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SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN BERNARDINO

DENISE FLORES and AMANDA HICKS,
individuals, on behalf of themselves, and on
behalf of all persons similarly situated,

Plaintiffs,

v.

J & P ASSET MANAGEMENT INC., an Ohio
Corporation; J&P HOSPITALITY
MANAGEMENT, LLC, an Ohio Limited
Liability Company; and DOES 1-50, Inclusive,

Defendants

Case No. CIVSB2407059

**DECLARATION OF SYDNEY CASTILLO-
JOHNSON, ESQ. IN SUPPORT OF
PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS
AND PAGA ACTION SETTLEMENT**

Date: February 18, 2027

Time: 8:30am

Judge: Hon. Michael Sachs

Dept.: S28

1 I, Sydney Castillo-Johnson, Esq., declare as follows:

2 1. I am over eighteen years of age, and if called as a witness, I could and would competently
3 testify to the following facts from my own personal knowledge. I am an attorney-at-law at JCL LAW
4 FIRM, APC (hereinafter "Class Counsel"). I am co-counsel of record for Plaintiffs Denise Flores
5 (hereinafter "Plaintiff Flores") and Amanda Hicks (hereinafter "Plaintiff Hicks") (collectively
6 "Plaintiffs" or "Plaintiff") in this wage and hour class action filed against J & P Asset Management Inc.
7 and J&P Hospitality Management, LLC (hereinafter "Defendants").

8 2. This declaration is being submitted in support of Plaintiffs' motion for Preliminary
9 Approval of Class Action Settlement.

10 **I. EXHIBITS**

11 3. Attached hereto as **Exhibit "1"** is a true and correct copy of the fully executed Putative
12 Class Action and PAGA Settlement Agreement ("Agreement" or "Settlement Agreement"). Attached
13 as **Exhibit "A"** to the Agreement is a true and correct copy of the proposed Class Notice.

14 4. Attached hereto as **Exhibit "2"** is a true and correct copy of the proof of filing with the
15 Labor and Workforce Development Agency notice of this settlement with the Settlement Agreement
16 and Motion for Preliminary Approval of Class Action and PAGA Action Settlement evidencing Class
17 Counsel's compliance with California Labor Code Section 2699(l)(2).

18 **II. INTRODUCTION**

19 5. An objective evaluation of the Settlement confirms that the relief negotiated on behalf of
20 the Class is fair, reasonable, and adequate. The Settlement was negotiated by the Parties at arm's length.
21 The Settlement confers substantial benefits to the Settlement Class. The relief offered by the Settlement
22 is particularly impressive when viewed against the difficulties encountered by plaintiffs pursuing wage
23 and hour cases (*see infra*). Indeed, by settling now rather than proceeding to trial, Settlement Class
24 Members will not have to wait (possibly years) for relief, nor will they have to bear the risk of class
25 certification being denied or of Defendants prevailing at trial. Given that there are approximately 155
26 Settlement Class Members, **the average gross recovery is approximately \$220.32** (Net Settlement
27 Amount divided by Settlement Class Members.)

28 ///

1 6. As discussed below, the proposed Settlement satisfies all criteria for preliminary
2 settlement approval and falls within the range of reasonableness. The average Settlement Payment to
3 the Settlement Class meets or exceeds awards in similar wage and hour class actions. Moreover, the
4 proposed Class is appropriate for provisional certification. Accordingly, Plaintiffs respectfully request
5 the Court grant preliminary approval of the Settlement.

6 **III. FACTS AND PROCEDURE**

7 **A. Overview of the Litigation**

8 7. Defendants own and operate hotels in California, including the county of San
9 Bernardino, where Plaintiffs worked. Plaintiff Flores was employed by Defendants as a non-exempt
10 employee, paid on an hourly basis, from June 2020 to March 2023. Plaintiff Hicks was employed by
11 Defendants as a non-exempt employee, paid on an hourly basis from May 2022 through March 2023.
12 At all times during Plaintiffs' employment, they were entitled to legally compliant meal and/or rest
13 periods, and minimum, regular and overtime wages for all hours worked. Throughout Plaintiffs'
14 employment, Plaintiffs were subject to Defendants' written policies and procedures contained in,
15 among other documents, the "Team Member Employee Handbook."

16 8. On November 27, 2023, Plaintiff Flores served Defendants and the Labor and
17 Workforce Development Agency ("LWDA") with a Notice of Violations ("PAGA Notice"). Plaintiff
18 Flores's PAGA Notice set forth the facts and theories supporting Defendants' alleged violations of
19 various provisions of the California Labor Code and applicable Industrial Welfare Commissions
20 ("IWC") Wage Order and of her intent to pursue claims under California Labor Code Private Attorneys
21 General Act, Cal. Lab. Code Sections 2698 et seq. ("PAGA")

22 9. On February 1, 2024, Plaintiff Flores filed the instant Class and Representative Action
23 Complaint in the San Bernardino Superior Court alleging eight (10) causes of action against
24 Defendants for: (1) Unfair Competition in Violation of Cal. Bus. & Prof. Code §17200 *et seq.*; (2)
25 Failure to Pay Minimum Wages in Violation of Cal. Lab. Code §§ 1194, 1197 & 1197.1; (3) Failure
26 to Pay Overtime Wages in Violation of Cal. Lab. Code §§ 510, *et seq.*; (4) Failure to Provide Required
27 Meal Periods in Violation of Cal. Lab. Code §§ 226.7 & 512 and the Applicable IWC Wage Order; (5)
28 Failure to Provide Required Rest Periods in Violation of Cal. Lab. Code §§ 226.7 & 512 and the

1 Applicable IWC Wage Order; (6) Failure to Provide Accurate Itemized Statements in Violation of Cal.
2 Lab. Code § 226; (7) Failure to Provide Wages When Due in Violation of Cal. Lab. Code §§ 201, 202
3 and 203; (8) Failure to Reimburse Employees for Required Expenses in Violation of Cal. Lab. Code §
4 2802; (9) Failure to Pay Vacation Wages Due in Violation of Cal. Lab. Code § 227.3; and (10)
5 Violation of the Private Attorneys General Act in Violation of Cal. Lab. Code §§ 2698, *et seq.* (the
6 “Action”).

7 10. On July 22, 2024, Plaintiff Flores commenced formal written discovery propounding,
8 among other things, special interrogatories, requests for production of documents, and requests for
9 admission.

10 11. On July 7, 2026, Plaintiffs filed a First Amended Complaint (“Operative Complaint”),
11 which added Plaintiff Hicks as a named Plaintiff.

12 12. Generally, Plaintiffs claim that Defendants failed to properly calculate the failed to
13 provide legally compliant meal and rest breaks, failed to pay employees for all time worked, regular
14 rate of pay for purposes of overtime, failed to reimburse for required business expenses, failed to
15 provide accurate itemized wage statements, and failed to timely pay wages due upon separation of
16 employment. Defendants deny liability for each of Plaintiffs’ claims. Further, Defendants assert that
17 they fully complied with all applicable employment laws and raised several other significant defenses
18 to Plaintiffs’ claims, including but not limited to, facially compliant meal and rest period policies,
19 payment of all wages at the correct regular rate of pay, reimbursement to its employees for business
20 expenses, provided compliant wage statements, and timely payment of all wages due upon separation
21 of employment.

22 13. After obtaining time records, payroll records, wage statements, and written employment
23 policies, the Parties agreed to attend private mediation. As discussed *infra*, Plaintiffs’ counsel retained
24 the forensic consultants at Berger Consulting Group (“BCG”) to analyze Defendants’ time and payroll
25 data.

26 14. On May 28, 2026, the Parties mediated the Action with Eve Wagner, Esq., a mediator
27 of class and PAGA actions. The Parties engaged in arms-length settlement negotiations with Mediator
28 Wagner’s assistance. Specifically, Mediator Wagner helped manage the Parties’ expectations and

1 provided a useful, neutral analysis of the issues and risks to both sides. The Parties made substantial
2 progress with Mediator Wagner's assistance. Namely, the Parties exchanged information regarding
3 their respective claims and defenses, including their respective evaluation of the damages. The
4 mediation concluded with a settlement. The Parties drafted and negotiated a long-form settlement
5 agreement, which is the subject of the instant motion.

