

2 Randal B. Aiman-Smith, #124599
3 Reed W.L. Marcy, #191531
4 Hallie Von Rock, #233152
5 Brent A. Robinson, #289373
6 Lisseth Bayona, #338135
7 7677 Oakport St., Suite 1150
8 Oakland, CA 94621
9 T 510.817.2711
F 510.562.6830
ras@asmlawyers.com
rwlm@asmlawyers.com
hvr@asmlawyers.com
lb@asmlawyers.com

Attorneys for Plaintiffs

UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

SERENA NARO, individually and on
behalf of all others similarly situated;
TRISH GONZALES, individually and
on behalf of all others similarly situated;
AND THE CALIFORNIA LABOR
AND WORKFORCE
DEVELOPMENT AGENCY *ex rel.*
SERENA NARO AND TRISH
GONZALES, a California
governmental entity,

Plaintiff,

v.

WALGREEN CO., an Illinois
corporation; and WALGREEN
PHARMACY SERVICES MIDWEST,
LLC, an Illinois corporation; and DOES
1-15,

Defendants.

Case No.: 4:22-cv-03170-JST

Assigned for All Purposes to:
Hon. Jon S. Tigar
Courtroom 6

**DECLARATION OF HALLIE VON
ROCK IN SUPPORT OF PLAINTIFFS'
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION AND
PAGA REPRESENTATIVE ACTION
SETTLEMENT**

Date: August 8, 2024
Time: 2:00 PM
Dept: 6

Complaint Filed: May 31, 2022

1 **DECLARATION OF HALLIE VON ROCK IN SUPPORT OF PLAINTIFFS’**
2 **MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND**
3 **PAGA REPRESENTATIVE ACTION SETTLEMENT**

4 I, Hallie Von Rock, declare as follows:

5 1. I am an attorney at law licensed to practice in the State of California and before
6 this Court. I am a partner in the law firm Aiman-Smith & Marcy (“ASM”), which law firm
7 is Class Counsel for Plaintiffs Serena Naro and Trish Gonzales, on behalf of themselves, the
8 Plaintiff Class, the California Labor Workforce Development Agency, and all others
9 similarly situated (collectively “Plaintiffs”), in the captioned class action. The facts stated
10 herein are true of my own personal knowledge, except where a matter is stated on
11 information and belief, in which case and unless otherwise indicated the source of my
12 knowledge is statements made to me by my colleagues or records maintained by my firm in
13 the ordinary course of litigation. I could competently testify to all matters set forth herein.
14 This declaration is provided in support of Plaintiffs’ Motion for Preliminary Approval of
15 Class Action and PAGA Settlement.

16 2. Attached hereto as **Exhibit 1** is a true and correct copy of the fully executed
17 Settlement Agreement and Release entered into by the parties in this Action.

18 3. Plaintiffs and Class Members are those individuals who, according to
19 Defendants’ third-party vendor records, purchased clothing at their own expense from
20 Defendants’ third-party vendors during the Class Period, which runs from May 31, 2018
21 through preliminary approval.

22 4. The Settlement Class is comprised of approximately 12,553 individuals,
23 according to the records provided in the litigation.

24 5. Plaintiffs allege that Class Members experienced wage and hour violations in
25 their work for Defendants. In particular, Plaintiffs allege that during the Class Period,
26 Defendants required Class Members to report to work wearing uniform clothing items,
27 which are in a specified style and color and/or which bear the Walgreens logo. Plaintiffs
28 alleged that while Defendants provided Class Members with an initial set of Walgreens logo

1 clothing items at the start of their employment, Defendants neither provided Class Members
2 with a sufficient number of replacement items after the initial items were rendered unusable
3 by normal wear and tear, nor did Defendants reimburse Class Members for required
4 replacement purchases. Plaintiffs who wished to wear a jacket or other layers for warmth
5 were also required to buy and wear Walgreens-branded clothing items.

6 6. After this Action was filed, Defendants changed their dress code policy, in
7 September 2022, to no longer require that Class Members wear Walgreens logo tops, jackets,
8 or scrubs.

9 7. The Parties engaged in formal written discovery, including Plaintiff serving
10 two sets of special interrogatories and requests for production of documents, and Defendant
11 serving interrogatories and requests for production of documents on both plaintiffs. The
12 depositions of both Plaintiffs were taken as well as the deposition of one of Plaintiff's former
13 supervisors who worked for Defendants.

14 8. Defendants produced their policies related to their dress code during the Class
15 Period. Defendants also produced documents and data related to vouchers that were
16 distributed to store managers for replacing Walgreen logo shirts and scrubs for Class
17 Members.

18 9. Plaintiffs served subpoenas on third-party vendors of Defendants, which
19 produced records showing all current and former non-exempt employees of Defendants
20 working in Defendants' retail stores and/or pharmacies within California who purchased
21 clothing items at their own expense from one of Walgreens' third-party clothing vendors
22 during the Class and PAGA periods.

23 10. Additionally, Defendants engaged the expert Resolution Economics LLC, to
24 calculate the purchases identified in the data provided by the third-party vendors of
25 Defendants and to perform an exposure analysis. I reviewed the detailed expert analysis
26 performed and the parties agreed that the data was an accurate calculation of damages to
27 form the basis of the Parties' settlement negotiations.

1 11. As an experienced employment litigation attorney, with significant experience
2 with class action claims and expense reimbursement claims, I believe that Plaintiffs
3 conducted sufficient discovery and analysis to evaluate the strengths and weaknesses of the
4 case and Defendants' defenses and I recommend this Settlement to the Class Members and
5 the Court.

6 12. The Parties initially agreed to mediate with Michael Dickstein on March 28,
7 2024. Prior to the mediation, the parties participated in a conference call with Mr. Dickstein
8 on January 17, 2024, which included discussions of data to be produced for settlement
9 negotiations. Following this call, Defendants produced detailed damages data, and I met and
10 conferred with Defendants' counsel regarding the extent of the damages at issue. We were
11 largely in agreement regarding the potential exposure in the case and believed that it was
12 possible to resolve the case without a mediator.

13 13. Thereafter, the parties went back and forth for three months with their
14 respective positions, including Defendants' defenses and Plaintiffs' replies thereto. Several
15 issues arose during the negotiations, including but not limited to Defendants' contention that
16 two prior settlements that released Labor Code section 2802 claims limited the Class Period
17 and that a pending class action settlement included a release for Labor Code section 2802
18 claims that potentially overlapped with Plaintiffs' claims, here.

19 14. Additionally, the data produced showed that a significant number of uniform
20 items ordered during the Class Period were paid for with vouchers supplied by Walgreens
21 and, thus, were not expenses borne by the Class Members. At the same time, the data
22 confirmed that Class Members did use their own money to purchase over \$435,000 in
23 required Walgreens logo clothing items during the Class Period.

24 15. Given the risks that both sides faced, after multiple offers and counteroffers
25 were exchanged between February and March, the parties agreed to settle this Action for
26 \$950,000 on March 28, 2024. A Memorandum of Understanding was fully executed on
27 April 8, 2024.

1 16. After the agreement to settle, counsel for the Parties extensively met and
2 conferred over the detailed terms of the settlement for purposes of executing a long-form
3 settlement agreement and worked to finalize the Settlement Agreement and corresponding
4 notice documents, subject to the Court's approval. The Settlement Agreement was fully
5 executed on May 8, 2024. *See*, Exhibit 1 attached hereto.

6 17. Plaintiffs believe that this class action settlement satisfies the requirements of
7 Rule 23(a) and (b), and it is fair, reasonable, and adequate in accordance with Rule 23(e)(2).

8 18. The approximately 12,553 Class Members render the class so large as to make
9 joinder impracticable. The Class Members are readily identifiable from Defendants' payroll
10 records and third-party vendor data of purchases made during the Class Period.

11 19. Plaintiffs contend that common questions of law and fact predominate here.
12 The wage and hour violations at issue are borne of Defendants' standardized policies,
13 practices, and procedures regarding their dress code policy during the Class Period and
14 failure to reimburse for personal purchases of clothing from Walgreens' third-party clothing
15 vendors, creating pervasive issues of fact and law that are amenable to resolution on a class-
16 wide basis. Because these questions can be resolved at the same juncture, Plaintiffs contend
17 the commonality requirement is satisfied for the Class.

18 20. Plaintiffs contend that their claims are typical of those of all other Class
19 Members in that they purchased clothing from Walgreens' third-party vendors without
20 reimbursement. Thus, Plaintiffs contend that the typicality requirement is also satisfied.

21 21. Plaintiffs' claims are in line with the claims of the Class Members, and
22 Plaintiffs' claims are not antagonistic to the claims of Class Members. Plaintiffs have
23 prosecuted this case with the interests of the Class Members in mind. Moreover, Class
24 Counsel has extensive experience in class action and employment litigation, including wage
25 and hour class actions, and do not have any conflict with the Class. Attached hereto as
26 **Exhibit 2** is a true and correct copy of the firm resume of Aiman-Smith & Marcy, describing
27 Class Counsel's experience.

1 22. Plaintiffs contend the common questions raised in this action predominate over
2 any individualized questions concerning the Class Members. The Class is entirely cohesive
3 because resolution of Plaintiffs' claims hinge on the uniform policies and practices of
4 Defendants, rather than the treatment the Class Members experienced on an individual level.
5 Namely, the predominate questions relate to whether Class Members are entitled to be
6 compensated for the personal purchases made of clothing to comply with Walgreens' dress
7 code policy. As a result, Plaintiffs contend that the resolution of these alleged class claims
8 would be achieved through the use of common forms of proof, such as Defendants' policies,
9 and would not require inquiries specific to individual Class Members.

10 23. Further, Plaintiffs contend that the class action mechanism is a superior
11 method of adjudication compared to a multitude of individual suits. Here, the Class
12 Members do not have a strong interest in controlling their individual claims. The action
13 involves thousands of workers with very similar, but relatively small, claims for monetary
14 injury. If the Class Members proceeded on their claims as individuals, their many individual
15 suits would require duplicative discovery and duplicative litigation, and each Class Member
16 would have to personally participate in the litigation effort to an extent that would never be
17 required in a class proceeding. Thus, Plaintiffs contend that the class action mechanism
18 would efficiently resolve numerous substantially identical claims at the same time while
19 avoiding a waste of judicial resources and eliminating the possibility of conflicting decisions
20 from repetitious litigation and arbitrations. Thus, the issues raised by the present case are
21 much better handled collectively by way of a settlement.

22 24. A review of the Settlement Agreement reveals the fairness, reasonableness, and
23 adequacy of its terms. The Gross Settlement Common Fund of \$950,000, represents 100%
24 of the unreimbursed business expenses plus interest (\$514,809)¹, plus an additional
25 \$435,191, representing 26% of the approximately \$1,655,900 in maximum PAGA penalties.

26
27
28 ¹ This amount excludes voluntary purchases of clothing items not required by Walgreens' dress code policy, such as Red Nose Day and holiday t-shirts.

1 25. Again, these figures are based on Plaintiffs' assessment of a best-case-
2 scenario. To obtain such a result at trial, Plaintiffs would have to prove that Walgreens did
3 not provide sufficient replacement shirts and scrubs to each Class Member and that Class
4 Members purchased the uniform clothing items as a condition of work, rather than their own
5 convenience to have multiple uniform items to avoid laundering their items or other personal
6 reasons. These issues would of course be disputed and hotly contested.

7 26. The final settlement amount takes into account the substantial risks inherent in
8 any class action wage and hour case, as well as the hurdles of achieving and maintaining
9 class action status, and the specific defenses asserted by Defendants, including that
10 Walgreens provided a sufficient number of uniform items to Class Members. By obtaining
11 100% of the unreimbursed clothing purchases for dress-code required items plus over 26%
12 of potential PAGA penalties, which were subject to the Court's reduction from the maximum
13 PAGA penalties, the settlement is fair, reasonable, and adequate.

14 27. In the operative First Amended Complaint, the Class is defined as:

15 All non-exempt employees of Walgreens working in Walgreens' retail stores
16 and/or pharmacies within California at any time during the period beginning
17 four years prior to the date this action is filed, and continuing through to entry
of judgment in this action.

18 The Settlement Class to be certified for settlement purposes only under
19 Federal Rule of Civil Procedure 23, is defined as:

20 All current and former non-exempt employees of Defendants working in
21 Defendants' retail stores and/or pharmacies within California who purchased
22 clothing items at their own expense from one of Walgreens' third-party
23 clothing vendors during the Class Period, which runs from May 31, 2018
c.) through the date of preliminary approval. (Settlement Agreement, ¶¶ 10.b,

24
25 The difference in the definition for the Settlement Class is appropriate because it includes
26 only those non-exempt employees who actually made purchases during the Class Period and
27 were alleged to be owed reimbursed business expenses. An employee who did not spend
28

1 personal funds on clothing purchases did not suffer any injury and would, therefore, not be
2 entitled to any expense reimbursements.

3 28. The Gross Settlement Amount is a negotiated amount that resulted from
4 substantial arms' length negotiations and significant investigation and analysis by both
5 parties. The parties based their damages analysis and settlement negotiations on the expert
6 analysis provided by Resolution Economics, LLC.

7 29. Within the data from third-party vendors were clothing items considered
8 "voluntary purchases," such as Red Nose Day, diversity, and holiday t-shirts. These t-shirts
9 are not considered a uniform or necessary business expense, but rather, Walgreen permitted
10 employees to purchase and wear these t-shirts during specific periods during the year in
11 place of the Walgreen logo polo shirts, if the employee preferred to do so. When excluding
12 voluntary purchases from the analysis, there are 9,727 employees who personally paid for a
13 clothing item order during the class period, which reduces the total estimated personal
14 amount spent on clothing items during the class period down to \$435,000, and with interest
15 totaled \$514,809.

16 30. The maximum class and PAGA exposure was \$2,170,709. Defendants took
17 the position, however, that this exposure should be reduced to \$1,654,350, based upon earlier
18 settled actions that released Labor Code section 2802 claims during the Class Period
19 (*President, et al. v. Walgreen Co.*, Santa Clara Superior Court Case No. 20CV368984, class
20 action settlement Judgment entered on 10/19/23, and *Epstein v. Walgreen Pharmacy*
21 *Services Midwest, LLC, et al.*, Central District Case No. 5:19-cv-01323-DOC-ADS, class
22 action settlement Judgment entered 4/15/21).

23 31. The Gross Settlement Amount of \$950,000 represents more than 43% of the
24 total exposure, and 57% of the exposure if excluding previous settlements. These total
25 exposures include the maximum PAGA penalties and Plaintiffs are reticent that the court has
26 discretion to reduce PAGA penalties. For example, in *Carrington v. Starbucks Corp.* (2018)
27 30 Cal.App.5th 504, 517, 529, the trial Court reduced the PAGA penalty amount to only
28 \$150,000 (\$5 per violation).

1 32. Furthermore, Defendants argued that the initial Walgreen logo shirts and
2 scrubs provided at hiring, along with annual vouchers they provided for replacements, were
3 sufficient to comply with Defendants' dress code policy. Defendants argued that any
4 additional clothing purchases were not required, but were done so for class members'
5 personal desire to have multiple clothing options to wear. If the Court had sided with
6 Defendants on their defenses, Class Members would not receive any damages or penalties.

7 33. The Settlement will result in immediate and certain payment to Class Members
8 of meaningful amounts. Class Members spent an average of \$61.53 on required clothing
9 items. With the Net Class Settlement Amount of \$473,334, the average class recovery is
10 \$37.70 (or \$38.70 if Settlement Administration Costs do not raise). Thus, the average
11 recovery is over 61% of the average purchase amount, which is an excellent compromise
12 without the prolonged delays of class certification and trial.

13 34. Additionally, there are approximately 7,379 Aggrieved Employees who made
14 purchases during the PAGA period. The Net PAGA Settlement Amount of \$25,000 will be
15 distributed to the Aggrieved Employees, which calculates to an average of \$3.39 in PAGA
16 penalties.

