingent or accrued, that were alleged or could have been alleged based on the allegations in the pleadings and/or LWDA Letter regarding any matter(s) or fact(s) that occurred or are alleged to have occurred including, but not limited to, claims for minimum wages, off-the-clock work, overtime, hours of work, wage statements, record-keeping requirements, unreimbursed expenses, payment of wages, or payment of final wages, and including, without limitation, all federal claims (including Fair Labor Standards Act claims) or local claims that were asserted or could have been asserted in this Action based on the allegations in the pleadings and/or LWDA Letter, including, but not limited to, claims for violation of: (a) Labor Code sections 510 and 1198 (unpaid overtime); (b) Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198 (unpaid minimum wages); (c) Labor Code sections 226.7, 512(a), 516, and 1198 (failure to provide meal periods); (d) Labor Code sections 226.7, 516, and 1198 (failure to authorize and permit rest periods); (e) Labor Code sections 226(a), 1174(d), and 1198 (non-compliant wage statements and failure to maintain payroll records); (f) Labor Code section 204 (failure to timely pay wages during employment); (g) Labor Code section 2802 (unreimbursed business expenses); (h) California Business & Professions Code sections 17200, *et seq.* (unlawful business practices); (i) California Business & Professions Code sections 17200, *et seq.* (unfair business practices); and (j) all derivative claims pertaining to the foregoing reasonably arising from, or reasonably related to, the same set of operative facts as those set forth in the pleadings and/or LWDA Letter during the Class Period. The Released Class Claims include any unknown claims that Participating Class Members do not know or suspect to exist in their favor, which if known by them, might have affected this Settlement with Defendant and release of Released Parties.

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

Released PAGA Claims: All PAGA members on their behalf and on behalf of their respective former and present representatives, heirs, executors, administrators, agents, successors, assigns, estates, and attorneys, fully and forever release and discharge Defendant and the Released Parties from any and all claims for civil penalties under California Labor Code §§ 2698, *et seq.*, that were brought or could reasonably have been brought based on the same facts alleged in Plaintiff's LWDA Letter during the PAGA Period and Plaintiff's Operative Complaint.

Option 2 – Opt Out of the Settlement

If you do not wish to participate in the Class portion of 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 [REDACTED], 2025. If you submit a Request for Exclusion which is not postmarked or faxed by [REDACTED], 2025, your Request for Exclusion will be rejected, and you will be included in the Settlement Class.

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

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

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. In the alternative, you may instead appear at the Final Fairness Hearing to object to the Settlement (i.e., in lieu of submitting a written objection).

Written objections must provide: (1) your full name, signature, address, and telephone number, (2) a written statement of all grounds for the objection accompanied by any legal support for such objection; (3) copies of any papers, briefs, or other documents upon which the objection is based; and (4) a statement about whether you intend to appear at the Fairness Hearing. The objection must be mailed to the administrator at [administrator's address].

All written objections must be received by the administrator by not later than _____ 2025. 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 Fairness Hearing set for _____ at _____ a.m./p.m. in the Superior Court of the State of California, for the County of Sacramento 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.

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

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

Additional Information

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

Raul Perez
Capstone Law APC
1875 Century Park E., Suite 1000
Los Angeles, CA 90067
Phone: 1 (888) 482-0366

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

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