6 **B. Class Counsel Thoroughly Investigated the Factual and Legal Issues**

7 15. Months before filing the Action, Class Counsel began its pre-filing investigation into
8 Plaintiffs' complaints. Class Counsel's investigation started with several lengthy interviews with
9 Plaintiffs. As part of the interview process, Plaintiffs produced documents related to their employment,
10 including, among other things, copies of their wage statements, time records, handbooks, and
11 separation documents. At the conclusion of the interviews, Class Counsel determined that each of
12 Plaintiffs' complaints justified further inquiry.

13 16. Class Counsel subsequently requested Plaintiffs' employee files from Defendants. In
14 response, Defendants produced documents including, but not limited to, copies of Plaintiffs' hiring
15 documents, payroll and time records, and Defendants' written policies. Class Counsel reviewed and
16 analyzed the documents and determined the documents appeared to substantiate Plaintiffs' claims that
17 Defendants failed to, among other things, provide compliant meal and rest periods, pay for all hours
18 worked, reimburse employees for mandatory business expenses, and furnish accurate itemized wage
19 statements.

20 17. Prior to mediation, Plaintiff propounded formal written discovery and filed multiple
21 motions to compel to obtain complete responses to special interrogatories and requests for production
22 from both Defendants. Defendants also produced time and payroll records for the Class Members,
23 aggregate workweek and pay period data, aggregate meal premiums paid to the Class Members, the
24 average hourly rate for the Class Members, and copies of applicable handbooks, policies, and
25 agreements. In total, Class Counsel reviewed thousands of pages of documents and hundreds of
26 thousands of unique cells of time and payroll data.

27 18. Class Counsel then retained the statisticians and economists at BCG to evaluate the Class
28 Members' payroll and time data. BCG provides data analysis and damage modeling consulting

1 services specializing in wage and hour class actions. BCG's team of financial and data analysts are
2 credentialed and experienced experts in their fields and have provided their expertise on thousands of
3 cases. Stated differently, BCG is uniquely qualified to analyze Defendants' time and payroll data.

4 19. BCG analyzed Defendants' time and payroll data to assist in the development of various
5 damage models. Among other things, BCG determined the approximate number of work shifts,
6 workweeks, pay periods, average length of shift, and average number of hours worked per week during
7 the Class Period. BCG also estimated the number of missed, late, or truncated meal and rest periods,
8 the amount of off-the-clock work performed by Class Members, the amount of unreimbursed business
9 expenses, and the amount of missed meal period premiums paid during the Class Period.

10 20. In advance of mediation, Class Counsel created several damage models predicated on
11 the BCG analysis. Class Counsel's models calculated Defendants' potential liability exposure while
12 accounting for the uncertainties of continued litigation. These damage models informed and guided
13 Class Counsel during the mediated settlement discussions.

14 21. Overall, Class Counsel thoroughly investigated the claims at issue, including: (1)
15 determining Plaintiffs' suitability as a putative class representative through interviews, background
16 investigations, and analysis of their employment files; (2) evaluating all of Plaintiffs' potential claims;
17 (3) researching similar wage and hour class actions as to the claims brought, the nature of the positions,
18 and the type of employer; (4) analyzing the Class Members' time and payroll records; (5) analyzing
19 Defendants' labor policies and practices; (6) researching settlements in similar cases as well as
20 outstanding issues which could affect settlement approval; (7) evaluating Plaintiffs' claims and
21 estimating Defendants' liability for purposes of settlement; (8) drafting the mediation brief; and (9)
22 participating in the mediation. This investigation allowed Class Counsel to fully assess the nature and
23 magnitude of the claims being settled, as well as the impediments to recovery, such as to make an
24 independent assessment of the reasonableness of the terms to which the Parties have agreed.

25 22. Class Counsel only agreed to enter the Settlement following this thorough investigation
26 and evaluation of Plaintiffs' claims. Based on their investigation of the facts, applicable law, and
27 marketplace for similar settlements, and considering the risk of significant delay, uncertainty
28 associated with litigation, and the various defenses asserted by Defendants, Class Counsel firmly

believes this Agreement to be in the best interests of the Class Members. Because the Settlement's terms are fair, reasonable, and adequate, the Court should preliminarily approve the Settlement.

IV. ARGUMENT

A. The Court Should Preliminarily Approve the Settlement

23. The Parties participated in mediation with Eve Wagner, an experienced mediator of wage and hour class and PAGA actions. Mediator Wagner managed the Parties' expectations and provided a useful, neutral analysis of the issues and risks to both sides. (*In re Apple Computer, Inc. Derivative Litig.*, No. C 06-4128 JF (HRL), 2008 U.S. Dist. LEXIS 108195 (N.D. Cal. Nov. 5, 2008) (mediator's participation weighs considerably against any inference of a collusive settlement); *D'Amato v. Deutsche Bank* (2d. Cir. 2001) 236 F.3d 78, 85 (a "mediator's involvement in pre-certification settlement negotiations helps to ensure that the proceedings were free of collusion and undue pressure.").) At all times, the Parties' negotiations were at an arm's length, adversarial and non-collusive. The matter was resolved only after Mediator Wagner heard arguments, reviewed evidence, evaluated the Parties' respective claims and defenses.

24. Once the Parties agreed to a settlement, the Parties engaged in protracted negotiations regarding the written terms of the class action and PAGA settlement. The Parties maintained the arm's length, non-collusive and adversarial negotiations while arriving at the final terms of the Settlement. The Agreement is the final product of these mediated negotiations. Objectively, the Settlement terms are fair, adequate and represent a reasonable compromise of the claims at issue.

25. As set forth in greater detail above, Class Counsel conducted a very thorough investigation into the factual and legal issues in dispute. In addition to formal discovery, document review, data analysis and legal research, Class Counsel also researched similar wage and hour actions. Although no two cases are identical, this research provided Class Counsel with a marker to inform settlement discussions and, ultimately, to measure this settlement against. The investigation allowed Class Counsel to realistically assess the value of the claims and intelligently engage defense counsel in settlement discussions that culminated in the proposed settlement now before the Court.

26. Class Counsel only agreed to enter the Settlement following this thorough investigation and evaluation of Plaintiffs' claims. Based on this investigation of the facts, applicable law, and

1 marketplace for similar settlements, and considering the risk of significant delay, uncertainty associated
2 with litigation, and the various defenses asserted by Defendants, Class Counsel firmly believes this
3 Agreement to be in the best interests of the Class Members. Because the Settlement's terms are fair,
4 reasonable, and adequate, the Court should preliminarily approve the Settlement.

5 27. The Gross Settlement Amount of \$180,000.00 is well within the range of reasonableness
6 considering the nature and magnitude of the claims being settled and the various potential impediments
7 to recovery.

8 28. Class Counsel retained BCG to develop economic damage models measuring
9 Defendants' potential liability exposure with respect to the Class and PAGA claims. The damage
10 models were informed by Class Counsel's investigation, including the analysis of the time and payroll
11 data Defendants produced. Regarding Defendants' liability for class claims, Class Counsel projected
12 Defendants' *total* exposure for class claims (including waiting time and wage statement penalties, but
13 exclusive of PAGA penalties) at \$539,412.02. Thus, the Gross Settlement Amount of \$180,000.00
14 represents approximately 33.37% of Defendants' *total* liability exposure.

15 (1) Estimated Exposure for Meal Period Violations

16 29. Plaintiffs alleged that Defendants failed to provide compliant meal periods. Specifically,
17 Plaintiffs alleged that Defendants engaged in a practice of recording meal periods by rounding time
18 punches, with Plaintiffs' expert finding that 56.8% of first meal periods were recorded as exactly 30
19 minutes in length. Additionally, Plaintiff Flores reported that she regularly worked single-staffed shifts
20 at the front desk with no one to relieve her, and that Defendants changed employees' meal records after
21 they were entered, creating a false paper trail of compliance. Although the violation rate for the
22 percentage of shifts when the first meal break was recorded after the end of the 5th hour was only 3.1%
23 and the percentage of shifts greater than 6 hours without a recorded first meal break was only 2.6%,
24 Plaintiffs argued these artificially low rates reflect Defendants' practice of rounding and manipulating
25 time records rather than actual compliance. Plaintiffs further alleged that Defendants' practice of
26 rounding meal period time punches is facially unlawful under *Donohue v. AMN Services, LLC* (2021)
27 11 Cal.5th 58, and that records showing noncompliant meal periods raise a rebuttable presumption of
28 meal period violations.