17 35. Thus, the settlement amount provides significant compensation to the Class
18 Members and Aggrieved Employees in the face of expanding and uncertain litigation.

19 36. In light of all of the risks, the settlement amount is fair, reasonable, and
20 adequate. Such a result will benefit the Parties and the court system. It will bring finality to
21 the Action and will foreclose the inevitability of expanding litigation.

22 37. There are no pending cases the parties are aware of that would be affected by
23 this settlement. There is a related pending class action in the process of settling that includes
24 a class of pharmacy techs with a Labor Code Section 2802 claim (*Gamarro v. Walgreen*
25 *Pharmacy Services Midwest*, Riverside Superior Court Case No. CVRI22033). However,
26 pharmacy tech Class Members will be permitted to participate in both cases.

27 38. The Net Settlement Amount is comprised of two parts: (1) the "Net PAGA
28 Settlement Amount" (i.e., the \$25,000.00 earmarked for the release of Representative

1 Plaintiffs’ and each PAGA Aggrieved Employee’s PAGA claims that is not payable to the
2 California Labor and Workforce Development Agency); and (2) the “Net Class Settlement
3 Amount” (i.e., the entire Net Settlement Amount less the Net PAGA Settlement Amount,
4 which is approximately \$473,334.00).

5 39. The distribution formula is based upon records produced in this litigation by
6 Defendants’ vendors for those Settlement Class Members who purchased clothing at their
7 own expense from Defendants’ third-party vendors during the Class Period. The Net
8 Settlement Fund will be divided by the clothing purchases to determine the Clothing
9 Purchases Payout Rate. The total amount allocated to each Settlement Class Member will be
10 the total of his or her identified Clothing Purchases during the applicable Class and PAGA
11 Periods multiplied by the Clothing Purchases Payout Rate. This allocation is fair and
12 reasonable because it takes the extent of the injury of each Class Member into account and
13 bases their claim amount on the amount actually expended on uniform clothing items during
14 the Class Period.

15 40. Plaintiffs sought and received bids from four respected Claims Administrators,
16 including Simpluris, Rust, JND Legal Administration, and Atticus Administration. The
17 terms of the quotes included sending a postcard notice to approximately 12,500 Class
18 Members, establishing a website with the full notice and other important documents,
19 maintaining a toll-free number, tax accounting, and sending direct mail checks to class
20 members. The administrator with the lowest bid was Atticus Administration (“Atticus”),
21 with a quote of \$37,200. The parties agreed in the Settlement Agreement to use Atticus.

22 41. Over the last two years, Plaintiffs’ counsel has successfully worked with
23 Atticus for settlement administration of two PAGA settlements and three class action
24 settlements. A true and correct copy of Atticus’ Data Security Information & Privacy Policy
25 is attached hereto as **Exhibit 3**.

26 42. Atticus maintains insurance with AAA rated insurance carriers for professional
27 liability and cybersecurity. It is Atticus’ policy to warrant the work performed on all errors
28

1 and omissions, on all projects, including distribution of funds to class members, without
2 additional charges to their clients.

3 43. In their fee motion to be submitted with the final approval papers, Class
4 Counsel shall seek an award of attorneys' fees not to exceed Three Hundred Sixteen
5 Thousand Six Hundred Sixty-Six Dollars and Zero Cents (\$316,666.00) (33.33 % of the
6 Gross Settlement Common Fund). This amount will cover all work performed to date and all
7 work to be performed in connection with the approval by the Court of the Settlement
8 Agreement and the final conclusion of this Action.

9 44. The percentage fee will also be reasonable on a lodestar basis. Based on
10 Plaintiffs' current lodestar of \$375,135, the fees being sought of \$316,666 are less than the
11 lodestar. Plaintiffs will be spending additional time on the case through the settlement
12 administration process and seeking final approval, which will further increase their lodestar.

13 45. In agreeing to serve as Class Representatives, Plaintiffs Naro and Gonzales
14 formally agreed to accept the responsibilities of representing the interests of all Class
15 Members and Aggrieved Employees. Each Named Plaintiff participated fully in discovery,
16 worked closely with Class Counsel, and had her deposition taken by Defendants.
17 Defendants do not oppose the requested payments to these representatives as reasonable
18 service awards.

19 46. The parties propose that any funds remaining in the Net Settlement Fund after
20 the 180 day void date for checks be distributed *cy pres* to Legal Aid at Work, which is a
21 nonprofit organization that provides legal services assisting low-income, working families
22 and promotes better understanding of the conditions, policies, and institutions that affect the
23 well-being of workers and their families and communities.

24 47. Plaintiffs have submitted a proposed order setting forth the proposed schedule
25 of events from here through final approval, which is also set forth below. If the Court were
26 to grant preliminary approval on the date of the hearing on August 8, 2024, Plaintiffs
27 propose a final approval hearing date of November 21, 2024.

1	Date of preliminary approval of the	
2	Settlement as to the Class	
3	Deadline for Defendants to pay the	The latest of:
4	Administrator all amounts awarded and	• 15 business days following the
5	approved by the Court (“Payment Date”)	- entry of a Judgment finally - approving this Settlement • If an objection is filed, 15 - business days after any deadline - to file an appeal has expired • If an appeal has been taken or - sought, 15 business days after the - Judgment is finally affirmed by - an appellate court with no - possibility of subsequent appeal - or judicial review, or the date the - appeal(s) or reviews are finally - dismissed
6		
7		
8		
9		
10		
11		
12		
13	Deadline for Defendants to provide to	Within 10 court days of the Court’s
14	Administrator a list containing, for each	Preliminary Approval Order
15	Class Member, the following information:	
16	(1) name; (2) last known address, email	
17	address (to the extent such information is	
18	maintained in Defendants’ Human Resources	
19	Information System) and phone number (to	
20	the extent such information is maintained in	
21	Defendants’ Human Resources Information	
22	System); (3) Social Security number; (4) the	
23	total amount spent on clothing items	
24	purchased by each Settlement Class Member	
25	at their own expense from one of Walgreens’	
26	third-party clothing vendors during the Class	
27	Period; and (5) the total number of pay	
28		

1	periods that each Aggrieved Employee	
2	purchased clothing items at their own	
3	expense from one of Walgreens' third-party	
4	clothing vendors during the PAGA Period.	
5	Deadline for Administrator to mail and email	Within 21 court days after entry of the
6	the Class Notice to Class Members	Preliminary Approval Order
7	Deadline for Settlement Class Members to	Within 30 days after Notice is initially
8	postmark request to opt-out or file objections	mailed to the class
9	to the Settlement	
10	Deadline for Administrator to provide the	At least 10 days prior to the Final
11	Court with a declaration attesting to	Approval Hearing
12	completion of the notice process	
13	Deadline for filing of Final Approval Motion	According to Local Rule 7-2
14	Final Approval Hearing	
15	Effective Date	The date that the Court's judgment
16		approving this settlement becomes final.
17		For purposes of this Agreement, the
18		judgment "becomes final" upon the last
19		to occur of the following:
20		i. The entry of a Judgment finally
21		approving this Settlement, provided no
22		objection is made to this Settlement
23		prior to or at the hearing for approval of
24		this Settlement, or if any objection is
25		made, but is resolved formally and
26		withdrawn prior to the final approval
27		hearing of this Settlement.
28		

	ii. If an objection to this Settlement is made before or at the hearing for approval (that is not resolved prior to the hearing and is formally withdrawn), thirty-one (31) calendar days after the Judgment is entered, provided no appeal is filed. iii. If an appeal has been taken or sought, seven (7) calendar days after the date the Judgment is finally affirmed by an appellate court with no possibility of subsequent appeal or other judicial review, or the date the appeal(s) or other judicial review are finally dismissed (and upholding the Settlement) with no possibility of subsequent appeal or other judicial review.
Deadline for Administrator to make all payments due under the Settlement	Within ten (10) business days of the Payment Date
Check-cashing deadline	180 days after issuance
Deadline for Administrator to distribute uncashed check funds to <i>cy pres</i>	As soon as practicable after check-cashing deadline
Deadline for Plaintiffs to file a Post-Distribution Accounting	Within 21 days after the distribution of any remaining monies to the <i>cy pres</i> recipient

48. In reviewing comparable cases, Plaintiffs provide the following two examples:
The case of *Ping v. See's Candy Shops, Inc., et al.*, County of Butte No. 20CV01023, involved claims similar to here in that Plaintiffs sought reimbursement for purchasing uniform clothing to comply with Defendant's dress code policy. The scope of release was more expansive than here as wage and hour violations for statutory penalties were alleged, and the release included failure to provide uniforms and/or reimbursement for uniform-related expenses; failure to pay minimum wages; failure to timely pay wages due at termination; and failure to furnish accurate itemized wage statements; including without limitation, claims under the California Labor Code sections 201, 202, 203, 204, 210, 218.5, 223, 226, 226.3, 558, 1194, 1194.2, 1197 et seq., 2802, Business & Professions Code sections 17200 et seq., and the California Private Attorneys General Act, Labor Code section 2698 et seq.

	The See's Settlement	This Proposed Settlement
Total settlement fund	\$1,350,000	\$950,000
Total no. of class members	6,851	12,555
Total no. of class members who received notice and not returned as undeliverable	6,737	Unknown at this time
Method(s) of Notice	U.S. mail	U.S. mail and email
No. and percentage of Claim Forms submitted	Not applicable	Not applicable
Average recovery per class member	\$42.96	\$37.70 / \$38.70
Amount of uncashed checks	2,350	Amount of uncashed checks is unknown at this time.
Administrative Costs	\$50,000	Up to \$45,000; current bid is \$37,200
Attorney's Fees and Costs	\$380,000 in fees and \$11,400 in costs	\$316,666 in fees and up to \$20,000 in costs
Total Exposure if Plaintiffs and the Class Prevailed	\$18,341,598	\$2,170,709

The case of *Nucci v. Rite Aid, et al.*, N.D. Cal. No. 19-cv-01434-LHK, involved claims

similar to here in that Plaintiffs sought reimbursement for purchasing uniform clothing to comply with Defendants' dress code policy. Plaintiffs' causes of action and scope of release were more expansive than here and included Failure to Indemnify Business Expenses (Labor Code §2802); Failure to Reimburse for Required Uniforms (IWC Wage Order 7, § 9 (A)); Unfair Business Practices (Business and Professions Code § 17200, et seq.); Injunction; Failure to Pay Minimum Wage (Labor Code §§ 1194, 1194.2, 1197, IWC Wage Order No. 7, § 4(A); Failure to Furnish Accurate Wage Statements (Labor Code § 226); Waiting Time Penalties (Labor Code §§ 201, 202, and 203); and Penalties under the Private Attorneys General Act ("PAGA") (Labor Code § 2698, et seq.).

	The Rite Aid Settlement	This Proposed Settlement
Total settlement fund	\$12,000,000	\$950,000
Total no. of class members	39,451	12,555
Total no. of class members who received notice and not returned as undeliverable	29,103	Unknown at this time
Method(s) of Notice	U.S. mail and email	U.S. mail and email
No. and percentage of Claim Forms submitted	Not applicable	Not applicable
Average recovery per class member	\$308.31	\$37.70 / \$38.70
Amount of uncashed checks	6,225	Amount of uncashed checks is unknown at this time.
Administrative Costs	\$75,000	Up to \$45,000; current bid is \$37,200
Attorney's Fees and Costs	\$3,999,600 in fees and \$300,940 in costs	\$316,666 in fees and up to \$20,000 in costs
Total Exposure if Plaintiffs and the Class Prevailed	\$46,230,694	\$2,170,709

1 I declare under penalty of perjury under the laws of the United States of America that
2 the foregoing is true and correct.

3
4 Executed on June 6, 2024, at Oakland, California.

5 /s/ Hallie Von Rock

6 _____
7 Hallie Von Rock
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit 1

1 **AIMAN-SMITH & MARCY**
PROFESSIONAL CORPORATION

2 Randal B. Aiman-Smith, #124599
3 Reed W.L. Marcy, #191531
4 Hallie Von Rock, #233152
5 Brent A. Robinson, #289373
6 Lisseth Bayona, #338135
7 7677 Oakport St., Suite 1150
8 Oakland, CA 94621
9 T 510.817.2711
10 F 510.562.6830
11 ras@asmlawyers.com
12 rwlm@asmlawyers.com
13 hvr@asmlawyers.com
14 lb@asmlawyers.com

15 Attorneys for Plaintiffs

16 *Additional counsel on next page

17 **UNITED STATES DISTRICT COURT**
18 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**

19 SERENA NARO, individually and on
20 behalf of all others similarly situated;
21 TRISH GONZALES, individually and
22 on behalf of all others similarly situated;
23 AND THE CALIFORNIA LABOR
24 AND WORKFORCE
25 DEVELOPMENT AGENCY *ex rel.*
26 SERENA NARO AND TRISH
27 GONAZALES, a California
28 governmental entity,

Plaintiff,

v.

WALGREEN CO., an Illinois
corporation; and WALGREEN
PHARMACY SERVICES MIDWEST,
LLC, an Illinois corporation; and DOES
1-15,
Defendants.

Case No.: 4:22-cv-03170-JST

Assigned for All Purposes to:
Hon. Jon S. Tigar
Courtroom 6

**CLASS ACTION AND PRIVATE
ATTORNEYS GENERAL ACT
SETTLEMENT AGREEMENT AND
RELEASE**

1 Allison C. Eckstrom, Esq.
2 Christopher J. Archibald, Esq.
3 Amelia Alvarez, Esq.
4 BRYAN CAVE LEIGHTON PAISNER LLP
5 1920 Main Street, Suite 1000
6 Irvine California 92614-7276
7 Telephone: (949) 223-7000
8 Facsimile: (949) 223-7100
9 allison.eckstrom@bclplaw.com
10 christopher.archibald@bclplaw.com
11 amelia.alvarez@bclplaw.com

12 Attorneys for Defendants
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 This Class Action and Private Attorneys General Act Settlement Agreement and Release
2 (hereinafter “Settlement” or “Agreement”) is made and entered into by and between Plaintiffs Serena
3 Naro and Trish Gonzales, individually and on behalf of those similarly situated and on behalf of the
4 California Labor and Workforce Development Agency (“Plaintiffs”), on the one hand, and
5 Defendants Walgreen Co. and Walgreen Pharmacy Services Midwest, LLC (“Defendants” or
6 “Walgreens”), on the other hand, in the case of *Naro, et al. v. Walgreen Co., an Illinois corporation;*
7 *and Walgreen Pharmacy Services Midwest, LLC, an Illinois Corporation* (Northern District of
8 California, Case Number 4:22-cv-03170-JST), and subject to the approval of the Court.

9 1. On March 16, 2022, Plaintiffs Serena Naro and Trish Gonzales sent a letter to the
10 California Labor and Workforce Development Agency (“LWDA”) and to Defendants giving notice of
11 their intent to pursue a representative action pursuant to the California Labor Code Private Attorneys
12 General Act of 2004, codified at Labor Code § 2699 *et seq.* (“PAGA”), on behalf of themselves and
13 the State of California as well as on behalf of a proposed group of allegedly aggrieved employees. In
14 the letter, Plaintiffs claimed Defendants violated the Industrial Welfare Commission Wage Order and
15 California Labor Code sections 204/204b, 221, 223, 226, 510, 1197, and 2802 and the related IWC
16 Wage Order No. 7.

17 2. On May 31, 2022, Plaintiffs filed a class action Complaint in the United States District
18 Court, Northern District of California, Case No. 4:22-cv-03170-JST, that included causes of action for
19 Failure to Indemnify Business Expenses (Labor Code §2802); Failure to Reimburse for Required
20 Uniforms (IWC Wage Order 7, § 9 (A)); Failure to Pay Minimum Wage (Labor Code §§ 1194,
21 1194.,2, 1197, IWC Wage Order No. 7, § 4(A)); Failure to Furnish Accurate Wage Statements (Labor
22 Code § 226); Waiting Time Penalties (Labor Code §§ 201, 202, and 203); Unfair Business Practices
23 (Business and Professions Code § 17200, *et seq.*); and Penalties under the Private Attorneys General
24 Act (“PAGA”) (Labor Code § 2698, *et seq.*).

