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Attorneys for Plaintiff JESSE GALINDO

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN JOAQUIN

JESSE GALINDO, an individual, on behalf of themselves, and on behalf of all persons similarly situated, Plaintiff, v. PAQ, INC., DBA FOOD 4 LESS and/or RANCHO SAN MIGUEL MARKETS; and DOES 1 through 50, Inclusive; Defendants.	Lead Case No. STK-CV-UOE-2022-0000452 *[Consolidated Case No. STK-CV-UOE-2022-0001799]* **DECLARATION OF JEAN-CLAUDE LAPUYADE, ESQ. IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT** Date: September 17, 2024 Time: 9:00 a.m. Judge: Hon. Blanca A. Banuelos Dept.: 10B

I, Jean-Claude Lapuyade, Esq., declare as follows:

1. I am over eighteen years of age and if called as a witness, I could and would competently testify to the following facts from my own personal knowledge. I am an attorney-at-law and the owner of the law firm of JCL LAW FIRM, APC (hereinafter "Class Counsel"). I am counsel of record for Plaintiff JESSE GALINDO and Co-Counsel of record for Plaintiff Laura Smith (hereafter "Plaintiffs" or "Class Representatives") in this wage and hour class action filed against Defendants PAQ, INC., DBA FOOD 4 LESS and/or RANCHO SAN MIGUEL MARKETS ("Defendants").

2. This declaration is being submitted in support of Plaintiffs' Motion for Final Approval of Class Action Settlement.

3. Attached hereto as **Exhibit "1"** is a true and correct copy of the fully executed Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims (hereinafter "Settlement Agreement"). Attached thereto as **Exhibit A** is a true and correct copy of the Notice of Class Action and PAGA Settlement ("Class Notice").

4. Attached hereto as **Exhibit "2"** is a true and correct copy of the conformed May 14, 2024, Preliminary Approval Order.

5. Attached hereto as **Exhibit "3"** is a true and correct copy of the March 27, 2024, proof of filing the proposed Settlement with the LWDA.

6. Attached hereto as **Exhibit "4"** is true and correct copy of the August 22, 2024, proof of filing this motion seeking final approval of this Settlement with the LWDA.

7. Attached hereto as **Exhibit "5"** is a true and correct copy of the JCL Law Firm, APC's "Firm Resume" detailing the credentials and a summary of cases on which Counsel has been appointed Class Counsel.

I. INTRODUCTION

8. An objective evaluation of the proposed settlement of Four Million Five Hundred Thousand Dollars and Zero Cents ($4,500,000.00) ("Gross Settlement Amount") confirms that the relief negotiated on behalf of the Settlement Class Members is fair, reasonable, and valuable. The Settlement is a product of informed, adversarial, and non-collusive negotiations, between experienced counsel, and presided over by Jeff Ross, Esq. After deducting any Court-approved PAGA Penalty Amount, Class

Representative Service Awards, Class Counsel Award, and the Settlement Administration Costs, the Net Settlement Amount shall be distributed to Settlement Class Members based on the number of Workweeks they worked while employed by Defendant during the Class Period. ***The Class greeted news of the Settlement with 99.99% approval.***[1] There are zero objections to the Settlement and one request for exclusion. The 99.99% participation rate by the Class evidences the clear fairness and reasonableness of the Settlement.

9. This Settlement provides substantial recovery for Defendant's alleged wage and hour violations. Plaintiff estimates that the Settlement, if approved, would result in a Net Settlement Amount of approximately $2,688,184.90. This will result in an average Individual Settlement Payment of **$336.32,** a high payment of **$1,725.27**, and low payment of **$6.30**.

10. The relief offered by the Settlement is immediate and is particularly impressive when viewed against the difficulties encountered by plaintiffs pursuing similar wage and hour cases (*see infra)*. Indeed, by settling now rather than proceeding to trial, the Class will not have to wait (possibly years) for relief, nor will they have to bear the risks associated with prolonged and uncertain litigation.

11. As discussed below, the proposed Settlement satisfies all criteria for final settlement approval under California law and falls well within the range of reasonableness. Accordingly, the Class Representatives and Class Counsel respectfully request this Court grant final approval of the Agreement and, entry of the proposed Final Approval Order and Judgment.

II. OVERVIEW OF THE LITIGATION

12. Defendant owns, operates, and manages twenty-three (23) grocery stores in the State of California, including San Joaquin County, where Plaintiffs worked. Plaintiff Galindo was employed by Defendant in California from April 2, 2019, to September 9, 2021. Plaintiff Smith was employed by Defendant in California from September 13, 2016, to October 29, 2019. Throughout their employment, Plaintiffs were classified as non-exempt employees and were entitled to legally compliant meal and/or rest periods, minimum and regular wages. Additionally, Plaintiffs were subject to Defendant's written policies and procedures contained in, among other documents, the "Employee Handbook."

[1] Fifty-two (52) Notices were deemed undeliverable. Apex Dec. at ¶ 10.

13. Generally, Plaintiffs claim that Defendant failed to pay minimum wages and overtime wages, failed to provide compliant meal and rest periods, failed to furnish accurate itemized wages statements, failed to pay all wages when due and failed to reimburse for mandatory business expenses. Defendant forcefully denies liability for each of Plaintiffs' claims. Further, Defendant asserts that it fully complied with all applicable employment laws and raised several other significant defenses to Plaintiffs' claims, including but not limited to, facially compliant meal and rest period policies, compliant wage statements, reimbursement for all required business expenses, and payment of all wages upon separation.

14. On July 9, 2020, Plaintiff Smith through her counsel of record, James Hawkins APLC, served the Labor and Workforce Development Agency ("LWDA") with a PAGA Notice. Plaintiff's PAGA Notice set forth the facts and theories supporting Defendant's alleged violations of various provisions of the California Labor Code and applicable Industrial Welfare Commissions ("IWC") Wage Order and of his intent to pursue claims under California Labor Code Private Attorneys General Act, Cal. Lab. Code sections 2698 *et seq* ("PAGA").

15. On or about November 30, 2020, Plaintiff Smith filed a First Amended Complaint in the San Joaquin Superior Court adding an additional cause of action for Violations of the Private Attorney General Act. Thereafter, Plaintiff Smith filed a Second Amended Representative Action Complaint.

16. On November 16, 2021, Plaintiff Galindo served the LWDA with a PAGA Notice. Plaintiff's PAGA Notice set forth the facts and theories supporting Defendant's alleged violations of various provisions of the California Labor Code and applicable Industrial Welfare Commissions ("IWC") Wage Order and of his intent to pursue claims under California Labor Code Private Attorneys General Act, Cal. Lab. Code sections 2698 *et seq* ("PAGA").

17. Plaintiff Galindo subsequently filed a Representative Action Complaint in the San Joaquin Superior Court alleging a single cause of action for Violations of the Private Attorney General Act. On May 3, 2022, Plaintiff Galindo filed a First Amended Complaint in the PAGA only action.

18. On March 9, 2022, Plaintiff Galindo filed a Class Action Complaint in the San Joaquin Superior Court asserting eight separate causes of action against Defendant PAQ, Inc. dba Food 4 Less and/or Rancho San Miguel Markets (hereinafter, "Defendant"). The Complaint alleged the following:

(1) Unfair Competition in violation of Cal. Bus. & Prof. Code §17200; (2) Failure to pay minimum wages; (3) Failure to pay overtime; (4) Failure to provide meal periods; (5) Failure to provide rest periods; (6) Failure to provide accurate itemized statements; (7) Failure to provide wages when due; (8) Failure to reimburse employees for required expenses. On June 20, 2022, the Galindo Class and PAGA actions were consolidated; the PAGA action being the controlling action (STK-CV-UOE-2022-0000452).

19. Through both formal and informal discovery, Plaintiffs and Defendant have exchanged extensive documents and information. To prepare for mediation, the Parties agreed to informally produce additional documents and data points subject to the mediation privilege, including but not limited to, a sample of the Class Members' time data and certain payroll data points. As discussed infra, Plaintiff's counsel retained the statisticians and economists at Desmond, Marcel and Amster, LLP ("DMA") to evaluate the Settlement Class Members' time and payroll data. DMA provides litigation consulting, business valuation and asset appraisal services and is well regarded in the field of wage and hour data consulting. (See https://www.dmavalue.com/services/class-action-damages.).

20. On June 28, 2023, the Parties participated in a full day mediation with Jeffrey A. Ross, Esq., an experienced mediator of wage and hour class and PAGA actions. Following the mediation, Defendant produced, subject to a confidentiality agreement, several financial documents, including credit agreements with institutional lenders. Plaintiff's counsel then retained Ken Creal, CPA, a forensic accountant at Creal & Creal, An Accountancy Corporation, to review Defendant's financials. Based on Mr. Creal's review of the documents and our communications with Mr. Creal, it was our understanding that generally, these financial documents established a threshold amount that Defendant could pay towards this settlement without breaching debt ratio covenants with its lenders. If Defendant exceeded specified debt ratio limits, it jeopardized Defendant's ability to continue operations.

21. After arms-length negotiations and bargaining and a thorough investigation and explained in more detail herein, the Parties reached an agreement to settle and signed a Memorandum of Understanding. After reaching an agreement in principle, the Parties drafted and negotiated a long-form settlement agreement, which is the subject of the instant motion.

22. The Court preliminarily approved an initial Total Settlement Amount of Four Million Five Hundred Thousand Dollars and Zero Cents ($4,500,000.00) based on a total of an estimated 397,138 Workweeks worked by the Class during the Class Period. The Total Settlement Amount shall be used to satisfy: (1) the Individual Settlement Payments; (2) the Class Representative Service Awards; (3) the Class Counsel Award; (4) the PAGA Penalty Amount; and (5) the Settlement Administration Costs incurred in this action.

23. As explained in further detail below, the Settlement is fair, adequate, and reasonable to the class and should be granted final approval. This is evidenced by the 99.9% approval of the Settlement by the Class, the absence of any objections to the Settlement and the average Individual Settlement Payment of **$336.32**.

III. THE SETTLEMENT IS FAIR, REASONABLE AND ADEQUATE

A. Adequate Investigation

24. As detailed in the motion for preliminary approval, Class Counsel thoroughly investigated the proposed Class Members' claims, applicable law, and potential defenses. Months before filing the Action, Class Counsel began their pre-filing investigation into the Plaintiffs' complaints. Class Counsel's investigation started with several lengthy interviews with Plaintiffs. As part of the interview process, Plaintiffs produced documents related to their employment, including time and payroll records. At the conclusion of the interviews, Class Counsel determined that each of Plaintiffs' complaints appeared to substantiate Plaintiffs' claim that Defendants failed to, among other things, pay for all time worked, failed to provide compliant meal and rest periods, failed to reimburse for all mandatory business expenses, failed to issue accurate itemized wage statements, and failed to pay all wages when due

25. Upon filing the complaint, Plaintiffs served multiple sets of written discovery, conducted more than one thousand telephonic interviews with Settlement Class Members, and obtained nearly fifty (50) draft declarations from Settlement Class Members in preparation of Plaintiffs' motion for class certification.

26. To prepare for mediation, Class Counsel requested documents and data points to further evaluate Plaintiffs' claims and Defendant's liability exposure to the Class Members. In response to

Class Counsel's request, Defendant produced, among other things, the time and payroll records for a representative sampling of the Class Members, aggregate workweek and pay period data, and copies of applicable handbooks, policies, and agreements. In total, Defendant produced thousands of pages of pertinent policy documents, time records, and payroll records for Class Members for Class Counsel to analyze.

27. Class Counsel then retained the statisticians and economists at Desmond, Marcel and Amster, LLP ("DMA") to evaluate the Settlement Class Members' time and payroll data. DMA provides litigation consulting, business valuation and asset appraisal services and is well regarded in the field of wage and hour data consulting. (See https://www.dmavalue.com/services/class-action-damages.)

28. Prior to mediation, Plaintiff obtained a random sample of time and payroll data for one-third of the Settlement Class Members. The time and payroll data comprised of nearly 11 million unique cells of time and payroll data for the Settlement Class Members. DMA analyzed this time and payroll data to assist in the development of various damage models. Among other things, DMA's analysis estimated the number of workweeks, pay periods, average rate of pay, the regular rate of pay, average length of shift and average number of hours worked per week. DMA also estimated the amount of unreimbursed business expenses, unpaid wages due to off-the-clock work and regular rate violations, the number of missed, late, or truncated meal and rest periods, number of missed meal and rest period premiums paid during the Class Period and the amount of resulting PAGA penalties for identified Labor Code violations.

29. Following the mediation, Defendant produced, subject to a confidentiality agreement, several financial documents, including credit agreements with institutional lenders. Plaintiff's counsel then retained Ken Creal, CPA, a forensic accountant at Creal & Creal, An Accountancy Corporation, to review Defendant's financials. Based on Mr. Creal's review of the documents and our communications with Mr. Creal, it was our understanding that generally, these financial documents established a threshold amount that Defendant could pay towards this settlement without breaching debt ratio covenants with its lenders. If Defendant exceeded specified debt ratio limits, it jeopardized Defendant's ability to continue operations.

30. Overall, Class Counsel thoroughly investigated the claims at issue, including: (1) determining Plaintiffs' suitability as a putative class representative through interviews, background investigations, and analysis of his employment files; (2) evaluating all of Plaintiffs' potential claims; (3) researching similar wage and hour class actions as to the claims brought, the nature of the positions, and the type of employer; (4) analyzing 11 million unique cells of the Settlement Class's time and payroll data; (5) analyzing Defendant's labor policies and practices; (6) researching settlements in similar cases as well as outstanding issues which could affect settlement approval; (7) evaluating Plaintiffs' claims and estimating Defendant's liability for purposes of settlement; (8) drafting the mediation brief; (9) reviewing Defendant's financial statements; and (9) participating in the mediation. This investigation allowed Class Counsel to fully assess the nature and magnitude of the claims being settled, as well as the impediments to recovery, such as to make an independent assessment of the reasonableness of the terms to which the Parties have agreed.

31. Class Counsel only agreed to enter the Settlement following this thorough investigation and evaluation of Plaintiffs' claims. Based on its investigation of the facts, applicable law, and marketplace for similar settlements, and considering the risk of significant delay and uncertainty associated with litigation, and the various defenses asserted by Defendant, Class Counsel believes this Agreement to be in the best interest of the Class Members.

B. The Parties Settled Following Mediation

32. On June 28, 2023, the Parties conducted a full day mediation with Jeff Ross, Esq., an experienced wage and hour mediator. Mediator Ross helped to manage the Parties' expectations and provided a useful, neutral analysis of the issues and risks to both sides. The Parties made substantial progress with Mediator Ross's assistance. Namely, the Parties exchanged information regarding their respective claims and defenses, including their respective evaluations of the damages. After arm's length and adversarial negotiations, the mediation concluded with a settlement. The amount of the service awards was not negotiated until after the parties agreed to the Total Settlement Amount and many other terms.

C. Class Counsel is Experienced in Similar Litigation

33. Plaintiff is represented by competent and experienced counsel to pursue his claims. I established the JCL Law Firm, APC ("Firm"), in 2010. The Firm is a boutique plaintiff firm representing aggrieved employees and consumers throughout California in wage and hour class actions and complex multi-party product liability matters. The Firm currently consists of myself, Jean-Claude Lapuyade, Esq. (Partner/Owner), Monnett De La Torre, Esq. (Senior Associate Attorney); Sydney Castillo-Johnson, Esq. (Associate Attorney), Perssia Razma (Associate Attorney), Andrea Amaya, Esq. (Associate Attorney), Tesla Stone (Senior Paralegal), and Jennifer Heming (Paralegal).

34. I am qualified to represent the Plaintiff, the Class Members, the State of California, and the Aggrieved Employees. I have extensive experience with wage and hour class and representative actions litigation like this matter, and employment matters in general. Additionally, I have extensive complex mass tort litigation experience and complex construction product liability experience. I can, will and have adequately represented the interests of the Plaintiffs, the Class Members, the State of California, and the Aggrieved Employees throughout this action.

35. I have represented consumers and employees in California class actions, and complex multi-party product liability actions exclusively for more than 17 years. I have been in practice as a plaintiffs' civil litigation attorney since April 2007.

36. I am qualified to represent the Plaintiff, the State of California, and the Aggrieved Employees. I have extensive experience with wage and hour class and representative actions litigation like this matter, and employment matters in general. My credentials are reflected in the JCL Law Firm, APC, Firm Resume, a true and correct copy of which is attached hereto as **Exhibit "5**." Some of the major cases the Firm has undertaken are also set forth in **Exhibit "5."**

37. Since 2010, I have successfully tried two (2) cases to conclusion, each resulting in a favorable verdict for the firm's clients.

38. Finally, I have published appellate experience in *William Blanchette et al., v. The Superior Court of Imperial County, (GHA Enterprises)*, 8 Cal.App.5th 521.

39. Consequently, I have been named to the prestigious Thomson Reuters, Super Lawyers, Rising Star in 2015, 2016, 2017 and, again, in 2018. According to Thomson Reuters, the Super Lawyers,

Rising Star list recognizes the top 2.5% of eligible attorneys. (see https://www.superlawyers.com/about/selection_process.html.)

D. Strength of Plaintiff's Case

40. Here, the Settlement is clearly within the "ballpark" of reasonableness because the Settlement provides a sizeable recovery to the Settlement Class Member and need not necessarily obtain 100 percent of the damages sought to be fair, reasonable, and ultimately, meaningful. *Wershba*, 91 Cal.App.4th at 250. While the Total Settlement Amount of Four Million Five Hundred Dollars and Zero Cents ($4,500,000.00) represents a discount on Defendant's potential exposure if Plaintiffs established liability on all claims and were awarded the full amount of the estimated damages at trial, this compromise is reasonable because (1) the formidable defenses raised by Defendant presented a risk that could award significantly less in damages than Plaintiffs' estimate and (2) any theoretical post-trial recovery may require many more years of litigation, resulting in added fees and costs without any guarantee of recovery for the Class.

41. As detailed at the time of preliminary approval, the Total Settlement Amount is fair and reasonable considering the nature and magnitude of the claims being settled and the various potential impediments to recovery. Class Counsel developed varied economic damages models measuring Defendant's liability exposure while accounting for the uncertainties of continued litigation. The various models were informed by Class Counsel's investigation, including the analysis of a significant sample of time and payroll data. Detailed in greater depth during the preliminary approval process, Class Counsel projected a range of Defendant's liability exposure for the claims asserted on behalf of the Class. Class Counsel also had to account for Defendant's financial condition. The Total Settlement Amount represents between 13.6% and 40.15% of Defendant's *class-wide* liability exposure as estimated by Class Counsel at the time of mediation.

42. The calculation methodology used to compensate the Settlement Class Member for the alleged damages was negotiated at the time of the Settlement. More importantly, the methodology is fair, objective, and impartial. The calculation methodology is based on the number of Workweeks each Settlement Class Member worked for Defendant during the Class Period. The number of Workweeks for the Settlement Class Member is established through Defendant's data and documented

compensation records. The Settlement Administrator is responsible for calculating the Individual Settlement Payments by dividing the respective Workweeks for each Class Member by the total Workweeks for all Class Members, resulting in a Payment Ratio. Agreement, ¶ III(Q)(1). Each Class Member's Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Class Member's Individual Settlement Payment. *Id*. This process establishes an objectively fair and reasonable procedure to compensate the Class.

43. Clearly the goal of this litigation to obtain redress for the class has been met by this Settlement. Given the amount of the Settlement, the risks of litigation and the arm's length negotiations between experienced counsel, the settlement is fair and reasonable, and is therefore entitled to final approval.

E. Risks of Continued Litigation

44. Although Class Counsel believes strongly in Plaintiffs' claims, it would be misguided to ignore the asserted defenses. If successful on any one of its defenses, Defendant could defend the action or, at least, drastically undercut Plaintiff's claims.

45. With respect to the most immediate challenge, i.e., class certification, the risks attendant to the certification of similar wage and hour claims are demonstrated by *Magadia v. Wal-Mart Associates, Inc.* (9th Cir. 2021) 999 F.3d 668. There, the Ninth Circuit, vacated reversed and remanded a $110 million judgement against an employer for, *inter alia*, inaccurately paying overtime, and directed the trial court to enter judgement in favor of the employer. *See also O'Conner v. Uber Technologies, Inc.* (9th Cir. 2018) 904 F.3d 1087 (decertification of wage and hour misclassification action); *see also Duran v. U.S. Bank National Association* (2014) 59 Cal.4th 1, 31 (reversing a trial verdict in favor plaintiffs in a wage and hour class action)); *Tien v. Tenet Healthcare Corp.* (2012) 209 Cal.App.4th 1077, 1088 ("[T]he reason, if any, that employees might not take their breaks were predominantly individualized questions of fact not susceptible to class treatment."); *Ali v. U.S.A. Cab Ltd.* (2009) 176 Cal.App.4th 1333, 1341 (affirming denial of certification because employees' declarations attesting to having taken meal and rest breaks demonstrated that individualized inquiries were required to show harm); *Campbell v. Best Buy Stores, L.P.*, (C.D. Cal. 2013) 2013 WL 5302217 at *11-13 (following *Brinker* and denying certification of proposed off-the-clock and rest and meal break classes due to lack

of uniform policy); *Brown v. Fed Express Corp.* (C.D. Cal. 2008) 249 F.R.D. 580, 587-88 (denying certification of driver meal and rest period claims based on the predominance of individual issues). Collectively, the examples cited above illustrate the uncertain nature of class litigation. Consequently, the uncertainty of obtaining certification through a contested motion is a significant risk factor favoring settlement..

46. Although Plaintiffs are confident about the strength of their claims, Plaintiffs nevertheless recognizes that Defendant has factual and legal defenses that, if successful, would potentially defeat or impair the value of the lawsuit. Legally, the fast-changing landscape of wage and hour litigation can drastically affect the value of Plaintiffs' claims and, in fact, already has.

47. As demonstrated by the decisions in *Magadia, supra,* 999 F.3d 668, *O'Conner v. Uber Technologies* (N.D. Cal. 2018) 82 F.Supp.3d 1133 and *Duran v. U.S. Bank National Assn.* (2014) 59 Cal.4th 1, the complexities and duration of further litigation cannot be overstated. There is little doubt that if Defendant faced a large adverse judgement, Defendant undoubtedly has the resources to post a bond and appeal. A post-judgment appeal by Defendant would have required many more years to resolve, assuming the judgment was affirmed. If the judgment was not affirmed in total, then the case could have dragged on for years after the appeal. The benefits of a guaranteed recovery today outweigh an uncertain result three or more years in the future.

48. Class Representatives and Class Counsel recognize the expense and length of a trial against Defendant through possible appeals which could take another three years. In arriving at their informed belief that the present settlement is fair and adequate, Class Counsel accounted for the uncertain outcome and risk inherent in complex actions such as this one. Class Counsel is also mindful of and recognizes the inherent problems of proof under, and alleged defenses to, the claims asserted in the litigation. Moreover, post-trial motions and appeals would have been inevitable. Costs would have increased, and recovery would have been delayed if not denied, thereby reducing the benefits of an ultimate victory. Class Representatives and Class Counsel believe that the Settlement confers substantial monetary and non-monetary benefits upon the Class. Based upon their evaluation, Class Representatives and Class Counsel have determined that the Settlement set forth in the Agreement is in the best interest of the Class, is fair, reasonable, and adequate, and should be granted final approval.

IV. THE PENALTIES UNDER PAGA ARE REASONABLE

49. Here, Plaintiffs and Defendant negotiated a good faith PAGA Penalty Amount in the amount of $200,000 which is 4.4% of the Gross Settlement Amount. As illustrated above, this amount falls well within the range of approved PAGA settlements. Seventy-Five percent (75%) of the PAGA Penalty Amount ($150,000.00) will be paid to the LWDA ("LWDA Payment") with the remaining twenty-five percent (25%) of the PAGA Penalty Amount ($50,000.00) to be distributed to the Aggrieved Employees ("Aggrieved Employee Payment"), which is within the range of PAGA penalties approved by courts and should be approved.

50. Class Counsel gave the LWDA notice of this Settlement and proposed allocation by filing a copy of the Settlement, the Motion for Preliminary Approval, and this motion seeking final approval with the LWDA. On August 22, 2024, Plaintiff gave the LWDA notice of this motion seeking final approval of this settlement.

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 22nd day of August 2024, at San Diego, California.

JCL LAW FIRM, APC

By: ______________________________
Jean-Claude Lapuyade

Attorneys for Plaintiff

EXHIBIT 1

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[Attorney caption continued on next page]

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN JOAQUIN

JESSE GALINDO and LAURA SMITH, individually, and on behalf of all persons similarly situated,

Plaintiff,

v.

PAQ, INC., DBA FOOD 4 LESS and/or RANCHO SAN MIGUEL MARKETS, a California corporation; and DOES 1-50, Inclusive,

Defendants.