1 30. Defendants contended that they fully complied with California meal period laws,
2 maintained compliant policies and practices, and paid meal period premiums. Defendants also argued
3 that they provided all their employees with the opportunity to take compliant meal periods and that their
4 time records accurately reflect meal period compliance. Thus, Defendants argued that there was no
5 potential liability for Plaintiffs' alleged meal period violations and any claimed violations required a
6 highly individualized inquiry not suitable to class. In light of the foregoing, and considering Defendants'
7 defenses, Plaintiffs estimated that Defendants' exposure was approximately \$12,503.04.

8 (2) Estimated Exposure for Rest Period Violations

9 31. Plaintiffs also alleged that Defendants failed to provide compliant rest periods.
10 Specifically, Plaintiffs alleged that Defendants required employees to remain on premises and on-call
11 during rest periods, required employees to keep their personal cell phones on them and remain available
12 to respond to guests and management during rest periods, and that Plaintiffs' rest periods were
13 interrupted every day due to understaffing and high guest demand. Plaintiffs argued this conduct
14 constitutes the kind of employer control prohibited by *Augustus v. ABM Security Services, Inc.* (2016)
15 2 Cal.5th 257.

16 32. Again, Defendants denied liability and asserted that they maintained legally compliant
17 rest period policies and practices throughout the Class Period. Moreover, Plaintiffs recognize the
18 evidentiary burdens in establishing this claim. Establishing Plaintiffs' rest period claim would depend,
19 almost entirely, on Class Member testimony, making it a riskier claim at class certification and liability
20 stages. Certification likely would have required depositions of Class Members who provided
21 declarations, and Defendants surely would have obtained opposing declarations stating either rest
22 breaks were taken, or rest breaks were voluntarily waived. *See, e.g., Ordonez v. Radio Shack, Inc.* (C.D.
23 Cal. Jan. 17, 2013) 2013 WL 210223, at *11 ("Because of the competing testimony before the Court,
24 Plaintiffs' evidence that Defendants may have an illegal, written rest break policy is insufficient for this
25 Court to find that common issues predominate."); *Villa v. United Site Servs. of California, Inc.* (N.D.
26 Cal. Nov. 13, 2012) 2012 WL 5503550, at *8 ("Indeed, Plaintiff's own evidence confirms that the
27 written policy does not generate uniform practices."). Plaintiffs estimated Defendants' exposure for this
28 claim was approximately \$12,503.04.

1 (3) Estimated Exposure for Failure to Pay for All Hours Worked

2 33. Plaintiffs also alleged that Defendants failed to pay their employees for all hours worked
3 under two theories. First, Plaintiffs alleged that Defendants required Plaintiffs and Class Members to
4 perform off-the-clock work, including counting money and briefing the oncoming shift for
5 approximately 5 minutes after clocking out.

6 34. Second, Plaintiffs alleged that Defendants' Ready to Work Policy required on-site
7 employees to remain on call outside of their regular scheduled shifts to respond to guest needs and
8 emergencies, and that this on-call requirement constituted a "report to work" triggering reporting time
9 pay obligations under the applicable Wage Order and *Ward v. Tilly's* (2019) 31 Cal.App.5th 1167.
10 Employees received a minimum payment of \$50 per month as on-call compensation, but Plaintiffs
11 alleged that this did not satisfy California's reporting time pay requirements for all on-call events.

12 35. Defendants denied liability for all components of this claim and argued that employees
13 were paid for all time worked. Considering Defendants' defenses, Plaintiffs estimated Defendants'
14 exposure for this claim was approximately \$28,856.30.

15 (4) Estimated Exposure for Failure to Pay Overtime at the Regular Rate of Pay

16 36. Plaintiffs allege that Defendants failed to include certain non-discretionary bonuses and
17 commissions when calculating the regular rate of pay when paying overtime wages and meal period
18 premiums. Specifically, Defendant paid Class Members non-discretionary incentive compensation in
19 the form of "Ready to Work" payments for remaining on-call, which were not properly calculated into
20 the regular rate of pay for purposes of overtime and meal period premiums.

21 37. Conversely, Defendants denied liability and asserted that the Ready to Work payments
22 were limited to few employees. Defendants also argued that they properly included non-discretionary
23 compensation into the regular rate calculation for purposes of overtime wages. As a result, Plaintiffs
24 estimated the range of damages for this claim was \$12,014.64.

25 (5) Estimated Exposure for Failure to Reimburse for Mandatory Business Expenses

26 38. Plaintiffs also alleged that Defendants failed to reimburse employees for mandatory
27 business expenses. Specifically, Plaintiffs alleged that Defendants required employees to use their
28 personal cell phones for work-related purposes throughout the Class Period, including communicating

1 with housekeeping and maintenance, receiving work schedules distributed by management via group
2 text message, and remaining accessible during on-call periods and rest breaks. Cal. Labor Code § 2802,
3 provides that “[a]n employer shall indemnify his or her employee for all necessary expenditures or
4 losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or
5 her obedience to the directions of the employer...” Based on Plaintiffs’ testimony BCG assumed a
6 reasonable \$10 per month of unreimbursed business expenses. Despite this mandatory use of personal
7 cell phones, Defendants failed to reimburse Plaintiffs for any portion of their cell phone expenses.
8 Plaintiffs’ expert estimated a reasonable \$20 per month of unreimbursed business expenses per Class
9 Member.

10 39. Defendants denied liability for this claim and argued, among other things, that use of
11 personal cell phones was not required and that any business expenses incurred by employees were fully
12 reimbursed. Considering Defendants’ defenses, Plaintiffs estimated Defendants’ exposure for this claim
13 was \$11,860.00.

14 (6) Estimated Exposure for Wage Statement Violations

15 40. Plaintiffs also alleged that Defendants failed to furnish their employees with accurate
16 itemized wage statements. Specifically, Plaintiffs allege that as a result of Defendants’ failure to provide
17 meal and rest periods as required by the California Labor Code and pay for all wages, Plaintiffs and
18 other Class Members are entitled to derivative wage statement penalties. (*See Naranjo, supra*, 15
19 Cal.App.1056 (concluding that meal premiums are “wages” entitling employees to derivative wage
20 statement penalties). Defendants argued that this claim would fail because the underlying claims would
21 fail and that, even if it failed to furnish accurate wage statements, Plaintiffs could not establish the injury
22 requirement on a class-wide basis. Considering Defendants’ defenses and the fact that all of Defendants’
23 wage statement violations were all derivative, Plaintiffs estimated that Defendants’ exposure on this
24 claim was \$166,400.00.

25 (7) Estimated Exposure for Waiting Time Penalties

26 41. Plaintiffs also alleged that the Defendants’ labor code violations resulted in derivative
27 liability for waiting time penalties. However, this is Plaintiffs’ most uncertain claim. Specifically,
28 Defendants argued that Plaintiffs could not prove the “willful” prong needed to obtain waiting time

1 penalties under Labor Code section 203. Additionally, for the reasons stated above, *Naranjo, supra*, 15
2 Cal.App.1056, creates difficulty in Plaintiffs succeeding in a purely derivative waiting time penalty
3 claim. Notwithstanding the uncertain nature of the claims, Plaintiffs estimated Defendants' exposure
4 for this claim was approximately \$295,275.00.

5 (8) Defendants' PAGA Exposure

6 42. Class Counsel's also estimated Defendants' exposure for PAGA penalties arising from
7 the aforementioned violations. At the time of mediation, Plaintiffs conservatively estimated
8 Defendants' PAGA exposure to be approximately \$8,320.00 and aggressively estimated \$143,500.

9 43. Here, the Parties negotiated a good faith PAGA Payment in the amount of \$20,000.00
10 which is 11% of the Gross Settlement Amount. This amount falls well within the range of approved
11 PAGA penalties. Seventy-Five percent (75%) of the PAGA Payment (\$15,000.00) will be paid to the
12 LWDA ("LWDA Payment") with the remaining twenty-five percent (25%) of the PAGA Payment
13 (\$5,000.00) will be distributed to the Aggrieved Employees, which is within the range of PAGA
14 penalties approved by courts and should be approved.

15 44. For the aforementioned reasons, the PAGA allocation of the Gross Settlement Amount is
16 fair, just, and reasonable.