25 3. On July 5, 2022, Defendants filed a Motion to Dismiss Plaintiffs’ Complaint. On
26 February 9, 2023, the Court granted Defendants’ Motion to Dismiss Plaintiffs’ wage claims,
27 specifically the claims for the Failure to Pay Minimum Wage (Labor Code §§ 1194, 1194.,2, 1197,
28

1 IWC Wage Order No. 7, § 4(A)); Failure to Furnish Accurate Wage Statements (Labor Code § 226);
2 and Waiting Time Penalties (Labor Code §§ 201, 202, and 203).

3 4. On February 23, 2023, Plaintiffs filed the operative First Amended Complaint for
4 Failure to Indemnify Business Expenses (Labor Code §2802); Unfair Business Practices (Business and
5 Professions Code § 17200, et seq); and Penalties under the Private Attorneys General Act ("PAGA")
6 (Labor Code § 2698, et seq).

7 5. On March 16, 2023, Defendants filed their Answer to First Amended Complaint.

8 6. The Parties engaged in formal written discovery, and the depositions of both Plaintiffs
9 were taken. Plaintiffs served subpoenas on third-party vendors of Defendants, which produced records
10 showing all current and former non-exempt employees of Defendants working in Defendants' retail
11 stores and/or pharmacies within California who purchased clothing items at their own expense from
12 one of Walgreens' third-party clothing vendors during the Class and PAGA periods.

13 7. Additionally, Defendants engaged the expert Resolution Economics LLC to calculate
14 the purchases identified in the data provided by the third-party vendors of Defendants and to perform
15 an exposure analysis that formed the basis of the Parties' settlement negotiations.

16 8. Representative Plaintiffs and their counsel have conducted sufficient discovery and
17 analysis to evaluate the strengths and weaknesses of their respective claims and Defendants' defenses
18 and to recommend this Settlement to the Settlement Class Members and the Court.

19 9. Class Counsel has fully advised Representative Plaintiffs of this Agreement and
20 represents that they approve of and consent to the terms herein.

21 **TERMS OF SETTLEMENT**

22 NOW, THEREFORE, in consideration of the mutual covenants, promises and
23 warranties set forth herein, the Parties agree, subject to the Court's approval, as follows:

24 10. **Definitions of Certain Settlement Terms:**

25 a. **"Person"** shall have the meaning set forth in California Government Code Section 17.

26 b. **"Settlement Class":** All current and former non-exempt employees of Defendants
27 working in Defendants' retail stores and/or pharmacies within California who purchased
28 clothing items at their own expense from one of Walgreens' third-party clothing

vendors during the Class Period.

c. **“Class Period”** in this case runs from May 31, 2018 through the date of preliminary approval.

d. **“Aggrieved Employees”**: All current and former non-exempt employees of Defendants working in Defendants’ retail stores and/or pharmacies within California who purchased clothing items at their own expense from one of Walgreens’ third-party clothing vendors during the PAGA period.

e. **“PAGA Period”** in this case runs from March 16, 2021 through the date of preliminary approval.

f. **“Class Counsel”**: Aiman-Smith & Marcy PC.

g. **“Notice”**: The notice form to Settlement Class Members, substantially in the form attached hereto as **Exhibit A**, which will, among other things, notify Settlement Class Members of the preliminary approval of the settlement and scheduling of the final approval hearing.

h. **“Effective Date”**: The “Effective Date” is the date that the Court’s judgment approving this settlement becomes final. For purposes of this Agreement, the judgment “becomes final” upon the last to occur of the following:

i. The entry of a Judgment finally approving this Settlement, provided no objection is made to this Settlement prior to or at the hearing for approval of this Settlement, or if any objection is made, but is resolved formally and withdrawn prior to the final approval hearing of this Settlement.

ii. If an objection to this Settlement is made before or at the hearing for approval (that is not resolved prior to the hearing and is formally withdrawn), thirty-one (31) calendar days after the Judgment is entered, provided no appeal is filed.

iii. If an appeal has been taken or sought, seven (7) calendar days after the date the Judgment is finally affirmed by an appellate court with no possibility of subsequent

1 appeal or other judicial review, or the date the appeal(s) or other judicial review are
2 finally dismissed (and upholding the Settlement) with no possibility of subsequent
3 appeal or other judicial review.

4 i. **"Final Approval":** The date of the Court's order granting final approval of the
5 Settlement.

6 j. **"Administrator":** The administrator responsible for administering this settlement,
7 Atticus Administration, LLC.

8 k. **"Notice Deadline"** means the date that is thirty (30) days after the Notice is initially
9 mailed to the Settlement Class. Settlement Class Members shall have until the Notice
10 Deadline to object to the Settlement.

11 11. **Settlement of the Action:**

12 As detailed in the Release set forth in Paragraph 34, all causes of action alleged in the
13 Action and any claims, damages, or causes of action that could have been brought based on the factual
14 allegations in the Action, including any claims arising from the alleged violation of any provision of
15 California and/or federal law which were or could have been raised as a part of the Action shall be
16 settled and compromised in full and without exception as between each Settlement Class Member,
17 Aggrieved Employee, Representative Plaintiffs and Defendants, subject to the terms and conditions set
18 forth in this Agreement and the approval of the United States District Court for the Northern District of
19 California.

20 12. **Settlement Amount:**

21 a. **Gross Settlement Common Fund:** A gross settlement common fund amount of Nine
22 Hundred Fifty Thousand (\$950,000.00) will be funded by Defendants as follows:
23 Within fifteen (15) business days following the Effective Date, Defendants will pay the
24 total Gross Settlement Common Fund Amount to the Claims Administrator.

25 b. **Attorney's Fees and Costs:** Plaintiffs' Counsel shall receive payment of their
26 reasonable attorney's fees, to be approved by the Court. Defendants will not contest
27 Plaintiff's attorneys' fees up to an amount equal to one-third (33.33%) of the Gross
28

1 Settlement Common Fund, which is Three Hundred Sixteen Thousand and Six Hundred
2 Sixty Six Dollars.

3 Plaintiffs' Counsel shall also receive payment of their reasonable litigation costs out of
4 the gross settlement common fund in the actual amount of costs, not to exceed twenty
5 thousand dollars \$20,000.00. An itemization of costs will be submitted to the Court.
6 Defendants will not contest Plaintiffs' litigation costs.

7 c. **PAGA Award:** From the Gross Settlement Common Fund, \$100,000.00 will be
8 attributed to penalties for violations of PAGA. Of this amount, 75% shall be paid to the
9 LWDA and 25% distributed to Aggrieved Employees.

10 d. **Class/PAGA Representative Incentive Fee:** For the risks taken and time expended as
11 Class/PAGA Representative, Plaintiffs shall seek Court Approval of a Class/PAGA
12 Representative Incentive Fee out of the gross settlement common fund in the amount up
13 to \$10,000, each. Defendants will not contest the PAGA Representative Incentive Fee.

14 e. **Net Settlement Amount:** The Gross Settlement Common Fund of Nine Hundred Fifty
15 Thousand Dollars and Zero Cents (\$950,000.00) less the following deductions: The
16 sum of Twenty Thousand Dollars and Zero Cents (\$20,000.00) for the representative
17 payment awards to Plaintiffs, with Ten Thousand Dollars and Zero Cents (\$10,000.00)
18 to be paid each to Serena Naro and Trish Gonzales, or such other amount as approved
19 by the Court; the sum of attorneys' fees to Class Counsel, which shall not exceed Three
20 Hundred Sixteen Thousand and Six Hundred Sixty-Six Dollars and Zero Cents
21 (\$316,666.00); the sum of costs of litigation to Class Counsel, which shall not exceed
22 Twenty Thousand Dollars and Zero Cents (\$20,000.00); Seventy Five Thousand Dollars
23 and Zero Cents (\$75,000.00), which is 75% of the One Hundred Thousand Dollars and
24 Zero Cents (\$100,000.00) earmarked for the release of Representative Plaintiffs' and
25 each Aggrieved Employees' PAGA claims, and which will be paid to the California
26 Labor and Workforce Development Agency; the administrative expenses approved by
27 the Court pursuant to this Agreement, estimated at Forty Five Thousand Dollars and
28 Zero Cents (\$45,000.00).

1 f. **The Net Settlement Amount** is comprised of two parts: (1) the "Net PAGA Settlement
2 Amount" (*i.e.*, the \$25,000.00 earmarked for the release of Representative Plaintiffs'
3 and each PAGA Aggrieved Employee's PAGA claims that is not payable to the
4 California Labor and Workforce Development Agency); and (2) the "Net Class
5 Settlement Amount" (*i.e.*, the entire Net Settlement Amount less the Net PAGA
6 Settlement Amount, which is approximately \$473,334.00).

7 13. **Settlement Formula and Distribution:** Subject to the conditions of this Agreement, the
8 distribution formula is based upon records produced in this litigation by Defendants' vendors for those
9 Settlement Class Members who purchased clothing at their own expense from Defendants' third-party
10 vendors during the Class Period. The total paid by all Settlement Class Members for clothing
11 purchased from Defendants during the Class Period is herein referred to as "Clothing Purchases." The
12 Net Settlement Fund will be divided by the Clothing Purchases to determine the Clothing Purchases
13 Payout Rate. The total amount allocated to each Settlement Class Member will be the total of his or
14 her identified Clothing Purchases during the applicable Class and PAGA Periods multiplied by the
15 Clothing Purchases Payout Rate.

16 Twenty-five percent (25%) of the PAGA allocation will be distributed to the Aggrieved
17 Employees on a pro-rata basis based upon the number of pay periods that the Aggrieved Employee
18 made purchases during the PAGA Period.

19 The payments to the Settlement Class Members and Aggrieved Employees shall be non-
20 taxable, and a form 1099 will be issued by the administrator for such payments.

21 The Settlement Class Members, who do not opt-out of the settlement, and all Aggrieved
22 Employees shall receive a direct mail check of the amount of their claim and will have 180 days to
23 cash their checks. If any funds remain after the expiration date of the first distribution, any residual
24 funds will be distributed to the *cy pres* recipient, which shall be proposed by the parties and approved
25 by the Court. The Parties propose Legal Aid at Work, which provides legal services assisting low-
26 income, working families and promotes better understanding of the conditions, policies, and
27 institutions that affect the well-being of workers and their families and communities. The Settlement
28 Administrator shall distribute any *cy pres* payment.

1 The Labor and Workforce Development Agency shall receive a check for 75% of the
2 PAGA settlement amount.

3 14. Reference to Third-Party Vendors Records: The "Clothing Purchases" will be
4 determined by reference to records produced in this litigation by Defendants' vendors for those
5 Settlement Class Members and Aggrieved Employees who purchased clothing at their own expense
6 from Defendants' third-party vendors during the respective Class and PAGA Periods. These third-
7 party vendor records shall be presumptively correct for determining who the Settlement Class
8 Members and Aggrieved Employees are and the clothing purchased at their own expense during the
9 respective Class and PAGA Periods.

10 15. Allocation of Settlement Payments: The payments to the Settlement Class Members
11 and Aggrieved Employees shall be non-taxable, and a form 1099 will be issued by the administrator
12 for such payments.

13 16. Service Payment Award to Representative Plaintiffs: From the Gross Settlement
14 Comon Fund, each Representative Plaintiff will be paid Ten Thousand Dollars and Zero Cents
15 (\$10,000.00) as a service award for their time and efforts as Representative Plaintiffs. These service
16 payment awards are in addition to their rights to payments provided in this Agreement for initiating
17 and pursuing the Action, undertaking the risk of liability for attorneys' fees and expenses in the event
18 they were unsuccessful in the prosecution of the Action, and granting the general release under the
19 Settlement. Tax deductions and withholdings will not be taken from the Representative Payments, and
20 instead a Form 1099 will be issued to each Plaintiff with respect to this payment. Representative
21 Plaintiffs will be responsible for correctly characterizing this compensation for tax purposes and to pay
22 any taxes owing. The Representative Plaintiffs hereby indemnify and hold Defendants harmless for
23 and against any action or liability of Representative Plaintiffs, if any tax authority should dispute the
24 characterization of this compensation. The Representative Plaintiffs shall not be entitled to the
25 payment set forth in this Subparagraph unless they provide their Social Security number or tax
26 identification numbers to the Administrator.

27 17. PAGA Payment: Subject to Court Approval, from the Gross Settlement Amount, a
28 payment of Seventy Five Thousand Dollars and Zero Cents (\$75,000.00) will be made to the

1 California Labor and Workforce Development Agency ("LWDA"), which is the payment to the State
2 of California for its share of civil penalties pursuant to the Labor Code Private Attorneys General Act,
3 Cal. Labor Code §§ 2698, *et seq.* ("PAGA"), approved by the Court. The Seventy-Five Thousand
4 Dollars and Zero Cents (\$75,000.00) payment is 75% of One Hundred Thousand Dollars and Zero
5 Cents (\$100,000.00), which is the amount that the Parties have earmarked for the release of claims
6 under PAGA. The remaining Twenty-Five Percent (25%), or Twenty-Five Thousand Dollars and Zero
7 Cents (\$25,000.00), will be allocated to the Net PAGA Settlement Amount for distribution to the
8 PAGA Aggrieved Employees. The Net PAGA Settlement Amount will be distributed to the Aggrieved
9 Employees on a pro-rata basis based upon the number of pay periods that the Aggrieved Employee
10 made purchases during the PAGA Period.

11 18. Attorneys' Fees and Costs: Class Counsel shall submit an application for an award of
12 attorneys' fees not to exceed Three Hundred Sixteen Thousand Six Hundred Sixty-Six Dollars and
13 Zero Cents (\$316,666.00) (33.33 % of the Gross Settlement Common Fund). This amount will cover
14 all work performed to date and all work to be performed in connection with the approval by the Court
15 of this Agreement and the final conclusion of this Action. Defendants agree not to oppose any fee
16 application that is not in excess of the amount specified in this Paragraph. Should the fee and costs
17 award approved by the Court be less than the amount sought, the difference shall be added to the Net
18 Settlement Amount. Payment of the fees and costs to Class Counsel shall constitute full satisfaction of
19 any obligation to pay any amounts to any person, attorney or law firm for attorneys' fees, expenses or
20 costs in the Action, and shall relieve Defendants of any other claims or liability to any other attorney or
21 law firm for any attorneys' fees, expenses and/or costs to which any of them may claim to be entitled
22 on behalf of Plaintiffs and/or the Class.

23 Class Counsel shall submit an application for the reimbursement of costs and expenses
24 in an amount not to exceed Twenty Thousand Dollars and Zero Cents (\$20,000.00). This amount will
25 cover all costs and expenses incurred to date or to be incurred. This amount shall come from the Gross
26 Settlement Common Fund. Defendants agree not to oppose any cost and expense application that is
27 not in excess of the amount specified in this Paragraph.

28 Except as provided herein, each party shall be responsible for their own attorneys' fees

1 and costs.

2 19. Date of Defendants' Payment to Administrator: A gross settlement common fund
3 amount of Nine Hundred Fifty Thousand (\$950,000.00) will be funded by Defendants as follows:

4 Within fifteen (15) business days following the Effective Date, Defendants will pay the
5 total Gross Settlement Common Fund Amount to the Claims Administrator ("Payment
6 Date").

7 20. Date of Administrator's Payment to Recipients: Within ten (10) business days of the
8 Payment Date, the Administrator shall distribute all payments due under the Settlement, including the
9 payments to each Settlement Class Member, to Representative Plaintiffs, to the LWDA, to each
10 Aggrieved Employee, and Class Counsel.