Case No. STK-CV-UOE-2022-0000452

[Complaint Filed: March 9, 2022]

STIPULATION OF SETTLEMENT OF CLASS AND PAGA ACTION CLAIMS AND RELEASE OF CLAIMS

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Attorneys for Plaintiffs JESSE GALINDO and LAURA SMITH

This Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims is entered into by and between Plaintiffs JESSE GALINDO ("Plaintiff Galindo") and LAURA SMITH ("Plaintif Smith") (hereinafter collectively "Plaintiffs" and/or "Plaintiff"), individually and on behalf of the Class, and in their representative capacity on behalf of the State of California and the Aggrieved Employees, and Defendant PAQ, INC., dba FOOD 4 LESS and/or RANCHO SAN MIGUEL MARKETS, a California corporation (hereinafter "Defendant").

I. **DEFINITIONS**

A. "Action" shall mean the consolidated putative class and PAGA representative action lawsuit designated *Galindo. v. PAQ, Inc.,* San Joaquin County Superior Court, Lead Case No. STK-CV-UOE-2022-0000452, filed January 24, 2022, as amended.

B. "Agreement," "Settlement Agreement," or "Class and PAGA Settlement" means this Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims.

C. "Aggrieved Employees" and/or "PAGA Class" means all non-exempt employees who are or previously were employed by PAQ, Inc. dba Food4Less and Rancho San Miguel Markets ("Defendant") and performed work in California during the PAGA Period.

D. "Aggrieved Employee Payment" shall mean an Aggrieved Employee's pro rata share of twenty-five percent (25%) of the PAGA Payment ($50,000.00) that will be distributed to the Aggrieved Employee based on the Aggrieved Employee's PAGA Payment Ratio, as described in this Agreement.

E. "California Class" and/or "Class Members" means all non-exempt employees who are or previously were employed by PAQ, Inc. dba Food4Less and Rancho San Miguel Markets ("Defendant") and performed work in California during the Class Period.

F. "Claims Administrator" means APEX CLASS ACTION, 18 Technology Drive, Suite 168, Irvine, CA 92618; Toll Free:1-800-355-0700. The Claims Administrator shall establish, designate, and maintain, a non-interest bearing QSF under Internal Revenue Code section 468B and Treasury Regulation section 1.468B-1, into which the Gross Settlement Amount will be deposited. The Claims Administrator shall maintain the funds until distribution in an account(s) segregated from the assets of Defendant and any person related to Defendant.

G. “Claims Administration Expenses” shall mean the amount paid to the Claims Administrator from the Gross Settlement Amount for administering the Settlement pursuant to this Agreement currently estimated not to exceed $54,000.00.

H. “Class Counsel” shall mean JCL Law Firm, APC, James Hawkins, APLC, and Zakay Law Group, APLC.

I. “Class Counsel Award” means the award of fees and expenses that the Court authorizes to be paid to Class Counsel for the services they have rendered to Plaintiffs, the California Class, and the Aggrieved Employees in the Action, consisting of attorneys’ fees not to exceed $1,500,000.00 (one-third of the Gross Settlement Amount of $4,500,000.00), plus costs of up to $50,000.00. The attorneys’ fees portion of the Class Counsel Award shall be collocated between Class Counsel in the following percentages: 25% to JCL Law Firm, APC, 25% to Zakay Law Group, APLC, and 50% to James Hawkins, APLC, subject to court approval. Payment for attorneys’ expenses shall be made to the firm or firms that incurred the expenses as demonstrated through declarations with supporting invoices submitted to the court, in a total amount not to exceed $50,000.00.

J. “Class Data” means information regarding Class Members that Defendant will in good faith compile from their records and provide to the Claims Administrator. It shall be formatted as a Microsoft Excel spreadsheet and shall include: each Class Member’s full name; last known address; employee ID number; Social Security Number; his or her number of workweeks worked during the Class Period as a Class Member; and his or her number of pay periods worked during the PAGA Period as an Aggrieved Employee (if applicable).

K. “Class Payment Ratio” means the respective Workweeks for each Settlement Class Member divided by the total Workweeks for all Settlement Class Members.

L. “Class Period” means the period between March 9, 2018, to the earlier of June 28, 2023, or the date on which the number of Workweeks covered by the settlement exceeds 435,000.

M. “Class Representatives” shall mean plaintiffs Laura Smith and Jesse Galindo.

N. “Court” means the Superior Court for the State of California, County of San Joaquin, currently presiding over the Action.

O. “Defendant” and/or “Defendants” shall mean PAQ Inc. dba Food4Less and Rancho San Miguel Markets.

P. “Funding Date” shall mean the date by which Defendant pays the Gross Settlement Amount, including payment for all claims, payment of Claims Administration Expenses, Attorneys’ Fees, Attorneys’ Expenses, Service Awards, and PAGA Payment to the Claims Administrator in accordance with the terms of this Agreement. Defendant will pay the Gross Settlement Amount, including payment for all claims, payment of Claims Administration Expenses, Attorneys’ Fees, Attorneys’ Expenses, Service Awards, and PAGA Payment sixty (60) days after notice of entry of an order and judgement by the Court granting final approval of this Settlement, provided no notice of appeal or petition for review is filed by any Class Member or intervenor. Should any Class Member or intervenor file a notice of appeal or petition for review, the “Funding Date” shall be thirty (30) days following the final disposition of any such appeal or petition for review, provided that the final approval of this Settlement is affirmed in full.

Q. “Gross Settlement Amount” means Four Million, Five Hundred Thousand Dollars and Zero Cents ($4,500,000.00) for payment of all claims, including payment of Claims Administration Expenses; Attorneys’ Fees; Attorneys’ Expenses; Service Awards; and the PAGA Payment. The Gross Settlement Amount is all-in with no reversion and exclusive of the employer’s share of payroll tax, if any, triggered by any payment under this Settlement, as calculated by the Claims Administrator. Under no condition will Defendant be required to pay more than the Gross Settlement Amount, except as provided in Section III(A)(2) below. Any amounts not approved by the Court shall be added to the Net Settlement Amount to be distributed to Settlement Class Members and shall not be grounds to object to or terminate the Settlement.

R. “Individual Settlement Payments” means the amount payable from the Net Settlement Amount to each Settlement Class Member, as calculated by the Claims Administrator, and excludes any amounts distributed to Aggrieved Employees pursuant to PAGA.

S. “LWDA” shall mean the California Labor and Workforce Development Agency.

T. “LWDA Payment” shall mean the seventy-five percent (75%) of the PAGA Payment ($150,000.00) payable to the to the LWDA.

U. "Net Settlement Amount" or "NSA" means the Gross Settlement Amount, less Class Counsel Award, Service Awards, PAGA Payment, and Claims Administration Expenses.

V. "Notice Packet" means the Settlement Notice to be provided to the Class Members by the Claims Administrator in substantially the same form set forth as Exhibit A to this Agreement (other than formatting changes to facilitate printing by the Claims Administrator), as approved by the Court.

W. "Operative Complaint" shall mean the Second Amended Complaint that will be filed in the Action pursuant to this Agreement that adds all of the previously unalleged claims and parties asserted in the following matters, *Galindo v. PAQ, Inc., et al.,* San Joaquin Superior Court Case Number STK-CV-UOE-2022-1799 filed on March 9, 2022, and *Smith v. PAQ, Inc., et al.,* San Joaquin Superior Court Case Number STK-CV-UOE-2020-0005825 filed on July 9, 2020, and which shall add the previously unasserted claims pursued at mediation, including claims for cellular phone reimbursement under Labor Code section 2802 and alleged "off-the-clock" COVID checks.

X. "PAGA" means the California Labor Code Private Attorneys General Act of 2004, Labor Code § 2698 et seq.

Y. "PAGA Payment Ratio" means the respective Pay Periods during the PAGA Period for each Aggrieved Employee divided by the total Pay Periods for all Aggrieved Employees during the PAGA Period.

Z. "PAGA Pay Periods," for purposes of calculating the distribution of the Aggrieved Employee Payment, as defined herein, means the number of pay periods of employment during the PAGA Period that each Aggrieved Employee worked in California.

AA. "PAGA Period" means the period between April 6, 2019 to the earlier of June 28, 2023 or the date on which the number of Workweeks covered by the settlement does not exceed 435,000.

BB. "PAGA Payment" shall mean Two Hundred Thousand Dollars and Zero Cents ($200,000.00) to be allocated from the Gross Settlement Amount for settlement of PAGA Claims asserted in the Action, as approved by the Court.

CC. “Parties” means Plaintiffs and Defendant, collectively, and “Party” shall mean either Plaintiffs or Defendant, individually.

DD. “Plaintiffs” shall mean Laura Smith and Jesse Galindo.

EE. Qualified Settlement Fund or “QSF” means the account established, designated, and maintained under Internal Revenue Code section 468B and Treasury Regulation section 1.468B-1 by the Claims Administrator to fund the Gross Settlement Amount.

FF. “Released Class Claims” shall mean all class claims alleged, or reasonably could have been alleged based on the facts alleged, in the Operative Complaint in the Action which occurred during the Class Period, including but not limited to claims for violations of and/or for wages, compensatory damages, business expense reimbursement, meal and rest period compensation, actual damages, restitution, liquidated damages, declaratory relief, injunctive or other equitable relief, interest, attorney’s fees and/or costs, and/or penalties recoverable under Labor Code sections 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 226, 226.2, 226.3, 226.7, 246, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 2802, 2804, and the applicable IWC Wage Order(s), and Business and Professions Code sections 17200, *et seq*., and expressly excluding other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, and class claims outside of the Class Period, and any and all claims alleged in the *Melissa Destarac et al. vs. PAQ, Inc.* (San Joaquin Superior Court Case No. STK-CV-UOE-2022-2981) not encompassed by the *Smith* and *Galindo* actions.

GG. “Released PAGA Claims” shall mean all PAGA claims alleged in the Operative Complaints in the Action, plaintiff Galindo’s November 16, 2021 PAGA notice to the LWDA and plaintiff Smith’s July 9, 2020 PAGA notice to the LWDA, which occurred during the PAGA Period, including but not limited to claims for civil penalties, attorneys’ fees and/or costs, or interest for violations of Labor Code sections 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 226, 226.2, 226.3, 226.7, 246, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1197.14, 1198, 1199, 2802, 2804, and the applicable IWC Wage Order(s), 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, and any and all claims for

PAGA penalties alleged in the *Melissa Destarac et al. vs. PAQ, Inc*. (San Joaquin Superior Court Case No. STK-CV-UOE-2022-2981) not encompassed by the *Smith* and *Galindo* actions.

HH. "Released Parties" shall mean Defendant and their attorneys, insurers, brands, concepts, parents, affiliates, subsidiaries, predecessors, successors, assigns, and any past, present or future officers, directors, and exempt employees, and any individual or entity that could be jointly liable with Defendant.

II. "Response Deadline" means the date forty-five (45) calendar days from the date the Notice Packet is first mailed.

JJ. "Service Award" means an award in the amount of up to $10,000.00 or in an amount that the Court authorizes to be paid to each individual Class Representative, in addition to their Individual Settlement Payment and their individual Aggrieved Employee Payment, in recognition of their efforts and risks in assisting with the prosecution of the Action.

KK. "Settlement" means the disposition of the Action pursuant to this Agreement.

LL. "Settlement Class Members" or "Settlement Class" means all Class Members who have not submitted a timely and valid request for exclusion as provided in this Agreement and determined by the Claims Administrator.

MM. "Workweeks" shall mean any seven (7) consecutive days beginning on Sunday and ending on Saturday, in which a Class Member is employed by Defendant during the Class Period in California and recorded any time worked. The Workweeks will be calculated by the Claims Administrator based on the Class Data and will be presumed to be correct, unless a particular Class Member proves otherwise to the Claim Administrator by credible written evidence. All Workweek disputes will be resolved and decided by the Claims Administrator, and the Claims Administrator's decision on all Workweek disputes will be final. Defendant's Counsel has advised that approximately 163 individuals were employed by Defendant as hourly employees but do not have recorded work time during the class period due to the employee(s) being on a leave of absence or because the employee(s) were hired but failed to appear for their scheduled shift. The Parties have agreed to assign these employees one workweek for purposes of the settlement.

II. RECITALS

A. On July 9, 2020, plaintiff Smith served the LWDA with a PAGA notice and served the same on Defendant. On the same date, plaintiff Smith filed a class action complaint against Defendant in the San Joaquin County Superior Court, Case Number STK-CV-UOE-2020-0005825 ("*Smith* Action"). The *Smith* Action alleged the following: (1) Failure to Pay Wages; (2) Failure to Provide Meal Periods as Required; (3) Failure to Provide Rest Periods as Required; (4) Failure to Pay Timely Wages; (5) Failure to Provide Accurate Itemized Wage Statements; and (6) Violations of Business and Professions Code § 17200 *et seq.*

B. On November 30, 2020, Plaintiff Smith amended the *Smith* Action adding an additional cause of action for Violations of the Private Attorneys General Act. Thereafter, Plaintiff Smith filed a Second Amended Representative Action in the San Joaquin Superior Court, Case No. STK-CV-UOE-2020-0005825.

C. On November 16, 2021, Plaintiff Galindo served the LWDA with a PAGA Notice and served the same on Defendant.

D. On January 24, 2022, Plaintiff Galindo filed this Action, a Representative Action Complaint in the San Joaquin County Superior Court, Case Number STK-CV-UOE-2022-0000452, alleging a single cause of action for Violations of the Private Attorneys General Act ("*Galindo* PAGA Action").

E. On March 9, 2022, Plaintiff Galindo filed a class action complaint against Defendant in the San Joaquin County Superior Court, Case Number STK-CV-UOE-2022-01799 ("*Galindo* Class Action") asserting eight causes of action against Defendant. The complaint alleged the following: (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; and (8) Failure To Reimburse Employees For Required Expenses In Violation Of Cal. Lab. Code § 2802

F. On May 3, 2022, Plaintiff Galindo filed a First Amended Complaint in the *Galindo* PAGA Action.

G. On June 20, 2022, the *Galindo* Class Action and *Galindo* PAGA Action were consolidated; the earlier filed *Galindo* PAGA Action designated as the lead matter (STK-CV-UOE-2022-0000452).

H. The Class Representatives believe they have claims based on alleged violations of the California Labor Code, and the Industrial Welfare Commission Wage Orders, and that class certification is appropriate because the prerequisites for class certification can be satisfied in the Action, and this action is manageable as a PAGA representative action.

I. Defendant denies any liability or wrongdoing of any kind associated with the claims alleged in the Action, disputes any wages, damages and penalties claimed by the Class Representatives, alleged in the Operative Complaint, and/or alleged in the Class Representatives' PAGA notices to the LWDA are owed, and further contends that, for any purpose other than settlement, the Action is not appropriate for class or representative action treatment. Defendant contends, among other things, that at all times they complied with the California Labor Code, Industrial Welfare Commission Wage Orders, and applicable law.

J. The Class Representatives are represented by Class Counsel. Class Counsel investigated the facts relevant to the Action, including conducting an independent investigation as to the allegations, reviewing documents and information exchanged through informal discovery, and reviewing documents and information provided by Defendant pursuant to informal requests for information to prepare for mediation. Defendant produced for the purpose of settlement negotiations certain employment data concerning the Class, which Class Counsel reviewed and analyzed with the assistance of an expert. Based on their own independent investigation and evaluation, Class Counsel are of the opinion that the Settlement with Defendant is fair, reasonable, and adequate, and is in the best interest of the Class considering all known facts and circumstances, including the risks of significant delay, defenses asserted by Defendant, uncertainties regarding class certification, and numerous potential appellate issues. Although it denies any liability, Defendant agrees to this Settlement solely to avoid the inconveniences and cost of further litigation. The Parties and their counsel have agreed to settle the claims on the terms set forth in this Agreement.

K. On June 28, 2023, the Parties participated in full day mediation presided over by Jeffrey A. Ross, Esq., an experienced mediator of wage and hour class and PAGA actions. The Parties accepted a Mediator's settlement proposal, which was subsequently memorialized in the form of a Memorandum of Understanding.

L. This Agreement replaces and supersedes the Memorandum of Understanding and any other agreements, understandings, or representations between the Parties. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant that the claims in the Action of Plaintiffs or the California Class Members have merit or that Defendant bears any liability to Plaintiffs or the California Class on those claims or any other claims, or as an admission by Plaintiffs that Defendant's defenses in the Action have merit.

M. The Parties believe that the Settlement is fair, reasonable, and adequate. The Settlement was arrived at through arm's-length negotiations, considering all relevant factors. The Parties recognize the uncertainty, risk, expense, and delay attendant to continuing the Action through trial and any appeal. Accordingly, the Parties desire to settle, compromise and discharge all disputes and claims arising from or relating to the Action fully, finally, and forever.

N. The Parties agree to certification of the Class for purposes of this Settlement only. If for any reason the Settlement does not become effective, Defendant reserves the right to contest certification of any class for any reason and reserves all available defenses to the claims in the Action. The Settlement, this Agreement, and the Parties' willingness to settle the Action will have no bearing on and will not be admissible in connection with any litigation.

Based on these Recitals that are a part of this Agreement, the Parties agree as follows:

III. <u>TERMS OF AGREEMENT</u>

A. <u>Settlement Consideration and Settlement Payments by Defendants</u>.

1. Settlement Consideration. In full and complete settlement of the Action, and in exchange for the releases set forth below, Defendant will pay the Gross Settlement Amount. Other than Defendant's share of employer payroll taxes, as determined by the Claims Administrator, Defendant shall not be required to pay more than the Gross Settlement Amount.

2. Class Size. Defendant represents that, at the time of mediation, the California Class was comprised of approximately 8,085 individuals who collectively worked approximately 435,000 Workweeks during the Class Period. In regard hereto, Defendant will provide a declaration under penalty of perjury confirming these numbers seven (7) days prior to Plaintiffs' deadline to file their motion for preliminary approval of the settlement.

3. Settlement Payment. Defendant shall deposit the Gross Settlement Amount into a non-interest bearing QSF, through the Claims Administrator on or before the Funding Date.

4. Defendant's Share of Payroll Taxes. Defendant's share of employer-side payroll taxes shall be calculated by the Claims Administrator and paid into the QSF in addition to the Gross Settlement Amount on the Funding Date.

B. Release by Settlement Class Members. Upon entry of final judgment and funding of the Gross Settlement Amount, in exchange for the consideration set forth in this Agreement, Plaintiffs and the Settlement Class Members release the Released Parties from the Released Class Claims.

C. Release by the Aggrieved Employees. Upon entry of final judgment and funding of the Gross Settlement Amount, in exchange for the consideration set forth in this Agreement, the Plaintiffs, and the LWDA release the Released Parties from the Released PAGA Claims. As a result of this release, the Aggrieved Employees shall be precluded from bringing claims against Defendant for the Released PAGA Claims.

D. Additional General Release and Waiver of Claims by Plaintiffs.

1. In addition to the releases set forth above, Plaintiffs, in their individual capacity, agree to release the Released Parties from any and all claims, known and unknown, under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, arising as of the date of execution of this Agreement, including but not limited to claims arising from

or related to Plaintiffs' employment with Defendant, separation of employment from Defendant, and any acts that have or could have been asserted in any legal action or proceeding against Defendant, whether known or unknown, arising under any federal, state or local law or statute, including, inter alia, those arising under the California Labor Code, Fair Labor Standards Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, Employee Retirement Income Security Act, National Labor Relations Act, California Corporations Code, California Business and Professions Code, California Fair Employment and Housing Act, California Constitution (all as amended), and law of contract and tort, as well as for discrimination, harassment, retaliation, wrongful termination, lost wages, benefits, other employment compensation, emotional distress, medical expenses, other economic and non-economic damages, attorney fees, and costs (collectively, "Plaintiffs' Released Claims").

2. Plaintiffs execute this release with the full knowledge that the release covers all possible claims against the Released Parties, to the fullest extent permitted by law, except claims based on an alleged breach of this Agreement.

3. Notwithstanding the foregoing, the Parties expressly agree and acknowledge that nothing in this Agreement releases or waives any rights or claims the Parties may have with respect to any claims for workers' compensation or to other rights and claims that cannot be waived as a matter of law or public policy.

4. Even if Plaintiffs discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of Plaintiffs' Released Claims, those claims will remain released and forever barred. To effect a full and complete general release as described above, Plaintiffs expressly waive and relinquish all rights and benefits of section 1542 of the Civil Code of the State of California, and does so understanding and acknowledging the significance and consequence of specifically waiving section 1542. Section 1542 of the Civil Code of the State of California states as follows:

> **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. Thus, notwithstanding the provisions of section 1542, and to implement a full and complete release and discharge of the Released Parties, Plaintiffs expressly acknowledge this Settlement is intended to include in its effect, without limitation, all claims Plaintiffs do not know or suspect to exist in Plaintiffs' favor at the time of signing this Settlement, and that this Settlement contemplates the extinguishment of any such claims. Plaintiffs warrant that they have read this Settlement, including this waiver of California Civil Code section 1542, and that Plaintiffs have consulted with or had the opportunity to consult with counsel of Plaintiffs' choosing about this Settlement and specifically about the waiver of section 1542, and that Plaintiffs understand this Settlement and the section 1542 waiver, and so Plaintiffs freely and knowingly enter into this Settlement. Plaintiffs further acknowledge that Plaintiffs later may discover facts different from or in addition to those Plaintiffs now know or believe to be true regarding the matters released or described in this Settlement, and even so Plaintiffs agree that the releases and agreements contained in this Settlement shall remain effective in all respects notwithstanding any later discovery of any different or additional facts. Plaintiffs expressly assume any and all risk of any mistake in connection with the true facts involved in the matters, disputes, or controversies released or described in this Settlement or with regard to any facts now unknown to Plaintiffs relating thereto. Plaintiffs further acknowledge this waiver of the provisions of section 1542 was separately bargained for and is an essential and material term of this Agreement.

E. Amended Pleading and Dismissal of *Smith* PAGA Action. The Parties hereby stipulate and agree to the filing a Second Amended Complaint ("SAC") in the *Galindo* PAGA Action. The SAC will name plaintiff Smith as plaintiff in the Action and assert all class claims alleged in both in the *Smith* Action and the *Galindo* Class Action. Additionally, the SAC shall assert previously unalleged theories that were pursued by Plaintiffs at mediation, including a claim for cell-phone reimbursement under Labor Code Section 2802, and alleged "off-the-clock" COVID checks. As part of this Settlement, the Parties will execute a Stipulation for leave to file the SAC prior to seeking preliminary approval of this Settlement. Within ten (10) calendar days of the filing of the SAC, Plaintiffs will dismiss the *Smith* action (*Smith v. PAQ, Inc., et al.,* San Joaquin Superior Court Case Number STK-CV-UOE-2020-0005825) with prejudice.

F. Nullification of Settlement Agreement. In the event: (i) the Court does not grant preliminary or final approve this Settlement Agreement; (ii) the Court does not enter a final order and Judgment approving the Settlement; (iii) the Settlement does not become final or Effective; (iv) Defendant is in any way prevented or prohibited from obtaining a complete resolution of the Released Class Claims and Released PAGA Claims, or (v) if Defendant fails to fully fund the Gross Settlement Amount:

1. This Settlement Agreement shall be void *ab initio* and of no force or effect, and shall not be admissible in any judicial, administrative, or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural;

2. The conditional class certification (obtained for any purpose) shall be void ab initio and of no force or effect, and shall not be admissible in any judicial, administrative, or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural; and

3. None of the Parties to this Settlement will be deemed to have waived any claims, objections, defenses, or arguments in the Action, including with respect to the issue of class certification.

4. In the event that Defendant fails to fund the Gross Settlement Amount, Defendant shall bear the sole responsibility for any cost to issue or reissue any curative notice to the Settlement Class Members and all Claims Administration Expenses incurred to the date of nullification.

G. Certification of the Class. The Parties stipulate to conditional class certification of the Class for the Class Period for purposes of settlement only. In the event that this Settlement is not approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court, or in any way prevents or prohibits Defendant from obtaining a complete resolution of the Released Class Claims and Released PAGA Claims, the conditional class certification (obtained for any purpose) shall be void *ab initio* and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural.

H. Tax Liability. The Parties make no representations as to the tax treatment or legal effect of the payments called for, and California Class Members and/or Aggrieved Employees are not relying on any statement or representation by the Parties in this regard. California Class Members and/or Aggrieved Employees understand and agree that they will be responsible for the payment of any taxes and penalties assessed on the Individual Settlement Payments and/or Aggrieved Employees' individual shares of the Aggrieved Employee Payment described and will be solely responsible for any penalties or other obligations resulting from their personal tax reporting of Individual Settlement Payments and/or Aggrieved Employees' individual shares of the Aggrieved Employee Payment.

I. No Tax Advice. Neither Class Counsel nor Defendant's Counsel intends anything contained in this Settlement to constitute 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. Plaintiffs, California Class Members, and Aggrieved Employees understand and agree that except for Defendant's payment of the employer's portion of any payroll taxes, they will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein.

J. Preliminary Approval Motion. Class Counsel shall draft and file with the Court a Motion for Order Granting Preliminary Approval within thirty (30) days of the execution of this Agreement.