17 **B. Inherent Risks of Continued Litigation Support Preliminary Approval**

18 45. With respect to the most immediate challenge, i.e., class certification, the risks attendant
19 to the certification of similar wage and hour claims are demonstrated by *Ali v. U.S.A. Cab Ltd.* (2009)
20 176 Cal.App.4th 1333, 1341. There, the Court of Appeal affirmed the Trial Court's denial of class
21 certification because employees' declarations attesting to having taken meal and rest breaks
22 demonstrated that individualized inquiries were required to show harm. *See also Campbell v. Best Buy*
23 *Stores, L.P.*, (C.D. Cal. 2013) 2013 WL 5302217 at *11-13 (following *Brinker* and denying certification
24 of proposed off-the-clock and rest and meal break classes due to lack of uniform policy); *Brown v. Fed*
25 *Express Corp.* (C.D. Cal. 2008) 249 F.R.D. 580, 587-88 (denying certification of driver meal and rest
26 period claims based on the predominance of individual issues).

27 46. Further, even if a class is certified, liability remains uncertain. The risks attendant to the
28 issue of Defendants' liability in similar wage and hour actions are demonstrated by *Duran v. U.S. Bank*

1 *National Association* (2014) 59 Cal.4th 1, 31. There, the Court reversed a trial verdict in favor plaintiffs
2 in a wage and hour class action. *See also Tien v. Tenet Healthcare Corp.* (2012) 209 Cal.App.4th 1077,
3 1088 (“[T]he reason, if any, that employees might not take their breaks were predominantly
4 individualized questions of fact not susceptible to class treatment.”).

5 47. Finally, even if a class is certified and Defendants is found liable for the class claims
6 alleged, post-certification risks remain, including a reversal of a favorable judgment for Plaintiffs and
7 decertification of the class. These post-certification risks are demonstrated by *Magadia v. Wal-Mart*
8 *Associates, Inc.* (9th Cir. 2021) 999 F.3d 668. There, the Ninth Circuit vacated reversed and remanded
9 a \$110 million judgement against an employer for, *inter alia*, inaccurately paying overtime, and directed
10 the trial court to enter judgement in favor of the employer. *See also O’Conner v. Uber Technologies,*
11 *Inc.* (9th Cir. 2018) 904 F.3d 1087 (decertification of wage and hour misclassification action).

12 48. Collectively, the examples cited above illustrate the uncertain nature of class litigation.
13 Consequently, the uncertainty of obtaining certification through a contested motion is a significant risk
14 factor favoring settlement.

15 49. Finally, continuing to litigate this action would require continued and extensive resources
16 coupled with significant Court time to proceed through trial and post-trial motions; which can often
17 take years. Furthermore, wage and hour litigation is complex and expensive, as it often necessitates
18 extensive expert testimony, particularly with regards to damages. But even if Plaintiffs are successful
19 at trial, Plaintiffs are acutely aware that a judgment does not end the litigation. Plaintiffs fully expect
20 that Defendants would appeal any favorable judgment. As demonstrated by *Magadia, supra*, 999 F.3d
21 668, the risk of an appeal and subsequent reversal is real.

22 50. In this matter, Class Counsel negotiated a Gross Settlement Amount of \$180,000.00 that
23 is approximately 33.37% of Defendants’ liability exposure for class damages. Given the amount of the
24 settlement here, as compared to potential value of the claims, offset by the various inherent risks to
25 continued litigation, the settlement is fair and reasonable.

26 **C. Proposed Notice Informs the Class About the Case and Settlement**

27 51. The Parties jointly drafted the Class Notice which fairly and neutrally informs the Class
28 Members of their rights and remedies. The Administrator will first verify addresses, then mail the

1 proposed Class Notice to all Class Members. The Class Notice will include information regarding the
2 nature of the lawsuit, a summary of the substance of the Settlement's terms, the class definition, the
3 procedure and time period within which to requests for exclusions or objections to the Settlement, the
4 date for the final approval hearing, the formula used to calculate settlement payments, and the terms
5 and scope of the Released Class Claims. Agreement at ¶ 7.4. The Parties negotiated this method to
6 ensure delivering the most reasonable method of notice to the Class Members while ensuring cost
7 effective administration of the Settlement.

8 52. Accordingly, both the method of disseminating the Class Notice and content of the Class
9 Notice satisfy due process and the requirements of California law. (*See* C.R.C. 3.776(e)-(f); *State of*
10 *Cal. v. Levi Strauss* (1986) 41 Cal.3d 460,485 (the class notice must "fairly apprise the class members
11 of the terms of the proposed compromise and of the options open to dissenting class members.").)

12 **D. The Court Should Preliminarily Approve the Service Award**

13 53. Approximately 155 Class Members will share in the Net Settlement Amount due entirely
14 to the effort and commitment of Plaintiffs. Subject to Court approval, therefore, the Settlement provides
15 for a Class Representative Payment of \$10,000.00 for each Plaintiff. The Class Representative Payment
16 is fair and reasonable compensation for the Plaintiffs' efforts bringing the action, assisting Class
17 Counsel with the litigation and settlement, regularly conferring with Class Counsel on the status of his
18 case and the strategies for prosecuting the claims, reviewing the proposed Settlement to ensure that its
19 terms are fair and provide adequate relief for the Settlement Class.

20 54. Class Counsel on behalf of Plaintiffs will file a formal motion for the negotiated Class
21 Representative Payment once preliminary approval of the Settlement is granted. Plaintiffs respectfully
22 submit that the above showing is sufficient for preliminary approval of the negotiated Class
23 Representative Payment.

24 **E. The Court Should Preliminary Approve the Payment of the Attorneys' Fees and**
25 **Attorneys' Costs**

26 55. Class Counsel took this matter on a contingency fee basis and invested significant time
27 and expense successfully prosecuting Plaintiffs' claims. As discussed *supra*, the estimated average
28 Settlement Payment illustrates the demonstrably positive outcome for the Class Members. The

1 Agreement provides for a payment of Attorneys' Fees and in the amount of up to thirty-three percent
2 (33%) of the Gross Settlement Amount (\$59,400.00) and Litigation Costs in an amount not to exceed
3 \$40,000.00. Agreement ¶ 3.2.2. Considering the positive outcome for the Class Members, and in light
4 of the supporting authority, the proposed Attorneys' Fees and Litigation Costs are fair and reasonable.
5 Plaintiffs will file a formal motion for the negotiated Attorneys' Fees and Litigation Costs once
6 preliminary approval of the Settlement is granted. Plaintiffs respectfully submit that the above showing
7 is sufficient for preliminary approval of the negotiated attorneys' fees.

8 **F. The Court Should Provisionally Certify the Settlement Class**

9 56. For Settlement, Plaintiffs contend, and Defendants do not dispute, that provisional
10 certification of the Class is appropriate.

11 57. Because all Class Members are Defendants' current and former employees, the class is
12 readily ascertainable from Defendants' regular business records, i.e., payroll records.

13 58. The California statutes relating to each of Plaintiffs' claims apply with equal force and
14 effect to the entire Settlement Class. Factually, Defendants' policies and practices apply class-wide and
15 Defendants' liability can be determined by facts common to all members of the class. The wage and
16 hour issues are both numerous and substantial, and a class action is the most advantageous method of
17 dealing with the claims of the Settlement Class.

18 59. Plaintiffs' wage and hour claims are typical of the proposed Settlement Class because
19 they arise from the same factual basis and are based on the same legal theories applicable to the other
20 Class Members. Likewise, Plaintiffs' interests are entirely coextensive with the interests of the
21 Settlement Class. Plaintiffs allege that they were injured by the same company-wide practices to which
22 the proposed Class Members were subject to and seek the same relief. Plaintiffs have already
23 demonstrated their ability to advocate for the interests of the Class Members by initiating this litigation,
24 undertaking extensive class discovery, and evaluating the proposed settlement to ensure that it is fair.

25 60. A class action is superior to a multitude of individual lawsuits. Given the size and amount
26 of each individual claim, the Class Members likely have little incentive to litigate their claims on an
27 individual basis because the out-of-pocket expense and personal commitment necessary to litigate each
28

1 claim outweighs any potential recovery. In sum, class treatment is superior to individual, case-by-case
2 adjudication.

3 **G. Class Counsel's Experience**

4 61. Plaintiffs and Class Members are represented by competent and experienced counsel to
5 pursue their claims.

6 62. I am qualified to represent the Plaintiffs, the State of California, and the Class Members.
7 Class Counsel has experience with wage and hour class and representative actions litigation like this
8 matter, and employment matters in general. Class Counsel, will and have adequately represented the
9 interests of the Plaintiffs and Class Members throughout this action.