11 21. No Further Payments: Defendants shall have no obligation to pay or provide any
12 further consideration to any Settlement Class Member or Aggrieved Employee by reason of this
13 Agreement or because of the foregoing payments, including but not limited to contributions to any
14 401(k) or other retirement or employee benefit plan, vacation or sick pay, etc. Any payments made
15 pursuant to this Agreement will not trigger any obligation of Defendants to make any withholding for
16 401(k) contributions or to make any contributions to any 401(k) or similar plan. Nor will it trigger any
17 obligation of Defendants to make any contributions to any employee welfare benefit plan for the
18 benefit of any Settlement Class Member who is a member of any union.

19 22. Parties' Contentions: In entering into this Agreement, Defendants do not admit to any
20 liability or wrongdoing of any kind associated with the asserted claims. In entering into this
21 Agreement, Representative Plaintiffs believe that they have filed a meritorious action.

22 23. Settlement Fair, Reasonable, and Adequate: Representative Plaintiffs and Class
23 Counsel are of the opinion that the terms set forth in this Agreement are fair, reasonable, and adequate
24 and this Agreement is in the best interest of the Class in light of all known facts and circumstances,
25 including the risk of pending motions and the trial, defenses asserted by Defendants, and numerous
26 potential appellate issues. Defendants and their counsel also agree that this Agreement is fair and is in
27 the best interests of the Settlement Class and each Settlement Class Member.

THE ADMINISTRATOR

24. Selection of Administrator: Subject to the Court's approval, Atticus Administration shall be retained as the Administrator.

25. Class List: Within ten (10) court days of the date the Court enters an order granting preliminary approval of the Settlement (the "**Preliminary Approval Date**"), Defendants shall provide to the Administrator a list containing, for each Settlement Class Member, the following information:

(1) name; (2) last known address, email address (to the extent such information is maintained in Defendants' Human Resources Information System) and phone number (to the extent such information is maintained in Defendants' Human Resources Information System); (3) Social Security Number; (4) the total amount spent on clothing items purchased by each Settlement Class Member at their own expense from one of Walgreens' third-party clothing vendors during the Class Period; and (5) the total number of pay periods that each Aggrieved Employee purchased clothing items at their own expense from one of Walgreens' third-party clothing vendors during the PAGA Period.

26. Administrator's Duties: The Administrator's duties will include:

- a. updating addresses contained in the Class List by way of search of the National Change of Address registry before the initial mailing of the Notice Postcard;
- b. preparing, printing, mailing and emailing (where email is available pursuant to Paragraph 25) the Postcard Notice, in substantially the form attached hereto as "**Exhibit B**" to Settlement Class Members, as well as re-mailing any Postcard Notice that is returned by the U.S. Postal Service as non-deliverable but with a forwarding address; conducting a skip-trace on any Postcard Notice returned by the U.S. Postal Service as non-deliverable, as needed, and re-mailing the Postcard Notice to any new address obtained by way of skip-trace;
- c. creating a website for the Settlement which will allow Settlement Class Members to view the Class Notice in substantially the form attached hereto as "**Exhibit A**" to this Settlement Agreement, all papers filed by Class Counsel to obtain preliminary and final approval of the Settlement Agreement, and payment options. Additionally, the Settlement website will provide contact information for Class Counsel and the

1 Settlement Administrator. The Settlement Administrator will provide Class Counsel
2 and Defendants' counsel with a preview of the proposed website. Class Counsel and
3 Defendants' counsel must approve the website before it goes live and also must approve
4 any modifications to the website. The Settlement Administrator shall also create a toll-
5 free call center to field telephone inquiries from Settlement Class Members during the
6 notice and settlement administration periods. The Settlement Administrator will be
7 directed to take the website and call center down 180 days after the Payment Date.

- 8 d. conducting any necessary verifications of Social Security Numbers;
- 9 e. reviewing and processing requests for exclusions and objections to the Settlement;
- 10 f. providing Class Counsel and Defendants' Counsel with periodic status reports about the
11 delivery of the Notice, requests for exclusions, and objections to the Settlement;
- 12 g. issuing payment to effectuate the payments due under the Settlement. Settlement checks
13 will be valid for one hundred and eighty (180) days. At the end of that 180-day period,
14 settlement checks will be void. The amounts of any uncashed will be distributed to the
15 charitable organization agreed to by the Parties and approved by the Court;
- 16 h. providing a report listing the amounts of payments made to each Settlement Class
17 Member; issuing the tax reports required under this Settlement; and
- 18 i. otherwise administering the Settlement pursuant to this Agreement.

19 27. Qualified Settlement Fund: The Parties agree that the settlement funds will be placed in
20 an account held by the Administrator to effectuate the terms of this Agreement and the orders of the
21 Court. The Parties agree that the settlement fund (1) shall be established pursuant to an order of the
22 Court prior to the receipt of any monies from Defendants; (2) that it shall be established to resolve and
23 satisfy the contested claims that have resulted, or may result, from the matters that are the subject of
24 this Action and that are released by this Settlement; and (3) that the fund or account that is established
25 and its assets are segregated and shall be segregated (within a separately established fund or account)
26 from the assets of Defendants and all related other persons. The Administrator shall be responsible for
27 establishing, administering, and otherwise operating the settlement fund, including the preparation and
28 filing of federal, state, and local tax returns. The Administrator shall also be responsible for preparing

1 and issuing all payments to the Settlement Class Members, Aggrieved Employees, the LWDA,
2 Representative Plaintiffs, Class Counsel, all checks for claims administration costs and expenses that
3 are approved by the Court and any other payments included in this Agreement and approved by the
4 Court.

5 28. Administrator's Findings: The Administrator shall report, in summary or narrative
6 form, the substance of its findings regarding the notice and claims process, and, in that regard, the
7 Administrator's approval of claims shall be conclusive and binding. The Administrator shall be
8 granted reasonable access to Defendants' records to perform its duties. All disputes relating to the
9 Administrator's ability and need to perform its duties shall be referred, if necessary, to the Court,
10 which will have continuing jurisdiction over the terms and conditions of this Agreement. The
11 Administrator submits to the jurisdiction of the Court in connection with its appointment as
12 Administrator.

13 29. Administrator's Reports: The Administrator shall provide weekly reports to counsel
14 concerning receipt of Settlement Class Members' requests for exclusion and returned mail.

15 ADMINISTRATION OF SETTLEMENT

16 30. Notice: Within twenty-one (21) court days of after the entry of the Preliminary
17 Approval Order, the Postcard Notice, in the form attached hereto as Exhibit "B", as approved by the
18 Court, shall be sent by the Administrator to each Settlement Class Member. The Postcard Notice shall
19 be sent by first class mail to each Settlement Class Member's current or last known address on file
20 with Defendants, following an updated review of the National Change of Address Registry by the
21 Administrator, as well as by email (where available). The long form Notice, in the form attached
22 hereto as Exhibit "A" will be posted on the settlement website.

- 23 a. Returned Postcard Notice: For Postcard Notices returned from this mailing with
24 forwarding addresses affixed thereto, the Administrator will promptly perform a single
25 re-mailing of the Notice Packet to the forwarding address. For Postcard Notices
26 returned without a forwarding address, the Administrator will utilize reasonable and
27 customary skip-tracing efforts to locate an updated address, and promptly perform a
28 single re-mailing to such updated address, if found.

1 b. It will be presumed that that a Settlement Class Member received the Postcard Notice if
2 it has not been returned within thirty (30) days of mailing.

3 c. At least ten (10) days prior to the final approval hearing, the Administrator shall provide
4 the Court with a declaration of due diligence and proof of mailing with regard to the
5 mailing of the Postcard Notice, all attempts to locate Settlement Class Members, and
6 confirmation of the posting of the long form Notice on the settlement website. Class
7 Counsel shall be responsible for working with the Administrator to timely file the
8 declaration of due diligence.

9 31. Administrator's Responsibility for Payment: The Settlement Class Members, who do
10 not opt-out of the settlement, and all Aggrieved Employees shall receive a direct mail check of the
11 amount of their claim and will have 180 days to cash their checks. If any funds remain after the
12 expiration date of the first distribution, any residual funds will be distributed *cy pres* by the
13 Administrator. The *cy pres* recipient shall be proposed by the parties and approved by the Court. The
14 Parties propose Legal Aid at Work which provides legal services assisting low-income, working
15 families and promotes better understanding of the conditions, policies, and institutions that affect the
16 well-being of workers and their families and communities. The Labor and Workforce Development
17 Agency shall receive a check for 75% of the PAGA settlement amount.

18 32. Requests for Exclusion from the Settlement: The Settlement Administrator shall
19 administer the receipt of any and all requests for exclusion from the Action. Any Settlement Class
20 Member who submits a valid and timely request for exclusion shall not be bound by the terms of this
21 Agreement. Any Settlement Class Member who desires to be excluded from the Action must send a
22 written request for exclusion to the Settlement Administrator with a postmark dated no later than 30
23 calendar days prior to the Final Hearing. In such request, the Settlement Class Member must set forth
24 his or her full name, address, telephone number and email address (if available), along with a statement
25 that he or she wishes to be excluded. The Settlement Administrator shall provide a list of the names
26 and addresses of each Settlement Class Member who submitted a valid exclusion to the Parties no later
27 than 21 court days prior to the Final Hearing. Settlement Class Members who request to be excluded
28 from the Settlement shall nevertheless be bound by the release of claims under PAGA.

1 33. Objections to the Settlement: Any Settlement Class Member who intends to object to
2 the fairness of this settlement must (1) file a written objection with the Court no later than 30 calendar
3 days prior to the Final Hearing and (2) mail or personally deliver a copy of the written objection to
4 Class Counsel and Defendants' Counsel on the same day as the objection is sent to the Court. The
5 Court will deem an objection filed on the day it is received by the Court, not necessarily when the
6 objection is postmarked. In the written objection, the Settlement Class Member must state: his or her
7 full name, address, telephone number, and email address (if available); the reasons for his or her
8 objection; and whether he or she intends to appear at the Final Hearing on his or her own behalf or
9 through counsel. Further, the Settlement Class Member must attach to his or her objection all evidence
10 supporting the objection. Any Settlement Class Member who does not file a valid and timely objection
11 to the settlement shall be barred from seeking review of the settlement by appeal or otherwise.

12 **RELEASE OF CLASS CLAIMS**

13 34. Release of Claims by Settlement Class Members, Aggrieved Employees, and
14 Representative Plaintiffs:

- 15 a. Release by Settlement Class Members: Upon the Court's final approval of the
16 Settlement Agreement, and except as to such rights or claims as may be created by the
17 Settlement Agreement, the Class Representatives and the Settlement Class Members
18 (other than those who submit timely and valid exclusion forms) release and discharge
19 the Defendants and each of their respective former and present parents, subsidiaries,
20 holding companies and affiliated corporations and entities, and each of their respective
21 former and present officers, directors, owners, managers, employees, partners,
22 shareholders, members, and agents, and any other predecessors, successors, assigns or
23 legal representatives (collectively "the Released Parties"), from any and all claims for
24 reimbursement of business expenses (Labor Code Section 2802) and unfair business
25 practices (Bus. & Prof. Code sections 17200 et seq.), arising from the facts as alleged in
26 the First Amended Complaint from four years preceding the filing of Plaintiff's original
27 complaint up to the date of preliminary approval (*i.e.*, from May 31, 2018) (collectively,
28 "Settlement Class Members' Released Claims").

- 1 b. Release by Aggrieved Employees: Upon the Court's final approval of the Settlement
2 Agreement, and except as to such rights or claims as may be created by the Settlement
3 Agreement, the Aggrieved Employees shall be bound by the release as to any Released
4 PAGA claims that arise during the PAGA Period, pursuant to Labor Code section 2698,
5 *et seq.*, from any and all claims for reimbursement of business expenses (Labor Code
6 Section 2802) arising from the facts as alleged in the First Amended Complaint and
7 Plaintiffs' PAGA Notice to the LWDA from one year preceding the filing of Plaintiffs'
8 PAGA Notice (*i.e.*, from March 16, 2021) (collectively, "Aggrieved Employees'
9 Released Claims"). For the avoidance of doubt, the Aggrieved Employees shall be
10 bound by the release of any Released PAGA claims, irrespective of whether they submit
11 a timely and valid exclusion form to be excluded from the Settlement Class.
- 12 c. Release by Plaintiffs on Behalf of the LWDA (and State of California): In their capacity
13 as private attorneys general "aggrieved employees" acting on behalf of themselves and
14 as proxies or agents of the LWDA and State of California, Plaintiffs agree to release
15 Defendants and the Released Parties, from any and all PAGA Claims asserted in
16 Plaintiffs' PAGA Notice to the LWDA against the Released Parties during the PAGA
17 Period. Upon approval of this Agreement, Plaintiffs, the LWDA, the State of
18 California, and any other individual or entity acting on behalf of or purporting to act on
19 behalf of the LWDA and/or the State shall be barred from asserting any of the Released
20 PAGA Claims in any future litigation, arbitration, or other legal forum. Any party to
21 this Agreement may use the Agreement to assert that this Agreement and the Judgment
22 to be entered by the Court following approval of this Agreement bars or limits any
23 pending or later-filed action asserting any of the Released PAGA Claims against any of
24 the Released Parties. The provisions of this paragraph apply regardless of whether
25 Plaintiffs and/or the Aggrieved Employees cash their Individual PAGA Payment
26 checks.
- 27 d. Release by Named Plaintiffs: In consideration for the service payments being paid to
28 Plaintiffs, Plaintiffs, upon the Court's final approval of the Settlement Agreement,

1 hereby fully and finally release and discharge the Released Parties from all known and
2 unknown claims they have or may have against the Released Parties, of every nature
3 and description whatsoever, up to the date of the Court's final approval of the
4 Settlement Agreement, in addition to the Settlement Class Members'/Aggrieved
5 Employees' Released Claims described in paragraphs 15 and 16. This general release of
6 claims includes any and all known or unknown contract, tort, statutory, common law,
7 constitutional, discrimination, public policy, retaliation, wrongful discharge and other
8 claims of any type whatsoever, to the fullest extent such claims are releasable by law,
9 arising out of Plaintiffs' employment with Defendants and the Released Parties
10 (collectively "Named Plaintiffs' Released Claims"). As to the Named Plaintiffs'
11 Released Claims, the Plaintiffs, understanding the significance of this waiver, waive all
12 rights and benefits afforded by Section 1542 of the Civil Code of the State of California,
13 which states:

14 A general release does not extend to claims which the creditor does not
15 know or suspect to exist in his or her favor at the time of executing the
16 release, which if known by him or her must have materially affected his
17 or her settlement with the debtor.

18 Any release of claims will not be effective until the Effective Date.

19 **DUTIES OF THE PARTIES FOR COURT APPROVAL OF SETTLEMENT**

20 35. Plaintiffs will file a motion with the Court requesting preliminary and final approval of
21 the Class Settlement for the Action. Defendants contend that the facts do not justify class certification
22 under the governing legal standards. Consequently, the Parties will agree to a stipulated "Settlement
23 Class" solely for purposes of administration and resolution of this matter. This Memorandum is not,
24 and it should not be construed as, any admission by Defendants of fact or law in this matter or any
25 other matter that class certification or a representative action is appropriate. If the Court does not grant
26 either preliminary or final approval of this settlement, then the Parties revert to their previous positions
27 prior to negotiating the settlement, and Defendants will not stipulate to class certification.

28 **VOIDING THE AGREEMENT**

36. If the Court disapproves of or refuses to enforce any of the material conditions set forth in the preceding Paragraphs, with the exception of the Court's reduction of the amounts of attorneys' fees and costs, the Parties agree to engage in follow up negotiations with the intent of resolving the Court's concerns that precluded approval, and if feasible, to resubmit the settlement for approval within thirty (30) days. If the Settlement is not approved as resubmitted or if the Parties are not able to reach another agreement, then either Party may void this Agreement. At that point, the Parties agree that each shall return to their respective positions on the day before this Agreement and that this Agreement shall not be used in evidence or argument in any other aspect of the litigation.