K. Claims Administrator. The Claims Administrator shall be responsible for: establishing and administering the QSF; establishing, hosting and maintaining a dedicated webpage throughout the administration process with links to pertinent documents, i.e., notice and related forms, and updates on settlement; calculating, processing and mailing payments to the Class Representatives, Class Counsel, LWDA and California Class Members; formatting, printing and mailing the Notice Packets to the Class Members as directed by the Court; conducting a National Change of Address search to update California Class Member addresses before mailing the Notice

Packets; receiving and reviewing for validity all objections and requests for exclusion; calculating workweeks, Individual Settlement Payments and Aggrieved Employee Payments, and resolving workweek disputes; re-mailing Notice Packets that are returned to the Class Member's new address; setting up, printing, and mailing reminder post cards, as needed; setting up a toll-free telephone number to receive calls from Class Members; hosting a dedicated webpage containing pertinent settlement information throughout the administration process, issuing checks to effectuate the payments due under this Settlement; calculating, deducting and remitting all legally required taxes from Individual Settlement Payments and Aggrieved Employee Payments and distributing tax forms for the Wage Portion, the Penalties Portion and the Interest Portion of the Individual Settlement Payments and/or Aggrieved Employee Payment; processing and mailing tax payments to the appropriate state and federal taxing authorities and providing documentation of same to Defendant; providing declaration(s) as necessary in support of preliminary and/or final approval of this Settlement; and other tasks as the Parties mutually agree or the Court orders the Claims Administrator to perform. The Claims Administrator shall keep the Parties timely apprised of the performance of all Claims Administrator responsibilities by among other things, sending a weekly status report to the Parties' counsel stating the date of the mailing, the number of opt outs from the Settlement it receives (including the numbers of valid and deficient), and number of objections received. The Claims Administrator will have the authority to resolve all disputes concerning the calculation of Individual Settlement Payments and Aggrieved Employee Payments, subject to the dollar limitations and calculations set forth in this Agreement. The Claims Administration Expenses, including without limitation the cost of printing and mailing the Notice Packet, will be paid out of the Gross Settlement Amount.

L. Notice Procedure.

1. Class Data. No later than ten (10) business days after notice of entry of the Court's order granting preliminary approval of this Settlement, Defendant shall provide the Claims Administrator with the Class Data for purposes of preparing and mailing Notice Packets to the Class Members.

2. Notice Packets. The Notice Packet shall contain the Notice of Pendency of Class and PAGA Representative Action Settlement and Final Hearing Date in a form substantially similar to the form attached as **Exhibit A**. The Notice Packet shall inform California Class Members and Aggrieved Employees that they need not do anything in order to receive an Individual Settlement Payment and/or an Aggrieved Employee Payment and of their obligation to keep the Claims Administrator apprised of their current mailing address, to which the Individual Settlement Payments and/or Aggrieved Employee Payment will be mailed following the Funding Date. The Notice Packet shall set forth the release to be given by all members of the Class who do not request to be excluded from the Settlement Class and the release to be given by Aggrieved Employees regardless of whether they exclude themselves from the Class, in exchange for their Individual Settlement Payment and Aggrieved Employee Payment, respectively; the number of Workweeks worked by each Class Member during the Class Period; and the number of PAGA Periods worked by each Aggrieved Employee during the PAGA Period, if any; and the estimated amount of their Individual Settlement Payment if they do not request to be excluded from the Settlement and the estimated amount of their Aggrieved Employee Payment, if any. The Claims Administrator shall use the Class Data to determine Class Members' Workweeks and PAGA Pay Periods. The Notice Packet will also advise the Aggrieved Employees that they will release the Released PAGA Claims and will receive their Aggrieved Employee Payment regardless of whether they request to be excluded from the Class. The Notice Packet will be provided in both English and Spanish.

3. Notice by First Class U.S. Mail. Upon receipt of the Class Data, the Claims Administrator will perform a search based on the National Change of Address Database to update and correct any known or identifiable address changes. No later than fourteen (14) calendar days after receipt of the Class Data, the Claims Administrator shall mail copies of the Notice Packet to all Class Members via regular First-Class U.S. Mail. The Claims Administrator shall exercise its best judgment to determine the current mailing address for each Class Member. The address identified by the Claims Administrator as the current mailing address shall be presumed to be the best mailing address for each Class Member.

4. Undeliverable Notices. Any Notice Packets returned to the Claims Administrator as non-delivered on or before the Response Deadline shall be re-mailed to any forwarding address provided within seven (7) days of receiving the returned notice. If no forwarding address is provided, the Claims Administrator shall promptly attempt to determine a correct address by lawful use of skip-tracing, or other search using the name, address and/or Social Security number of the Class Member involved, and shall then perform a re-mailing, if another mailing address is identified by the Claims Administrator. In addition, if the Notice Packet sent to any Class Member who is currently employed by Defendant is returned to the Claims Administrator as non-delivered and no forwarding address is provided, the Claims Administrator shall notify Defendant. Defendant will request that the currently employed Class Member provide a corrected address and transmit to the Claims Administrator any corrected address provided by the Class Member. Class Members who received a re-mailed Notice Packet shall have their Response Deadline extended ten (10) days from the original Response Deadline. If these procedures are followed, notice to Class Members shall be deemed to have been fully satisfied, and if the intended recipient of the Notice Packet does not receive the Notice Packet, the intended recipient shall nevertheless remain a Class Member and Aggrieved Employee (if applicable) and shall be bound by all terms of the Settlement and the final order and Judgment.

M. Disputes Regarding Individual Settlement Payments. Class Members will have the opportunity to dispute the number of Workweeks listed on his/her Notice Packet ("Workweek Dispute"). Any such dispute must be mailed to the Claims Administrator by the Response Deadline. The date of the postmark on the mailing envelope will be the exclusive means to determine whether a Workweek Dispute has been timely submitted. A valid Workweek Dispute must be in writing and should contain: (i) the Class Member's full name, signature, address, telephone number, and the last four digits of his or her Social Security number; (ii) the number of Workweeks the Class Member contends is correct; and (iii) any evidence supporting his or her contention. The information identified by Defendants in the Class Data will be presumed to be correct, unless a particular Class Member proves otherwise to the Claims Administrator by credible evidence. All Workweek Disputes will be resolved and decided by the Claims Administrator and the Claim Administrator's decision on all Workweek Disputes will be final.

N. Disputes Regarding Administration of Settlement. Any dispute not resolved by the Claims Administrator concerning the administration of the Settlement will be resolved by the Court under the laws of the State of California. Before any such involvement of the Court, counsel for the Parties will confer in good faith to resolve the disputes without the necessity of involving the Court.

O. Exclusions. The Notice Packet shall state that Class Members who wish to exclude themselves from the Settlement must submit a written request ("Request for Exclusion") to the Claims Administrator by the Response Deadline. To be valid, the Request for Exclusion must be in writing and must: (i) be signed by the Class Member; (ii) contain the name, address, telephone number, and the last four digits of the Social Security number of the Class Member requesting exclusion; (iii) clearly state the Class Member does not wish to be included in the Settlement; (iv) be returned via mail to the Claims Administrator as specified in the Notice Packet; and (v) be postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. Any Class Member who submits a valid Request for Exclusion shall be excluded from the Settlement Class and will not be entitled to an Individual Settlement Payment and will not be otherwise bound by the terms of the Settlement or have any right to object, appeal, or comment thereon. However, any Class Member that submits a valid Request for Exclusion that is also an Aggrieved Employee will still receive his/her Aggrieved Employee Payment, and in consideration, will be bound by the Release by the PAGA Class as set forth herein. Class Members who fail to submit a valid Request for Exclusion shall be bound by all terms of the Settlement and any final judgment entered in this Action if the Court approves the Settlement. No later than seven (7) calendar days after the Response Deadline, the Claims Administrator shall provide counsel for the Parties with a final list of the Class Members who have submitted valid Requests for Exclusion. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage members of the Class to submit Requests for Exclusion from the Settlement.

P. Objections.

1. The Notice Packet shall state that Class Members who wish to object to the Settlement may submit to the Claims Administrator a written statement of objection ("Notice of Objection") by the Response Deadline. The postmark date of mailing shall be deemed the exclusive means for determining that a Notice of Objection was served timely. The Notice of Objection, if in writing, must be signed by the Settlement Class Member and state: (1) the case name and number; (2) the name of the Settlement Class Member; (3) the address of the Settlement Class Member; (4) the last four digits of the Settlement Class Member's Social Security number; (5) the basis for the objection; and (6) if the Settlement Class Member intends to appear at the Final Approval/Settlement Fairness Hearing. Settlement Class Members who fail to make objections in writing in the manner specified above may still make their objections orally at the Final Approval/Settlement Fairness Hearing with the Court's permission. Settlement Class Members will have a right to appear at the Final Approval/Settlement Fairness Hearing to have their objections heard by the Court regardless of whether they submitted a written objection. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to file or serve written objections to the Settlement or appeal from the Order and Final Judgment. Class Members who submit a written Request for Exclusion may not object to the Settlement. Class Members may not object to the PAGA Payment.

2. A Class Member who does not submit a valid Request for Exclusion and who objects to the Settlement will still be considered a Settlement Class Member. If any Class Member submits a valid Request for Exclusion and also submits an objection to the Settlement or otherwise objects at the Final Approval/Settlement Fairness Hearing, the objection shall nullify the Request for Exclusion and the Class Member will be deemed a Settlement Class Member. In the event of a dispute regarding the validity of any objection to the Settlement, Class Counsel and Defendants' Counsel shall meet and confer in an attempt to reach agreement and, if they are unable to do so, the issue shall be submitted to the Court for determination on an expedited basis, through the submission of letter briefs of no more than five pages.

Q. <u>Allocation of the Gross Settlement Amount</u>.

1. Calculation of Individual Settlement Payments. Individual Settlement Payments shall be paid from the Net Settlement Amount and shall be paid pursuant to the formula set forth herein. Using the Class Data, the Claims Administrator shall add up the total number of Workweeks for all Class Members. The respective Workweeks for each Class Member will be divided by the total Workweeks for all Class Members, resulting in the Class Payment Ratio for each Class Member. Each Class Member's Class Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Class Member's estimated Individual Settlement Payments. Each Individual Settlement Payment will be reduced by any legally mandated employee tax withholdings (e.g., employee payroll taxes, etc.). Individual Settlement Payments for Class Members who submit valid and timely requests for exclusion will be redistributed to Settlement Class Members who do not submit valid and timely requests for exclusion on a pro rata basis based on their respective Class Payment Ratios.

2. Calculation of Aggrieved Employee Payments. Using the Class Data, the Claims Administrator shall add up the total number of PAGA Pay Periods for all Aggrieved Employees during the PAGA Period. The respective PAGA Pay Periods for each Aggrieved Employees will be divided by the total PAGA Pay Periods for all Aggrieved Employees, resulting in the "PAGA Payment Ratio" for each Aggrieved Employee. Each Aggrieved Employee's PAGA Payment Ratio will then be multiplied by $50,000.00 (i.e., 25% of the PAGA Payment that is to be allocated to Aggrieved Employees pursuant to PAGA), to calculate the individual's Aggrieved Employee Payment.

3. Allocation of Individual Settlement Payments. For tax purposes, Individual Settlement Payments shall be allocated and treated as one-third (1/3) wages ("Wage Portion"), and two-thirds (2/3) non-wage income, including penalties and interest ("Penalties and Interest Portion"). The Wage Portion of the Individual Settlement Payments shall be reported on IRS Form W-2 and the Penalty and Interest Portion of the Individual Settlement Payments shall be reported on IRS Form 1099 issued by the Settlement Agreement.

4. Allocation of Aggrieved Employee Payments. For tax purposes, Aggrieved Employee Payments shall be allocated and treated as 100% penalties and shall be reported on IRS Form 1099.

5. No Credit Toward Benefit Plans. The Individual Settlement Payments and Aggrieved Employee Payments, as well as any other payments made pursuant to this Settlement Agreement, will not be utilized to calculate any additional benefits under any benefit plans to which any Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Class Members may be entitled under any benefit plans.

6. No Additional Compensation or Benefits. All monies received by Settlement Class Members under the Settlement which are attributable to wages shall constitute income to such Settlement Class Members solely in the year in which such monies are received by the Settlement Class Members. It is the intent of the Parties that Individual Settlement Payments and Aggrieved Employee Payments are the sole payments to be made by Defendant to Settlement Class Members and/or Aggrieved Employees in connection with this Settlement Agreement, with the exception of Plaintiffs' Service Awards, and that the Settlement Class Members and/or Aggrieved Employees are not entitled to any new or additional compensation or benefits as a result of having received the Individual Settlement Payments and/or their shares of the Aggrieved Employee Payment.

7. Mailing. Individual Settlement Payments and Aggrieved Employee Payments shall be mailed by regular First-Class U.S. Mail to Settlement Class Members' and/or Aggrieved Employees' last known mailing address no later than fifteen (15) business days after the Funding Date. The Claims Administrator may, in its discretion, distribute Individual Settlement Payments and Aggrieved Employee Payments by way of a single check that combines both payments.

8. Expiration. Any checks issued to Settlement Class Members and Aggrieved Employees shall remain valid and negotiable for one hundred and eighty (180) days from the date of their issuance. If a Settlement Class Member and/or Aggrieved Employees does not cash his or her settlement check within ninety (90) days, the Claims Administrator will send a letter to such persons,

advising that the check will expire after the 180th day, and invite that Settlement Class Member and/or Aggrieved Employees to request reissuance in the event the check was destroyed, lost, or misplaced. In the event an Individual Settlement Payment and/or Aggrieved Employees' individual share of the PAGA Payment check has not been cashed within one hundred and eighty (180) days, all funds represented by such uncashed checks, plus any interest accrued thereon, shall be paid in accord with California Code of Civil Procedure Section 384 to the Children's Advocacy Institute ("CAI"), a nonprofit founded at the University of San Diego School of Law in 1989, and is one of the nation's premiere academic, research, and advocacy organizations working to improve the lives of children and youth, with special emphasis on improving the child protection and foster care systems and enhancing resources that are available to youth aging out of foster care. Should the Court not approve CAI as the recipient of the uncashed funds, the uncashed funds shall be deposited with the State Controller's Unclaimed Property Fund in the name of the Class Member who did not claim the funds.

9. Service Award. In addition to the Individual Settlement Payment as a Settlement Class Member and their Aggrieved Employee Payment, Plaintiffs will apply to the Court for an award of not more than $10,000.00 each, as the Service Award. Defendant will not oppose a Service Award of not more than $10,000.00 for each Plaintiff. The Claims Administrator shall pay the Service Award, either in the amount stated herein if approved by the Court or some other amount as approved by the Court, to Plaintiffs from the Gross Settlement Amount no later than the Funding Date. Any portion of the requested Service Award that is not awarded to the Class Representatives shall be part of the Net Settlement Amount and shall be distributed to Settlement Class Members as provided in this Agreement. The Claims Administrator shall issue an IRS Form 1099 — MISC to Plaintiff for his Service Award. Plaintiffs shall be solely and legally responsible to pay any and all applicable taxes on their Service Award and shall hold harmless the Released Parties from any claim or liability for taxes, penalties, or interest arising as a result of the Service Award. Approval of this Settlement shall not be conditioned on Court approval of the requested amount of the Service Award. If the Court reduces or does not approve the requested Service Award, Plaintiffs shall not have the right to object to or revoke the Settlement, and it will remain binding. To receive the Service Award,

Plaintiffs agree to a California Civil Code section 1542 waiver and general release of all claims as set forth below.

10. Class Counsel Award. Defendant understands, and will not oppose, a motion for Attorneys' Fees not to exceed one-third of the Gross Settlement Amount, currently estimated to be One Million Five Hundred Thousand and Zero Cents ($1,500,000.00), and Attorneys' Expenses supported by declaration not to exceed Fifty Thousand Dollars and Zero Cents ($50,000.00). Any awarded Class Counsel Award shall be paid from the Gross Settlement Amount. Any portion of the requested Attorneys' Fees and/or Attorneys' Expenses that are not awarded to Class Counsel shall be part of the Net Settlement Amount and shall be distributed to Settlement Class Members as provided in this Agreement. The Claims Administrator shall allocate and pay the Class Counsel Award to Class Counsel from the Gross Settlement Amount no later than the Funding Date. Class Counsel shall be solely and legally responsible to pay all applicable taxes on the payment made pursuant to this paragraph. The Claims Administrator shall issue an IRS Form 1099 — MISC to Class Counsel for the payments made pursuant to this paragraph. If the Court reduces or does not approve the requested Class Counsel Award, Plaintiffs and Class Counsel shall not have the right to object to or revoke the Settlement, or to appeal such order, and the Settlement will remain binding.

11. PAGA Payment. Two Hundred Thousand Dollars and Zero Cents ($200,000.00) shall be allocated from the Gross Settlement Amount for settlement of claims for civil penalties under the Private Attorneys General Act of 2004 ("PAGA Payment"). The Claims Administrator shall pay seventy-five percent (75%) of the PAGA Payment ($150,000.00) to the California Labor and Workforce Development Agency no later than the Funding Date (hereinafter "LWDA Payment"). Twenty-five percent (25%) of the PAGA Payment ($50,000.00) will be distributed to the Aggrieved Employees as described in this Agreement. For purposes of distributing the PAGA Payment to the Aggrieved Employees, each Aggrieved Employee shall receive their pro-rata share using the PAGA Payment Ratio as defined above. If the Court approves a PAGA Payment of less than $200,000, the difference between $200,000 and the amount approved will be retained in the Net Settlement Amount for distribution to Settlement Class Members. If the Court requires a larger PAGA Payment than $200,000 then such additional sum will come out of the Net Settlement

Amount and will not be grounds to object to or revoke the Settlement, or to appeal such order, and the Settlement will remain binding.

12. Claims Administration Expenses. The Claims Administrator shall be paid for the costs of administration of the Settlement from the Gross Settlement Amount, as documented and approved by the Court. The estimate of the Claims Administration Expenses is $54,000.00. The Claims Administrator shall be paid the Claims Administration Expenses no later than the Funding Date. To the extent the Claims Administration Expenses that are documented and approved by the Court are less than $54,000.00, the remainder will be retained in the Net Settlement Amount for distribution to Settlement Class Members.

R. Final Approval Motion. Class Counsel and Plaintiffs shall use best efforts to obtain a hearing date for final approval when the Court grants preliminary approval of the Settlement and will comply with the Court's requirements on timely filing a motion for final approval ("Final Approval Motion"). Unless otherwise ordered by the Court, the Final Approval Motion will seek determination and approval of the amounts payable for the Service Award, the Class Counsel Award, the PAGA Payment, and the Claims Administration Expenses, and provide supporting document and declarations as necessary. Plaintiffs will provide Defendant with a draft of the Final Approval Motion at least three (3) business days prior to filing it to give Defendant an opportunity to propose changes or additions to the Motion.

1. Declaration by Claims Administrator. No later than seven (7) days after the Response Deadline, the Claims Administrator shall submit a declaration in support of Plaintiff's motion for final approval of this Settlement detailing the number of Notice Packets mailed and re-mailed to Class Members, the number of undeliverable Notice Packets, the number of timely requests for exclusion, the employee number of any Class Members who opt out of the Settlement, the number of objections received, the amount of the average, lowest, and highest Individual Settlement Payments, the amount of the average, lowest, and highest Aggrieved Employee Payments, the Claims Administration Expenses, and any other information as the Parties mutually agree or the Court orders the Claims Administrator to provide.

2. Final Approval Order and Judgment. Class Counsel shall present an Order Granting Final Approval of Class Action Settlement to the Court for its approval, and Judgment thereon, at the time Class Counsel files the Motion for Final Approval.

S. Review of Motions for Preliminary and Final Approval. Class Counsel will provide an opportunity for Counsel for Defendant to review the Motions for Preliminary and Final Approval, including the Order Granting Final Approval of Class Action Settlement, and Judgment at least three (3) business days in advance of filing with the Court. The Parties and their counsel will cooperate with each other and use their best efforts to affect the Court's approval of the Motions for Preliminary and Final Approval of the Settlement, and entry of Judgment.

T. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts to implement the Settlement.

U. Court Filings. The Parties agree not to object to any Court filings consistent with this Agreement.

V. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval/Settlement Fairness Hearing to be conducted by the Court.

W. Amendment or Modification. This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.

X. Entire Agreement. This Agreement and any attached Exhibit constitutes the entire Agreement among these Parties, and no oral or written representations, warranties or inducements have been made to any Party concerning this Agreement or its Exhibit other than the representations, warranties and covenants contained and memorialized in this Agreement and its Exhibit.

Y. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement and 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 required to effectuate the terms of this Agreement. The person signing this Agreement on behalf of Defendant represents and warrants that he/she is authorized to sign this Agreement on behalf of Defendant.

Plaintiffs represent and warrant that they are authorized to sign this Agreement and that they have not assigned any claim, or part of a claim, covered by this Settlement to a third-party.

Z. No Public Comment: The Parties and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry, or have any communication with the press about the fact, amount, or terms of the Settlement Agreement. Class Counsel further agrees not to use the Settlement Agreement or any of its terms for any marketing or promotional purposes. Nothing herein will restrict Class Counsel from including publicly available information regarding this settlement in future judicial submissions regarding Class Counsel's qualifications and experience. Further, Class Counsel will not include, reference, or use the Settlement Agreement for any marketing or promotional purposes, either before or after the Motion for Preliminary Approval is filed.

AA. Binding on Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the heirs, successors and/or assigns of the Parties, as previously defined.

BB. California Law Governs. All terms of this Agreement and the Exhibit and any disputes shall be governed by and interpreted according to the laws of the State of California.

CC. Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronic signature, 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 one and the same instrument. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

DD. This Settlement Is Fair, Adequate, and Reasonable. The Parties believe this Settlement is a fair, adequate, and reasonable settlement of this Action and have arrived at this Settlement after extensive arms-length negotiations, taking into account all relevant factors, present and potential.

EE. Continuing Jurisdiction. The Parties agree that the Court shall retain continuing jurisdiction over this case under California Code of Civil Procedure §664.6 to ensure the continuing implementation of the provisions of this settlement and that the time within which to bring this Action to trial under California Code of Civil Procedure §583.310 shall be extended from the date of the signing of this Agreement by all parties until the entry of the final approval order and judgment or if not entered, the date of this Agreement shall no longer be of any force or effect.

FF. Invalidity of Any Provision. Before declaring any provision of this Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable.

GG. No Unalleged Claims. Plaintiffs and Class Counsel represent that they do not currently intend to pursue any claims against the Released Parties, including, but not limited to, any and all claims relating to or arising from Plaintiffs' employment with Defendants, regardless of whether Class Counsel is currently aware of any facts or legal theories upon which any claims or causes of action could be brought against Released Parties, including those facts or legal theories alleged in the operative complaint in this Action. The Parties further acknowledge, understand, and agree that this representation is essential to the Agreement and that this Agreement would not have been entered into were it not for this representation.

HH. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class certification for purposes of this Settlement only.

II. Financial Audit. Defendant has provided financial documents, including Audited financials for 2022 (which include 2021), Interim financials for the first half of 2023, financial projections through the end of 2023, Documents showing the existence and the terms of the loan covenants, A document showing how a $4.5M settlement would impact the company's conformance to the covenants (collectively, "Financial Documents"), to support Defendant's representations regarding its condition during mediation to Plaintiffs' financial expert. Plaintiffs and Class Counsel have had adequate opportunity to review these documents, have reviewed these documents, and hereby reaffirm their support for this Settlement Agreement and that it is fair, reasonable, and adequate to the Class Members and Aggrieved Employees in light of all relevant factors. It is a material term of this Agreement that, unless otherwise ordered by the Court, the Financial Documents and the information contained therein are confidential and shall not be disclosed to anyone. Should the Court order disclosure of any part of the Financial Documents or of the information contained

therein, Plaintiffs agree to limit such disclosure to *in camera* review by the Court or, if the Court requires that any part of the Financial Documents or the information contained therein to be filed, to file such documents and/or information under seal.

JJ. No Admissions by the Parties. Plaintiffs have claimed and continue to claim that the Released Class Claims and Released PAGA Claims have merit and give rise to liability on the part of Defendant. Defendant claims that the Released Class Claims and Released PAGA Claims have no merit and do not give rise to liability. This Agreement is a compromise of disputed claims. Nothing contained in this Agreement and no documents referred to and no action taken to carry out this Agreement may be construed or used as an admission by or against the Defendant or Plaintiffs or Class Counsel as to the merits or lack thereof of the claims asserted. Other than as may be specifically set forth herein, each Party shall be responsible for and shall bear its/his own attorney's fees and costs.

AGREED AS TO FORM AND CONTENT, BY PLAINTIFFS:

DATED: 01/19/2024 Jesse Galindo

JESSE GALINDO

DATED: 1/19/2024 DocuSigned by: Laura smith 55E904D55CEC40D...

LAURA SMITH

AGREED AS TO FORM AND CONTENT, BY DEFENDANT:

DATED: ________________ ______________________________

PAQ, INC.