10 63. My primary practice is representative Plaintiffs employment law. I have handled a
11 number of wage and hour matters, including individual actions, class actions, and representative PAGA
12 actions, on behalf of Plaintiffs. The following is a list of wage and hour class and/or PAGA actions
13 where I have served as counsel and in which final settlement approval was granted: *See generally*
14 *Chrestensen v. Northeastern Rural Health Clinics Lassen*, Superior Court Case No. 63703 (April 13,
15 2023); *Toler v. Total Testing Solutions, LLC*, Los Angeles Superior Court Case No. 21STCV38452
16 (July 27, 2023); *O'Quinn v. Laugh Factory, Inc.*, Los Angeles Superior Court Case No. 19STCV28155
17 (August 1, 2023); *Kneisly v. SR Machining, Inc., et al.*, Riverside Superior Court Case No.
18 CVRI2201491 (October 5, 2023); *Anderson v. Barton Myers Associates, Inc., et al.*, Los Angeles
19 Superior Court Case No. 21STCV43314 (October 12, 2023); *Coles v. Carefusion Resources LLC, et.*
20 *al.* San Diego Superior Court Case No. 37-2022-00048696-CU-OE-CTL (March 25, 2024); *Thomas*
21 *v. Center for Elder's Independence* Alameda Superior Court Case No. 22CV024221 (July 2, 2024);
22 *Klein v. RedZone Security, Inc.*, Riverside Superior Court Case No. CVRI2202841 (August 15, 2024);
23 *Nunez v. Titan AG, et. al.* Tulare Superior Court Case No. VCU296822 (February 4, 2025); *Rene v.*
24 *Koch Filter Corporation* Riverside Superior Court Case No. CVRI2300700 (March 11, 2025); *Winn*
25 *v. City Electric Supply Company* San Diego Superior Court Case No. 37-2023-0004023 1-CU-OE-
26 CTL (March 13, 2025); *Gamble v. AirX Utility Surveyors, Inc.* San Diego Superior Court Case No. 37-
27 2022-00042178-CU-OE-CTL (March 14, 2025); *Garcia v. ConvergeOne* San Bernardino Superior
28 Court Case No. CIVSB2305464 (May 12, 2025); *Lowe v. Ash's First LLC, et al* San Diego Superior

1 Court Case No. 37-2023-00031528-CU-OE-CTL (August 8, 2025); *Solis v. 51st St. & 8th Ave. Corp.,*
2 *et al*, San Diego Superior Court Case No. 37-2023-00031528-CU-OE-CTL (August 8, 2025).

3 64. The following is a list of wage and hour class actions where I was appointed as Class
4 Counsel: *Albert Ajero v. Wildcat Discovery Technologies, Inc., et al.*, San Diego Superior Court Case
5 No. 37-2023-00055145-CU-OE-CTL (December 5, 2025); *Thomas Weathermon v. Pacific Production*
6 *Plumbing*, San Diego Superior Court Case No. 37-2023-00006167-CU-OE-CTL (February 27, 2026).

7 65. As counsel for Plaintiffs and the proposed Class, Class Counsel has been actively
8 involved in every aspect of this case and believes that the proposed Settlement is an excellent result
9 for the Class.

10
11 I declare under the penalty of perjury under the laws of the State of California that the foregoing
12 is true and correct. Executed this 30th day of September 2026, at San Diego, California.

13
14 **JCL LAW FIRM, APC**

15 By: Sydney Castillo-Johnson
16 Sydney Castillo-Johnson, Esq.
17 Attorney for PLAINTIFFS
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EXHIBIT 1

PUTATIVE CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiffs Denise Flores and Amanda Hicks (“Plaintiffs”) and Defendants J&P Asset Management, Inc. and J&P Hospitality Management LLC (“Defendants”). The Agreement refers to Plaintiffs and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiffs’ lawsuit alleging wage and hour violations against Defendants captioned *Denise Flores, et al. v. J&P Asset Management, Inc., et al.*, San Bernardino County Superior Court Case Number CIVSB2407059, initiated on February 1, 2024.
- 1.2. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.3. “Administrator” means ILYM Group, Inc. 2832 Walnut Ave STE C, Tustin, CA 92780; Tel: (888) 250-6810 the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.4. “Aggrieved Employee” means all current and former non-exempt employees of Defendants that worked in the State of California at any time during the PAGA Period.
- 1.5. “Aggrieved Employee Payment” shall mean the twenty-five percent (25%) of the PAGA Payment (\$5,000.00) that will be distributed to the Aggrieved Employees as described in this Agreement.
- 1.6. “Attorneys’ Fees and Litigation Costs” means the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action, including their pre-filing investigation, their filing of the Action, all related litigation activities, all Settlement work, all post-Settlement compliance procedures in an amount of up to thirty-three percent (33%) of the Gross Settlement Amount, which shall be deducted from the Gross Settlement Amount. The Attorneys’ Fees Payment shall be divided between Class Counsel as follows: 50% to JCL Law Firm, APC, and 50% to Zakay Law Group, APLC.
- 1.7. “Class” or “Class Member” shall mean all current and former non-exempt employees of Defendants that worked in the State of California at any time during the Class Period.
- 1.8. “Class Counsel” means Jean-Claude Lapuyade, Esq. and Sydney Castillo-Johnson, Esq. of JCL Law Firm, APC, and Shani Zakay, Esq. and Jackland K. Hom, Esq. of

Zakay Law Group, APLC.

- 1.9. “Class Data” means Class Member identifying information in Defendants’ possession that Defendants will provide to the Administrator. To the extent available, the Class Data shall include the Class Member’s full name; last known address; Social Security Number; start and end dates of employment; and any other information the Settlement Administrator deems necessary to accurately calculate the number of Workweeks and Pay Period worked by each Class Member and Aggrieved Employee during the Class and PAGA Periods. The Class Data shall not be provided to Plaintiffs’ counsel.
- 1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members. Class Member addresses shall not be provided to Plaintiffs’ counsel.
- 1.11. “Class Notice” means the Court-approved Notice of Class Action Settlement attached as **Exhibit A**, to be mailed to Class Members informing them of the settlement, including their rights to request exclusion or to object to the Settlement, the right to dispute their estimated workweeks/payment, of their estimated payment to be received without the need to return a claim form, and the date set for the Final Approval Hearing.
- 1.12. “Class Period” means the period commencing February 1, 2020, and ending ninety (90) days before preliminary approval hearing.
- 1.13. “Class Representative” means the named Plaintiffs in the operative complaint in the Action seeking Court approval to serve as Class Representatives.
- 1.14. “Class Representative Payment” means the payment to the Class Representatives for initiating the Action and providing services in support of the Action, which shall be deducted from the Gross Settlement Amount
- 1.15. “Court” means the Superior Court of California, County of San Bernardino.
- 1.16. “Defendants” means Defendants J&P Asset Management, Inc. and J&P Hospitality Management LLC.
- 1.17. “Defense Counsel” means Gordon Rees Scully Mansukhani, LLP.
- 1.18. “Effective Date” shall be the later of the time when: (i) the date of final affirmance of the Judgment on an appeal, the expiration of the time for, or the denial of, a petition to review the Judgment, or if review is granted, the date of final affirmative of the Judgment following review pursuant to the grant, (ii) the date of final dismissal of any appeal from the Judgment or the final dismissal of any proceedings to review the Judgment, provided that the Judgment is affirmed and/or not reversed in any part, (iii) the final resolution (or withdrawal) of any filed appeal in a way that affirms the

Approval Order and Judgment in a form substantially identical to the form of the Approval Order entered by the Court, and the time to petition for review with respect to any appellate decision affirming the Approval Order has expired; or (iv) if no appeal is filed, the sixty-first (61st) calendar day after the Court enters approval of the Settlement and the Judgment approving this Agreement.

- 1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22. “Funding Date” means the date on which Defendants shall fund the Gross Settlement Amount to the Administrator.
- 1.23. “Gross Settlement Amount” means One Hundred Eighty Thousand Dollars and Zero Cents (\$180,000.00) which is the total amount Defendants agree to pay under the Settlement except as provided in Paragraph 4.1 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Payment, and the Administrator’s Expenses, which shall be deducted from the Gross Settlement Amount.
- 1.24. “Individual Class Payment” means the Settlement Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period, which shall be deducted from the Gross Settlement Amount. Any Class Member who submits a timely and valid request for exclusion pursuant to the procedures set forth herein, is not eligible to receive an Individual Class Payment.
- 1.25. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Payment calculated according to the number of Workweeks worked during the PAGA Period, which shall be deducted from the Gross Settlement Amount.
- 1.26. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.27. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled to receive the LWDA Payment under Labor Code section 2699, subd. (i).
- 1.28. “LWDA Payment” means the 75% of the PAGA Payment paid to the LWDA (\$15,000.00) under Labor Code section 2699, subd. (i).
- 1.29. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the PAGA Payment, Class

Representative Payment, Attorneys' Fees and Litigation Costs, and the Administration Expenses Payment. The remainder is to be paid to Settlement Class Members as Individual Class Payments.