37. If the conditions of the Settlement set forth herein are not satisfied, or if either of the Parties void the Settlement under Paragraph 36 above, or if the Payment Date does not occur, or, if one or more of the material terms of the Agreement is not approved or is materially modified or reversed, with the exception of the Court's reduction of the amounts of attorneys' fees and costs, Representative Plaintiffs' service payment award, or Administrator's fee, then this Agreement shall be cancelled, terminated, and shall have no force or effect, unless the Parties agree otherwise. If the Settlement is not finally approved, or if this Settlement is terminated, revoked or cancelled pursuant to its terms, the Parties to this Settlement shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Agreement.

PARTIES' AUTHORITY

38. The signatories hereby represent that they are fully authorized to enter into this Agreement and bind the Parties hereto to the terms and conditions hereof.

MUTUAL FULL COOPERATION

39. The Parties shall fully cooperate with each other to accomplish the terms of this Agreement, including the execution of such documents and to take such other action as may reasonably be necessary to implement the terms of this Agreement and to secure the Court's Final Approval of this Agreement.

NO PRIOR ASSIGNMENTS

40. The Representative Plaintiffs hereto represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber

1 to any Person or entity any portion of any liability, claim, demand, action, cause of action, or rights
2 herein released and discharged except as set forth herein.

3 **NO ADMISSION**

4 41. Nothing contained herein, including the consummation of this Agreement, is to be
5 construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of
6 Defendants. Each of the Parties hereto has entered into this Agreement with the intention to avoid
7 further disputes and litigation settled herein with the attendant inconvenience, expenses, and
8 uncertainties. This Agreement is a settlement document and shall, pursuant to Federal Rule of
9 Evidence 408 and California Evidence Code Section 1152, be inadmissible in evidence in any
10 proceeding, except an action or proceeding to approve, interpret, or enforce this Agreement.

11 **CONFIDENTIALITY**

12 42. The Parties agree that this Settlement Agreement is confidential (except for purposes of
13 enforcement). The Parties and their counsel agree that they will not initiate or have any contact with
14 the press, respond to any press inquiry or have any communication with the press about this Action
15 prior to the date of entry of order for final approval. Following final approval of the Settlement,
16 Defendants may disclose the terms and contents of the Settlement, as required under its contractual and
17 legal obligations. Plaintiffs and Plaintiffs' Counsel agree not to issue press releases, communicate
18 with, or respond to any media or publication entities, publish information in manner or form, whether
19 printed or electronic, on any medium or otherwise communicate, whether by print, video, recording or
20 any other medium, with any person or entity concerning the Settlement, including the fact of the
21 Settlement, its terms or contents and the negotiations underlying the Settlement, except as shall be
22 contractually required to effectuate the terms of the Settlement as set forth herein. Nothing stated
23 herein shall prohibit Plaintiffs' Counsel from discussing the Settlement, the fact of Settlement, and its
24 terms and conditions with Settlement Class Members or Aggrieved Employees, or from filing all
25 necessary motions and supporting memoranda related to preliminary and final approval of the
26 Settlement. Plaintiffs' Counsel and counsel for Defendants shall not place notice of the Settlement on
27 their respective websites, except that Plaintiffs' Counsel may post a statement on their website that
28 they "obtained a settlement of \$950,000 for employees in an expense reimbursement case." This

1 provision does not limit Plaintiffs' Counsel from complying with ethical obligations or from posting
2 court-filed documents on their website without commentary for viewing by Settlement Class Members
3 and Aggrieved Employees.

4 TAXES

5 43. Neither Class Counsel nor Defendants' counsel intend anything contained herein to
6 constitute legal advice regarding the taxability of any amount paid hereunder, nor shall it be relied
7 upon as such. The tax issues for each Settlement Class Member may be unique, and each Settlement
8 Class Member is advised to obtain tax advice from his/her own tax advisor with respect to any
9 payments resulting from this Agreement.

10 NOTICES

11 44. Unless otherwise specifically provided herein, all notices, demands or other
12 communications given hereunder shall be in writing and shall be deemed to have been duly given as of
13 the third business day after mailing by United States certified mail with return receipt requested,
14 addressed as follows:

15 To Plaintiffs and Class:

16 Hallie Von Rock, Esq.

17 AIMAN-SMITH & MARCY, PC

18 7677 Oakport St., Suite 1150

19 Oakland, CA 94621

20
21 To Defendants' Counsel:

22 Allison C. Eckstrom, Esq.

23 Christopher J. Archibald, Esq.

24 Amelia Alvarez, Esq.

25 BRYAN CAVE LEIGHTON PAISNER LLP

26 1920 Main Street, Suite 1000

27 Irvine California 92614-7276

28 CONSTRUCTION

1 45. The terms and conditions of this Agreement are the result of lengthy, intensive
2 arms-length negotiations between the Parties, and this Agreement shall not be construed in favor of or
3 against any party by reason of the extent to which any party or his, her, or its counsel participated in its
4 drafting.

5 **CAPTIONS AND INTERPRETATIONS**

6 46. Paragraph titles or captions contained herein are inserted as a matter of convenience and
7 for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any
8 provision hereof. Each term of this Agreement is contractual and not merely a recital.

9 **MODIFICATION**

10 47. This Agreement may not be changed, altered, or modified, except in writing and signed
11 by the Parties hereto. This Agreement may not be discharged except by performance in accordance
12 with its terms or by a writing signed by the Parties hereto.

13 **INTEGRATION CLAUSE**

14 48. This Agreement contains the entire agreement between the Parties relating to the
15 Settlement and transaction contemplated hereby, and all prior or contemporaneous agreements,
16 understandings, representations, and statements, whether oral or written and whether by a party or such
17 party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

18 **BINDING ON ASSIGNS**

19 49. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and
20 their respective spouses, heirs, trustees, executors, administrators, successors, and assigns, including
21 Defendants and the Released Parties.

22 **SETTLEMENT CLASS MEMBER SIGNATORIES**

23 50. Because the Settlement Class is so numerous, it is impossible or impractical to have
24 each member execute this Agreement. The Notice, **Exhibit "A"** hereto, as approved by the Court, and
25 the other forms of notice described herein will advise each Settlement Class Member of the binding
26 nature of the release and such shall have the same force and effect, to the extent permitted by law, as if
27 this Agreement were executed by each Settlement Class Member.

1 **CORPORATE SIGNATORIES**

2 51. Any Person executing this Agreement or any such related document on behalf of a
3 corporate signatory hereby warrants and promises for the benefit of all Parties hereto that such Person
4 has been duly authorized by such corporation to execute this Agreement or any such related document.

5 **COUNTERPARTS**

6 52. This Agreement may be executed in counterparts, and when each Party has signed and
7 delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken
8 together with other signed counterparts, shall constitute one Agreement, which shall be binding upon
9 and effective as to all Parties as set forth herein. Copies, electronic signatures, and facsimile
10 transmissions of signatures shall be considered the same as an original signature.

11 **CONTROLLING LAW**

12 53. The Agreement shall be governed by and construed in accordance with the laws of the
13 State of California. In any dispute about the scope of the Release provisions set forth herein or their
14 application to bar any future claim, including regarding the assertion of a res judicata / collateral
15 estoppel defense, this Agreement is governed exclusively by California state law and without regard to
16 any other state or federal law.

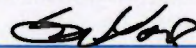
17
18
19 **IT IS SO AGREED.**

20
21 **[SIGNATURES ON THE FOLLOWING PAGE]**
22
23
24
25
26
27
28

1 Respectfully submitted,

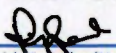
2
3 Dated: 05/06/2024

Plaintiff Serena Naro:

4 By: 
Serena Naro (May 6, 2024 17:07 PDT)
Serena Naro

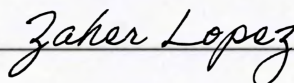
5
6 Dated: 05/06/2024

Plaintiff Trish Gonzales:

7 By: 
Trish Gonzales (May 6, 2024 16:58 PDT)
Trish Gonzales

8
9 Dated: 5/8/24

Defendants Walgreen Co. and Walgreen Pharmacy
Services Midwest, LLC

10
11 By: 

12
13 APPROVED AS TO FORM:

14 Dated: 05/06/2024

Attorneys for Plaintiffs:

Aiman-Smith & Marcy

15
16 By: 
Hallie Von Rock (May 6, 2024 20:53 PDT)
Hallie Von Rock, Esq.

17
18
19 Dated: 5/7/2024

Attorneys for Defendants:

Bryan Cave Leighton Paisner LLP

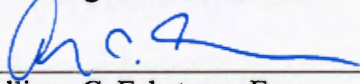
20
21 By: 
Allison C. Eckstrom, Esq.

Exhibit A

**NOTICE OF CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AND
RELEASE**

Serena Naro, et al., v. Walgreen Co., et al.
United States District Court, Northern District
Case No. 4:22-cv-03170-JST

You could get a payment from a class action settlement if you worked in Walgreens' retail stores and/or pharmacies within California and purchased clothing items at your own expense from one of Walgreens' third-party clothing vendors at any time during the period from May 31, 2018 through **[INSERT PRELIMINARY APPROVAL DATE].**

This Notice is only a *summary* of the class action settlement. You can (and are encouraged to) access and review the entire Class Action and Private Attorneys General Act Settlement Agreement and Release, with all of the settlement terms to which you are bound, including the "Release of Claims" set forth in Paragraph 34 therein, at the settlement website **[INSERT URL].**

The United States District Court authorized this notice. This is not a solicitation from a lawyer. This is not a lawsuit against you and you are not being sued. However, your legal rights are affected whether you act or do not act.

- A former and current employee of Walgreen Co. and Walgreen Pharmacy Services Midwest, LLC (hereinafter referred to collectively as "Walgreens" and/or "Defendants") filed a lawsuit, claiming that Walgreens violated California law by purportedly failing to reimburse for business expenses associated with the purchase of clothing from Walgreens' third-party clothing vendors, and violating the Labor Code, Private Attorneys General Act ("PAGA"), and California Business and Professions Code.
- Walgreens has denied these claims and the Court has not decided the merits of these claims.
- To avoid litigation expenses, Walgreens has agreed to settle these claims and this Notice is a summary of your rights and options under this Settlement—including the deadlines to exercise them.

1. Why did I get this notice package?

You are receiving this Class Notice because Defendants' third-party vendor records identify you as a non-exempt employee who worked at Defendants' retail stores and/or pharmacies within California and purchased clothing items at your own expense from one of Walgreens' third-party clothing vendors during the period of May 31, 2018 through **[INSERT PRELIMINARY APPROVAL DATE]**. As such, you are a potential Class Member and/or Aggrieved Employee in this lawsuit. The purpose of this Notice is to describe the litigation to you, inform you about the Settlement, and inform you of your rights and options in connection with the Settlement.

Class Members include all current and former non-exempt employees of Defendants working in Defendants' retail stores and/or pharmacies within California who purchased clothing items at their own expense from one of Walgreens' third-party clothing vendors during the period of May 31, 2018 through **[INSERT PRELIMINARY APPROVAL DATE]**.

Aggrieved Employees include all current and former non-exempt employees of Defendants working in Defendants' retail stores and/or pharmacies within California who purchased clothing items at their own expense from one of Walgreens' third-party vendors during the period from March 16, 2021 through **[INSERT PRELIMINARY APPROVAL DATE]**

The Court in charge of the case is the United States District Court, Northern District, and the case is known as *Serena Naro, et al. v. Walgreen Co., et al.*, Case No. 4:22-cv-03170-JST (referred to as the "Action"). The judge currently presiding over the lawsuit is the Honorable Jon S. Tigar, in Courtroom 6.

2. What is a class action and who is involved?

In class and representative actions, one or more people called “Class Representatives” (which – in this case – are Serena Naro and Trish Gonzales) sue on behalf of themselves and other individuals who have similar claims. The Class Representatives and these other individuals together are a “Class” or “Class Members” For purposes of the class action claims and “Aggrieved Employees” for purposes of the PAGA claim. Each person receiving this notice is a “Class Member” and/or “Aggrieved Employee” for purposes of this Settlement. The Court has preliminarily decided that this lawsuit can be resolved on a class-wide basis because it meets the requirements of federal law governing the resolution of claims through a class action.

3. What does the lawsuit complain about?

Plaintiffs Serena Naro and Trish Gonzales Action allege that non-exempt employees of Defendants who worked in Defendants’ retail stores and/or pharmacies in California during the relevant time period were not reimbursed for clothing items purchased at their own expense from one of Walgreens’ third-party clothing vendors, which allegedly violated the California Labor Code Section 2802 and California Business and Professions Code. Based on the allegations in this Action, Plaintiffs further seek the recovery of civil penalties under the Private Attorneys General Act of 2004 (“PAGA”).

Class Counsel is experienced in class action litigation and has a duty to represent the interests of all Class Members and Aggrieved Employees. Based on analyzing the law concerning the claims, analyzing records, making factual investigations, considering risks involved in further litigation, ensuring that the Class and group of Aggrieved Employees receives payment without having to wait for years of protracted litigation with no certainty of success, Class Counsel believes the Settlement is fair, adequate, and reasonable.

You are receiving Class Notice of this Settlement because the Court has reviewed the Settlement and has preliminarily determined the Settlement is fair and reasonable and can go forward.

The Settlement is the result of good faith, arm’s length negotiations between Plaintiffs and Walgreens, through their respective attorneys. Both sides agree that, in light of the risks and expenses associated with continued litigation, this Settlement is fair and appropriate under the circumstances, and in the best interests of the Settlement Class Members and Aggrieved Employees. This Settlement is a compromise and is not an admission of liability on the part of Defendants.

The Court has not decided whether Plaintiffs’ claims have any merit. There was no trial. Instead of going to trial, both sides agreed to this settlement.

4. What does the settlement provide?

- Walgreens will pay \$950,000.00 (“Gross Settlement Common Fund”) to end this lawsuit.
- Class Members and Aggrieved Employees will receive a portion of the Net Settlement Amount in the manner described under Question 5. The Net Settlement Amount is the Gross Settlement Common Fund minus the following deductions: (1) up to \$10,000.00 to each of the Class Representatives as approved by the Court; (2) up to \$316,666.00 as attorneys’ fees to Class Counsel as approved by the Court; (3) up to \$20,000.00 as costs to Class Counsel as approved by the Court; (4) approximately \$45,000.00 as Administrative Expenses as approved by the Court; and (5) \$75,000.00 to the California Labor & Workforce Development Agency. The Net Settlement Amount is estimated to be \$473,334.00.

5. How much will my payment be?

The Settlement Payments to Class Members and Aggrieved Employees will be based on his or her pro-rata share of the

Net Settlement Amount. The Net Settlement Amount is comprised of two parts: (1) the Net PAGA Settlement Amount (*i.e.*, \$25,000 earmarked for the release of Representative Plaintiffs' and each PAGA Aggrieved Employee's PAGA claims that is not payable to the California Labor and Workforce Development Agency), and (2) the Net Class Settlement Amount (*i.e.*, the entire Net Settlement Amount less the Net PAGA Settlement Amount which is approximately \$473,334.00).

The distribution formula is based upon records produced in this Action by Defendants' vendors for those Class Members who purchased clothing at their own expense from Defendants' third-party vendors during the Class Period. The total paid by all Settlement Class Members for clothing purchased from Defendants during the Class Period is herein referred to as "Clothing Purchases." The Net Settlement Fund will be divided by the Clothing Purchases to determine the Clothing Purchases Payout Rate. The total amount allocated to each Settlement Class Member will be the total of his or her identified Clothing Purchases during the applicable eligibility periods multiplied by the Clothing Purchases Payout Rate.