____

Printed Name

____

Title

therein, Plaintiffs agree to limit such disclosure to *in camera* review by the Court or, if the Court requires that any part of the Financial Documents or the information contained therein to be filed, to file such documents and/or information under seal.

JJ. No Admissions by the Parties. Plaintiffs have claimed and continue to claim that the Released Class Claims and Released PAGA Claims have merit and give rise to liability on the part of Defendant. Defendant claims that the Released Class Claims and Released PAGA Claims have no merit and do not give rise to liability. This Agreement is a compromise of disputed claims. Nothing contained in this Agreement and no documents referred to and no action taken to carry out this Agreement may be construed or used as an admission by or against the Defendant or Plaintiffs or Class Counsel as to the merits or lack thereof of the claims asserted. Other than as may be specifically set forth herein, each Party shall be responsible for and shall bear its/his own attorney's fees and costs.

AGREED AS TO FORM AND CONTENT, BY PLAINTIFFS:

DATED: ________________ ________________________________

JESSE GALINDO

DATED: ________________ ________________________________

LAURA SMITH

AGREED AS TO FORM AND CONTENT, BY DEFENDANT:

DATED: 1/11/2024 ________________________________

PAQ, INC.

Mike Molinar

Printed Name

President

Title

AGREED AS TO FORM BY COUNSEL:

DATED: January 19, 2024

JCL LAW FIRM, A.P.C.

By: ____________________

Jean-Claude Lapuyade, Esq.
Attorneys for Plaintiffs and the Settlement Class Members

DATED: January 19, 2024

ZAKAY LAW GROUP, APLC

By: ____________________

Shani O. Zakay, Esq.
Attorneys for Plaintiffs and the Settlement Class Members

DATED: January 19, 2024

JAMES HAWKINS, APLC

By: ____________________

James Hawkins, Esq.
Isandra Y. Fernandez, Esq.
Anthony L. Draper, Esq.
Attorneys for Plaintiffs and the Settlement Class Members

DATED: January 17, 2024

MAYALL HURLEY, APC

By: ____________________

Vladimir J. Kozina, Esq.
William J. Gorham III, Esq.
Attorneys for Defendant

EXHIBIT A

NOTICE OF PENDENCY OF CLASS AND PAGA REPRESENTATIVE ACTION SETTLEMENT AND FINAL HEARING DATE

(*Jesse Galindo v. PAQ, Inc.*, San Joaquin County Superior Court Case No. STK-CV-UOE-2022-452)

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	To receive a cash payment from the Settlement, you do **not** have to do anything. **Your estimated Individual Settlement Payment is: $<<___>>. See the explanation below.** After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, please notify the Claims Administrator as explained below. In exchange for the settlement payment, you will release claims against the Defendants as detailed below.
Exclude Yourself	If you wish to exclude yourself from the Settlement, you must send a written request for exclusion to the Claims Administrator as provided below. If you request exclusion, you will receive **no money from the Settlement**. Instructions are set forth below.
Object	You may write to the Court about why you believe the settlement should not be approved. Directions are provided below.

1. Why did I get this Notice?

A proposed class and PAGA representative action settlement (the "Settlement") of the above-referenced lawsuit pending in the Superior Court for the State of California, County of San Joaquin (the "Court") has been reached between Plaintiff Jesse Galindo ("Plaintiff Galindo") and Plaintiff Laura Smith ("Plaintiff Smith") (hereinafter collectively referred to as "Plaintiffs") and Defendant PAQ, Inc. dba Food4Less and/or Rancho San Miguel Markets (together, "Defendant"). The Court has granted preliminary approval of the Settlement. **You may be entitled to receive money from this Settlement.**

You have received this Settlement Notice because you have been identified as a member of the Class, which is defined as:

> All non-exempt employees who are or previously were employed by PAQ, Inc. dba Food4Less and/or Rancho San Miguel Markets ("PAQ") and performed work in California during the period between March 9, 2018, to the earlier of June, 28, 2023, or the date on which the number of Workweeks covered by this settlement does not exceed 435,000 ("Class Period").

This Settlement Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

On July 9, 2020, plaintiff Smith served the LWDA with a PAGA notice and served the same on Defendant. On the same date, plaintiff Smith filed a class action complaint against Defendant in the San Joaquin County Superior Court, Case Number STK-CV-UOE-2020-0005825 ("*Smith* Action"). The *Smith* Action alleged the following: (1) Failure to Pay Wages; (2) Failure to Provide Meal Periods as Required; (3) Failure to Provide Rest Periods as Required; (4) Failure to Pay Timely Wages; (5) Failure to Provide Accurate Itemized Wage Statements; and (6) Violations of Business and Professions Code § 17200 *et seq*.

On November 30, 2020, Plaintiff Smith amended the *Smith* Action adding an additional cause of action for Violations of the Private Attorneys General Act. Thereafter, Plaintiff Smith filed a Second Amended Representative Action in the San Joaquin Superior Court, Case No. STK-CV-UOE-2020-0005825.

On January 24, 2022, Plaintiff Galindo filed a representative action lawsuit against Defendant, alleging a single cause of action for Violations of the Private Attorneys General Act ("PAGA"). Plaintiff Galindo also filed a Notice of Violations with the Labor and Workforce Development Agency ("LWDA") pursuant to PAGA, and served the same on Defendant. On May 3, 2022, Plaintiff Galindo filed a First Amended Complaint.

On March 9, 2022, Plaintiff Galindo initiated the present action ("Action") against Defendant under PAGA, alleging similar underlying wage-and-hour violations as the class action. The class and PAGA actions were ultimately consolidated in the present action. The operative complaint is the Complaint that alleges claims 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; and (8) Failure To Reimburse Employees For Required Expenses In Violation Of Cal. Lab. Code § 2802.

On [[DATE]] Plaintiff Galindo filed a Second Amended Complaint amended the Action to include all claims asserted in the *Smith* and *Galindo* PAGA Actions and to include additional claims asserted in mediation, including claims for cellular phone reimbursement and alleged "off the clock" COVID-19 checks.

Defendant expressly denies any liability or wrongdoing of any kind associated with the claims alleged in the Action, dispute any wages, damages and penalties claimed by the Class Representatives are owed, and further contend that, for any purpose other than settlement, the Action is not appropriate for class or representative action treatment. Defendant contends, among other things, that at all times they complied with the California Labor Code, the Industrial Welfare Commission Wage Orders, and all applicable law.

On June 28, 2023, the Parties participated in an all-day mediation with Jeffrey A. Ross, Esq., an experienced mediator of wage and hour class and PAGA actions. The Parties reached an agreement for settlement. The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved the Plaintiffs to serve as the Class Representatives, and the law firms of JCL Law Firm, APC, Zakay Law Group, APLC, and James Hawkins, APLC to serve as Class Counsel.

3. What are the terms of the Settlement?

Gross Settlement Amount. Defendant has agreed to pay an "all in" amount of Four Million, Five Hundred Thousand Dollars and Zero Cents ($4,500,000.00) (the "Gross Settlement Amount") to fund the settlement.

The Gross Settlement Amount includes the payment of all Individual Settlement Payments, Claims Administration Expenses, Class Counsel Award, Service Award, and the PAGA Payment.

After the Judgment becomes Final, Defendant will pay the Gross Settlement Amount by depositing the money with the Claims Administrator. "Final" means the date the Judgment is no longer subject to appeal, or if an appeal is filed, the date the appeal process is completed, and the Judgment is affirmed.

Amounts to be Paid from the Gross Settlement Amount. The Settlement provides for certain payments to be made from the Gross Settlement Amount, which will be subject to final Court approval, and which will be deducted from the Gross Settlement Amount before settlement payments are made to Class Members, as follows:

i. Claims Administration Expenses. Payment to the Claims Administrator, estimated not to exceed $54,000.00, for expenses incurred in administering the Settlement, including expenses of sending this Notice, processing opt outs, and distributing settlement payments.

ii. Class Counsel Award. Payment to Class Counsel of an award of attorneys' fees of no more than 1/3 of the Gross Settlement Amount (currently $1,500,000.00) and actually incurred litigation expenses of not more than $50,000 for all expenses incurred as documented in Class Counsel's billing records, both subject to Court approval. Class Counsel have been prosecuting the Action on behalf of Plaintiff and the Class on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses.

iii. Service Award. A Service Award of up to Ten Thousand Dollars and Zero Cents ($10,000.00) to each individual Plaintiff, or such lesser amount as may be approved by the Court, to compensate them for services on behalf of the Class in initiating and prosecuting the Action.

iv. PAGA Payment. A payment of $200,000.00 for PAGA penalties, $150,000.00 of which will be paid to the LWDA and the remaining $50,000.00 ("Individual PAGA Portion") will be distributed to Aggrieved Employees as described herein..

- Calculation of Payments to Settlement Class Members. After all the above payments of the court-approved Class Counsel Award, the Service Award, the PAGA Payment, and the Claims Administration Expenses are deducted from the Gross Settlement Amount, the remaining portion, called the "Net Settlement Amount," shall be distributed to class members who do **not** request exclusion ("Settlement Class Members"). The Individual Settlement Payment for each Settlement Class Member will be calculated by dividing the respective Workweeks for that Settlement Class Member by the total Workweeks for all Settlement Class Members, and multiplying that result by the Net Settlement Amount.
- A "Workweek" is defined as any seven (7) consecutive days beginning on Sunday and ending on Saturday, in which a Class Member is employed by Defendant during the Class Period in California and recorded any work performed. The Workweeks will be calculated by the Settlement Administrator based on the Class Data and will be presumed to be correct, unless a particular Class Member proves otherwise to the Claim Administrator by credible written evidence. All Workweek disputes will be resolved and decided by the Claims Administrator, and the Claims Administrator's decision on all Workweek disputes will be final.

- Calculation of Aggrieved Employees Payments to Aggrieved Employees. The Individual PAGA Portion shall be distributed to Aggrieved Employees irrespective of whether they exclude themselves or opt-out of this Settlement. An Aggrieved Employee's payment from the Individual PAGA Portion ("Aggrieved Employee Payment") will be calculated by dividing the individual's respective pay periods worked during the PAGA Period by the total pay periods for all Aggrieved Employees during the PAGA Period, and multiplying that result by the Individual PAGA Portion. "Aggrieved Employee" means all non-exempt employees who are or previously were employed by PAQ, Inc. dba Food4Less and Rancho San Miguel Markets and performed work in California at any time during the period between April 6, 2019 to the earlier of June 28, 2023 or the date on which the number of workweeks covered by this settlement does not exceed 435,000 ("PAGA Period").

If the Court grants final approval of the Settlement, you will automatically be mailed a check for your Individual Settlement Payment and Aggrieved Employee Payment (if applicable) to the same address as this Settlement Notice. You do not have to do anything to receive a payment. If your address has changed, you must contact the Claims Administrator to inform them of your correct address to ensure you receive your payment.

Tax Matters. One-third (1/3) of each Individual Settlement Payment is allocated to wages. Taxes are withheld from this amount, and each Settlement Class Member will be issued an Internal Revenue Service Form W-2 for such payment. Two-thirds (2/3) of each Individual Settlement Payment is allocated to penalties and pre-judgment interests ("Penalty and Interest Portion"). Each Settlement Class Member will be issued an Internal Revenue Service Form 1099 for their Penalty Portion and Interest Portion of the Individual Settlement Payments. In addition, no taxes will be withheld from the Aggrieved Employee Payment, and each Aggrieved Employee will be issued an Internal Revenue Service Form 1099 for such payment. Neither Class Counsel nor Defendants' counsel intend anything contained in this Settlement to constitute advice regarding taxes or taxability. You may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement. The Claims Administrator may distribute the Individual Settlement Payment and Aggrieved Employee Payment to you in a single check that combines both payments.

No Credit Toward Benefit Plans. The Individual Settlement Payments and Aggrieved Employee Payments will not be utilized to calculate any additional benefits under any benefit plans to which any Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Class Members may be entitled under any benefit plans.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering judgment.

4. What Do I Release Under the Settlement?

Released Claims. Upon funding of the Gross Settlement Amount by Defendant, Plaintiffs and the Settlement Class Members shall release the Released Parties from all Released Class Claims for the Class Period. Released Class Claims means all class claims alleged, or reasonably could have been alleged based on the facts alleged, in the operative complaint in the *Galindo* action which occurred during the Class Period, including but not limited to claims for violations of and/or for wages, compensatory damages, business expense reimbursement, meal and rest period compensation, actual damages, restitution, liquidated damages, declaratory relief, injunctive or other equitable relief, interest, attorney's fees and/or costs, and/or penalties recoverable under Labor Code sections 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 226, 226.2, 226.3, 226.7, 246, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 2802, 2804, and the applicable IWC Wage Order(s), and Business and Professions Code sections 17200, *et seq*., 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, and any and all claims alleged in the *Melissa Destarac et al. vs. PAQ, Inc.* (San Joaquin Superior Court Case No. STK-CV-UOE-2022-2981) not encompassed by the *Smith* and *Galindo* actions. Upon funding of the Gross Settlement Amount by Defendant, Plaintiffs, all Aggrieved Employees, the LWDA, and the State of California shall release the Released Parties from all Released PAGA Claims for the PAGA Period, irrespective of whether they opted-out of the class settlement, and will be bound by this PAGA Release (the "PAGA Release"). "Released PAGA Claims" means all PAGA claims alleged in the operative complaint in the *Smith* and *Galindo* actions and Plaintiffs' PAGA notices to the LAWDA which occurred during the PAGA Period, including but not limited to claims for civil penalties, attorneys' fees and/or costs, or interest for violations of Labor Code sections 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 226, 226.2, 226.3, 226.7, 246, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1197.14, 1198, 1199, 2802, 2804, and the applicable IWC Wage Order(s), 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 PAGA Period, and any and all claims for PAGA penalties alleged in the *Melissa Destarac et al. vs. PAQ, Inc.* (San Joaquin Superior Court Case No. STK-CV-UOE-2022-2981) not encompassed by the *Smith* and *Galindo* actions

This means that, if you do not timely and formally exclude yourself from the settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant about the legal issues resolved by this Settlement. It also means that all of the Court's orders in this Action will apply to you and legally bind you.

5. How much will my payment be?

Defendant's records reflect that you have <<_____>> Workweeks worked during the Class Period March 9, 2018 through <<INSERT END DATE>>**.**

Based on this information, your estimated Individual Settlement Payment is <<_______>>.

Defendants' records reflect that you have <<_____>> pay periods worked during the PAGA Period (**April 6, 2019 through** <<INSERT END DATE>>**.**

Based on this information, your estimated Aggrieved Employee Payment is <<_______>>.

If you wish to challenge the information set forth above, then you must submit a written, signed dispute challenging the information along with supporting documents, to the Claims Administrator at the address provided in this Notice no later than _______________ [forty-five (45) days after the Notice or ten (10) days from the original response deadline for a re-mailed Notice].

6. How can I get a payment?

To get money from the settlement, you do not have to do anything. A check for your settlement payment will be mailed automatically to the same address as this Settlement Notice. If your address is incorrect or has changed, you must notify the Claims Administrator. The Claims Administrator is: Apex Class Action LLC.

The Court will hold a hearing on __________________ to decide whether to finally approve the Settlement. If the Court approves the Settlement and there are no objections or appeals, payments will be mailed within a few months after this hearing. If there are objections or appeals, resolving them can take time, perhaps more than a year. Please be patient. After entry of the Judgment, the Claims Administrator will provide notice of the final judgment to the Class Members by posting a copy of the Judgment on the administrator's website at www.__________________.com.

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or "opt out." **If you opt out, you will receive NO money from the Settlement, and you will not be bound by its terms, except as provided as follows**. Irrespective of whether you exclude yourself from the Settlement or "opt out," you will be bound by the PAGA Release, you will be deemed to have released the Released PAGA Claims, and you will receive your Aggrieved Employee Payment (if you qualify).

To opt out, you must submit to the Claims Administrator, by First Class Mail, a written, signed and dated request for exclusion postmarked no later than _______________. The address for the Claims Administrator is 18 Technology Drive, Suite 164; Tel: (800) 355-0700. The request for exclusion must state in substance that the Class Member has read the Class Notice and that he or she wishes to be excluded from the settlement of the class action lawsuit entitled *Jesse Galindo v. PAQ, Inc.,* currently pending in Superior Court of San Joaquin, Case No. STK-CV-UOE-2022-452. The request for exclusion must contain your name, current address, telephone number, signature and the last four digits of your Social Security Number for verification purposes. The request for exclusion must be signed by you. No other person may opt out for a member of the Class.

Written requests for exclusion that are postmarked after _____________, or are incomplete or unsigned will be rejected, and those Class Members will remain bound by the Settlement and the release described above.

8. How do I tell the Court that I would like to challenge the Settlement?

If you have not opted out and believe the Settlement should not be finally approved by the Court for any reason, you may object to the proposed Settlement. Objections may be in writing and state your name, current address, telephone number, signature, and last four digits of your Social Security Number for verification purposes, and describe why you believe the Settlement is unfair and whether you intend to appear at the final approval hearing. All written objections or other correspondence must also state the name and number of the case, which is ***Jesse Galindo v. PAQ, Inc.,* San Joaquin County Superior Court, Case No. STK-CV-UOE-2022-452**. Regardless of whether you submit a written objection, you may also appear at the final approval hearing (described in Section 9 below) and object..

To object to the Settlement, you cannot opt out. If the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object. Any Class Member who does not object in the manner provided in this Class Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

Written objections must be delivered or mailed to the Claims Administrator no later than _______________. The address for the Claims Administrator is 18 Technology Drive, Suite 164, CA 92618; Tel: 1-800-355-0700.

The addresses for the Parties' counsel are as follows:

Class Counsel:
Jean-Claude Lapuyade, Esq.
JCL Law Firm, APC
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Tel.: (619) 599-8292
Fax: (619) 599-2891
E-Mail: jlapuyade@jcl-lawfirm.com

Class Counsel:
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Class Counsel:
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9. When and where will the Court decide whether

The Court will hold a Final Approval Hearing at 00:00 AM/PM on ______________, at the San Joaquin County Superior Court, Department 10B, located at 180 E. Weber Ave., Stockton, CA 95202. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement. If there are objections, the Court will consider them. The Court will listen to people who have made a timely written request to speak at the hearing or who appear at the hearing to object. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

10. How do I get more information about the Settlement?

You may call the Claims Administrator at _________ or write to ***Jesse Galindo v. PAQ, Inc.,*** **San Joaquin County Superior Court, Case No. STK-CV-UOE-2022-452**, Claims Administrator, c/o __________________.

This notice summarizes the proposed settlement. More details are in the Settlement Agreement. You may receive a copy of the Settlement Agreement, the Final Judgment, or other Settlement documents by visiting the Claims Administrator's website at www.__________________.com.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- You must inform the Claims Administrator of any change of address to ensure receipt of your settlement payment.
- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Claims Administrator shall pay all funds from such uncashed checks to either a Cy Pres, in accordance with CCP §384, or the State Controller. If your check is lost or misplaced, you should contact the Claims Administrator immediately to request a replacement.

EXHIBIT 2

10B
5114

MAY 1 4 2024
Filed
STEPHANIE BOHRER, CLERK
By [signature]
DEPUTY

JCL LAW FIRM, APC
Jean-Claude Lapuyade (State Bar #248676)
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Attorneys for Plaintiff JESSE GALINDO

[Additional counsel on next page]

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN JOAQUIN

JESSE GALINDO, an individual, on behalf of himself, and on behalf of all persons similarly situated, Plaintiffs, vs. PAQ, INC., DBA FOOD 4 LESS and/or RANCHO SAN MIGUEL MARKETS; and DOES 1 through 50, Inclusive; Defendants.	Lead Case No. STK-CV-UOE-2022-0000452 *[Consolidated Case No. STK-CV-UOE-2022-0001799]* **[~~PROPOSED~~] ORDER GRANTING PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA ACTION SETTLEMENT** Date: MAY 1 4 2024 Time: 9:00am Judge: Hon. Blanca Banuelos Dept.: 10B

MAR 2 8 2024

FILE BY FAX

James R. Hawkins, Esq. (SBN 192925)
Isandra Y. Fernandez, Esq. (SBN 220482)
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Attorneys for Plaintiffs JESSE GALINDO and LAURA SMITH

This matter having come before the Honorable Judge Blanca Banuelos of the Superior Court of the State of California, in and for the County of San Joaquin, at 900 a.m./p.m. on May 14, 2024, with Jean-Claude Lapuyade, Esq., of the JCL Law Firm, APC, Shani O. Zakay, Esq. of the Zakay Law Group, APLC, Isandra Fernandez, Esq. and Lance Dacre, Esq. from James Hawkin, APLC as counsel for Plaintiffs JESSE GALINDO and LAURA SMITH ("Plaintiffs"), and Vladimir J. Kozina, Esq. and William J. Gorham III, Esq. of Mayall Hurley, APC, appearing for Defendant PAQ, Inc., a California Corporation (hereinafter "Defendant"). The Court, having carefully considered the briefs, argument of counsel and all the matters presented to the Court, and good cause appearing, hereby GRANTS Plaintiffs' Motion for Preliminary Approval of Class Action Settlement.

IT IS HEREBY ORDERED:

1. The Court preliminarily approves the Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims ("Settlement Agreement" or "Agreement"), a true and correct copy of which is attached hereto as **Exhibit "1"**. This is based on the Court's determination that the Settlement Agreement is within the range of possible final approval, pursuant to the provisions of Section 382 of the California Code of Civil Procedure and California Rules of Court, rule 3.769.

2. This Order incorporates by reference the definitions in the Agreement, and all terms defined therein shall have the same meaning in this Order as set forth in the Agreement.

3. Subject to the terms of the Settlement Agreement, the Gross Settlement Amount that Defendant shall pay is Four Million Five Hundred Thousand Dollars and Zero Cents ($4,500,000.00). It appears to the Court on a preliminary basis that the settlement amount and terms are fair, adequate, and reasonable as to all Class Members when balanced against the probable outcome of further litigation relating to certification, liability, and damages issues. It further appears that investigation and research have been conducted such that counsel for the Parties are able to reasonably evaluate their respective positions. It further appears to the Court that settlement at this time will avoid substantial additional costs by all Parties, as well as avoid the delay and risks that would be presented by the further prosecution of the litigation. It further appears that the Settlement has been reached as the result of intensive, serious, and non-collusive arms-length negotiations.

4. The Court preliminarily finds that the Settlement appears to be within the range of

BB

reasonableness of a settlement that could ultimately be given final approval by this Court. The Court has reviewed the monetary recovery that is being granted as part of the Settlement and preliminarily finds that the monetary settlement awards made available to the Class Members are fair, adequate, and reasonable when balanced against the probable outcome of further litigation relating to certification, liability, and damages issues.

5. Plaintiffs seek a Class Counsel Award in the amount of up-to one-third of the Total Settlement Amount, currently estimated at One Million Five Hundred Thousand Dollars and Zero cents ($1,500,000.00), plus reimbursement of actually incurred litigation cost in an amount of up to Fifty Thousand Dollars and Zero Centers ($50,000.00), and proposed Class Representative Service Award to the Class Representatives, Jesse Galindo and Laura Smith, in an amount of not more than Ten Thousand Dollars and Zero Cents ($10,000.00) to each individually. While these awards appear to be within the range of reasonableness, the Court will not approve the Class Counsel Award or the Class Representative Service Award until the Final Approval Hearing.

6. The Court recognizes that Plaintiffs and Defendant stipulate and agree to certification of a class for settlement purposes only. This stipulation will not be deemed admissible in this, or any other proceeding should this Settlement not become final. For settlement purposes only, the Court conditionally certifies the following Class:

> All current and former hourly-paid or non-exempt employees employed by Defendant in California during the Class Period between March 9, 2018, through June 28, 2023.

7. The Court concludes that, for settlement purposes only, the Class meets the requirements for certification under section 382 of the California Code of Civil Procedure in that: (a) the Class is ascertainable and so numerous that joinder of all members of the Class Members is impracticable; (b) common questions of law and fact predominate, and there is a well-defined community of interest amongst the Class Members with respect to the subject matter of the litigation; (c) the claims of the Class Representative are typical of the claims of the Class Members; (d) the Class Representative will fairly and adequately protect the interests of the Class Members; (e) a class action is superior to other available methods for the efficient adjudication of this controversy; and (f) Class Counsel are qualified

to act as counsel for the Class Representative in his individual capacity and as the representative of the Class Members.

8. The Court provisionally appoints Plaintiffs Jesse Galindo and Laura Smith as the representatives of the Class.

9. The Court provisionally appoints Jean-Claude Lapuyade, Esq., of the JCL Law Firm, APC, Shani Zakay, of the Zakay Law Group, APLC, Isandra Fernandez, Esq. and Lance Dacre, Esq. from James Hawkin, APLC as Class Counsel for the Class Members.