- 1.30. "Non-Settlement Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.31. "Operative Complaint" shall mean the First Amended Complaint that shall be filed pursuant to the Parties' June 29, 2026, stipulation to amend the Complaint to add Plaintiff Amanda Hicks.
- 1.32. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698 et seq.).
- 1.33. "PAGA Notice" means Plaintiffs' November 27, 2023, letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.34. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.
- 1.35. "PAGA Payment" means Twenty Thousand Dollars and Zero Cents (\$20,000.00) which is the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$5,000.00) and the 75% to LWDA (\$15,000.00) in settlement of PAGA claims.
- 1.36. "PAGA Period" means the period between November 27, 2022, and ninety (90) days before preliminary approval hearing.
- 1.37. "Plaintiffs" means Denise Flores and Amanda Hicks, the named Plaintiffs in the Action.
- 1.38. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.
- 1.39. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.40. "Class Representatives' Released Claims" means the Plaintiffs, as class representatives, agreed to a settlement and general release of all claims which were alleged or which could have been alleged in the Action, including but not limited to all known or unknown claims, all individual, class, and PAGA claims, and specifically including that the Class Representatives agreed to a waiver of all rights under Section 1542 of the California Civil Code. This statute reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OF OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE,

WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

- 1.41. “Released Class Claims” means all class claims alleged, or which could have been alleged based on the facts alleged, in the operative complaint in the Action which occurred during the Class Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, and class claims outside of the Class Period.
- 1.42. “Released PAGA Claims” means all PAGA claims alleged in the operative complaint in the Action and Plaintiffs’ PAGA notice to the LWDA which occurred during the PAGA Period, but expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, and PAGA claims outside of the PAGA Period.
- 1.43. “Released Parties” means the Defendants and any of their present and former parents, subsidiaries, sister companies, co-employers, officers, directors, trustees, employees, agents, representatives, members, managers, attorneys, and insurers (including but not limited to insurers and reinsurers), and/or any of their predecessors, successors and assigns, and each of them.
- 1.44. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.45. “Response Deadline” means forty-five (45) days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are re-sent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.
- 1.46. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.47. “Settlement Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.48. “Workweek” means any week during which a Class Member worked for Defendants for at least one day during the Class Period.

2. RECITALS.

- 2.1. On November 27, 2023, Plaintiff Flores filed a Notice of Violations with the Labor and Workforce Development Agency (“LWDA”) and served the same on Defendants.

- 2.2. On February 1, 2024, Plaintiff Flores filed a Class and Representative Action Complaint alleging ten (10) causes of action against Defendants for (1) Unfair Competition in Violation of Cal. Bus. & Prof. Code §17200 *Et Seq*; (2) Failure to Pay Minimum Wages in Violation of Cal. Lab. Code §§ 1194, 1197 & 1197.1; (3) Failure to Pay Overtime Wages in Violation of Cal. Lab. Code §§ 510, *Et Seq*; (4) Failure to Provide Required Meal Periods in Violation of Cal. Lab. Code §§ 226.7 & 512 And The Applicable IWC Wage Order; (5) Failure to Provide Required Rest Periods in Violation of Cal. Lab. Code §§ 226.7 & 512 And The Applicable IWC Wage Order; (6) Failure to Provide Accurate Itemized Statements in Violation of Cal. Lab. Code § 226; (7) Failure to Provide Wages When Due in Violation of Cal. Lab. Code §§ 201, 202 And 203; (8) Failure to Reimburse Employees For Required Expenses in Violation of Cal. Lab. Code § 2802; (9) Failure to Pay Vacation Wages Due in Violation of Cal. Lab. Code 227.3; and (10) Violation of the Private Attorneys General Act [Labor Code §§ 2698 et seq.] Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint, and deny any and all liability for the causes of action alleged.
- 2.3. On June 29, 2026, the Parties stipulated to the filing of a First Amended Complaint to add Plaintiff Amanda Hicks as a named Plaintiff for settlement purposes.
- 2.4. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiffs gave timely written notice to Defendants and the LWDA by sending the PAGA Notice.
- 2.5. On May 28, 2026, the Parties participated in an all-day mediation presided over by Eve Wagner, Esq., a mediator of wage and hour class and representative actions.
- 2.6. Prior to mediation, Plaintiffs obtained, through formal discovery, timekeeping records, and payroll records for the Class Members. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").
- 2.7. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 4.1 below, Defendants promise to pay One Hundred Eighty Thousand Dollars and Zero Cents (\$180,000.00) and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking

or requiring Settlement Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

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

3.2.1. To Plaintiffs: Class Representative Payment to each Class Representative of not more than \$10,000.00, which shall be deducted from the Gross Settlement Amount. Defendants will not oppose Plaintiffs' request for a Class Representative Payment that does not exceed this amount, provided that the payments shall be deducted from the Gross Settlement Amount. As part of the motion for Attorneys' Fees and Litigation Costs, Plaintiffs will seek Court approval for any Class Representative Payments no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Representative Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Payment using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Payment.

3.2.2. To Class Counsel: Attorneys' Fees of not more than thirty-three percent (33%) of the Gross Settlement Amount, which is currently estimated to be Fifty-Nine Thousand, Four Hundred Dollars and Zero Cents (\$59,400.00) and Litigation Costs of up to Forty Thousand Dollars and Zero Cents (\$40,000.00), both of which shall be deducted from the Gross Settlement Amount. To the extent the Escalator Clause is triggered pursuant to Paragraph 4.1, Class Counsel shall request Attorneys' Fees of up to thirty-three percent (33%) of the increased Gross Settlement Amount, and Defendants will not oppose such increased request provided it does not exceed thirty-three percent (33%) of the increased Gross Settlement Amount. Defendants will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Attorneys' Fees and Litigation Costs no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a payment for Attorneys' Fees and/or Litigation Costs less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Class Counsel arising from any claim to any portion of the Attorneys' Fees and/or Litigation Costs. The Administrator will pay the Attorneys' Fees and Litigation Costs using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Attorneys' Fees and Litigation Costs and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

- 3.2.3. To the Administrator: The Administration Expenses Payment not to exceed Six Thousand, Four Hundred Fifty Dollars and Zero Cents (\$6,450.00) except for a showing of good cause and as approved by the Court. Defendants will not oppose requests for these payments provided that they do not exceed this amount. To the extent the Administration Expenses Payment is less, or the Court approves payment less than \$6,450.00, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4. To Each Settlement Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Settlement Class Members during the Class Period and (b) multiplying the result by each Settlement Class Member's Workweeks worked during the Class Period.
- 3.2.4.1. Tax Allocation of Individual Class Payments. Fifteen percent (15%) of each Settlement Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. Eighty-five percent (85%) of each Settlement Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Settlement Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.
- 3.2.4.2. Effect of Non-Settlement Class Members on Calculation of Individual Class Payments. Non-Settlement Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Settlement Class Members on a pro rata basis.
- 3.2.5. To the LWDA and Aggrieved Employees: PAGA Payment in the amount of \$20,000.00 to be paid from the Gross Settlement Amount, with 75% (\$15,000.00) allocated to the LWDA Payment and 25% (\$5,000.00) allocated to the Individual PAGA Payments.
- 3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Payment (\$5,000.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.
- 3.2.5.2. If the Court approves PAGA Payment of less than the amount

requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. Class Size Estimates and Escalator Clause. Based on a review of its records to date, Defendants estimate that there are approximately 155 Class Members who collectively worked an estimated total of 6,600 Workweeks, and there are approximately 78 Aggrieved Employees who worked an estimated total of 1,664 PAGA Pay Periods. Thus, the settlement workweek value is \$27.27 (\$180,000 Gross Settlement Amount / 6,600 Workweeks). If the actual number of Workweeks worked during the Class Period exceeds 6,600 by more than 5% (i.e., 6,930), the settlement amount will increase by \$27.27 for each Workweek over 6,930. For example, if the total Workweeks in the Class Period are 6,935, the Gross Settlement will increase by \$136.35 (i.e., \$27.27 for each Workweek over 6,930). However, Defendants may elect to change the Class Period and PAGA Period end dates to the date on which the total number of workweeks reaches 6,600, as determined in Defendants' sole and absolute discretion.
- 4.2. Class Data. Not later than thirty (30) days after the end of the Class Period, Defendants will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet or equivalent form. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. The Administrator shall not provide any Class Data to Plaintiffs or their counsel. Defendants have a continuing duty to notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
- 4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount and also fund the amounts necessary to fully pay Defendants' share of payroll taxes by transmitting the funds to the Administrator on the later of 61 days after the Court grants Final Approval or May 28, 2027.
- 4.4. Payments from the Gross Settlement Amount. Within fourteen (14) days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA Payment, the Administration Expenses Payment, Attorneys' Fees and Litigation Costs, and the Class Representative Payment. Disbursement of the Attorneys' Fees and Litigation Costs and the Class Representative Payment shall not precede disbursement of

Individual Class Payments and Individual PAGA Payments.