Twenty-five percent (25%) of the PAGA Allocation will be distributed to the Aggrieved Employees on a pro-rata basis based upon the number of pay periods that the Aggrieved Employees made purchases during the PAGA Period.

The payments to the Settlement Class Members and Aggrieved Employees shall be non-taxable, and a form 1099 will be issued by the administrator for such payments. You should consult with your tax advisors concerning the tax consequences of the payments you receive under the settlement. Neither Class Counsel nor Defendants' counsel intend anything contained herein to constitute legal advice regarding the taxability of any amount paid, nor shall it be relied upon as such.

6. Will being part of this Settlement affect my job with Walgreens?

Walgreens encourages all Class Members to participate in the Settlement. Walgreens represents that, as required by law, it will not retaliate against any employee as a result of his or her participation in the Settlement.

7. How do I receive payment from the Settlement Amount?

As a Class Member, you will automatically receive your portion of the Settlement Payment via settlement check so long as you do not opt-out or exclude yourself from this lawsuit. If you are also an Aggrieved Employee, you will receive your portion of the PAGA Allocation via settlement check regardless of whether you opt-out or exclude yourself from this lawsuit.

8. What claims am I releasing as part of this lawsuit?

If you do not exclude yourself from the Settlement, you will be bound by the release of claims in this Settlement. This release includes the expense reimbursement claims that were pleaded in the Action (or that could have been pleaded based on the facts alleged in the Action), for non-exempt employees of Defendants working in Defendants' retail stores and/or pharmacies within California who purchased clothing items at their own expense from one of Walgreens' third-party clothing vendors between May 31, 2018 through **[INSERT PRELIMINARY APPROVAL DATE]**.

More specifically, if the Court grants final approval of the Settlement, all Settlement Class Member who do not timely request exclusion from the Settlement will be barred from bringing certain claims described below.

Release by Settlement Class Members: Upon the Court's final approval of the Settlement Agreement, and except as to such rights or claims as may be created by the Settlement Agreement, the Class Representatives and the Settlement Class Members (other than those who submit timely and valid exclusion forms) release and discharge the Defendants and each of their respective former and present parents, subsidiaries, holding companies and affiliated corporations and entities, and each of their respective former and present officers, directors, owners, managers, employees, partners, shareholders, members, and agents, and any other

predecessors, successors, assigns or legal representatives (collectively “the Released Parties”), from any and all claims for reimbursement of business expenses (Labor Code Section 2802) and unfair business practices (Bus. & Prof. Code sections 17200 et seq.), arising from the facts as alleged in the First Amended Complaint from four years preceding the filing of Plaintiff’s original complaint up to the date of preliminary approval (i.e., from May 31, 2018) (collectively, “Settlement Class Members’ Released Claims”).

If any Class Member initiates a new lawsuit against Defendants based on any claim released under this Agreement, and the Court invalidates the release, any recovery by the Class Member shall be offset by the amount, if any, paid to the Class Member in connection with this Settlement.

Release by Aggrieved Employees: Upon the Court’s final approval of the Settlement Agreement, the Aggrieved Employees shall be bound by the release as to any Released PAGA claims that arise during the PAGA Period, pursuant to Labor Code section 2698, *et seq.*, from any and all claims for reimbursement of business expenses (Labor Code Section 2802) arising from the facts as alleged in the First Amended Complaint and Plaintiffs’ PAGA Notice to the LWDA from one year preceding the filing of Plaintiffs’ PAGA Notice (*i.e.*, from March 16, 2021) (collectively, “Aggrieved Employees’ Released Claims”). The Aggrieved Employees shall be bound by the release of any Released PAGA claims, irrespective of whether they submit a timely and valid exclusion form to be excluded from the Settlement Class.

For the full language of the release, as well as additional documents related to the settlement, including the complete Class Action and Private Attorneys General Act Settlement Agreement and Release and the documents filed by the Parties to obtain approval of the settlement, you may visit the settlement website at [INSERT URL]. You may also contact the Settlement Administrator for a copy of the Class Action and Private Attorneys General Act Settlement Agreement and Release that has been filed with the United States District Court, located at 450 Golden Gate Ave, San Francisco, CA 94102.

9. What are my options?

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
DO NOTHING	If you do nothing and the Court orders final approval of the Settlement, you will give up your rights to pursue the claims that are released by the Settlement and will be paid your portion of the Net Settlement Amount.
YOU MAY ASK TO BE EXCLUDED FROM THE SETTLEMENT	If you ask to be excluded from, or opt-out of, the Settlement, you will get no payment as a Class Member, but you will keep your rights and not release any of the Settlement Class Members’ Released Claims. However, even if you opt-out of the Settlement, you will receive a payment as an Aggrieved Employee and will be bound by the Aggrieved Employees’ Released Claims.
OBJECT	Write to the Court about what you do not like about the Settlement, and if you so choose, attend Court to speak about the fairness of the Settlement.

10. How do I ask to be excluded from the settlement?

If you do not want a payment from this Settlement as a Class Member, but you want to keep your rights, then you **must** take steps to exclude yourself from the Settlement. You can exclude yourself from the Settlement by notifying the Settlement Administrator in writing of your intent to exclude yourself by [REDACTED], 2024 (which is 30 calendar days from the date this Notice is sent to the Class Members). Your exclusion letter must state your (i) name, (ii) current address, (iii) the last four digits of your social security number, (iv) desire to exclude yourself from the Settlement, and (v) your signature. Exclusion letters must be sent directly to the Settlement Administrator. The Settlement Administrator, Atticus Administration, is a neutral third-party appointed by the Court to administer the Settlement in accordance with the Court's Orders and the terms of the Settlement Agreement. If you are an Aggrieved Employee, you will still receive a portion of the PAGA Allocation and be bound by the Aggrieved Employees' Released Claims.

Exclusion letters must be sent directly to the Settlement Administrator at the following address by first class mail, postage prepaid, postmarked on or before [REDACTED], 2022:

Naro v. Walgreen Co.
Atticus Administration
[Administrator Address Here]

11. If I don't exclude myself, can I sue Walgreens for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Defendants for the claims that this Settlement resolves. If you have a pending lawsuit regarding these claims, speak to your lawyer in that case. **Remember, the exclusion deadline is [REDACTED], 2024.**

12. If I exclude myself, can I get money from this settlement?

If you exclude yourself, you are not eligible to receive any money from this settlement as a Class Member, but you may sue, continue to sue, or be part of a different lawsuit against Defendants. If you ask to be excluded, you will not be bound by the Settlement or have any right to object, appeal, or comment thereon. Please note that Aggrieved Employees cannot exclude themselves from the PAGA portion of the Settlement and will receive a portion of the PAGA Allocation and be bound by the release of PAGA claims even if excluded as a Class Member.

13. How do I object to the settlement?

If you are a Settlement Class Member and wish to object and tell the Court why you do not like the settlement, you must (1) file a written objection with the Court no later than 30 calendar days prior to the Final Hearing and (2) mail or personally deliver a copy of the written objection to Class Counsel and Defendants' Counsel on the same day as the objection is sent to the Court. The Court will deem an objection filed on the day it is received by the Court, not necessarily when the objection is postmarked. In the written objection, the Class Member must state: his or her full name, address, telephone number, and email address (if available); the reasons for his or her objection; and whether he or she intends to appear at the Final Hearing on his or her own behalf or through counsel. Further, the Class Member must attach to his or her objection all evidence supporting the objection. Any Settlement Class Member who does not file a valid and timely objection to the settlement shall be barred from seeking review of the settlement by appeal or otherwise.

If a Class Member objects to the Settlement, he/she will remain a member of the Class, and, if the Court grants final approval of the Settlement, he/she will be bound by the Settlement in the same way and to the same extent as a Class Member who does not object. Any member of the Class who does not make and serve his/her written objection in the manner provided above, shall be deemed to have waived such objections and shall be foreclosed from making any

objections by appeal or otherwise to the Settlement.

The names and addresses of Class Counsel are:

Class Counsel	Defendants' Counsel
Hallie Von Rock Aiman-Smith & Marcy, PC 7677 Oakport St., Suite 1150 Oakland, CA 94621	Allison C. Eckstrom, Esq. BRYAN CAVE LEIGHTON PAISNER LLP 1920 Main Street, Suite 1000 Irvine California 92614-7276

14. What's the difference between objecting and excluding myself?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class and don't want to release your individual claims. If you exclude yourself, you have no basis to object because the case no longer affects you.

15. Do I have a lawyer in this case?

The Court has approved Aiman-Smith & Marcy, PC, to represent you and other Class Members in this action. These lawyers are called Class Counsel. You will not be separately charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense. A Class Member may enter an appearance through an attorney if the Class Member so desires. Aiman-Smith & Marcy, PC is available as your counsel to answer your questions. The names and contact information of Class Counsel are listed in Question 13 above.

16. How will the lawyers be paid?

Class counsel would ask the Court to approve a payment of up to \$316,666.00 for attorneys' fees and up to \$20,000 for litigation costs, which will be paid out of the \$950,000.00 settlement fund. These attorneys' fees will pay Class Counsel for bringing the lawsuit on your behalf, investigating the facts, litigating the case, and negotiating the Settlement. Defendants have agreed not to oppose these attorneys' fees or costs. The Court may award less than these amounts.

17. When will final approval occur?

The Court will hold a final hearing to decide whether or not to approve the Settlement. You may attend, either in person or remotely depending on the Court's procedure at the time of the hearing due to the pandemic, and you may ask to speak, but you don't have to. The Final Approval Hearing is scheduled for [REDACTED], 2024, at [REDACTED] a.m. in the United States District Court, Northern District, Courtroom 6, 450 Golden Gate Ave, San Francisco, CA 94102.

18. How do I get more information?

This Notice only summarizes the Action, the Settlement and related matters. For more information, you may visit the settlement website at: [INSERT URL]. You may also contact the Settlement Administrator for a copy of the Class Action and Private Attorneys General Act Settlement Agreement and Release. This document and the motion for approval of the settlement is also on file with the United States District Court, Northern District, located at 450 Golden Gate Ave, San Francisco, CA 94102. You may also contact Class Counsel at the address listed in Section 13 above without having

to pay for any attorneys' fees. You also have the right to speak with an attorney of your choosing at your own expense. A Class Member may enter an appearance through an attorney if the Class Member so desires.

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, OR ANY OF WALGREENS' MANAGERS, SUPERVISORS, OR ATTORNEYS ABOUT THIS SETTLEMENT.

Exhibit B

POSTCARD NOTICE

On [_____, 2024], the US District Court for the Northern District of California preliminarily approved a class action settlement in the case *Naro, et al. v. Walgreen Co., et al.*, Case Number No. 4:22-cv-03170-JST.

You could get a payment from a class action settlement if you are a current or former non-exempt employee of Walgreen Co. and/or Walgreen Pharmacy Services Midwest, LLC (hereinafter, "Walgreen" or "Defendants") working in Defendants' retail stores and/or pharmacies within California who purchased clothing items at their own expense from one of Walgreens' third-party clothing vendors at any time from May 31, 2018 through the present.

This Notice is only a *summary* of the class action settlement. You can (and are encouraged to) access and review the full-length Notice of Class Action Settlement, with all of the settlement terms to which you are bound at the settlement website [www.\[_____\].com](http://www.[_____]).

Walgreen has denied the claims in this action and the Court has not decided the merits of the claims. To avoid litigation expenses, Walgreen has agreed to settle these claims.

What does the settlement provide? Walgreen will pay \$950,000.00 ("Gross Settlement Common Fund") to end this lawsuit. The proposed deductions from the Gross Settlement Common Fund for payments to the Representative Plaintiffs, Class Counsel, Claims Administrator, and the LWDA are included in the full-length Notice of Class Action Settlement.

How much will my payment be? The distribution formula is based upon records produced in this litigation by Defendants' vendors for those Settlement Class Members who purchased clothing at their own expense from Defendants' third-party vendors during the Class Period. The total paid by all Settlement Class Members for clothing purchased from Defendants during the Class Period is herein referred to as "Clothing Purchases." The Net Settlement Fund will be divided by the Clothing Purchases to determine the Clothing Purchases Payout Rate. The total amount allocated to each Settlement Class Member will be the total of his or her identified Clothing Purchases during the applicable eligibility periods multiplied by the Clothing Purchases Payout Rate.

What are my Options? To exclude yourself from the settlement or to object to the settlement, you must submit a written exclusion or objection by no later than [_____, 2024]. Further details for excluding yourself or objecting to the settlement are set forth in the full-length Notice of Class Action settlement. For more information, including the full-length Notice of Class Action Settlement, go to [www.\[_____\].com](http://www.[_____]) or call [_____].

Exhibit 2

CURRICULUM VITAE OF AIMAN-SMITH & MARCY

FIRM BIOGRAPHY

Aiman-Smith & Marcy, PC, is a boutique plaintiffs' law firm that has successfully litigated individual, representative, and class action cases for plaintiffs across a broad variety of areas, including unpaid wages, unpaid overtime, missed meal and rest breaks, uniform reimbursement, consumer fraud, securities fraud, employment discrimination, civil rights, sex harassment, wrongful termination, whistleblower retaliation, and others. The firm represents exclusively plaintiffs, in all aspects of litigation, including trial and appeals. Aiman-Smith & Marcy began in 2005, although the principals have worked together since 1997.

Aiman-Smith & Marcy, PC
7677 Oakport Street, Suite 1150
Oakland, CA 94621
Tel.: 510-817-2711
Fax: 510-562-6830
www.asmlawyers.com

ATTORNEYS

RANDALL B. AIMAN-SMITH (SBN 124599)

Randall Aiman-Smith earned his Juris Doctor degree from University of California, Berkeley School of Law in 1986. While at Berkeley Law, Mr. Aiman-Smith served as a member of the editorial board of the California Law Review and, additionally, on the Moot Court Board. Mr. Aiman-Smith was an adjunct faculty member at University of California Law, San Francisco, for seven years and has been a frequent presenter at continuing educational seminars.

Mr. Aiman-Smith is admitted to practice in state and federal courts in California, including the Northern District, Central District, Ninth Circuit, and the Tenth Circuit Court of Appeals, and the California Supreme Court. Additionally, Mr. Aiman-Smith has been admitted *pro hac vice* in several other jurisdictions.

Over the 30 years that Mr. Aiman-Smith has been practicing law, he has worked exclusively as a litigator in the state and federal trial and appellate courts on behalf of

plaintiffs seeking to vindicate their rights under the law. Mr. Aiman-Smith has tried numerous cases in the state and federal courts and has taken at least 25 cases to judgment or verdict, including serving as lead trial counsel in *Rivero v. City and County of San Francisco* (judgment of \$2.3 million in damages and fees after 15 years of litigation in 2008), *Williams v. Union Pacific Railroad* (individual discrimination verdict of \$1.7 million in 2009); *Aghmane v. Bank of America* (\$1.6 million jury verdict for defamation and blacklisting in 2018), and *Benton v. Telecom Network Specialists* (\$9.5 million total to class in wages, interest, and penalties).

The firm and Mr. Aiman-Smith have also taken numerous matters to the state and federal courts of appeal on behalf of both appellants and respondents resulting in the creation of significant legal precedents favorable to plaintiffs. Published decisions where Mr. Aiman-Smith was counsel of record and had primary responsibility for writing briefs and making oral arguments include: *Bergemann v. United States*, 820 F.2d 1117 (10th Cir. 1987); *Eidsmore v. R.B.B., Inc.*, 25 Cal.App.4th 1989 (1994); *Rivero v. Superior Court (Smith)* (1997) 54 Cal.App.4th 1048; *Rivero v. City and County of San Francisco*, 316 F.3d 857 (9th Cir. 2002); *Bradley v. Networkers International LLC* (2012) 211 Cal.App.4th 1129; and *Benton v. Telecom Network Specialists, Inc.* (2013) 220 Cal.App.4th 701.