10. The Court hereby approves, as to form and content, the Proposed Class Notice ("Class Notice") attached to the Agreement as **Exhibit "A"**. The Court finds that the notice appears to fully and accurately inform the Class Members and Aggrieved Employees of all material elements of the proposed Settlement, including the right of any Class Member to be excluded from the Class by submitting a written request for exclusion, and of each Class Member's right and opportunity to object to the Settlement. The Court further finds that the distribution of the notices substantially in the manner and form set forth in the Agreement and this Order meets the requirements of due process, is the most reasonable notice under the circumstances, and shall constitute due and sufficient notice to all persons entitled thereto. The Court orders the mailing of the notices by first class mail, pursuant to the terms set forth in the Agreement.

11. The Court hereby appoints Apex Class Action LLC, as Settlement Administrator. Within ten (10) business days after the Preliminary Approval Date, Defendant shall provide the Settlement Administrator with the Class Data, including information regarding Class Members that Defendant will in good faith compile from its records, including each Class Member's full name; last known mailing address; Social Security Number; and total number of Class Period Workweeks and PAGA Pay Periods. No later than fourteen (14) calendar days after receiving the Class Data from Defendant, the Settlement Administrator shall mail copies of the Notice Packet to all Class Members via regular First-Class U.S. Mail.

12. The Court hereby preliminarily approves the proposed procedure for exclusion from the Settlement. Any Class Member may individually choose to opt out of and be excluded from the Settlement as provided in the Notice by following the instructions for requesting exclusion from the

Settlement of the Released Class Claims that are set forth in the Notice. All requests for exclusion must be postmarked or received by the Response Deadline which is forty-five (45) calendar days after the Settlement Administrator mails the Notice Packets to Class Members or, in the case of re-mailed Notice, not more than ten (10) days from the original Response Deadline. Any such person who chooses to opt out of and be excluded from the Settlement will not be entitled to an Individual Settlement Payment under the Settlement and will not be bound by the Settlement, or have any right to object, appeal or comment thereon. Class Members who have not requested exclusion shall be bound by all determinations of the Court, the Agreement, and Judgment.

13. Any Class Member who has not opted out may appear at the final approval hearing and may object or express the Class Member's views regarding the Settlement and may present evidence and file briefs or other papers that may be proper and relevant to the issues to be heard and determined by the Court as provided in the Notice. Class Members will have forty-five (45) calendar days from the date the Settlement Administrator mails the Class Notice to postmark their written objections to the Settlement Administrator.

14. A final approval hearing shall be held before this Court on September 17, 2024 **at** 9:00 **AM/PM** in Department 10B of the San Joaquin County Superior Court to determine all necessary matters concerning the Settlement, including: whether the proposed settlement of the Action on the terms and conditions provided for in the Agreement is fair, adequate and reasonable and should be finally approved by the Court; whether an Order Granting Final Approval should be entered herein: whether the plan of allocation contained in the Agreement should be approved as fair, adequate and reasonable to the Class; and to finally approve the Class Counsel Award, Class Representative Service Award, and the Claims Administration Expenses. All papers in support of the motion for final approval and the Motion for Class Counsel Award and Class Representative Service Award shall be filed with the Court and served on all counsel following the expiration of the Response Deadline.

15. In the event the Settlement does not become effective in accordance with the terms of the Agreement, or the Settlement is not finally approved, or is terminated, canceled, or fails to become effective for any reason, this Settlement Agreement shall be rendered null and void and shall be vacated, and the Parties shall revert to their respective positions as of before entering into the Agreement. In

such an event, the Court's orders regarding the Settlement, including this Preliminary Approval Order, shall not be used or referred to in litigation for any purpose. Nothing in this paragraph is intended to alter the terms of the Settlement Agreement with respect to the effect of the Settlement Agreement if it is not approved.

16. The Court reserves the right to adjourn or continue the date of the final approval hearing and all dates provided for in the Agreement without further notice to Class Members and retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement.

Dated: 5/14/24

JUDGE OF THE SUPERIOR COURT

EXHIBIT 1

JCL LAW FIRM, APC
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[Attorney caption continued on next page]

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN JOAQUIN

JESSE GALINDO and LAURA SMITH, individually, and on behalf of all persons similarly situated, Plaintiff, v. PAQ, INC., DBA FOOD 4 LESS and/or RANCHO SAN MIGUEL MARKETS, a California corporation; and DOES 1-50, Inclusive, Defendants.	Case No. STK-CV-UOE-2022-0000452 [Complaint Filed: March 9, 2022] **STIPULATION OF SETTLEMENT OF CLASS AND PAGA ACTION CLAIMS AND RELEASE OF CLAIMS**

James R. Hawkins, Esq. (SBN 192925)
Isandra Y. Fernandez, Esq. (SBN 220482)
Anthony L. Draper (SBN 344391)
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FAX: (949) 387-6676

Attorneys for Plaintiffs JESSE GALINDO and LAURA SMITH

This Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims is entered into by and between Plaintiffs JESSE GALINDO ("Plaintiff Galindo") and LAURA SMITH ("Plaintif Smith") (hereinafter collectively "Plaintiffs" and/or "Plaintiff"), individually and on behalf of the Class, and in their representative capacity on behalf of the State of California and the Aggrieved Employees, and Defendant PAQ, INC., dba FOOD 4 LESS and/or RANCHO SAN MIGUEL MARKETS, a California corporation (hereinafter "Defendant").

I. DEFINITIONS

A. "Action" shall mean the consolidated putative class and PAGA representative action lawsuit designated *Galindo. v. PAQ, Inc.*, San Joaquin County Superior Court, Lead Case No. STK-CV-UOE-2022-0000452, filed January 24, 2022, as amended.

B. "Agreement," "Settlement Agreement," or "Class and PAGA Settlement" means this Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims.

C. "Aggrieved Employees" and/or "PAGA Class" means all non-exempt employees who are or previously were employed by PAQ, Inc. dba Food4Less and Rancho San Miguel Markets ("Defendant") and performed work in California during the PAGA Period.

D. "Aggrieved Employee Payment" shall mean an Aggrieved Employee's pro rata share of twenty-five percent (25%) of the PAGA Payment ($50,000.00) that will be distributed to the Aggrieved Employee based on the Aggrieved Employee's PAGA Payment Ratio, as described in this Agreement.

E. "California Class" and/or "Class Members" means all non-exempt employees who are or previously were employed by PAQ, Inc. dba Food4Less and Rancho San Miguel Markets ("Defendant") and performed work in California during the Class Period.

F. "Claims Administrator" means APEX CLASS ACTION, 18 Technology Drive, Suite 168, Irvine, CA 92618; Toll Free:1-800-355-0700. The Claims Administrator shall establish, designate, and maintain, a non-interest bearing QSF under Internal Revenue Code section 468B and Treasury Regulation section 1.468B-1, into which the Gross Settlement Amount will be deposited. The Claims Administrator shall maintain the funds until distribution in an account(s) segregated from the assets of Defendant and any person related to Defendant.

G. "Claims Administration Expenses" shall mean the amount paid to the Claims Administrator from the Gross Settlement Amount for administering the Settlement pursuant to this Agreement currently estimated not to exceed $54,000.00.

H. "Class Counsel" shall mean JCL Law Firm, APC, James Hawkins, APLC, and Zakay Law Group, APLC.

I. "Class Counsel Award" means the award of fees and expenses that the Court authorizes to be paid to Class Counsel for the services they have rendered to Plaintiffs, the California Class, and the Aggrieved Employees in the Action, consisting of attorneys' fees not to exceed $1,500,000.00 (one-third of the Gross Settlement Amount of $4,500,000.00), plus costs of up to $50,000.00. The attorneys' fees portion of the Class Counsel Award shall be collocated between Class Counsel in the following percentages: 25% to JCL Law Firm, APC, 25% to Zakay Law Group, APLC, and 50% to James Hawkins, APLC, subject to court approval. Payment for attorneys' expenses shall be made to the firm or firms that incurred the expenses as demonstrated through declarations with supporting invoices submitted to the court, in a total amount not to exceed $50,000.00.

J. "Class Data" means information regarding Class Members that Defendant will in good faith compile from their records and provide to the Claims Administrator. It shall be formatted as a Microsoft Excel spreadsheet and shall include: each Class Member's full name; last known address; employee ID number; Social Security Number; his or her number of workweeks worked during the Class Period as a Class Member; and his or her number of pay periods worked during the PAGA Period as an Aggrieved Employee (if applicable).

K. "Class Payment Ratio" means the respective Workweeks for each Settlement Class Member divided by the total Workweeks for all Settlement Class Members.

L. "Class Period" means the period between March 9, 2018, to the earlier of June 28, 2023, or the date on which the number of Workweeks covered by the settlement exceeds 435,000.

M. "Class Representatives" shall mean plaintiffs Laura Smith and Jesse Galindo.

N. "Court" means the Superior Court for the State of California, County of San Joaquin, currently presiding over the Action.

O. "Defendant" and/or "Defendants" shall mean PAQ Inc. dba Food4Less and Rancho San Miguel Markets.

P. "Funding Date" shall mean the date by which Defendant pays the Gross Settlement Amount, including payment for all claims, payment of Claims Administration Expenses, Attorneys' Fees, Attorneys' Expenses, Service Awards, and PAGA Payment to the Claims Administrator in accordance with the terms of this Agreement. Defendant will pay the Gross Settlement Amount, including payment for all claims, payment of Claims Administration Expenses, Attorneys' Fees, Attorneys' Expenses, Service Awards, and PAGA Payment sixty (60) days after notice of entry of an order and judgement by the Court granting final approval of this Settlement, provided no notice of appeal or petition for review is filed by any Class Member or intervenor. Should any Class Member or intervenor file a notice of appeal or petition for review, the "Funding Date" shall be thirty (30) days following the final disposition of any such appeal or petition for review, provided that the final approval of this Settlement is affirmed in full.

Q. "Gross Settlement Amount" means Four Million, Five Hundred Thousand Dollars and Zero Cents ($4,500,000.00) for payment of all claims, including payment of Claims Administration Expenses; Attorneys' Fees; Attorneys' Expenses; Service Awards; and the PAGA Payment. The Gross Settlement Amount is all-in with no reversion and exclusive of the employer's share of payroll tax, if any, triggered by any payment under this Settlement, as calculated by the Claims Administrator. Under no condition will Defendant be required to pay more than the Gross Settlement Amount, except as provided in Section III(A)(2) below. Any amounts not approved by the Court shall be added to the Net Settlement Amount to be distributed to Settlement Class Members and shall not be grounds to object to or terminate the Settlement.

R. "Individual Settlement Payments" means the amount payable from the Net Settlement Amount to each Settlement Class Member, as calculated by the Claims Administrator, and excludes any amounts distributed to Aggrieved Employees pursuant to PAGA.

S. "LWDA" shall mean the California Labor and Workforce Development Agency.

T. "LWDA Payment" shall mean the seventy-five percent (75%) of the PAGA Payment ($150,000.00) payable to the to the LWDA.

U. "Net Settlement Amount" or "NSA" means the Gross Settlement Amount, less Class Counsel Award, Service Awards, PAGA Payment, and Claims Administration Expenses.

V. "Notice Packet" means the Settlement Notice to be provided to the Class Members by the Claims Administrator in substantially the same form set forth as Exhibit A to this Agreement (other than formatting changes to facilitate printing by the Claims Administrator), as approved by the Court.

W. "Operative Complaint" shall mean the Second Amended Complaint that will be filed in the Action pursuant to this Agreement that adds all of the previously unalleged claims and parties asserted in the following matters, *Galindo v. PAQ, Inc., et al.,* San Joaquin Superior Court Case Number STK-CV-UOE-2022-1799 filed on March 9, 2022, and *Smith v. PAQ, Inc., et al.,* San Joaquin Superior Court Case Number STK-CV-UOE-2020-0005825 filed on July 9, 2020, and which shall add the previously unasserted claims pursued at mediation, including claims for cellular phone reimbursement under Labor Code section 2802 and alleged "off-the-clock" COVID checks.

X. "PAGA" means the California Labor Code Private Attorneys General Act of 2004, Labor Code § 2698 et seq.

Y. "PAGA Payment Ratio" means the respective Pay Periods during the PAGA Period for each Aggrieved Employee divided by the total Pay Periods for all Aggrieved Employees during the PAGA Period.

Z. "PAGA Pay Periods," for purposes of calculating the distribution of the Aggrieved Employee Payment, as defined herein, means the number of pay periods of employment during the PAGA Period that each Aggrieved Employee worked in California.

AA. "PAGA Period" means the period between April 6, 2019 to the earlier of June 28, 2023 or the date on which the number of Workweeks covered by the settlement does not exceed 435,000.

BB. "PAGA Payment" shall mean Two Hundred Thousand Dollars and Zero Cents ($200,000.00) to be allocated from the Gross Settlement Amount for settlement of PAGA Claims asserted in the Action, as approved by the Court.

CC. "Parties" means Plaintiffs and Defendant, collectively, and "Party" shall mean either Plaintiffs or Defendant, individually.

DD. "Plaintiffs" shall mean Laura Smith and Jesse Galindo.

EE. Qualified Settlement Fund or "QSF" means the account established, designated, and maintained under Internal Revenue Code section 468B and Treasury Regulation section 1.468B-1 by the Claims Administrator to fund the Gross Settlement Amount.

FF. "Released Class Claims" shall mean all class claims alleged, or reasonably could have been alleged based on the facts alleged, in the Operative Complaint in the Action which occurred during the Class Period, including but not limited to claims for violations of and/or for wages, compensatory damages, business expense reimbursement, meal and rest period compensation, actual damages, restitution, liquidated damages, declaratory relief, injunctive or other equitable relief, interest, attorney's fees and/or costs, and/or penalties recoverable under Labor Code sections 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 226, 226.2, 226.3, 226.7, 246, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 2802, 2804, and the applicable IWC Wage Order(s), and Business and Professions Code sections 17200, *et seq*., and expressly excluding other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and class claims outside of the Class Period, and any and all claims alleged in the *Melissa Destarac et al. vs. PAQ, Inc.* (San Joaquin Superior Court Case No. STK-CV-UOE-2022-2981) not encompassed by the *Smith* and *Galindo* actions.

GG. "Released PAGA Claims" shall mean all PAGA claims alleged in the Operative Complaints in the Action, plaintiff Galindo's November 16, 2021 PAGA notice to the LWDA and plaintiff Smith's July 9, 2020 PAGA notice to the LWDA, which occurred during the PAGA Period, including but not limited to claims for civil penalties, attorneys' fees and/or costs, or interest for violations of Labor Code sections 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 226, 226.2, 226.3, 226.7, 246, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1197.14, 1198, 1199, 2802, 2804, and the applicable IWC Wage Order(s), 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, and any and all claims for

PAGA penalties alleged in the *Melissa Destarac et al. vs. PAQ, Inc.* (San Joaquin Superior Court Case No. STK-CV-UOE-2022-2981) not encompassed by the *Smith* and *Galindo* actions.

HH. "Released Parties" shall mean Defendant and their attorneys, insurers, brands, concepts, parents, affiliates, subsidiaries, predecessors, successors, assigns, and any past, present or future officers, directors, and exempt employees, and any individual or entity that could be jointly liable with Defendant.

II. "Response Deadline" means the date forty-five (45) calendar days from the date the Notice Packet is first mailed.

JJ. "Service Award" means an award in the amount of up to $10,000.00 or in an amount that the Court authorizes to be paid to each individual Class Representative, in addition to their Individual Settlement Payment and their individual Aggrieved Employee Payment, in recognition of their efforts and risks in assisting with the prosecution of the Action.

KK. "Settlement" means the disposition of the Action pursuant to this Agreement.

LL. "Settlement Class Members" or "Settlement Class" means all Class Members who have not submitted a timely and valid request for exclusion as provided in this Agreement and determined by the Claims Administrator.

MM. "Workweeks" shall mean any seven (7) consecutive days beginning on Sunday and ending on Saturday, in which a Class Member is employed by Defendant during the Class Period in California and recorded any time worked. The Workweeks will be calculated by the Claims Administrator based on the Class Data and will be presumed to be correct, unless a particular Class Member proves otherwise to the Claim Administrator by credible written evidence. All Workweek disputes will be resolved and decided by the Claims Administrator, and the Claims Administrator's decision on all Workweek disputes will be final. Defendant's Counsel has advised that approximately 163 individuals were employed by Defendant as hourly employees but do not have recorded work time during the class period due to the employee(s) being on a leave of absence or because the employee(s) were hired but failed to appear for their scheduled shift. The Parties have agreed to assign these employees one workweek for purposes of the settlement.

II. RECITALS

A. On July 9, 2020, plaintiff Smith served the LWDA with a PAGA notice and served the same on Defendant. On the same date, plaintiff Smith filed a class action complaint against Defendant in the San Joaquin County Superior Court, Case Number STK-CV-UOE-2020-0005825 ("*Smith* Action"). The *Smith* Action alleged the following: (1) Failure to Pay Wages; (2) Failure to Provide Meal Periods as Required; (3) Failure to Provide Rest Periods as Required; (4) Failure to Pay Timely Wages; (5) Failure to Provide Accurate Itemized Wage Statements; and (6) Violations of Business and Professions Code § 17200 *et seq.*

B. On November 30, 2020, Plaintiff Smith amended the *Smith* Action adding an additional cause of action for Violations of the Private Attorneys General Act. Thereafter, Plaintiff Smith filed a Second Amended Representative Action in the San Joaquin Superior Court, Case No. STK-CV-UOE-2020-0005825.

C. On November 16, 2021, Plaintiff Galindo served the LWDA with a PAGA Notice and served the same on Defendant.

D. On January 24, 2022, Plaintiff Galindo filed this Action, a Representative Action Complaint in the San Joaquin County Superior Court, Case Number STK-CV-UOE-2022-0000452, alleging a single cause of action for Violations of the Private Attorneys General Act ("*Galindo* PAGA Action").

E. On March 9, 2022, Plaintiff Galindo filed a class action complaint against Defendant in the San Joaquin County Superior Court, Case Number STK-CV-UOE-2022-01799 ("*Galindo* Class Action") asserting eight causes of action against Defendant. The complaint alleged the following: (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; and (8) Failúre To Reimburse Employees For Required Expenses In Violation Of Cal. Lab. Code § 2802

F. On May 3, 2022, Plaintiff Galindo filed a First Amended Complaint in the *Galindo* PAGA Action.

G. On June 20, 2022, the *Galindo* Class Action and *Galindo* PAGA Action were consolidated; the earlier filed *Galindo* PAGA Action designated as the lead matter (STK-CV-UOE-2022-0000452).

H. The Class Representatives believe they have claims based on alleged violations of the California Labor Code, and the Industrial Welfare Commission Wage Orders, and that class certification is appropriate because the prerequisites for class certification can be satisfied in the Action, and this action is manageable as a PAGA representative action.

I. Defendant denies any liability or wrongdoing of any kind associated with the claims alleged in the Action, disputes any wages, damages and penalties claimed by the Class Representatives, alleged in the Operative Complaint, and/or alleged in the Class Representatives' PAGA notices to the LWDA are owed, and further contends that, for any purpose other than settlement, the Action is not appropriate for class or representative action treatment. Defendant contends, among other things, that at all times they complied with the California Labor Code, Industrial Welfare Commission Wage Orders, and applicable law.

J. The Class Representatives are represented by Class Counsel. Class Counsel investigated the facts relevant to the Action, including conducting an independent investigation as to the allegations, reviewing documents and information exchanged through informal discovery, and reviewing documents and information provided by Defendant pursuant to informal requests for information to prepare for mediation. Defendant produced for the purpose of settlement negotiations certain employment data concerning the Class, which Class Counsel reviewed and analyzed with the assistance of an expert. Based on their own independent investigation and evaluation, Class Counsel are of the opinion that the Settlement with Defendant is fair, reasonable, and adequate, and is in the best interest of the Class considering all known facts and circumstances, including the risks of significant delay, defenses asserted by Defendant, uncertainties regarding class certification, and numerous potential appellate issues. Although it denies any liability, Defendant agrees to this Settlement solely to avoid the inconveniences and cost of further litigation. The Parties and their counsel have agreed to settle the claims on the terms set forth in this Agreement.

K. On June 28, 2023, the Parties participated in full day mediation presided over by Jeffrey A. Ross, Esq., an experienced mediator of wage and hour class and PAGA actions. The Parties accepted a Mediator's settlement proposal, which was subsequently memorialized in the form of a Memorandum of Understanding.

L. This Agreement replaces and supersedes the Memorandum of Understanding and any other agreements, understandings, or representations between the Parties. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant that the claims in the Action of Plaintiffs or the California Class Members have merit or that Defendant bears any liability to Plaintiffs or the California Class on those claims or any other claims, or as an admission by Plaintiffs that Defendant's defenses in the Action have merit.

M. The Parties believe that the Settlement is fair, reasonable, and adequate. The Settlement was arrived at through arm's-length negotiations, considering all relevant factors. The Parties recognize the uncertainty, risk, expense, and delay attendant to continuing the Action through trial and any appeal. Accordingly, the Parties desire to settle, compromise and discharge all disputes and claims arising from or relating to the Action fully, finally, and forever.

N. The Parties agree to certification of the Class for purposes of this Settlement only. If for any reason the Settlement does not become effective, Defendant reserves the right to contest certification of any class for any reason and reserves all available defenses to the claims in the Action. The Settlement, this Agreement, and the Parties' willingness to settle the Action will have no bearing on and will not be admissible in connection with any litigation.

Based on these Recitals that are a part of this Agreement, the Parties agree as follows:

III. TERMS OF AGREEMENT

A. Settlement Consideration and Settlement Payments by Defendants.

1. Settlement Consideration. In full and complete settlement of the Action, and in exchange for the releases set forth below, Defendant will pay the Gross Settlement Amount. Other than Defendant's share of employer payroll taxes, as determined by the Claims Administrator, Defendant shall not be required to pay more than the Gross Settlement Amount.

2. Class Size. Defendant represents that, at the time of mediation, the California Class was comprised of approximately 8,085 individuals who collectively worked approximately 435,000 Workweeks during the Class Period. In regard hereto, Defendant will provide a declaration under penalty of perjury confirming these numbers seven (7) days prior to Plaintiffs' deadline to file their motion for preliminary approval of the settlement.

3. Settlement Payment. Defendant shall deposit the Gross Settlement Amount into a non-interest bearing QSF, through the Claims Administrator on or before the Funding Date.

4. Defendant's Share of Payroll Taxes. Defendant's share of employer-side payroll taxes shall be calculated by the Claims Administrator and paid into the QSF in addition to the Gross Settlement Amount on the Funding Date.

B. Release by Settlement Class Members. Upon entry of final judgment and funding of the Gross Settlement Amount, in exchange for the consideration set forth in this Agreement, Plaintiffs and the Settlement Class Members release the Released Parties from the Released Class Claims.

C. Release by the Aggrieved Employees. Upon entry of final judgment and funding of the Gross Settlement Amount, in exchange for the consideration set forth in this Agreement, the Plaintiffs, and the LWDA release the Released Parties from the Released PAGA Claims. As a result of this release, the Aggrieved Employees shall be precluded from bringing claims against Defendant for the Released PAGA Claims.

D. Additional General Release and Waiver of Claims by Plaintiffs.

1. In addition to the releases set forth above, Plaintiffs, in their individual capacity, agree to release the Released Parties from any and all claims, known and unknown, under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, arising as of the date of execution of this Agreement, including but not limited to claims arising from

or related to Plaintiffs' employment with Defendant, separation of employment from Defendant, and any acts that have or could have been asserted in any legal action or proceeding against Defendant, whether known or unknown, arising under any federal, state or local law or statute, including, inter alia, those arising under the California Labor Code, Fair Labor Standards Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, Employee Retirement Income Security Act, National Labor Relations Act, California Corporations Code, California Business and Professions Code, California Fair Employment and Housing Act, California Constitution (all as amended), and law of contract and tort, as well as for discrimination, harassment, retaliation, wrongful termination, lost wages, benefits, other employment compensation, emotional distress, medical expenses, other economic and non-economic damages, attorney fees, and costs (collectively, "Plaintiffs' Released Claims").

2. Plaintiffs execute this release with the full knowledge that the release covers all possible claims against the Released Parties, to the fullest extent permitted by law, except claims based on an alleged breach of this Agreement.

3. Notwithstanding the foregoing, the Parties expressly agree and acknowledge that nothing in this Agreement releases or waives any rights or claims the Parties may have with respect to any claims for workers' compensation or to other rights and claims that cannot be waived as a matter of law or public policy.