- 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Settlement Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Settlement Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Settlement Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
- 4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within seven (7) days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
- 4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).
- 4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. **RELEASES OF CLAIMS.** Effective on the Funding, Plaintiffs, Settlement Class Members, and the Aggrieved Employees will release claims against all Released Parties as follows:

- 5.1 Plaintiffs' Release and Class Representatives' Released Claims. Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released

Parties from all known or unknown claims, transactions, or occurrences that occurred during the Class Period, including, but not limited to: (a) all claims that were, or could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were alleged in the Operative Complaint, Plaintiffs' PAGA Notice ("Plaintiffs' Release"). Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits (except for claims pursuant to Labor Code Sections 132a and 4553) that arose at any time or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now knows or believes to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

5.1.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

5.2 Release by Settlement Class Members: All Settlement Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from the Released Class Claims.

5.3 Release by Aggrieved Employees: As of the Funding Date, all Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from the Released PAGA Claims.

6. MOTION FOR PRELIMINARY APPROVAL. The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

6.1 Defendants' Declaration in Support of Preliminary Approval. To the extent any conflicts exist, Defendants agree that within thirty (30) days of the full execution of this Agreement, Defendants will prepare and deliver to Class Counsel a signed Declaration from Defendants and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and Defendants shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement. If no conflicts exist, no such declaration shall be required

or provided.

- 6.2 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; and (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members; (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); (vii) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (viii) all facts relevant to any actual or potential conflict of interest with Class Members and the Administrator. In their Declarations, Plaintiffs and Class Counsel Declaration shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.
- 6.3 Responsibilities of Counsel. Class Counsel is responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than sixty (60) days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.
- 6.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for Administration Expenses Payment. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.
- 7.4 Notice to Class Members.
- 7.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and PAGA Pay Periods in the Class Data.
- 7.4.2 Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice, substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 7.4.3 Not later than three (3) business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

- 7.4.4 The deadlines for Class Members' written objections, Challenges to Workweeks and/or PAGA Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the forty-five (45) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 7.4.5 If the Administrator, Defendants or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

7.5 Requests for Exclusion (Opt-Outs).

- 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
- 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Settlement Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Settlement Class Members' Releases under Paragraphs 5.2 of

this Agreement, regardless of whether the Settlement Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Settlement Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Settlement Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.5.5 Any funds allocated to Class Members who opted out will be added to the Net Settlement Amount for distribution to the Settlement Class Members.

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email, or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or PAGA Pay Periods is susceptible to challenge, and the Parties expressly reserve the right to meet and confer with the Administrator regarding its determination to the extent they believe the determination is incorrect. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges.

7.7 Objections to Settlement.

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

7.7.2 Settlement Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Settlement Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Settlement Class Member who elects to send a written objection to the Administrator must do so not later than forty-five (45) days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice was

re-mailed).

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

7.8 Administrator's Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

- 7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Attorneys' Fees and Litigation Costs and Class Representative Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes, and emails.
- 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).
- 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or PAGA Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- 7.8.4 Workweek and/or PAGA Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or PAGA Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

- 7.8.5 Administrator's Declaration. Not later than fourteen (14) days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid) including the full names of any Class Members who submitted Requests for Exclusion, the number of written objections and attach the Exclusion List, the high, low, and average Individual Class Payments, and the high, low, and average Individual PAGA Payments. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.
- 7.8.6 Final Report by Settlement Administrator. Within ten (10) days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. **DEFENDANTS' RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendants may, but are not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Administration Expenses Payment incurred to that point. Defendants agree to make reasonable efforts to notify Class Counsel and the Court of their election to withdraw not later than fourteen (14) days within of learning this information. Notwithstanding the above, Defendants expressly reserve and preserve their right to seek to withdraw and/or to challenge the settlement within a reasonable time after discovery of information that supports withdrawal.
9. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide drafts of these documents

to Defense Counsel not later than three (3) days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

- 9.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Settlement Class Member, including the right to file responsive documents in Court no later than five (5) days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 9.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Payment, Attorneys' Fees, and Litigation Costs and/or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 9.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
- 9.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Attorneys' Fees and Litigation Costs set forth in this Settlement, the Parties, their respective counsel, and all Settlement Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
- 9.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses Payment reasonably incurred after remittitur. An appellate decision to vacate, reverse, or

modify the Court's award of the Class Representative Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

10. ADDITIONAL PROVISIONS.

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

10.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendants and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency.

Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendants and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

- 10.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 10.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 10.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 10.6 Cooperation. The Parties will work together expeditiously to obtain preliminary and final approval of this settlement.
- 10.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and any portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 10.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 10.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 10.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 10.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 10.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

- 10.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 10.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy all paper and electronic versions of Class Data received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants makes a written request to Class Counsel for the return, rather than the destruction of Class Data.
- 10.15 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 10.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 10.17 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

JCL LAW FIRM, APC
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Telephone: 619-599-8292
jlapuyade@jcl-lawfirm.com

ZAKAY LAW GROUP, APLC
3110 Camino Del Rio S Suite 308
San Diego, CA 92108
Telephone: 619-255-9047
Shani@zakaylaw.com

To Defendants:

GORDON REES SCULLY MANSUKHANI, LLP

101 W. Broadway Suite 2000

San Diego, CA 92101

Telephone: (619) 696-6700

aherron@grsm.com

bsaxon@grsm.com

- 10.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement, but shall not be admissible otherwise.
- 10.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement, pursuant to CCP section 583.330, the date to bring a case to trial under CCP section 583.310 is extended for the entire period of this settlement process.

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IT IS SO AGREED TO AS TO FORM AND CONTENT BY PLAINTIFFS:

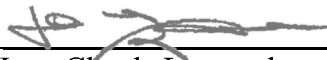
Dated: 09/11/2026, 2026


Denise Flores (Sep 11, 2026 10:38:45 PDT)
Plaintiff Denise Flores

Dated: 09/03/2026, 2026

Amanda Hicks
Amanda Hicks (Sep 3, 2026 17:23:31 PDT)
Plaintiff Amanda Hicks

Dated: September 11, 2026


Jean-Claude Lapuyade
JCL Law Firm, APC
Attorney for Plaintiffs

Dated: September 12, 2026


Shani O. Zakay
Zakay Law Group, APLC
Attorney for Plaintiffs

IT IS SO AGREED TO AS TO FORM AND CONTENT BY DEFENDANTS:

Dated: _____, 2026

J&P Asset Management, Inc.

Printed Name

Title

IT IS SO AGREED TO AS TO FORM AND CONTENT BY PLAINTIFFS:

Dated: _____, 2026

Plaintiff Denise Flores

Dated: _____, 2026

Plaintiff Amanda Hicks

Dated: _____, 2026

Jean-Claude Lapuyade
JCL Law Firm, APC
Attorney for Plaintiffs

Dated: _____, 2026

Shani O. Zakay
Zakay Law Group, APLC
Attorney for Plaintiffs

IT IS SO AGREED TO AS TO FORM AND CONTENT BY DEFENDANTS:

Dated: September 22, 2026



J&P Asset Management, Inc.



Printed Name



Title

Dated: September 22, 2026


J&P Hospitality Management LLC

Laura Schoenberger
Printed Name

General Counsel
Title

Dated: September 22, 2026


Amanda Herron
GORDON REES SCULLY MANSUKHANI, LLP
Attorney for Defendants

Exhibit A

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

Denise Flores, et al. v. J&P Asset Management, Inc., et al. Case No. CIVSB2407059

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

You may be eligible to receive money from an employee putative class action lawsuit (“Action”) against J&P Asset Management, Inc. and J&P Hospitality LLC (“Defendants”) for alleged wage and hour violations. The Action was filed by former employees, Denise Flores and Amanda Hicks (“Plaintiffs”) and seeks payment of (1) back wages and other relief for a class of current and former non-exempt employees who worked for Defendants in California (“Class Members”) who worked for Defendants during the Class Period (February 1, 2020, and ending no later than ninety (90) days before preliminary approval hearing); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all current and former non-exempt employees of Defendants that worked in the State of California at any time during the PAGA Period [November 27, 2022, and ninety (90) days before preliminary approval hearing] (“Aggrieved Employees”).