Most recently, Mr. Aiman-Smith was lead counsel for plaintiffs in the class action trial in *Benton v. Telecom Network Specialists, Inc.* (lead case *Booker v. Tanintco, Inc.*, Los Angeles Superior Court Case No. BC34926) which resulted in a judgment for plaintiffs of \$9.5 million in March 2021.

Mr. Aiman-Smith has also served as the lead attorney in numerous cases where class certification has been granted over defendants' opposition, including *Nucci v. Rite Aid Corp.* (N.D. Cal. Feb. 3, 2022) 2022 US Dist. LEXIS 142121 (25,000 employee class) and *Brown v. Abercrombie & Fitch Co.* (C.D. Cal. July 16, 2015) 2015 US Dist. LEXIS 176214 (65,000 employee class).

REED W. L. MARCY (SBN 191531)

Reed W. L. Marcy obtained his Bachelor's degree with High Honors in French Literature in 1983 and his Master's degree in French Literature in 1985, both from the University of California, Berkeley. Mr. Marcy graduated from University of California Law, San Francisco, in 1997 and was admitted to practice in California in December 1997. Mr. Marcy was awarded numerous academic honors at UC Law SF, including the American Jurisprudence Award, the David Snodgrass Oral Advocacy Award, the California Computerized Legal Instruction Award, and awards for civil rights and art law. Mr. Marcy was Associate Executive Editor for *Comm/Ent*, the journal of intellectual property law, and published a note on patent law. Mr. Marcy has been a frequent

presenter of continuing legal education programs on employment law and legal research topics through National Business Institute.

Mr. Marcy is admitted to practice in state and federal courts in California, including the Northern District, Central District, Eastern District, Ninth Circuit, and Court of Appeals, along with the California Supreme Court, and has been admitted *pro hac vice* in Ohio and Oklahoma.

Mr. Marcy began working as a law clerk for Randall Aiman-Smith in 1995, while still a law student. After graduation and admission to the Bar in 1997, Mr. Marcy continued working as an attorney for Mr. Aiman-Smith, becoming a partner in Mr. Aiman-Smith's firm in 2002. In 2005, Mr. Marcy and Mr. Aiman-Smith formed Aiman-Smith & Marcy.

Mr. Marcy has abundant experience as a civil litigator, including extensive experience in all phases of employment law and class actions from initial client intake through trial and appeal. Mr. Marcy has been the lead attorney for dozens of employment and consumer class actions and has extensive experience in employment law appellate practice. Published decisions where Mr. Marcy had responsibility for writing briefs and making oral arguments include *Rivero v. City and County of San Francisco*, 316 F.3d 857 (9th Cir. 2002); *Bradley v. Networkers International LLC* (2012) 211 Cal.App.4th 1129; and *Benton v. Telecom Network Specialists, Inc.* (2013) 220 Cal.App.4th 701. Mr. Marcy successfully argued for overturning summary judgment in a defamation and blacklisting action in the Ninth Circuit in *Aghmane v. Bank of America, N.A.*, 696 Fed. Appx. 175 (9th Cir. May 17, 2017) Case Number 15-15482 (unpublished memorandum). The case was successfully tried to a \$1.6 million verdict in February 2018. Mr. Marcy also argued the appeals in *Selkirk v. Grasshopper House, LLC* (2d Dist. Cal. Div. 7, March 16, 2020) and *Ezeokoli v. Uber Techs.* (1st Dist. Cal. Div. 3, January 13, 2021). Mr. Marcy was the supervising attorney in *Carroll v. City and County of San Francisco, et al.* (2019) 41 Cal.App.5th 805 (reversing demurrer and applying continuing violation and continuous accrual doctrine to age discrimination in disability benefits). Most recently, Mr. Marcy was one of the lead counsel for plaintiffs in the class action trial in *Benton v. Telecom Network Specialists, Inc.* (lead case *Booker v. Tanintco, Inc.*, Los Angeles Superior Court Case No. BC34926) and performed the examination and cross-examination of the expert witnesses, which resulted in a judgment for plaintiffs of \$9.5 million in March 2021.

Mr. Marcy is currently the Top 10 Wage & Hour President for 2022 – 2023 for the National Trial Lawyers Association.

HALLIE VON ROCK (SBN 233152)

Ms Von Rock graduated with a Bachelor of Arts degree from University of California, Berkeley with Honors in 1999. Ms Von Rock graduated from University of California Law, San Francisco, in 2004 and was admitted to practice in California in December, 2004. Ms Von Rock was awarded numerous academic honors at UC Law SF, including the Witkin Award for Excellence for Trial Advocacy and CERCLA Outstanding Achievement Awards for Trial Advocacy and for Moot Court. Ms Von Rock was an Editor for West Northwest Environmental Law Journal.

Ms Von Rock is admitted to practice in state and federal courts in California, including the Northern District, Central District, Southern District, and Court of Appeals, along with the California Supreme Court.

Ms Von Rock has worked with Randall Aiman-Smith and Reed Marcy since 1996, while still an undergraduate at University of California, Berkeley. Ms Von Rock began working as a law clerk for Mr. Aiman-Smith and Mr. Marcy during her last year of law school in June 2003 and was hired as an Associate following admission to the California Bar in 2004. Ms Von Rock has been a partner at Aiman-Smith & Marcy since 2012.

During Ms Von Rock's significant litigation experience, she has worked on numerous employment and consumer cases and class action cases. Ms Von Rock has experience in all aspects of litigation and class action work, including trial and appeal. She has been lead counsel in numerous employment and consumer class actions. Published decisions where Ms Von Rock had responsibility for writing briefs include *Bradley v. Networkers International LLC* (2012) 211 Cal.App.4th 1129; and *Benton v. Telecom Network Specialists, Inc.* (2013) 220 Cal.App.4th 701, and the unpublished decision in *Aghmane v. Bank of America, N.A.*, 696 Fed. Appx. 175 (9th Cir. May 17, 2017) Case Number 15-15482. Ms Von Rock was trial counsel in *Aghmane v. Bank of America*, which was successfully tried to a \$1.6 million verdict on defamation and blacklisting in February 2018. Most recently, Ms Von Rock was one of the lead counsel for plaintiffs in the class action trial in *Benton v. Telecom Network Specialists, Inc.* (lead case *Booker v. Tanintco, Inc.*, Los Angeles Superior Court Case No. BC34926) which resulted in a judgment for plaintiffs of \$9.5 million in March 2021.

BRENT A. ROBINSON (SBN 289373)

Mr. Robinson graduated with a Bachelor of Arts in English from the University of California, Santa Barbara, and spent a year abroad studying at the University of Leeds in the U.K. He graduated in the top quintile of his law school class at the University of San Francisco School of Law, where his work garnered the CALI Award for Excellence in Legal Ethics, the California Academy of Appellate Lawyers Award for Best Brief in the

Roger J. Traynor Appellate Moot Court Competition, and an award for Outstanding Individual Achievement in Oral Argument at the same competition.

Mr. Robinson has extensive experience litigating the full spectrum of employment claims, including harassment, discrimination, retaliation, disparate impact, wage and hour, and Private Attorneys General Act claims. Mr. Robinson also has experience litigating tort claims including wrongful death and serious personal injury claims.

Mr. Robinson is a member of Aiman-Smith & Marcy's class action litigation group. As part of that team, he fights high-stakes battles against some of the top defense firms and the largest corporations, and has established new law in California. *See, Carroll v. City and County of San Francisco* (2019) 41 Cal.App.5th 805, review and depublication denied (Jan. 29, 2020); *Piplack v. In-N-Out Burgers* (2023) 88 Cal.App.5th 1281, review granted and pending (Jun. 14, 2023). Representative cases include:

- *Aghmane v. Bank of America Corporation N.A.* (N.D.Cal. Case No. 4:13-cv-03698) (2018 \$1.6m jury verdict, plus a finding of liability for punitive damages, and a subsequent confidential settlement);
- *Carroll v. City and County of San Francisco et al.* (San Francisco Super. Ct. Case No. CGC-17-526580; First Dist. Ct. of App. Case Nos. A154569 and A155208; Cal. Supreme Ct. Case No. S259558) (first-chair in class action trial);
- *Rahman/Bautista Diaz v. Gate Gourmet, Inc.* (N.D.Cal. Case No. 3:20-cv-03047-WHO; Los Angeles Super. Ct. Case No. 20STCV34299; C.D.Cal. Case No. 2:20-CV-09454 FLA (MAAx); MDL No. 3012);
- *Piplack et al. v. In-n-Out Burgers* (Orange Co. Super. Ct. Case No. 30-2019-01114510, Fourth Dist. Ct. of App. Case No. G061098, Cal. Supreme Ct. Case No. S279546; Sonoma County Superior Case No. SCV-268956, First Dist. Ct. of App. Case Nos. A165320 and A165403; Cal. Supreme Ct. Case No. S275185; Second Dist. Ct. of App. Case No. B319885);
- *Lewis v. Simplified Labor Staffing Solutions* (Cal. Supreme Ct. Case No. S278457); and
- *Cosio v. IPAA et al.* (San Francisco Super. Ct. Case No. CGC-16-551337; First Dist. Ct. of App. Case No. A153333).

Mr. Robinson is admitted to practice in all California state courts, and in the United States District Courts for the Northern, Eastern, and Central Districts of California.

Mr. Robinson is a member of the California Employment Lawyers Association, serves on that organization's Reverse Auctions Panel, and is a member of that organization's Wage & Hour Committee. He has also been recognized by Super Lawyers

as a Northern California Rising Star for 2022 and 2023.

LISSETH BAYONA (SBN 338135)

Ms Bayona received her J.D. from the University of Southern California (USC) Gould School of Law. While there, she served as a judicial extern to the Honorable Patrick J. Walsh of the United States District Court for the Central District of California, where she drafted a criminal judicial opinion. Also, while at Gould, she served as an extern for the U.S. Attorney's Office for the Central District of California. As a Criminal Division Extern, she had the opportunity to work closely with a trial team of Assistant U.S. Attorneys on a money laundering case.

Ms Bayona is a member of Aiman-Smith & Marcy's class action litigation group. As part of that team, she has successfully fought high-stakes legal battles against well-resourced and highly competent defense firms. *See, e.g., Cal. Labor & Workforce Dev. Agency ex rel. Raymond v. CompuCom Sys.* (E.D.Cal. Mar. 9, 2023, No. 2:21-cv-02327-KJM-KJN) 2023 U.S.Dist.LEXIS 40710.

JOSEPH CLAPP (SBN 99194) *Of Counsel

Mr. Clapp received his Bachelor of Arts degree in Economics from the University of California at Berkeley in 1978. While attending college, he organized the 1,500 workers in Yosemite National Park into a union. In 1981, Mr. Clapp received his J.D. degree from McGeorge School of Law, University of the Pacific, and while attending McGeorge he served as the Comments Editor for the Pacific Law Journal.

Mr. Clapp is admitted to practice in federal and state courts in California, including the U.S. District Court for the Northern District of California, the U.S. District Court for the Eastern District of California, the Ninth Circuit Court of Appeals, and the California Supreme Court.

Mr. Clapp began his career with the trial firm of Herron & Herron in 1982 and remained with that firm for 26 years. Thereafter, he spent a year with the firm of Kumin Sommers before opening his own practice. In 2012, he became “of counsel” to Aiman-Smith & Marcy.

Throughout his career, Mr. Clapp has always fought for those who work for a living. He has litigated all aspects of the employment relationship, and his cases have included wrongful or discriminatory discharges, the failure to pay wages due (e.g., overtime, prevailing wages), substandard working conditions (e.g., meal periods), and the failure to pay earned pensions (ERISA). He has tried numerous cases and has prosecuted numerous appeals in both in state and federal courts. He was lead counsel for two published appellate victories: *George v. California Unemployment Insurance Appeals Board* (2009) 179 Cal.App.4th 1475 (public employee’s retaliation lawsuit survives claim and issue preclusion defenses), and *Walker v. Berkeley Housing Authority*, 951 F.2d 182 (9th Cir. 1991) (biased decision-maker violates public employee’s Due Process rights). Most recently, Mr. Clapp won reversal of summary judgment in *Duffey v. Tender Heart Home Care Agency, LLC*, (2019) 31 Cal.App.5th 232 (temporary agency and care home were plaintiff’s joint employers under the Domestic Workers Bill of Rights). Other published cases include *Rodriguez v. Akima Infrastructure Servs. LLC* (9th Cir. 2019) 747 Fed.Appx. 625 (reversing summary judgment) and *Sucillio v. Perk* (9th Cir. 2022) 25 F.4th 1118.

Mr. Clapp has successfully tried several employment cases to judgment since joining Aiman-Smith & Marcy.

JOHN A. LOFTON (SBN 222259) *Of Counsel

Mr. Lofton graduated from the University of Texas at Austin with honors in 1998, and received his law degree from the University of California at Berkeley (Berkeley

Law) in 2002. He clerked for Chief Justice Veasey of the Delaware Supreme Court in 2001 and co-authored “Computer Security Publications: Information Economics, Shifting Liability and the First Amendment” (Whittier Law Review, Vol. 24, No. 1).

Mr. Lofton joined the California State Bar 2002. Prior to joining Aiman-Smith & Marcy, Mr. Lofton worked as a litigator for several large firms, including litigating employment cases from the defense side. He has been of counsel with Aiman-Smith & Marcy since 2019. His practice focuses on employment and consumer fraud, representing individual employees and consumers as well as litigating on their behalf in class actions and other representative actions.

Since joining Aiman-Smith & Marcy, Mr. Lofton has handled several employment class actions and actions under the Private Attorney General Act (PAGA), including the rare feat of successfully bringing a wage and hour class action within a bankruptcy.

REPRESENTATIVE CASES FOR AIMAN-SMITH & MARCY

A representative list of significant class actions, representative actions, and jury trials in which the attorneys at Aiman-Smith & Marcy have served as lead counsel or co-class counsel includes:

Aghmane v. Bank of America NA, U.S. District Court, Northern District, Case No. No.: C13-03698 DMR (\$1.6 million jury verdict for defamation and blacklisting), *see also*, 696 Fed.Appx. 175 (9th Cir. 2017 (Ninth Circuit Opinion reversing summary judgment on defamation and blacklisting claims)).

Bean v. Hugo Boss Retail, Inc., U.S. District Court, Northern District, Case No. 3:13-cv-05921-RS (employee class action for uniform reimbursement, bag searches, and missed breaks).

Benton, et al. v. Telecom Network Specialists, Inc., Los Angeles County Superior Court, Case No. BC354230, published as (2013) 220 Cal.App.4th 701 (employee class action for overtime, meal and rest breaks; established important principles for class certification of wage and hour cases); (summary judgment awarding \$7.6 million in overtime, meal, and rest break pay and trial awarding \$1.28 million in Labor Code §203 penalties) (total judgment \$9.5 million).

Billingsley v. Ross Dress for Less, Inc., Alameda Superior Court case no. RG17864196 (employee class action for uniform reimbursement).

Booker, et al. v. Tanintco, Inc., Los Angeles County Superior Court, Case No. BC349267 (class action for overtime, meal and rest breaks).

Bradley, et al. v. Networkers International, LLC, San Diego County Superior Court, Case No. GIC 862417, published as (2012) 211 Cal.App.4th 1129 (employee class action for overtime, meal and rest breaks; established important principles for class certification of wage and hour cases).

Brawner v. Bank of America, United States District Court, Northern District of California, Case No. 3:2014cv02702 (employee class action for misclassification as exempt).

Brown v. Abercrombie & Fitch Co., 2014 U.S. Dist. LEXIS 19414, N.D. Cal., February 14, 2014, Case No.: 4:13-CV-05205 YGR (employee class action for uniform reimbursement; 62,000 person class certified), consolidated with *Bojorquez v. Abercrombie & Fitch Co.*, Southern District of Ohio, Case No. 2:16-cv-00551-MHW (250,000 employees) (\$25 million settlement).