4. Even if Plaintiffs discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of Plaintiffs' Released Claims, those claims will remain released and forever barred. To effect a full and complete general release as described above, Plaintiffs expressly waive and relinquish all rights and benefits of section 1542 of the Civil Code of the State of California, and does so understanding and acknowledging the significance and consequence of specifically waiving section 1542. Section 1542 of the Civil Code of the State of California states as follows:

> **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. Thus, notwithstanding the provisions of section 1542, and to implement a full and complete release and discharge of the Released Parties, Plaintiffs expressly acknowledge this Settlement is intended to include in its effect, without limitation, all claims Plaintiffs do not know or suspect to exist in Plaintiffs' favor at the time of signing this Settlement, and that this Settlement contemplates the extinguishment of any such claims. Plaintiffs warrant that they have read this Settlement, including this waiver of California Civil Code section 1542, and that Plaintiffs have consulted with or had the opportunity to consult with counsel of Plaintiffs' choosing about this Settlement and specifically about the waiver of section 1542, and that Plaintiffs understand this Settlement and the section 1542 waiver, and so Plaintiffs freely and knowingly enter into this Settlement. Plaintiffs further acknowledge that Plaintiffs later may discover facts different from or in addition to those Plaintiffs now know or believe to be true regarding the matters released or described in this Settlement, and even so Plaintiffs agree that the releases and agreements contained in this Settlement shall remain effective in all respects notwithstanding any later discovery of any different or additional facts. Plaintiffs expressly assume any and all risk of any mistake in connection with the true facts involved in the matters, disputes, or controversies released or described in this Settlement or with regard to any facts now unknown to Plaintiffs relating thereto. Plaintiffs further acknowledge this waiver of the provisions of section 1542 was separately bargained for and is an essential and material term of this Agreement.

E. Amended Pleading and Dismissal of *Smith* PAGA Action. The Parties hereby stipulate and agree to the filing a Second Amended Complaint ("SAC") in the *Galindo* PAGA Action. The SAC will name plaintiff Smith as plaintiff in the Action and assert all class claims alleged in both in the *Smith* Action and the *Galindo* Class Action. Additionally, the SAC shall assert previously unalleged theories that were pursued by Plaintiffs at mediation, including a claim for cell-phone reimbursement under Labor Code Section 2802, and alleged "off-the-clock" COVID checks. As part of this Settlement, the Parties will execute a Stipulation for leave to file the SAC prior to seeking preliminary approval of this Settlement. Within ten (10) calendar days of the filing of the SAC, Plaintiffs will dismiss the *Smith* action (*Smith v. PAQ, Inc., et al.*, San Joaquin Superior Court Case Number STK-CV-UOE-2020-0005825) with prejudice.

F. Nullification of Settlement Agreement. In the event: (i) the Court does not grant preliminary or final approve this Settlement Agreement; (ii) the Court does not enter a final order and Judgment approving the Settlement; (iii) the Settlement does not become final or Effective; (iv) Defendant is in any way prevented or prohibited from obtaining a complete resolution of the Released Class Claims and Released PAGA Claims, or (v) if Defendant fails to fully fund the Gross Settlement Amount:

1. This Settlement Agreement shall be void *ab initio* and of no force or effect, and shall not be admissible in any judicial, administrative, or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural;

2. The conditional class certification (obtained for any purpose) shall be void ab initio and of no force or effect, and shall not be admissible in any judicial, administrative, or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural; and

3. None of the Parties to this Settlement will be deemed to have waived any claims, objections, defenses, or arguments in the Action, including with respect to the issue of class certification.

4. In the event that Defendant fails to fund the Gross Settlement Amount, Defendant shall bear the sole responsibility for any cost to issue or reissue any curative notice to the Settlement Class Members and all Claims Administration Expenses incurred to the date of nullification.

G. Certification of the Class. The Parties stipulate to conditional class certification of the Class for the Class Period for purposes of settlement only. In the event that this Settlement is not approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court, or in any way prevents or prohibits Defendant from obtaining a complete resolution of the Released Class Claims and Released PAGA Claims, the conditional class certification (obtained for any purpose) shall be void *ab initio* and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural.

H. Tax Liability. The Parties make no representations as to the tax treatment or legal effect of the payments called for, and California Class Members and/or Aggrieved Employees are not relying on any statement or representation by the Parties in this regard. California Class Members and/or Aggrieved Employees understand and agree that they will be responsible for the payment of any taxes and penalties assessed on the Individual Settlement Payments and/or Aggrieved Employees' individual shares of the Aggrieved Employee Payment described and will be solely responsible for any penalties or other obligations resulting from their personal tax reporting of Individual Settlement Payments and/or Aggrieved Employees' individual shares of the Aggrieved Employee Payment.

I. No Tax Advice. Neither Class Counsel nor Defendant's Counsel intends anything contained in this Settlement to constitute 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. Plaintiffs, California Class Members, and Aggrieved Employees understand and agree that except for Defendant's payment of the employer's portion of any payroll taxes, they will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein.

J. Preliminary Approval Motion. Class Counsel shall draft and file with the Court a Motion for Order Granting Preliminary Approval within thirty (30) days of the execution of this Agreement.

K. Claims Administrator. The Claims Administrator shall be responsible for: establishing and administering the QSF; establishing, hosting and maintaining a dedicated webpage throughout the administration process with links to pertinent documents, i.e., notice and related forms, and updates on settlement; calculating, processing and mailing payments to the Class Representatives, Class Counsel, LWDA and California Class Members; formatting, printing and mailing the Notice Packets to the Class Members as directed by the Court; conducting a National Change of Address search to update California Class Member addresses before mailing the Notice

Packets; receiving and reviewing for validity all objections and requests for exclusion; calculating workweeks, Individual Settlement Payments and Aggrieved Employee Payments, and resolving workweek disputes; re-mailing Notice Packets that are returned to the Class Member's new address; setting up, printing, and mailing reminder post cards, as needed; setting up a toll-free telephone number to receive calls from Class Members; hosting a dedicated webpage containing pertinent settlement information throughout the administration process, issuing checks to effectuate the payments due under this Settlement; calculating, deducting and remitting all legally required taxes from Individual Settlement Payments and Aggrieved Employee Payments and distributing tax forms for the Wage Portion, the Penalties Portion and the Interest Portion of the Individual Settlement Payments and/or Aggrieved Employee Payment; processing and mailing tax payments to the appropriate state and federal taxing authorities and providing documentation of same to Defendant; providing declaration(s) as necessary in support of preliminary and/or final approval of this Settlement; and other tasks as the Parties mutually agree or the Court orders the Claims Administrator to perform. The Claims Administrator shall keep the Parties timely apprised of the performance of all Claims Administrator responsibilities by among other things, sending a weekly status report to the Parties' counsel stating the date of the mailing, the number of opt outs from the Settlement it receives (including the numbers of valid and deficient), and number of objections received. The Claims Administrator will have the authority to resolve all disputes concerning the calculation of Individual Settlement Payments and Aggrieved Employee Payments, subject to the dollar limitations and calculations set forth in this Agreement. The Claims Administration Expenses, including without limitation the cost of printing and mailing the Notice Packet, will be paid out of the Gross Settlement Amount.

L. Notice Procedure.

1. Class Data. No later than ten (10) business days after notice of entry of the Court's order granting preliminary approval of this Settlement, Defendant shall provide the Claims Administrator with the Class Data for purposes of preparing and mailing Notice Packets to the Class Members.

2. Notice Packets. The Notice Packet shall contain the Notice of Pendency of Class and PAGA Representative Action Settlement and Final Hearing Date in a form substantially similar to the form attached as **Exhibit A**. The Notice Packet shall inform California Class Members and Aggrieved Employees that they need not do anything in order to receive an Individual Settlement Payment and/or an Aggrieved Employee Payment and of their obligation to keep the Claims Administrator apprised of their current mailing address, to which the Individual Settlement Payments and/or Aggrieved Employee Payment will be mailed following the Funding Date. The Notice Packet shall set forth the release to be given by all members of the Class who do not request to be excluded from the Settlement Class and the release to be given by Aggrieved Employees regardless of whether they exclude themselves from the Class, in exchange for their Individual Settlement Payment and Aggrieved Employee Payment, respectively; the number of Workweeks worked by each Class Member during the Class Period; and the number of PAGA Periods worked by each Aggrieved Employee during the PAGA Period, if any; and the estimated amount of their Individual Settlement Payment if they do not request to be excluded from the Settlement and the estimated amount of their Aggrieved Employee Payment, if any. The Claims Administrator shall use the Class Data to determine Class Members' Workweeks and PAGA Pay Periods. The Notice Packet will also advise the Aggrieved Employees that they will release the Released PAGA Claims and will receive their Aggrieved Employee Payment regardless of whether they request to be excluded from the Class. The Notice Packet will be provided in both English and Spanish.

3. Notice by First Class U.S. Mail. Upon receipt of the Class Data, the Claims Administrator will perform a search based on the National Change of Address Database to update and correct any known or identifiable address changes. No later than fourteen (14) calendar days after receipt of the Class Data, the Claims Administrator shall mail copies of the Notice Packet to all Class Members via regular First-Class U.S. Mail. The Claims Administrator shall exercise its best judgment to determine the current mailing address for each Class Member. The address identified by the Claims Administrator as the current mailing address shall be presumed to be the best mailing address for each Class Member.

4. Undeliverable Notices. Any Notice Packets returned to the Claims Administrator as non-delivered on or before the Response Deadline shall be re-mailed to any forwarding address provided within seven (7) days of receiving the returned notice. If no forwarding address is provided, the Claims Administrator shall promptly attempt to determine a correct address by lawful use of skip-tracing, or other search using the name, address and/or Social Security number of the Class Member involved, and shall then perform a re-mailing, if another mailing address is identified by the Claims Administrator. In addition, if the Notice Packet sent to any Class Member who is currently employed by Defendant is returned to the Claims Administrator as non-delivered and no forwarding address is provided, the Claims Administrator shall notify Defendant. Defendant will request that the currently employed Class Member provide a corrected address and transmit to the Claims Administrator any corrected address provided by the Class Member. Class Members who received a re-mailed Notice Packet shall have their Response Deadline extended ten (10) days from the original Response Deadline. If these procedures are followed, notice to Class Members shall be deemed to have been fully satisfied, and if the intended recipient of the Notice Packet does not receive the Notice Packet, the intended recipient shall nevertheless remain a Class Member and Aggrieved Employee (if applicable) and shall be bound by all terms of the Settlement and the final order and Judgment.

M. Disputes Regarding Individual Settlement Payments. Class Members will have the opportunity to dispute the number of Workweeks listed on his/her Notice Packet ("Workweek Dispute"). Any such dispute must be mailed to the Claims Administrator by the Response Deadline. The date of the postmark on the mailing envelope will be the exclusive means to determine whether a Workweek Dispute has been timely submitted. A valid Workweek Dispute must be in writing and should contain: (i) the Class Member's full name, signature, address, telephone number, and the last four digits of his or her Social Security number; (ii) the number of Workweeks the Class Member contends is correct; and (iii) any evidence supporting his or her contention. The information identified by Defendants in the Class Data will be presumed to be correct, unless a particular Class Member proves otherwise to the Claims Administrator by credible evidence. All Workweek Disputes will be resolved and decided by the Claims Administrator and the Claim Administrator's decision on all Workweek Disputes will be final.

N. Disputes Regarding Administration of Settlement. Any dispute not resolved by the Claims Administrator concerning the administration of the Settlement will be resolved by the Court under the laws of the State of California. Before any such involvement of the Court, counsel for the Parties will confer in good faith to resolve the disputes without the necessity of involving the Court.

O. Exclusions. The Notice Packet shall state that Class Members who wish to exclude themselves from the Settlement must submit a written request ("Request for Exclusion") to the Claims Administrator by the Response Deadline. To be valid, the Request for Exclusion must be in writing and must: (i) be signed by the Class Member; (ii) contain the name, address, telephone number, and the last four digits of the Social Security number of the Class Member requesting exclusion; (iii) clearly state the Class Member does not wish to be included in the Settlement; (iv) be returned via mail to the Claims Administrator as specified in the Notice Packet; and (v) be postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. Any Class Member who submits a valid Request for Exclusion shall be excluded from the Settlement Class and will not be entitled to an Individual Settlement Payment and will not be otherwise bound by the terms of the Settlement or have any right to object, appeal, or comment thereon. However, any Class Member that submits a valid Request for Exclusion that is also an Aggrieved Employee will still receive his/her Aggrieved Employee Payment, and in consideration, will be bound by the Release by the PAGA Class as set forth herein. Class Members who fail to submit a valid Request for Exclusion shall be bound by all terms of the Settlement and any final judgment entered in this Action if the Court approves the Settlement. No later than seven (7) calendar days after the Response Deadline, the Claims Administrator shall provide counsel for the Parties with a final list of the Class Members who have submitted valid Requests for Exclusion. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage members of the Class to submit Requests for Exclusion from the Settlement.

P. Objections.

1. The Notice Packet shall state that Class Members who wish to object to the Settlement may submit to the Claims Administrator a written statement of objection ("Notice of Objection") by the Response Deadline. The postmark date of mailing shall be deemed the exclusive means for determining that a Notice of Objection was served timely. The Notice of Objection, if in writing, must be signed by the Settlement Class Member and state: (1) the case name and number; (2) the name of the Settlement Class Member; (3) the address of the Settlement Class Member; (4) the last four digits of the Settlement Class Member's Social Security number; (5) the basis for the objection; and (6) if the Settlement Class Member intends to appear at the Final Approval/Settlement Fairness Hearing. Settlement Class Members who fail to make objections in writing in the manner specified above may still make their objections orally at the Final Approval/Settlement Fairness Hearing with the Court's permission. Settlement Class Members will have a right to appear at the Final Approval/Settlement Fairness Hearing to have their objections heard by the Court regardless of whether they submitted a written objection. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to file or serve written objections to the Settlement or appeal from the Order and Final Judgment. Class Members who submit a written Request for Exclusion may not object to the Settlement. Class Members may not object to the PAGA Payment.

2. A Class Member who does not submit a valid Request for Exclusion and who objects to the Settlement will still be considered a Settlement Class Member. If any Class Member submits a valid Request for Exclusion and also submits an objection to the Settlement or otherwise objects at the Final Approval/Settlement Fairness Hearing, the objection shall nullify the Request for Exclusion and the Class Member will be deemed a Settlement Class Member. In the event of a dispute regarding the validity of any objection to the Settlement, Class Counsel and Defendants' Counsel shall meet and confer in an attempt to reach agreement and, if they are unable to do so, the issue shall be submitted to the Court for determination on an expedited basis, through the submission of letter briefs of no more than five pages.

Q. <u>Allocation of the Gross Settlement Amount</u>.

1. Calculation of Individual Settlement Payments. Individual Settlement Payments shall be paid from the Net Settlement Amount and shall be paid pursuant to the formula set forth herein. Using the Class Data, the Claims Administrator shall add up the total number of Workweeks for all Class Members. The respective Workweeks for each Class Member will be divided by the total Workweeks for all Class Members, resulting in the Class Payment Ratio for each Class Member. Each Class Member's Class Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Class Member's estimated Individual Settlement Payments. Each Individual Settlement Payment will be reduced by any legally mandated employee tax withholdings (e.g., employee payroll taxes, etc.). Individual Settlement Payments for Class Members who submit valid and timely requests for exclusion will be redistributed to Settlement Class Members who do not submit valid and timely requests for exclusion on a pro rata basis based on their respective Class Payment Ratios.

2. Calculation of Aggrieved Employee Payments. Using the Class Data, the Claims Administrator shall add up the total number of PAGA Pay Periods for all Aggrieved Employees during the PAGA Period. The respective PAGA Pay Periods for each Aggrieved Employees will be divided by the total PAGA Pay Periods for all Aggrieved Employees, resulting in the "PAGA Payment Ratio" for each Aggrieved Employee. Each Aggrieved Employee's PAGA Payment Ratio will then be multiplied by $50,000.00 (i.e., 25% of the PAGA Payment that is to be allocated to Aggrieved Employees pursuant to PAGA), to calculate the individual's Aggrieved Employee Payment.

3. Allocation of Individual Settlement Payments. For tax purposes, Individual Settlement Payments shall be allocated and treated as one-third (1/3) wages ("Wage Portion"), and two-thirds (2/3) non-wage income, including penalties and interest ("Penalties and Interest Portion"). The Wage Portion of the Individual Settlement Payments shall be reported on IRS Form W-2 and the Penalty and Interest Portion of the Individual Settlement Payments shall be reported on IRS Form 1099 issued by the Settlement Agreement.

4. Allocation of Aggrieved Employee Payments. For tax purposes, Aggrieved Employee Payments shall be allocated and treated as 100% penalties and shall be reported on IRS Form 1099.

5. No Credit Toward Benefit Plans. The Individual Settlement Payments and Aggrieved Employee Payments, as well as any other payments made pursuant to this Settlement Agreement, will not be utilized to calculate any additional benefits under any benefit plans to which any Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Class Members may be entitled under any benefit plans.

6. No Additional Compensation or Benefits. All monies received by Settlement Class Members under the Settlement which are attributable to wages shall constitute income to such Settlement Class Members solely in the year in which such monies are received by the Settlement Class Members. It is the intent of the Parties that Individual Settlement Payments and Aggrieved Employee Payments are the sole payments to be made by Defendant to Settlement Class Members and/or Aggrieved Employees in connection with this Settlement Agreement, with the exception of Plaintiffs' Service Awards, and that the Settlement Class Members and/or Aggrieved Employees are not entitled to any new or additional compensation or benefits as a result of having received the Individual Settlement Payments and/or their shares of the Aggrieved Employee Payment.

7. Mailing. Individual Settlement Payments and Aggrieved Employee Payments shall be mailed by regular First-Class U.S. Mail to Settlement Class Members' and/or Aggrieved Employees' last known mailing address no later than fifteen (15) business days after the Funding Date. The Claims Administrator may, in its discretion, distribute Individual Settlement Payments and Aggrieved Employee Payments by way of a single check that combines both payments.

8. Expiration. Any checks issued to Settlement Class Members and Aggrieved Employees shall remain valid and negotiable for one hundred and eighty (180) days from the date of their issuance. If a Settlement Class Member and/or Aggrieved Employees does not cash his or her settlement check within ninety (90) days, the Claims Administrator will send a letter to such persons,

advising that the check will expire after the 180th day, and invite that Settlement Class Member and/or Aggrieved Employees to request reissuance in the event the check was destroyed, lost, or misplaced. In the event an Individual Settlement Payment and/or Aggrieved Employees' individual share of the PAGA Payment check has not been cashed within one hundred and eighty (180) days, all funds represented by such uncashed checks, plus any interest accrued thereon, shall be paid in accord with California Code of Civil Procedure Section 384 to the Children's Advocacy Institute ("CAI"), a nonprofit founded at the University of San Diego School of Law in 1989, and is one of the nation's premiere academic, research, and advocacy organizations working to improve the lives of children and youth, with special emphasis on improving the child protection and foster care systems and enhancing resources that are available to youth aging out of foster care. Should the Court not approve CAI as the recipient of the uncashed funds, the uncashed funds shall be deposited with the State Controller's Unclaimed Property Fund in the name of the Class Member who did not claim the funds.

9. Service Award. In addition to the Individual Settlement Payment as a Settlement Class Member and their Aggrieved Employee Payment, Plaintiffs will apply to the Court for an award of not more than $10,000.00 each, as the Service Award. Defendant will not oppose a Service Award of not more than $10,000.00 for each Plaintiff. The Claims Administrator shall pay the Service Award, either in the amount stated herein if approved by the Court or some other amount as approved by the Court, to Plaintiffs from the Gross Settlement Amount no later than the Funding Date. Any portion of the requested Service Award that is not awarded to the Class Representatives shall be part of the Net Settlement Amount and shall be distributed to Settlement Class Members as provided in this Agreement. The Claims Administrator shall issue an IRS Form 1099 — MISC to Plaintiff for his Service Award. Plaintiffs shall be solely and legally responsible to pay any and all applicable taxes on their Service Award and shall hold harmless the Released Parties from any claim or liability for taxes, penalties, or interest arising as a result of the Service Award. Approval of this Settlement shall not be conditioned on Court approval of the requested amount of the Service Award. If the Court reduces or does not approve the requested Service Award, Plaintiffs shall not have the right to object to or revoke the Settlement, and it will remain binding. To receive the Service Award,

Plaintiffs agree to a California Civil Code section 1542 waiver and general release of all claims as set forth below.

10. Class Counsel Award. Defendant understands, and will not oppose, a motion for Attorneys' Fees not to exceed one-third of the Gross Settlement Amount, currently estimated to be One Million Five Hundred Thousand and Zero Cents ($1,500,000.00), and Attorneys' Expenses supported by declaration not to exceed Fifty Thousand Dollars and Zero Cents ($50,000.00). Any awarded Class Counsel Award shall be paid from the Gross Settlement Amount. Any portion of the requested Attorneys' Fees and/or Attorneys' Expenses that are not awarded to Class Counsel shall be part of the Net Settlement Amount and shall be distributed to Settlement Class Members as provided in this Agreement. The Claims Administrator shall allocate and pay the Class Counsel Award to Class Counsel from the Gross Settlement Amount no later than the Funding Date. Class Counsel shall be solely and legally responsible to pay all applicable taxes on the payment made pursuant to this paragraph. The Claims Administrator shall issue an IRS Form 1099 — MISC to Class Counsel for the payments made pursuant to this paragraph. If the Court reduces or does not approve the requested Class Counsel Award, Plaintiffs and Class Counsel shall not have the right to object to or revoke the Settlement, or to appeal such order, and the Settlement will remain binding.

11. PAGA Payment. Two Hundred Thousand Dollars and Zero Cents ($200,000.00) shall be allocated from the Gross Settlement Amount for settlement of claims for civil penalties under the Private Attorneys General Act of 2004 ("PAGA Payment"). The Claims Administrator shall pay seventy-five percent (75%) of the PAGA Payment ($150,000.00) to the California Labor and Workforce Development Agency no later than the Funding Date (hereinafter "LWDA Payment"). Twenty-five percent (25%) of the PAGA Payment ($50,000.00) will be distributed to the Aggrieved Employees as described in this Agreement. For purposes of distributing the PAGA Payment to the Aggrieved Employees, each Aggrieved Employee shall receive their pro-rata share using the PAGA Payment Ratio as defined above. If the Court approves a PAGA Payment of less than $200,000, the difference between $200,000 and the amount approved will be retained in the Net Settlement Amount for distribution to Settlement Class Members. If the Court requires a larger PAGA Payment than $200,000 then such additional sum will come out of the Net Settlement

Amount and will not be grounds to object to or revoke the Settlement, or to appeal such order, and the Settlement will remain binding.

12. Claims Administration Expenses. The Claims Administrator shall be paid for the costs of administration of the Settlement from the Gross Settlement Amount, as documented and approved by the Court. The estimate of the Claims Administration Expenses is $54,000.00. The Claims Administrator shall be paid the Claims Administration Expenses no later than the Funding Date. To the extent the Claims Administration Expenses that are documented and approved by the Court are less than $54,000.00, the remainder will be retained in the Net Settlement Amount for distribution to Settlement Class Members.

R. Final Approval Motion. Class Counsel and Plaintiffs shall use best efforts to obtain a hearing date for final approval when the Court grants preliminary approval of the Settlement and will comply with the Court's requirements on timely filing a motion for final approval ("Final Approval Motion"). Unless otherwise ordered by the Court, the Final Approval Motion will seek determination and approval of the amounts payable for the Service Award, the Class Counsel Award, the PAGA Payment, and the Claims Administration Expenses, and provide supporting document and declarations as necessary. Plaintiffs will provide Defendant with a draft of the Final Approval Motion at least three (3) business days prior to filing it to give Defendant an opportunity to propose changes or additions to the Motion.

1. Declaration by Claims Administrator. No later than seven (7) days after the Response Deadline, the Claims Administrator shall submit a declaration in support of Plaintiff's motion for final approval of this Settlement detailing the number of Notice Packets mailed and re-mailed to Class Members, the number of undeliverable Notice Packets, the number of timely requests for exclusion, the employee number of any Class Members who opt out of the Settlement, the number of objections received, the amount of the average, lowest, and highest Individual Settlement Payments, the amount of the average, lowest, and highest Aggrieved Employee Payments, the Claims Administration Expenses, and any other information as the Parties mutually agree or the Court orders the Claims Administrator to provide.

2. Final Approval Order and Judgment. Class Counsel shall present an Order Granting Final Approval of Class Action Settlement to the Court for its approval, and Judgment thereon, at the time Class Counsel files the Motion for Final Approval.

S. Review of Motions for Preliminary and Final Approval. Class Counsel will provide an opportunity for Counsel for Defendant to review the Motions for Preliminary and Final Approval, including the Order Granting Final Approval of Class Action Settlement, and Judgment at least three (3) business days in advance of filing with the Court. The Parties and their counsel will cooperate with each other and use their best efforts to affect the Court's approval of the Motions for Preliminary and Final Approval of the Settlement, and entry of Judgment.

T. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts to implement the Settlement.

U. Court Filings. The Parties agree not to object to any Court filings consistent with this Agreement.

V. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval/Settlement Fairness Hearing to be conducted by the Court.

W. Amendment or Modification. This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.

X. Entire Agreement. This Agreement and any attached Exhibit constitutes the entire Agreement among these Parties, and no oral or written representations, warranties or inducements have been made to any Party concerning this Agreement or its Exhibit other than the representations, warranties and covenants contained and memorialized in this Agreement and its Exhibit.