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

No admissions of liability or wrongdoing:

By entering into the Settlement, Defendants do not admit that they engaged in, or are now engaging in, any unlawful conduct or employment practice. It is understood and agreed that the Settlement is not an admission of liability, and that Defendants specifically deny liability in the Action and intend merely to avoid further litigation and expense by entering into the Settlement.

Based on Defendants’ records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ XX (less withholding) and your Individual PAGA Payment is estimated to be \$ XX.** The actual amount you may receive may be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendants’ records you are not eligible for an Individual PAGA Payment under the Settlement because you did not work during the PAGA Period.)

The above estimates are based on Defendants’ records showing that **you worked XX workweeks** during the Class Period, and **you worked XX PAGA Pay Periods** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs’ attorneys

(“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

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

- (1) **Do Nothing.** You do not have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Settlement Class Member, though, you will give up your right to assert wage and claims that occurred during the Class Period and PAGA claims for monetary penalties that occurred during the PAGA Period against Defendants.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendants, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Do not Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Settlement Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendants that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you do not want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Settlement Class Member and no longer eligible for an Individual Class Payment. Non-Settlement Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).

Settlement Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____	All Class Members who do not opt-out (“Settlement Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel.
You Can Participate in the Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on _____. You do not have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Settlement Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many PAGA Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Pay Periods you worked according to Defendants’ records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former employees of Defendants. The Action accuses Defendants of violating California labor laws by failing to pay minimum wages, including overtime wages; failing to provide legally compliant meal and rest periods; failing to pay wages due upon termination; failure to reimburse employees for mandatory business expenses; failing to provide accurate itemized wage statements. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Plaintiffs are represented by attorneys in the Action:

The JCL Law Firm, APC, and the Zakay Law Group, APLC (“Class Counsel.”)

Defendants strongly deny violating any laws or failing to pay any wages and contend they complied with all applicable laws. Similarly, by entering into the Settlement, Defendants do not admit that they engaged in, or are now engaging in, any unlawful conduct or employment practice. It is understood and agreed that the Settlement is not an admission of liability, and that Defendants

specifically deny liability in the Action and intend merely to avoid further litigation and expense by entering into the Settlement.

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

So far, the Court has made no determination whether Defendants or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendants hired a neutral mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and Defendants have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants does not admit any violations or concede the merit of any claims.

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

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

1. Gross Settlement Amount. Defendants Will Pay a Gross Settlement Amount (“Gross Settlement Amount”) from which you would be paid. Defendants have agreed to deposit the Gross Settlement Amount into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement Amount to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Payment, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement Amount on the later of 61 days after the Court grants Final Approval or May 28, 2027. The Judgment will be final on the date the Court enters Judgment, or a later date if Settlement Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement Amount. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement Amount, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to Thirty-three percent (33%) of the Gross Settlement Amount may be awarded to Class Counsel for reasonable attorneys’ fees and for their reasonable litigation expenses. To date, Class Counsel has worked and incurred expenses on the Action without payment.
 - B. Up to \$10,000.00 to each Class Representative (up to \$20,000.00 total) as a Class

Representative Payment for filing the Action, working with Class Counsel, and representing the Class. A Class Representative Award will be the only monies Plaintiffs will receive other than each Plaintiffs' respective Individual Class Payment and any Individual PAGA Payment.

C. Up to \$6,450.00 to the Administrator for services administering the Settlement.

D. Up to \$20,000.00 for PAGA Payment, allocated 75% to the LWDA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Pay Periods.

Settlement Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement Amount (the "Net Settlement") by making Individual Class Payments to Settlement Class Members based on their Class Period Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiffs and Defendants are asking the Court to approve an allocation of 15% of each Individual Class Payment to taxable wages ("Wage Portion") and 85% to interests and penalties ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendants will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

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

If the monies represented by your check are sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Settlement Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than **MONTH XX, 202X**, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion

by MONTH XX, 202X, Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Settlement Class Members) will not receive Individual Class Payments but will preserve their rights to personally pursue wage and hour claims against Defendants.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Settlement Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendants based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendants have agreed that, in either case, the Settlement will be void: Defendants will not pay any money, and Class Members will not release any claims against Defendants.
8. Administrator. The Court has appointed a neutral company, ILYM Group, Inc. (the Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.
9. Settlement Class Members' Release. After the Judgment is final and Defendants have fully funded the Gross Settlement Amount, and separately paid all employer payroll taxes, Settlement Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or related entities for wages based on the Class Period facts and PAGA Payment based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Settlement Class Members will be bound by the following release: all Settlement Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Defendants, and any of their present and former parents, subsidiaries, sister companies, co-employers, officers, directors, trustees, employees, agents, representatives, members, managers, attorneys, and insurers (including but not limited to insurers and reinsurers), and/or any of their predecessors, successors and assigns, and each of them (collectively, the "Released Parties") from all class claims alleged, or which could have been alleged based on the facts alleged, in the operative complaint in the Action which occurred during the Class Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and class claims outside of the Class Period. ("Released Class Claims").

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendants have paid the Gross Settlement Amount (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Defendants, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Settlement Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendants or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement. The Aggrieved Employees' Releases for Participating and Non-Settlement Class Members are as follows:

All Participating and Non-Settlement Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from all PAGA claims alleged in the operative complaint in the Action and Plaintiffs' PAGA notice to the LWDA which occurred during the PAGA Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and PAGA claims outside of the PAGA Period ("Released PAGA Claims").

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Settlement Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Settlement Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$5,000.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/PAGA Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendants' records, are stated in the first page of this Notice. You have until **MONTH XX, 202X** to challenge the number of Workweeks and/or PAGA Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email, or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendants' calculation of Workweeks and/or PAGA Pay Periods based on Defendants' records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or PAGA Pay Period challenges based on your submission and on input from Class Counsel (who will

advocate on behalf of Settlement Class Members) and Defendants' Counsel. The Administrator's decision is final. You cannot appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Settlement Class Members. The Administrator will send, by U.S. mail, a single check to every Settlement Class Member (i.e., every Class Member who does not opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Settlement Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Settlement Class Member).

Your check will be sent to the same address as in this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Denise Flores, et al. v. J&P Asset Management, Inc., et al. Case No. CIVSB2407059*, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must receive your request to be excluded by MONTH XX, 202X, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Settlement Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Defendants are asking the Court to approve. At least twenty-eight (28) days before the MONTH XX, 202X, Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Attorneys' Fees and Litigation Costs and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as a Class Representative Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website www._____.com or the Court's website <https://sanbernardino.courts.ca.gov/divisions/civil/court-case-information-and-document-sales>.

A Settlement Class Member who disagrees with any aspect of the Agreement, the Motion for

Final Approval and/or Motion for Attorneys' Fees and Litigation Costs, and Service Award may wish to object. **The deadline for sending written objections to the Administrator is MONTH XX, 202X.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Denise Flores, et al. v. J&P Asset Management, Inc., et al. Case No. CIVSB2407059* and include your name, current address, telephone number, and approximate dates of employment for Defendants and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Settlement Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but do not have to, attend the Final Approval Hearing on **MONTH XX, 202X** at XX:XX am/pm in Department S28 of the San Bernardino Superior Court, located at 247 West Third Street, San Bernardino, CA 92415. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement Amount will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comments from objectors, Class Counsel and Defense Counsel before deciding. You can attend (or hire a lawyer to attend) either personally or virtually. Check the Court's website for the most current information.

It is possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website www.ILYMGroup.com beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendants and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to ILYM Group, Inc. website at www.ILYMGroup.com. You can also request Class Counsel's contact information by contacting the Administrator using the contact information listed below, or consult the Superior Court website by going to <https://sanbernardino.courts.ca.gov/general-information/court-information> and entering the Case Number for the Action, Case No. CIVSB2407059. You can also make an appointment to personally review court documents in the Clerk's Office at the San Bernardino Superior Court.

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

Settlement Administrator:

ILYM Group, Inc.
2832 Walnut Ave STE C, Tustin, CA 92780

Tel: (888) 250-6810

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

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

EXHIBIT 2