Carroll v. City and County of San Francisco, et al. San Francisco Superior Court case no. CGC-17-562580 (employee class action for age discrimination in payment of retirement benefits); published at *Carroll v. City and County of San Francisco* (2019) 41 Cal.App.5th 805 (reversing demurrer on basis of continuing violation and continuous accrual doctrines) (class certified).

Cohen v. FedEx Office and Print Services, Inc., Alameda County Superior Court Case No. RG17810621 (consumer class action under Fair and Accurate Credit Transactions Act).

Cosio v. International Performing Arts Academy, LLC, et al., (San Francisco Superior Court Case No. CGC-16-551337) (consumer class action for violation of Talent Agency Act) (class certified).

Duffey v. Tender Heart Home Care Agency, LLC, Superior Court of Contra Costa County, No. MSC15-02271 (employee claim for overtime against temporary agency and care home as joint employers) published as *Duffey v. Tender Heart Home Care Agency, LLC*, (2019) 31 Cal.App.5th 232 (reversing summary adjudication on the basis of joint employer relationship).

Frye v. Jyve, Inc., San Francisco Superior Court case number CGC-20-582236 (PAGA action for missed breaks against defunct gig company).

Green, et al. v. Presidio International, Inc. dba A|X Armani Exchange, San Francisco Superior Court, Case No. CGC 13-536365 (employee class action for uniform reimbursement, bag searches, and missed breaks).

Guess? Outlet Stores Pricing Cases, Los Angeles County Superior Court Case No. JCCP 4883 (consumer retail pricing class actions).

Hurtado, et al. v. Lowe's HIW, U.S. District Court, Northern District, Case No. CV-11-1996 (consumer class action under Song-Beverly Credit Card Act).

Holmes, et al. v. Big Five Sporting Goods, Los Angeles County Superior Court, Case No. JCCP4667 (consumer class action under Song-Beverly Credit Card Act).

Honrine v. Coast Counties Truck & Equipment Company, Alameda Superior Court, Case No. RG21088933 (PAGA representative action for various Labor Code violations)

Jerominski v. Walgreen Co., consolidated as *In re Walgreen Co. Wage and Hour Class Action*, U.S. District Court, Central District of California, Case No. 11-cv-07664-PSG (FFMx) (40,000 employee class action for bag searches) (\$23 million settlement).

Jones v. Armanino LLP, Alameda County Superior Court, Case No. RG 13-68105 (consumer class action for accounting negligence).

Kulvicki, et al. v. Pick-N-Pull Auto Dismantlers, Alameda County Superior Court, Case No. RG11560441 (employee class action for misclassification).

Lara v. Visual Edge, Inc., et al., Alameda County Superior Court, Case No. RG21105541 (PAGA representative action for various Labor Code violations).

Lemons et al. v. Rite Aid Corp., consolidated with *Ramirez v. Rite Aid Corp.*, U.S. District Court, Northern District of California. case number CV 20-3531-GW (employee class action for off-the-clock security searches).

Mauldin v. Frito Lay, Inc. Alameda Superior Court Case No. RG16811677 (employee class action for overtime).

Mendes, et al. v. B-4 Partners, LLC, et al., Alameda County Superior Court, Case No. RG11603095, consolidated with *Noble v. Greenberg Traurig, LLP*, Alameda County Superior Court, Case No. RG11593201 (consumer class action for securities fraud, Ponzi scheme) (\$83 million settlement).

Milton v. Best Buy Stores, L.P., U. S. District Court, Central District of California, Case No. CV11-6913, consolidated as *Gass, et al. v. Best Buy Stores, L.P.*, U.S. District Court, Central District of California, Case No. CV 11-01507 SJO (JCGx) (consumer class action under the Song-Beverly Credit Card Act).

Naro, et al. v. Walgreen Co, et al., U.S. District Court, Northern District of California, Case No. 4:22-dv-03170-JST (employee class action and PAGA representative action for failure to reimburse for uniforms).

Lewis v. Simplified Labor Staffing Solutions, Cal. Supreme Ct. Case No. S278457 (request for depublication granted).

Lourdes v. Eagle Clean Group, Sacramento Superior Court, Case No. 23CV009072 (Employee Class and PAGA representative action for various Labor Code violations)

McCormick v. CalPers, Sacramento Superior Court, Case No. 23CV006749 (employee class action for discrimination of retirement benefits)

Nakooka v. Dollar Tree Stores, Inc., U.S. District Court, Northern District of California, Case No. 3:17-CV-03955-JD (employee class action for uniform reimbursement).

Nucci, et al. v. Rite Aid Corporation, et al., U.S. District Court, Northern District of California, Case No. 19-CV-01434-LHK (26,000 person employee class action certified for uniform reimbursement).

Ortiz v. CVS Caremark Corporation, et al., U.S. District Court, Northern District of California, Case No. CV 12-05859 EDL; related with *Murphy v. CVS Caremark Corp.*, Los Angeles County Superior Court No. BC464785 (30,000 employee class action for bag searches, off-the-clock work) (\$12.75 million settlement).

Padilla, et al. v. Mygrant Glass Co., Alameda Superior Court, Case No. RG18906877 (employee class action and PAGA action for labor code violations).

Paknad v. Intuitive Surgical, Inc., et al., Santa Clara Superior Court Case No. 19CV350641, 6th District Court of Appeal Case No. H050711 (individual FEHA and retaliation action; petition for extraordinary writ pending).

Palma v. Mercury Insurance Services, LLC, San Bernardino Superior Court, Case No. CIV-DS1911981 (PAGA action for off-the-clock time).

Ping v. See's Candy Shops, Inc. U.S. District Court, Northern District of California Case No.: 3:19-cv-02504-RS (employee class action for uniform reimbursement).

Piplack et al. v. In-n-Out Burgers, Orange Co. Super. Ct. Case No. 30-2019-01114510, Fourth Dist. Ct. of App. Case No. G061098, Cal. Supreme Ct. Case No. S279546; Sonoma County Superior Case No. SCV-268956, First Dist. Ct. of App. Case Nos. A165320 and A165403; Cal. Supreme Ct. Case No. S275185; Second Dist. Ct. of App. Case No. B319885 (PAGA action for failure to reimburse uniform-related expenses)

Price, et al. v. EXI Parsons Telecom, Los Angeles County Superior Court, Case No.

BC351252 (employee class action for overtime, meal and rest breaks).

Rahman v. Gate Gourmet, Inc., U.S. District Court, Northern District of California, case number 3:20-cv-03047-WHO (employee class action for off-the-clock donning and doffing time).

Rivera v. Uniqlo California, LLC, U.S. District Court for the Central District of California, Case No. 17-CV-02848-JAK (JPR) (employee class action for uniform reimbursement).

Robinson, et al. v. Defender Security Company, Alameda County Superior Court, Case No. RG10505016 (employee class action for misclassification and off-the-clock work).

Ruiz v. Automotive Racing, Ventura Superior Court, Case No. 2023CUOE11192 (employee class action for failure to reimburse business expenses and other Labor Code violations)

Saberi, et al. v. Bridgestone Firestone Retail & Commercial Operations, Alameda County Superior Court. Case No. RG08406555 (employee class action for misclassification) (\$14 million settlement).

Sandak v. Comerica, San Francisco Superior Court, Case No. CGC-23-606913 (PAGA representative action for various Labor Code violations)

Smith, et al. v. S.Com, Inc., San Francisco County Superior Court, Case No. CGC-02-412968 (employee misclassification class action)

Westman, et al. v. Rogers Family Funeral Homes, Contra Costa County Superior Court, Case No. C 98-03165 (consumer class action for negligence).

Williams v. Bank of America, N.A., U.S. District Court, Central District of California, Case No. SACV 15-01597 AG (KESx) (employee misclassification class action).

Williams v. Union Pacific Railroad Co., Alameda County Superior Court Case No. RG 06251955 (race discrimination jury verdict of \$1.6 million).

Wright and Raymond v. Compucom Systems, Inc., County of Riverside, Case No. CVRI22005136 (PAGA representative action for various Labor Code violations)

Zimmelman Jewelry v. CrossCheck, Sonoma County Superior Court Case No. SCV 229654 (consumer class action for unfair business practices).

Exhibit 3

DATA SECURITY & INFORMATION PRIVACY POLICY

Policy Area	Employee Handbook: Data Security & Information Privacy Policy
Approved Date	October 12, 2023
Approved By	Director of Information Technology – Joel Prest; CFO, COO – James Hardy
Effective Date	October 12, 2023
Current Version	7.0

I. OVERVIEW

Atticus Administration, LLC (“Atticus”), in fulfilling the requirement as a third-party administrator under the terms of a court order and/or settlement agreement for a case (“Case Court Documents”), is required to collect and store client information such as class member data records which contain names, addresses, phone numbers, emails, and occasionally sensitive information such as social security numbers, and takes seriously its obligation to secure information systems and protect the privacy of this client data.

As a standard operating procedure, Atticus regularly reviews its policies related to data collection, privacy, and security. All who are employed by Atticus or retained as a contractor for Atticus (“Users”) are provided with this Data Security & Information Privacy Policy document as a part of their training or onboarding to ensure that this information is communicated and understood through explicit acknowledgment. Any material revisions to this document are immediately communicated to Users with an emailed memo which calls out the revisions, as well as an updated copy of the Data Security & Information Privacy Policy document.

Atticus complies with the policies and processes encompassed within this Data Security & Information Privacy Policy document.

II. PURPOSE

The purpose of this Policy is to establish the rules for handling the collection, storage, and use of client data. These rules are necessary to preserve the integrity, availability, and confidentiality of information.

III. SCOPE

This policy applies to all Atticus employees and contractors that use company assets such as computers, laptops, or mobile devices and/or have access to Atticus’ networks and information resources. All devices, whether owned by Atticus or owned by employees, that have access to Atticus’ networks and information resources are governed by this Data Security & Information Privacy Policy. Usage of applications, including cloud storage software, by employees on their own personal devices, are also subject to this policy.

IV. POLICY

1. Data Governance

Atticus is committed to protecting and safeguarding the data that it collects and recognizes this data as a critical asset. Atticus maintains a tiered data governance structure, managed by the Director of Information Technology and enforced by Atticus executive leadership, that governs individual Users access to data. This governance structure is further maintained through enforced processes, standards, and procedures to ultimately ensure appropriate use of data and/or management of data.

2. Internal Use of Data

Any client data and class member data records that Atticus collects, and stores are used only to fulfill Atticus' requirement as a third-party administrator under the terms of the Case Court Documents. This information is only available to Users as set forth by Atticus' tiered data governance structure.

3. External Use & Disclosure of Data

Atticus follows the direction and instructions outlined in the Case Court Documents for handling class member data records. All sensitive and non-public client data, class member data, and information for a case that is provided to Atticus, is the property of Atticus and may not be shared, used, or otherwise communicated outside of Atticus or outside the scope of the project. In cases where a contractor partner is used, only those who have been approved and authorized by Atticus management and have a privacy policy (or data security policy) consistent with Atticus' Data Security & Information Privacy Policy are allowed to be used.

4. Data Security & Information Privacy Policy

Electronic transmission, delivery or receipt of sensitive data is only permitted using SFTP technology. Delivery or receipt of hardcopy sensitive data is only permitted using the US Mail System or a courier as approved by Atticus management.

Atticus complies with all state and federal regulations that apply to data security.

Once a case has closed, Atticus will destroy all hardcopy documents containing sensitive data within twelve months. Regarding all electronic case data (including sensitive data), Atticus maintains this data for up to five years following the closure of the case. In the event Court Case Documents specify unique data retention/return requirements, those requirements shall prevail over Atticus' standard retention/return policy.

5. Computing Devices & Access to Atticus Information Database and Network

Only Atticus IT approved devices may be used to access Atticus' information database and network. All devices must be protected with an employee's user access level systems username and password required at the time the device is powered on.

Access to database and network information must be authenticated using two-factor authentication.

Sensitive data shall not be stored on the device. However, in the event there is no alternative to device storage, all sensitive data must be encrypted with password protection.

Atticus prohibits the use of public cloud storage for any client specific data.

Unattended devices must be logged out and locked when unattended, and additionally configured to automatically be logged out of and screen locked after 10 minute or more of inactivity.

All devices that access Atticus' information database and network infrastructure shall have active and up-to-date anti-malware and firewall protection.

6. Breaches in Security and Policy Violation

Breaches in security, whether actual or suspected, must be reported immediately to Atticus' Director of Information Technology. The Director of Information Technology and executive management will assess the breach for scope and severity and take appropriate action to mitigate and/or eliminate.

If the Director of Information Technology and/or executive management, is made aware a User has failed to comply with Atticus' Data Security & Information Privacy Policy, they will identify and apply appropriate consequences to the User. Consequences may be as severe as termination of employment or termination of contract and/or further legal action. If there is a concern about a breach involving the Director of Information Technology, concerns should be immediately directed to the Chief Operating Officer.

If there is a data breach with a vendor/contractor, the contractor must comply with all applicable state and federal laws that require the notification to individuals (or other affected parties) in the event of unauthorized release of sensitive personal information or confidential data. Contractors must notify Atticus within 24 hours of the incident. Atticus reserves all rights to act under the terms of any applicable contract, including indemnification and/or termination of the contract.

7. General Atticus Information Security and Privacy Standards

- **Annual security training.** Training and review of the Information Security and Privacy Standards are provided to Atticus Employees on an annual basis. Periodic security reminders may be used to reinforce computing device security procedures, updates, or changes.
- **Minimum necessary.** Employees shall only have access to the minimum amount of data necessary to perform their job duties.
- **Lost devices.** Employees must immediately report any lost or stolen devices so access to systems can be deactivated.
- **Unauthorized access.** Any unauthorized access to a device or company data must be immediately reported.
- **Rooting Mobile computing devices.** Mobile computing devices must not be "rooted" or have unauthorized software/firmware installed. A mobile device is considered "rooted" if the internal protections of the device have been compromised or modified to allow control access to the operating system.
- **Content.** Employees shall not load illegal content or pirated software onto devices.
- **Software installs.** Only approved applications are allowed on the computing devices that connect to Atticus' information database and network.
- **Patch management.** Computing devices and applications must be kept up-to-date. Patches should be installed within 30 days of release.
- **Anti-malware.** All computing devices must have active and up-to-date anti-malware protection software. encryption. Encryption shall be used to protect sensitive information.
- **Firewalls.** Firewall is maintained at the headquarters location for the network and administered by the Director of Information Technology.
- **Work habits.** Employee shall use Atticus company applications and systems while at work. Access to certain outside applications, websites, and/or systems may be blocked within each Atticus computing device.
- **Backups.** Backups are performed twice daily on the network terminal server environment.
- **Internal applications.** Computing devices are installed with company internal applications on an as needed basis to Users. User access rights are maintained by the Director of Information Technology.
- **Exemptions.** A risk assessment and risk analysis shall be performed for any requests for exemptions from this Policy.

V. ENFORCEMENT

Any User found to have violated this policy may be subject to disciplinary action. Such action may be as severe as termination of employment or termination of contract and/or further legal action.

VI. DISTRIBUTION

This policy is to be distributed to all Users.

Policy History

Version	Date	Description	Approved By
1.0	8/1/2017	Initial policy release	Mai Vang – Director of Operations James Hardy – CFO/COO
2.0	11/5/2018	Policy Review	Joel Prest – Director of Information Technology James Hardy – CFO/COO
3.0	11/14/2019	Policy Review	Joel Prest – Director of Information Technology James Hardy – CFO/COO
4.0	11/10/2020	Policy Review	Joel Prest – Director of Information Technology James Hardy – CFO/COO
5.0	10/15/2021	Policy Review	Joel Prest – Director of Information Technology James Hardy – CFO/COO
6.0	10/12/2022	Policy Review	Joel Prest – Director of Information Technology James Hardy – CFO/COO
7.0	10/12/2023	Policy Review	Joel Prest – Director of Information Technology James Hardy – CFO/COO