Y. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement and 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 required to effectuate the terms of this Agreement. The person signing this Agreement on behalf of Defendant represents and warrants that he/she is authorized to sign this Agreement on behalf of Defendant.

Plaintiffs represent and warrant that they are authorized to sign this Agreement and that they have not assigned any claim, or part of a claim, covered by this Settlement to a third-party.

Z. No Public Comment: The Parties and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry, or have any communication with the press about the fact, amount, or terms of the Settlement Agreement. Class Counsel further agrees not to use the Settlement Agreement or any of its terms for any marketing or promotional purposes. Nothing herein will restrict Class Counsel from including publicly available information regarding this settlement in future judicial submissions regarding Class Counsel's qualifications and experience. Further, Class Counsel will not include, reference, or use the Settlement Agreement for any marketing or promotional purposes, either before or after the Motion for Preliminary Approval is filed.

AA. Binding on Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the heirs, successors and/or assigns of the Parties, as previously defined.

BB. California Law Governs. All terms of this Agreement and the Exhibit and any disputes shall be governed by and interpreted according to the laws of the State of California.

CC. Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronic signature, 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 one and the same instrument. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

DD. This Settlement Is Fair, Adequate, and Reasonable. The Parties believe this Settlement is a fair, adequate, and reasonable settlement of this Action and have arrived at this Settlement after extensive arms-length negotiations, taking into account all relevant factors, present and potential.

EE. Continuing Jurisdiction. The Parties agree that the Court shall retain continuing jurisdiction over this case under California Code of Civil Procedure §664.6 to ensure the continuing implementation of the provisions of this settlement and that the time within which to bring this Action to trial under California Code of Civil Procedure §583.310 shall be extended from the date of the signing of this Agreement by all parties until the entry of the final approval order and judgment or if not entered, the date of this Agreement shall no longer be of any force or effect.

FF. Invalidity of Any Provision. Before declaring any provision of this Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable.

GG. No Unalleged Claims. Plaintiffs and Class Counsel represent that they do not currently intend to pursue any claims against the Released Parties, including, but not limited to, any and all claims relating to or arising from Plaintiffs' employment with Defendants, regardless of whether Class Counsel is currently aware of any facts or legal theories upon which any claims or causes of action could be brought against Released Parties, including those facts or legal theories alleged in the operative complaint in this Action. The Parties further acknowledge, understand, and agree that this representation is essential to the Agreement and that this Agreement would not have been entered into were it not for this representation.

HH. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class certification for purposes of this Settlement only.

II. Financial Audit. Defendant has provided financial documents, including Audited financials for 2022 (which include 2021), Interim financials for the first half of 2023, financial projections through the end of 2023, Documents showing the existence and the terms of the loan covenants, A document showing how a $4.5M settlement would impact the company's conformance to the covenants (collectively, "Financial Documents"), to support Defendant's representations regarding its condition during mediation to Plaintiffs' financial expert. Plaintiffs and Class Counsel have had adequate opportunity to review these documents, have reviewed these documents, and hereby reaffirm their support for this Settlement Agreement and that it is fair, reasonable, and adequate to the Class Members and Aggrieved Employees in light of all relevant factors. It is a material term of this Agreement that, unless otherwise ordered by the Court, the Financial Documents and the information contained therein are confidential and shall not be disclosed to anyone. Should the Court order disclosure of any part of the Financial Documents or of the information contained

therein, Plaintiffs agree to limit such disclosure to *in camera* review by the Court or, if the Court requires that any part of the Financial Documents or the information contained therein to be filed, to file such documents and/or information under seal.

JJ. No Admissions by the Parties. Plaintiffs have claimed and continue to claim that the Released Class Claims and Released PAGA Claims have merit and give rise to liability on the part of Defendant. Defendant claims that the Released Class Claims and Released PAGA Claims have no merit and do not give rise to liability. This Agreement is a compromise of disputed claims. Nothing contained in this Agreement and no documents referred to and no action taken to carry out this Agreement may be construed or used as an admission by or against the Defendant or Plaintiffs or Class Counsel as to the merits or lack thereof of the claims asserted. Other than as may be specifically set forth herein, each Party shall be responsible for and shall bear its/his own attorney's fees and costs.

AGREED AS TO FORM AND CONTENT, BY PLAINTIFFS:

DATED: 01/19/2024 Jesse Galindo

JESSE GALINDO

DATED: 1/19/2024 DocuSigned by: Laura smith 55E964D55CEC40B...

LAURA SMITH

AGREED AS TO FORM AND CONTENT, BY DEFENDANT:

DATED: ______________

PAQ, INC.

Printed Name

Title

therein, Plaintiffs agree to limit such disclosure to *in camera* review by the Court or, if the Court requires that any part of the Financial Documents or the information contained therein to be filed, to file such documents and/or information under seal.

JJ. <u>No Admissions by the Parties</u>. Plaintiffs have claimed and continue to claim that the Released Class Claims and Released PAGA Claims have merit and give rise to liability on the part of Defendant. Defendant claims that the Released Class Claims and Released PAGA Claims have no merit and do not give rise to liability. This Agreement is a compromise of disputed claims. Nothing contained in this Agreement and no documents referred to and no action taken to carry out this Agreement may be construed or used as an admission by or against the Defendant or Plaintiffs or Class Counsel as to the merits or lack thereof of the claims asserted. Other than as may be specifically set forth herein, each Party shall be responsible for and shall bear its/his own attorney's fees and costs.

AGREED AS TO FORM AND CONTENT, BY PLAINTIFFS:

DATED: ______________ ______________________________

JESSE GALINDO

DATED: ______________ ______________________________

LAURA SMITH

AGREED AS TO FORM AND CONTENT, BY DEFENDANT:

DATED: 1/11/2024 ______________________________

PAQ, INC.

Mike Molinar

Printed Name

President

Title

AGREED AS TO FORM BY COUNSEL:

DATED: January 19, 2024

JCL LAW FIRM, A.P.C.

By: ______________________

Jean-Claude Lapuyade, Esq.
Attorneys for Plaintiffs and the Settlement Class Members

DATED: January 19, 2024

ZAKAY LAW GROUP, APLC

By: ______________________

Shani O. Zakay, Esq.
Attorneys for Plaintiffs and the Settlement Class Members

DATED: January 19, 2024

JAMES HAWKINS, APLC

By: ______________________

James Hawkins, Esq.
Isandra Y. Fernandez, Esq.
Anthony L. Draper, Esq.
Attorneys for Plaintiffs and the Settlement Class Members

DATED: January 17, 2024

MAYALL HURLEY, APC

By: ______________________

Vladimir J. Kozina, Esq.
William J. Gorham III, Esq.
Attorneys for Defendant

EXHIBIT A

NOTICE OF PENDENCY OF CLASS AND PAGA REPRESENTATIVE ACTION SETTLEMENT AND FINAL HEARING DATE

***(Jesse Galindo v. PAQ, Inc.*, San Joaquin County Superior Court Case No. STK-CV-UOE-2022-452)**

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	To receive a cash payment from the Settlement, you do **not** have to do anything. **Your estimated Individual Settlement Payment is: $<<___>>. See the explanation below.** After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, please notify the Claims Administrator as explained below. In exchange for the settlement payment, you will release claims against the Defendants as detailed below.
Exclude Yourself	If you wish to exclude yourself from the Settlement, you must send a written request for exclusion to the Claims Administrator as provided below. If you request exclusion, you will receive **no money from the Settlement.** Instructions are set forth below.
Object	You may write to the Court about why you believe the settlement should not be approved. Directions are provided below.

1. Why did I get this Notice?

A proposed class and PAGA representative action settlement (the "Settlement") of the above-referenced lawsuit pending in the Superior Court for the State of California, County of San Joaquin (the "Court") has been reached between Plaintiff Jesse Galindo ("Plaintiff Galindo") and Plaintiff Laura Smith ("Plaintiff Smith") (hereinafter collectively referred to as "Plaintiffs") and Defendant PAQ, Inc. dba Food4Less and/or Rancho San Miguel Markets (together, "Defendant"). The Court has granted preliminary approval of the Settlement. **You may be entitled to receive money from this Settlement.**

You have received this Settlement Notice because you have been identified as a member of the Class, which is defined as:

> All non-exempt employees who are or previously were employed by PAQ, Inc. dba Food4Less and/or Rancho San Miguel Markets ("PAQ") and performed work in California during the period between March 9, 2018, to the earlier of June, 28, 2023, or the date on which the number of Workweeks covered by this settlement does not exceed 435,000 ("Class Period").

This Settlement Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

On July 9, 2020, plaintiff Smith served the LWDA with a PAGA notice and served the same on Defendant. On the same date, plaintiff Smith filed a class action complaint against Defendant in the San Joaquin County Superior Court, Case Number STK-CV-UOE-2020-0005825 ("*Smith* Action"). The *Smith* Action alleged the following: (1) Failure to Pay Wages; (2) Failure to Provide Meal Periods as Required; (3) Failure to Provide Rest Periods as Required; (4) Failure to Pay Timely Wages; (5) Failure to Provide Accurate Itemized Wage Statements; and (6) Violations of Business and Professions Code § 17200 *et seq.*

On November 30, 2020, Plaintiff Smith amended the *Smith* Action adding an additional cause of action for Violations of the Private Attorneys General Act. Thereafter, Plaintiff Smith filed a Second Amended Representative Action in the San Joaquin Superior Court, Case No. STK-CV-UOE-2020-0005825.

On January 24, 2022, Plaintiff Galindo filed a representative action lawsuit against Defendant, alleging a single cause of action for Violations of the Private Attorneys General Act ("PAGA"). Plaintiff Galindo also filed a Notice of Violations with the Labor and Workforce Development Agency ("LWDA") pursuant to PAGA, and served the same on Defendant. On May 3, 2022, Plaintiff Galindo filed a First Amended Complaint.

On March 9, 2022, Plaintiff Galindo initiated the present action ("Action") against Defendant under PAGA, alleging similar underlying wage-and-hour violations as the class action. The class and PAGA actions were ultimately consolidated in the present action. The operative complaint is the Complaint that alleges claims 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; and (8) Failure To Reimburse Employees For Required Expenses In Violation Of Cal. Lab. Code § 2802.

On [[DATE]] Plaintiff Galindo filed a Second Amended Complaint amended the Action to include all claims asserted in the *Smith* and *Galindo* PAGA Actions and to include additional claims asserted in mediation, including claims for cellular phone reimbursement and alleged "off the clock" COVID-19 checks.

Defendant expressly denies any liability or wrongdoing of any kind associated with the claims alleged in the Action, dispute any wages, damages and penalties claimed by the Class Representatives are owed, and further contend that, for any purpose other than settlement, the Action is not appropriate for class or representative action treatment. Defendant contends, among other things, that at all times they complied with the California Labor Code, the Industrial Welfare Commission Wage Orders, and all applicable law.

On June 28, 2023, the Parties participated in an all-day mediation with Jeffrey A. Ross, Esq., an experienced mediator of wage and hour class and PAGA actions. The Parties reached an agreement for settlement. The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved the Plaintiffs to serve as the Class Representatives, and the law firms of JCL Law Firm, APC, Zakay Law Group, APLC, and James Hawkins, APLC to serve as Class Counsel.

3. What are the terms of the Settlement?

Gross Settlement Amount. Defendant has agreed to pay an "all in" amount of Four Million, Five Hundred Thousand Dollars and Zero Cents ($4,500,000.00) (the "Gross Settlement Amount") to fund the settlement.

The Gross Settlement Amount includes the payment of all Individual Settlement Payments, Claims Administration Expenses, Class Counsel Award, Service Award, and the PAGA Payment.

After the Judgment becomes Final, Defendant will pay the Gross Settlement Amount by depositing the money with the Claims Administrator. "Final" means the date the Judgment is no longer subject to appeal, or if an appeal is filed, the date the appeal process is completed, and the Judgment is affirmed.

Amounts to be Paid from the Gross Settlement Amount. The Settlement provides for certain payments to be made from the Gross Settlement Amount, which will be subject to final Court approval, and which will be deducted from the Gross Settlement Amount before settlement payments are made to Class Members, as follows:

i. Claims Administration Expenses. Payment to the Claims Administrator, estimated not to exceed $54,000.00, for expenses incurred in administering the Settlement, including expenses of sending this Notice, processing opt outs, and distributing settlement payments.

ii. Class Counsel Award. Payment to Class Counsel of an award of attorneys' fees of no more than 1/3 of the Gross Settlement Amount (currently $1,500,000.00) and actually incurred litigation expenses of not more than $50,000 for all expenses incurred as documented in Class Counsel's billing records, both subject to Court approval. Class Counsel have been prosecuting the Action on behalf of Plaintiff and the Class on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses.

iii. Service Award. A Service Award of up to Ten Thousand Dollars and Zero Cents ($10,000.00) to each individual Plaintiff, or such lesser amount as may be approved by the Court, to compensate them for services on behalf of the Class in initiating and prosecuting the Action.

iv. PAGA Payment. A payment of $200,000.00 for PAGA penalties, $150,000.00 of which will be paid to the LWDA and the remaining $50,000.00 ("Individual PAGA Portion") will be distributed to Aggrieved Employees as described herein..

- Calculation of Payments to Settlement Class Members. After all the above payments of the court-approved Class Counsel Award, the Service Award, the PAGA Payment, and the Claims Administration Expenses are deducted from the Gross Settlement Amount, the remaining portion, called the "Net Settlement Amount," shall be distributed to class members who do **not** request exclusion ("Settlement Class Members"). The Individual Settlement Payment for each Settlement Class Member will be calculated by dividing the respective Workweeks for that Settlement Class Member by the total Workweeks for all Settlement Class Members, and multiplying that result by the Net Settlement Amount.
- A "Workweek" is defined as any seven (7) consecutive days beginning on Sunday and ending on Saturday, in which a Class Member is employed by Defendant during the Class Period in California and recorded any work performed. The Workweeks will be calculated by the Settlement Administrator based on the Class Data and will be presumed to be correct, unless a particular Class Member proves otherwise to the Claim Administrator by credible written evidence. All Workweek disputes will be resolved and decided by the Claims Administrator, and the Claims Administrator's decision on all Workweek disputes will be final.

- Calculation of Aggrieved Employees Payments to Aggrieved Employees. The Individual PAGA Portion shall be distributed to Aggrieved Employees irrespective of whether they exclude themselves or opt-out of this Settlement. An Aggrieved Employee's payment from the Individual PAGA Portion ("Aggrieved Employee Payment") will be calculated by dividing the individual's respective pay periods worked during the PAGA Period by the total pay periods for all Aggrieved Employees during the PAGA Period, and multiplying that result by the Individual PAGA Portion. "Aggrieved Employee" means all non-exempt employees who are or previously were employed by PAQ, Inc. dba Food4Less and Rancho San Miguel Markets and performed work in California at any time during the period between April 6, 2019 to the earlier of June 28, 2023 or the date on which the number of workweeks covered by this settlement does not exceed 435,000 ("PAGA Period").

If the Court grants final approval of the Settlement, you will automatically be mailed a check for your Individual Settlement Payment and Aggrieved Employee Payment (if applicable) to the same address as this Settlement Notice. You do not have to do anything to receive a payment. If your address has changed, you must contact the Claims Administrator to inform them of your correct address to ensure you receive your payment.

Tax Matters. One-third (1/3) of each Individual Settlement Payment is allocated,to wages. Taxes are withheld from this amount, and each Settlement Class Member will be issued an Internal Revenue Service Form W-2 for such payment. Two-thirds (2/3) of each Individual Settlement Payment is allocated to penalties and pre-judgment interests ("Penalty and Interest Portion"). Each Settlement Class Member will be issued an Internal Revenue Service Form 1099 for their Penalty Portion and Interest Portion of the Individual Settlement Payments. In addition, no taxes will be withheld from the Aggrieved Employee Payment, and each Aggrieved Employee will be issued an Internal Revenue Service Form 1099 for such payment. Neither Class Counsel nor Defendants' counsel intend anything contained in this Settlement to constitute advice regarding taxes or taxability. You may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement. The Claims Administrator may distribute the Individual Settlement Payment and Aggrieved Employee Payment to you in a single check that combines both payments.

No Credit Toward Benefit Plans. The Individual Settlement Payments and Aggrieved Employee Payments will not be utilized to calculate any additional benefits under any benefit plans to which any Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Class Members may be entitled under any benefit plans.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering judgment.

4. What Do I Release Under the Settlement?

Released Claims. Upon funding of the Gross Settlement Amount by Defendant, Plaintiffs and the Settlement Class Members shall release the Released Parties from all Released Class Claims for the Class Period. Released Class Claims means all class claims alleged, or reasonably could have been alleged based on the facts alleged, in the operative complaint in the *Galindo* action which occurred during the Class Period, including but not limited to claims for violations of and/or for wages, compensatory damages, business expense reimbursement, meal and rest period compensation, actual damages, restitution, liquidated damages, declaratory relief, injunctive or other equitable relief, interest, attorney's fees and/or costs, and/or penalties recoverable under Labor Code sections 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 226, 226.2, 226.3, 226.7, 246, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 2802, 2804, and the applicable IWC Wage Order(s), and Business and Professions Code sections 17200, *et seq.*, 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, and any and all claims alleged in the *Melissa Destarac et al. vs. PAQ, Inc.* (San Joaquin Superior Court Case No. STK-CV-UOE-2022-2981) not encompassed by the *Smith* and *Galindo* actions. Upon funding of the Gross Settlement Amount by Defendant, Plaintiffs, all Aggrieved Employees, the LWDA, and the State of California shall release the Released Parties from all Released PAGA Claims for the PAGA Period, irrespective of whether they opted-out of the class settlement, and will be bound by this PAGA Release (the "PAGA Release"). "Released PAGA Claims" means all PAGA claims alleged in the operative complaint in the *Smith* and *Galindo* actions and Plaintiffs' PAGA notices to the LAWDA which occurred during the PAGA Period, including but not limited to claims for civil penalties, attorneys' fees and/or costs, or interest for violations of Labor Code sections 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 226, 226.2, 226.3, 226.7, 246, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1197.14, 1198, 1199, 2802, 2804, and the applicable IWC Wage Order(s), 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 PAGA Period, and any and all claims for PAGA penalties alleged in the *Melissa Destarac et al. vs. PAQ, Inc.* (San Joaquin Superior Court Case No. STK-CV-UOE-2022-2981) not encompassed by the *Smith* and *Galindo* actions

This means that, if you do not timely and formally exclude yourself from the settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant about the legal issues resolved by this Settlement. It also means that all of the Court's orders in this Action will apply to you and legally bind you.

5. How much will my payment be?

Defendant's records reflect that you have <<_____>> Workweeks worked during the Class Period March 9, 2018 through <<INSERT END DATE>>.

Based on this information, your estimated Individual Settlement Payment is <<_______>>.

Defendants' records reflect that you have <<_____>> pay periods worked during the PAGA Period (**April 6, 2019 through** <<INSERT END DATE>>.

Based on this information, your estimated Aggrieved Employee Payment is <<_______>>.

If you wish to challenge the information set forth above, then you must submit a written, signed dispute challenging the information along with supporting documents, to the Claims Administrator at the address provided in this Notice no later than _______________ [forty-five (45) days after the Notice or ten (10) days from the original response deadline for a re-mailed Notice].

6. How can I get a payment?

To get money from the settlement, you do not have to do anything. A check for your settlement payment will be mailed automatically to the same address as this Settlement Notice. If your address is incorrect or has changed, you must notify the Claims Administrator. The Claims Administrator is: Apex Class Action LLC.

The Court will hold a hearing on __________________ to decide whether to finally approve the Settlement. If the Court approves the Settlement and there are no objections or appeals, payments will be mailed within a few months after this hearing. If there are objections or appeals, resolving them can take time, perhaps more than a year. Please be patient. After entry of the Judgment, the Claims Administrator will provide notice of the final judgment to the Class Members by posting a copy of the Judgment on the administrator's website at www.__________________.com.

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or "opt out." **If you opt out, you will receive NO money from the Settlement, and you will not be bound by its terms, except as provided as follows.** Irrespective of whether you exclude yourself from the Settlement or "opt out," you will be bound by the PAGA Release, you will be deemed to have released the Released PAGA Claims, and you will receive your Aggrieved Employee Payment (if you qualify).

To opt out, you must submit to the Claims Administrator, by First Class Mail, a written, signed and dated request for exclusion postmarked no later than ______________. The address for the Claims Administrator is 18 Technology Drive, Suite 164; Tel: (800) 355-0700. The request for exclusion must state in substance that the Class Member has read the Class Notice and that he or she wishes to be excluded from the settlement of the class action lawsuit entitled *Jesse Galindo v. PAQ, Inc.,* currently pending in Superior Court of San Joaquin, Case No. STK-CV-UOE-2022-452. The request for exclusion must contain your name, current address, telephone number, signature and the last four digits of your Social Security Number for verification purposes. The request for exclusion must be signed by you. No other person may opt out for a member of the Class.

Written requests for exclusion that are postmarked after ____________, or are incomplete or unsigned will be rejected, and those Class Members will remain bound by the Settlement and the release described above.

8. How do I tell the Court that I would like to challenge the Settlement?

If you have not opted out and believe the Settlement should not be finally approved by the Court for any reason, you may object to the proposed Settlement. Objections may be in writing and state your name, current address, telephone number, signature, and last four digits of your Social Security Number for verification purposes, and describe why you believe the Settlement is unfair and whether you intend to appear at the final approval hearing. All written objections or other correspondence must also state the name and number of the case, which is ***Jesse Galindo v. PAQ, Inc.,* San Joaquin County Superior Court, Case No. STK-CV-UOE-2022-452**. Regardless of whether you submit a written objection, you may also appear at the final approval hearing (described in Section 9 below) and object..

To object to the Settlement, you cannot opt out. If the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object. Any Class Member who does not object in the manner provided in this Class Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

Written objections must be delivered or mailed to the Claims Administrator no later than ______________. The address for the Claims Administrator is 18 Technology Drive, Suite 164, CA 92618; Tel: 1-800-355-0700.

The addresses for the Parties' counsel are as follows:

Class Counsel:
Jean-Claude Lapuyade, Esq.
JCL Law Firm, APC
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Tel.: (619) 599-8292
Fax: (619) 599-2891
E-Mail: jlapuyade@jcl-lawfirm.com

Class Counsel:
Shani O. Zakay, Esq.
Zakay Law Group, APLC
5440 Morehouse Drive, Suite 3600 San Diego, CA 92121
Tel: (619) 599-8292
Fax: (619) 599-8291
Email: shani@zakaylaw.com

Class Counsel:
James R. Hawkins, Esq.
Isandra Fernandez, Esq.
Lance Dacre, Esq.James Hawkins, APLC
9880 Research Drive, Suite 200
Irvine, CA 92618
Tel: (949) 387-7200
Fax:
Email:

Counsel for Defendant:
Vladimir J. Kozina, Esq.
Mayall Hurley, APC
2453 Grand Canal Blvd.
Stockton, CA 95207
T: 209-473-4616
F: 209-477-3633
VJKozina@mayallaw.com

wgorham@mayallaw.com

9. When and where will the Court decide whether

The Court will hold a Final Approval Hearing at 00:00 AM/PM on _______________, at the San Joaquin County Superior Court, Department 10B, located at 180 E. Weber Ave., Stockton, CA 95202. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement. If there are objections, the Court will consider them. The Court will listen to people who have made a timely written request to speak at the hearing or who appear at the hearing to object. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

10. How do I get more information about the Settlement?

You may call the Claims Administrator at _________ or write to ***Jesse Galindo v. PAQ, Inc.*, San Joaquin County Superior Court, Case No. STK-CV-UOE-2022-452,** Claims Administrator, c/o ___________________.

This notice summarizes the proposed settlement. More details are in the Settlement Agreement. You may receive a copy of the Settlement Agreement, the Final Judgment, or other Settlement documents by visiting the Claims Administrator's website at www.________________.com.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- You must inform the Claims Administrator of any change of address to ensure receipt of your settlement payment.
- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Claims Administrator shall pay all funds from such uncashed checks to either a Cy Pres, in accordance with CCP §384, or the State Controller. If your check is lost or misplaced, you should contact the Claims Administrator immediately to request a replacement.

EXHIBIT 3

Jacqueline Lozano

From: DIR PAGA Unit <lwdadonotreply@dir.ca.gov>
Sent: Wednesday, March 27, 2024 4:16 PM
To: Madelyn Uchiyama
Subject: Thank you for your Proposed Settlement Submission

03/27/2024 04:14:21 PM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement
If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website:
https://nam02.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate_Attorneys_General_Act.htm&data=05%7C02%7Cmuchiyama%40jcl-lawfirm.com%7Cbb19740197224bc5a10108dc4eb3d413%7C1f72d94e1dff4b9e9f45bdb37d49a25e%7C0%7C0%7C638471781479364483%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C0%7C%7C%7C&sdata=zcRnLrqKmaIx7CHrPnk0Lb%2FH4r7Q1arSmCnb08OuW80%3D&reserved=0

EXHIBIT 4

EXHIBIT 5

JCL LAW FIRM, APC
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Tel: (619) 599-8292
Fax: (619) 599-8291

FIRM RESUME

Areas of Practice: Employee Class Actions, Wage and Hour Class Actions, Civil Litigation, and Unlawful Housing Practices.

ATTORNEY BIOGRAPHIES

Jean-Claude Lapuyade, Esq.
California Bar Number 248676
Founding Partner

Biography:

Mr. Lapuyade is a San Diego based labor and employment attorney representing aggrieved California employees and the victims of unlawful housing practices throughout the State of California. Mr. Lapuyade's litigation practice focuses on representing California employees in wage and hour class actions for unpaid wages, missed meal and rest breaks, and misclassification, wrongful termination cases and tenants in unlawful housing class actions. Mr. Lapuyade prides himself on providing his clients with aggressive, attentive and result driven representation through the litigation process, trial and arbitration. Since 2007, Mr. Lapuyade successfully recovered in excess of $200 million in monetary awards for his clients.

Mr. Lapuyade served as co-editor of the Insurance Column for Consumer Attorneys of San Diego from 2011 to 2014. As editor, Mr. Lapuyade was responsible for publishing monthly articles in the Trial Bar News periodical analyzing complex insurance coverage issues. Mr. Lapuyade is a four-time recipient of the Super Lawyers Rising Star by Thomson Reuters. To be eligible for inclusion in Rising Stars, a candidate must be either 40 years old or younger or in practice for 10 years or less. While up to 5 percent of the lawyers in a state are named to Super Lawyers, no more than 2.5 percent are named to Rising Stars.

Bar Admissions:

- California
- U.S. District Court Southern District of California
- U.S. District Court Central District of California
- U.S. District Court Eastern District of California
- U.S. District Court Northern District of California

Professional Associations:

- California Employment Lawyers Association, 2007 to Present
- Consumer Attorneys of San Diego, 2007 to 2020
- American Bar Association, Section of Litigation, Member, 2007 to 2020
- American Bar Association, Labor & Employment Section, Member, 2007 to 2020
- American Bar Association, Tort, Trial & Insurance Section, Member, 2007 to 2020
- California Bar Association, Labor & Employment Section, Member, 2007 to Present
- California Bar Association, Litigation Section, Member, 2007 to Present

Education:

- **California Western School of Law**
  - J.D. - 2006
  - Honors: Deans Merit Scholarship, California Western School of Law 2005 - 2006
- **University of Arizona**
  - B.A. - 2001
  - Major: History

Honors:

- Super Lawyers Rising Star, Thomson Reuters, 2015 - 2018
- Distinguished Advocate Award for Outstanding Oral Advocacy, 2005 – 2006

Sydney Castillo-Johnson, **Esq**.
California Bar Number 343881
Associate Attorney

Biography:

Ms. Castillo-Johnson is a San Diego based labor and employment attorney representing California employees throughout the state of California. Ms. Castillo-Johnson's litigation practice focuses on representing current and former employees in wage and hour class actions for unpaid wages, missed meal and rest breaks, misclassification, and wrongful termination.

Ms. Castillo-Johnson volunteered her time at California Wester School of Law first as a student intern and later as a student manager with the Community Law Project which offers legal services to the low-income community of San Diego.

Education:

- **California Western School of Law**
    - J.D.- 2022
    - Honors:
        - Dean's Honor List: Spring 2021, Fall 2021
        - Public Service Honor Society Fall 2021
        - 3L Academic Merit Scholarship
        - Dean's Diversity, Service, and Leadership Scholarship
    - Activities: Community Law Project Student Manager
- **Azusa Pacific University**
    - B.A. – 2018
    - Major: Criminal Justice

Monnett De La Torre, Esq.
California Bar Number 272884
Senior Associate

Biography:

Ms. De La Torre is a San Diego and Ventura County based labor and employment attorney representing aggrieved California employees throughout the State of California. Ms. De La Torre's litigation practice focuses on representing California employees in wage and hour class and representative actions for unpaid wages, missed meal and rest breaks, misclassification, penalties, and wrongful termination cases. Ms. De La Torre has extensive experience handling internal workplace investigations. Ms. De La Torre has handled matters before the Department of Fair Employment and Housing, Equal Employment Opportunity Commission and Department of Labor.

Ms. De La Torre is a two-time recipient of the Super Lawyers Rising Star by Thomas Reuters. To be eligible for inclusion in Rising Stars, a candidate must be either 40 years old or younger or in practice for 10 years or less. While up to five percent of the lawyers in a state are named to Super Lawyers, no more than 2.5 percent are named to Rising Stars.

Bar Admissions:

- California
- U.S. District Court Southern District of California

Professional Associations:

- California Employment Lawyers Association, 2022 to Present
- Consumer Attorneys of San Diego, 2010-2015
- American Bar Association, Labor & Employment Section, Member, 2015 to Present
- California Bar Association, Labor & Employment Section, Member, 2015 to Present
- San Diego La Raza Lawyers Association, 2010-2015
- Ventura County Bar Association, 2015-Present
- Women Lawyers of Ventura County, 2015-Present

Education:

- **New England School of Law**
    - J.D.- 2010

- Honors:
    - Dean's List Consecutive years
- **University of California, San Diego**
    - B.A.- 2006
    - Major: Economics
    - Minor: Latin American Studies

Honors:

- Super Lawyers Rising Star, Thomson Reuters, 2021 and 2022
- Pacific Cost Business Times, "Top 40 under 40" Award
- Daily Transcripts "Top Young Attorney: nominee, consecutive years

REPORTED CASES

- *Blanchette et al., v. Superior Court (GHA Homes)*, 8 Cal.App.5th 521, 2017
- *Chmurny v. State*, 392 Md. 159, 2006

EXAMPLES OF THE JCL LAW FIRM'S REPRESENTATIVE CLASS ACTION & REPRESENTATIVE CASES

- *Ware v. Shake Shack Enterprises, LLC,* Alameda Superior Court Case No. 21CV002063 (October 19, 2023) Hon. Brad Seligman approved a $1,330,000.00 class action and PAGA action settlement for violations of California wage and hour laws. The Court appointed JCL Law Firm, APC as Class Counsel and as representative PAGA counsel for the State of California.
- *Trinh v. Precision Metal Products, Inc., et al.,* San Diego Superior Court Case No. 37-2022-00000965-CU-OE-CTL (October 16, 2023) Hon. Matthew C. Braner approved a $450,000.00 class action and PAGA action settlement for, *inter alia*, unpaid off the clock work. The Court appointed JCL Law Firm, APC as Class Counsel and as representative PAGA counsel for the State of California.
- *Anderson v. Barton Myers Associates, Inc., et al.,* Los Angeles Superior Court Case No. 21STCV43314 (October 12, 2023) Hon. Elihu M. Berl approved a $900,000.00 class action and PAGA action settlement for meal and rest period violations. The Court appointed JCL Law Firm, APC as Class Counsel and as representative PAGA counsel for the State of California.
- *DeSanctis v. Douglas Products and Packaging Company, LLC,* Contra Costa Superior Court Case No. C21-01874 (October 11, 2023) Hon. Charles S. Treat approved a $372,500.00 class action and PAGA action settlement for, *inter alia,* failure to pay for all hours worked. The Court appointed JCL Law Firm, APC as Class Counsel and as representative PAGA counsel for the State of California.
- *Jackson v. White Fir, LLC, et al.,* Sacramento Superior Court Case No. 34-2021-00301656 (October 6, 2023) Hon. Lauri A. Damrell approved a $750,000.00 class action and PAGA action settlement for violations of California wage and hour laws. The Court appointed JCL Law Firm, APC as Class Counsel and as representative PAGA counsel for the State of California.
- *Kneisly v. SR Machining, Inc., et al.,* Riverside Superior Court Case No. CVRI2201491 (October 5, 2023) Hon. Harold W. Hopp approved a $220,000.00 class action and PAGA action settlement for meal and rest period violations. The Court appointed JCL Law Firm, APC as Class Counsel and as representative PAGA counsel for the State of California.
- *Mendez v. Bondz, Inc., et al.*, San Joaquin Superior Court Case No. STK-CV-UOE-2020-0007486 (September 14, 2023) Hon. George J. Abdallah, Jr. approved a $180,000.00 class action and PAGA action settlement for, *inter alia,* failure to comply with piece-rate laws. The Court appointed JCL Law Firm, APC as Class Counsel and as representative PAGA counsel for the State of California.
- *Baray v. Curation Foods, Inc., et al.,* Santa Barbara Superior Court Case No. 21CV02834 (August 29, 2023) Hon. James F. Rigali approved a $495,000.00 class action and PAGA action settlement for meal and rest period violations. The Court appointed JCL Law Firm, APC as Class Counsel and as representative PAGA counsel for the State of California.
- *Rodriguez, et al. v. Ferma Greenbox, In*c., *et al.,* Alameda Superior Court Case No. RG21101104 (August 23, 2023) Hon. Evelio Grillo approved a $200,000.00 class action and PAGA action settlement for, *inter alia,* unpaid off-the-clock work. The Court appointed JCL Law Firm, APC as Class Counsel and as representative PAGA counsel for the State of California.
- *O'Quinn v. Laugh Factory, Inc.,* Los Angeles Superior Court Case No. 19STCV28155 (August 1, 2023) Hon. Carolyn B. Kuhl approved a $144,000.00 class action and PAGA action settlement for, *inter alia,* unlawful tip pooling. The Court appointed JCL Law Firm, APC as Class Counsel and as representative PAGA counsel for the State of California.
- *Toler v. Total Testing Solutions, LLC,* Los Angeles Superior Court Case No. 21STCV38452 (July 27, 2023) Hon Elihu M. Berle approved a $160,000.00 class action and PAGA action settlement for meal and

rest period violations. The Court appointed JCL Law Firm, APC as Class Counsel and as representative PAGA counsel for the State of California.

- *Rodriguez v. EAH, Inc.,* Santa Cruz Superior Court Case No. 21CV00884 (July 25, 2023) Hon. Marjorie Carter approved a $1,450,000.00 class action and PAGA action settlement for, *inter alia,* failure to compensate overtime and redeemed sick pay at the regular rate of pay. The Court appointed JCL Law Firm, APC as Class Counsel and as representative PAGA counsel for the State of California.
- *Neutall v. Urban Alchemy,* San Francisco Superior Court Case No. CGC-20-588622 (July 13, 2023) Hon. Richard B. Ulmer approved a $980,000.00 class action settlement for violations of California wage and hour laws. The Court appointed JCL Law Firm, APC as Class Counsel.
- *Rodriguez v. RM Parks Place, Inc.,* San Joaquin Superior Court Case No. STK-CV-UOE-2021-6050 (June 7, 2023) Hon. Erin Guy Castillo approved a $175,000.00 class action and PAGA action settlement for, *inter alia,* wage statement violations. The Court appointed JCL Law Firm, APC as Class Counsel and as representative PAGA counsel for the State of California.
- *Chrestensen v. Northeastern Rural Health Clinics* Lassen, Superior Court Case No. 63703 (April 13, 2023) Hon. Leonard J. La Casse approved a $270,000.00 class action and PAGA action settlement for, *inter alia,* unpaid overtime wages. The Court appointed JCL Law Firm, APC as Class Counsel and as representative PAGA counsel for the State of California.
- *Hernandez, et al. v. Parenting Network, Inc.,* Tulare Superior Court Case No. VCU287027 (March 14, 2023) Hon. Bret Hilman approved a $225,000.00 class action and PAGA action settlement for, *inter alia,* unpaid off-the-clock work. The Court appointed JCL Law Firm, APC as Class Counsel and as representative PAGA counsel for the State of California.
- *Sarmiento v. Caduceus Healthcare Inc.,* San Diego Superior Court Case No. 37-2021-00002597 (March 10, 2023) Hon. Richard S. Whitney approved a $315,000.00 class action and PAGA action settlement for, *inter alia,* unpaid off-the-clock work. The Court appointed JCL Law Firm, APC as Class Counsel and as representative PAGA counsel for the State of California.
- *Garces, et al. v. DriverDo, LLC,* Los Angeles Superior Court Case No. 19STCV32773 (January 24, 2023) Hon. Carolyn B. Kuhl approved a $700,000 class action and PAGA settlement for meal and rest period violations. The JCL Law Firm, APC, represented the plaintiff, the State of California, and the Aggrieved Employees.
- *De Jesus v. Guardian Angel Home Care, Inc.,* San Diego Superior Court Case No. 37-2020-00021049-CU-OE-CTL (July 29, 2022) Hon. Ronald F. Frazier approved a $300,000 class action and PAGA settlement for meal and rest period violations. The JCL Law Firm, APC, represented the plaintiff, the State of California, and the Aggrieved Employees.
- *Kaur v. Aces 2020 I, LLC, et al.,* Contra Costa Superior Court Case No. MSC20-02482 (December 22, 2022) Hon. Edward G. Weil approved a $585,000 class action and PAGA settlement for meal and rest period violations. The JCL Law Firm, APC, represented the plaintiff, the State of California, and the Aggrieved Employees.
- *Molina v. Hawaiian Airlines, Inc.,* Los Angeles Superior Court Case No. 20STCV28079 (November 23, 2022) Hon. Maren Nelson approved a $250,000 class action settlement for meal and rest period violations. The JCL Law Firm, APC, represented the Plaintiff.
- *Lang Jr. v. Pathways Community Services LLC,* San Diego Superior Court Case No. 37-2019-00049969-CU-OE-CTL (September 9, 2022) Hon. James A. Mangione approved a $160,000 class action and PAGA settlement for meal and rest period violations. The JCL Law Firm, APC, represented the plaintiff, the State of California, and the Aggrieved Employees.
- *Martinello v. Century Wilshire, Inc.*, Los Angeles Superior Court Case No. 20STCV32613 (March 1, 2022) Hon. Carolyn Kuhl approved a $550 billing rate and appointed Jean Claude Lapuyade, Esq. of the JCL Law Firm, APC, as Class Counsel.
- *Wilson v. Spreen Inc. (dba Spreen Honda),* San Bernardino Superior Court Case No. CIVSB2119857 (April 6, 2022) Hon. David Cohn approved a $300,000 PAGA action settlement for meal and rest period violations. The JCL Law Firm, APC, represented the plaintiff, the State of California, and the Aggrieved Employees.
- *Ledesma v. TVJ Sons I, Inc.; Porter and Howard, Inc.* Santa Barbara Superior Court Case No. 20CV03573 (November 10, 2021) Hon. Jed Beebe approved a $350,000 PAGA action settlement for meal and rest period violations. The JCL Law Firm, APC represented the State of California and the Aggrieved Employees.
- *Jacobs v. Rush Media Company, LLC; XLT Management Services, Inc.*, Los Angeles Superior Court Case No. 20STCV32350 (May 2, 2022) Hon. Daniel J. Buckley appointed the JCL Law Firm, APC as Class Counsel and approved a $330,000 class action settlement for, *inter alia*, independent contractor misclassification.
- *Chavez v. HTL Conrad Domestic, LLC; HTL Conrad Domestic Employer, LLC*, San Diego Superior Court Case No. 37-2020-00016193-CU-OE-CTL (June 9, 2022) Hon. John S. Meyer approved a $850,000 PAGA action settlement for, *inter alia*, failure to compensate overtime at the regular rate of pay. The JCL Law Firm, APC acted as representative PAGA counsel for the State of California and the Aggrieved Employees.
- *Renteria v. Love's Country Stores of California*, San Bernardino Superior Court Case No. CIVDS20164481 (June 14, 2022) Hon. David Cohn approved a $2.2 million dollar class action and PAGA action settlement

for, *inter alia*, unpaid overtime and sick pay. The JCL Law Firm, APC acted as Class Counsel and as representative PAGA counsel for the State of California.

- *Lopez v. Adidas America, Inc.*, Ventura Superior Court Case No. 56-2021-005498444-CU-OE-VTA (April 4, 2022) Hon. Mark Borrell approved a $1.5 million dollar class action and PAGA action settlement for, *inter alia*, inaccurate overtime calculations, and appointed the JCL Law Firm, APC as Class Counsel.
- *Felix v. TVI, Inc., d.b.a. Savers*, Santa Clara Superior Court Case No. 21CV376407 (February 18, 2022) Hon. Sunil R. Kulkarni approved a $1.8 million dollar class action and PAGA action settlement for, *inter alia,* unpaid off-the-clock work. The Court appointed JCL Law Firm, APC as Class Counsel and as representative PAGA counsel for the State of California.
- *Munoz v. AMTCR,* San Bernardino Superior Court Case No. CIV-DS2001914 (August 24, 2021) Hon. David Cohn approved a $1.8 million dollar class and PAGA settlement for, *inter alia*, inaccurate itemized wage statements. The JCL Law Firm, APC acted as class counsel for the settlement class and as representative PAGA counsel the State of California and the Aggrieved Employees.)
- *Nunes v. Home Depot U.S.A., Inc.,* San Joaquin Superior Court Case No. STK-CV-UOE-2020-0011011 (October 20, 2021 – Hon. Roger Ross approved a $1.5 million dollar class and PAGA settlement for, *inter alia*, miscalculated meal period premiums and appointed Jean-Claude Lapuyade, Esq, as Class Counsel.)
- *Pillsbury v. T&T Restaurants CA, Inc.,* Del Norte Superior Court Case No. CVUJ-20-1214 (December 14, 2021 – Hon. Darren McElfresh approved $550 billing rate and appointed Jean-Claude Lapuyade, Esq, as Class Counsel in a wage and hour class action settlement.)
- *Latin v. OneMain General Service Corporation*, Stanislaus County Superior Court Case No. CV-20-002498 (October 22, 2021) Hon. Stacy Speiller approved a PAGA action settlement for $700,000 wage statement violations. The JCL Law Firm, APC acted as counsel for the plaintiff, the State of California and the Aggrieved Employees.
- *Elias Kaser v. Aviation Consultants, Inc.,* Orange County Superior Court Case No. 30-2021-01191204-CU-OE-CXC (September 22, 2021 – Hon. Peter J. Wilson approved $550 billing rate in a representative California Labor Code Private Attorney General Act settlement).
- *Rodriguez* v. *RSI Home Products, Inc.,* San Bernardino Superior Court Case No. CIVDS2023354 (July 30, 2021 – Hon. David Cohn approved a $1.45 million class and PAGA settlement for, *inter alia*, failure to comply with piece-rate laws, and appointed the JCL Law Firm, APC as Class Counsel)
- *Jer Vang v. Bridge Property Management,* Alameda County Superior Court, Case No RG19047434 (January 8, 2021 – Hon. Winifred Smith approved a class and PAGA settlement for, *inter alia*, unpaid off the clock work. The JCL Law Firm, APC acted as class counsel for the settlement class and as representative PAGA counsel the State of California and the Aggrieved Employees.)
- *Johnson v. Volt Management Corp., Inc. et al.,* Los Angeles County Superior Court, Case No. 19STCV16466 (December 11, 2020 – Hon. Amy Hogue approved a PAGA Settlement negotiated on behalf of the State of California and the aggrieved employees by the JCL Law Firm, APC.)
- *Salazar v. Frontier Auto Sales Inc., dba Frontier Toyota*, Los Angeles Superior Court, Case No. 19STCV20382 (November 24, 2020 – Hon. John P. Doyle appointed the JCL Law Firm, APC as class counsel and approved a class and PAGA settlement for*, inter alia,* missed meal and rest periods.)
- *Villalobos v. Alterra Group, LLC et al.,* Los Angeles County Superior Court, Case No. 19STCV19448 (November 11, 2020 – Hon. Richard Fruin approved a PAGA Settlement for, *inter alia,* unreimbursed business expenses. The JCL Law Firm, APC acted as counsel for the plaintiff, the State of California and the Aggrieved Employees.)
- *Stevens et al., v. Bank of England,* San Diego County Superior Court Case No. 37-2019-00018662-CU-OE-CTL (October 16, 2020 – Hon. John Meyer appointed JCL Law Firm as Class Counsel and granted final approval of wage and hour class action for, *inter alia,* off-the-clock work.)
- *Frazier v. ASA Carlton, Inc.,* San Diego Superior Court Case No. 37-2019-00036147 (October 9, 2020 Hon. Kenneth Medel appointed the JCL Law Firm as Class Counsel and granted final approval of wage and hour class action for off-the-clock work.)
- *Krake et al., v. Central Valley Diner, Inc.,* Placer County Superior Court Case No. SCV0041645 (September 4, 2020 – Hon. Michael Jones appointed JCL Law Firm as class counsel and granted final approval of wage and hour class action for meal period violations.)
- *Conner v. Ascendant Marketing, LLC et al.,* San Diego Superior Court Case No. 37-2019-00026864-CU-OE-CTL (July 24, 2020 Hon. Joel Wohlfeil granted approval of PAGA Settlement for, among other things, off-the-clock work. JCL Law Firm, APC acted as lead counsel.)
- *Guerrero v. Estancia Operations, LLC.,* San Diego Superior Court Case No. 37-2019-00028963 (August 25, 2020 – Hon. Katherine Bacal approved PAGA Settlement for, *inter alia,* missed meal and rest periods. JCL Law Firm, APC, acted as lead counsel.)
- *Moreno v. Dash Lube, et al.,* United States District Court, Southern District of California, Case No. 18cv1922 DMS (AHG) (December 13, 2019 – Granted class certification of Labor Code Section 226 claim and appointed JCL Law Firm, APC, as Class Counsel.)

- *Perkins et al., v. Tahiti Enterprises, Inc., et al.,* Orange County Superior Court Case No. 30-2016-00863095 (October 22, 2019 – Hon. Peter Wilson appointed JCL Law Firm, APC, as Class Counsel and granted final approval for an unlawful housing class action settlement arising out of Civil Code Section 1940.1.)
- *Hill v. Stemak Holdings, Ltd.,* San Diego Superior Court Case No., 37-2018-00000747 (January 28, 2020 – Hon. Kenneth Medel appointed JCL Law Firm, APC as class counsel and granted final approval of wage and hour class action for unpaid overtime.)
- *Shachno et al., v. KT Hotels, LLC, et al.* San Diego Superior Court Case No Case No. 37-2018-00043601 (May 31, 2019 – Hon, Gregory Pollack appointed JCL Law Firm, APC, as Class Counsel and granted preliminary approval for the wage and hour class action settlement involving nearly 900 current and former employees. Final approval scheduled for October 4, 2019)
- *Almanza v. The Express Group, Inc.*, San Bernardino Superior Court Case No. CIVDS1722542 (April 19, 2019 – Hon. David Cohn appointed the JCL Law Firm, APC, as Class Counsel and granted final approval for a wage and hour class action settlement for *inter alia*, missed meal and rest periods and independent contractor misclassification.)
- *Moschetto v. Pillow Global, Inc. San Diego Superior Court,* Case No. 37-2017-00024031-CU-OE-CTL (April 5, 2019 – Hon. John S. Meyer appointed JCL LAW Firm, APC, as Class Counsel and granted final approval for a wage and hour wage class action settlement involving misclassified house cleaners.)
- *Burke v. Friendship Hotel, LLC,* San Diego County Superior Court Case No. 37-2017-00022517-CU-OE-CTL (March 10, 2019 – final approval granted on for an unlawful housing class action arising under Civil Code Section 1940.2)
- *Terrado et al., v. Accredited Debt Relief, LLC*, San Diego County Superior Court Case No. 37-2018-00014181-CU-OE-CTL (February 8, 2019 – Hon. Gregory W. Pollock appointed JCL Law Firm, APC as Class Counsel and granted final approval for a wage and hour class action settlement for meal and rest period violations);
- *Macaspac v. San Antonio Regional Hospital*, San Bernardino Superior Court Case No. CIVDS1512625, (July 27, 2018 – Hon. Thomas S. Garza appointed JCL Law Firm, APC, as Class Counsel and granted final approval for a wage and hour class action settlement involving claims for on duty meal and rest periods.);
- *Summerlin et al. v. Maplebear, Inc. dba Instacart*, Los Angeles Superior Court Case No. BC603030 (2018 - certified and settled wage and hour class action.)
- *Ortega v. Prime Healthcare*, San Diego Superior Court Case No. 37-2014-00011240-CU-OE-CTL (2018 – Approved PAGA only settlement for on duty meal and rest periods)
- *Engstrom v. Bender-Rosenthal*, Inc. San Diego Superior Court Case No. 37-2016-00012373-CU-OE-CTL (2017 - Certified and settled class action for employee misclassification);
- *Crawford v. Outlook Amusements,* Inc., Los Angeles Superior Court Case No. BC617160 (2017 - Certified and settled wage and hour class action.);
- *Hernandez v. Sunglass Hut Trading, LLC*, San Bernardino Superior Court Case No. CIVDS1505181 (2016 - Certified and settled wage and hour class action);
- *Burns v. Shalom, LLC*, San Diego Superior Court, Case No., 37-2013-00058356-CU-BT-CTL (2015 - certified and settled class action for unlawful housing practices arising out of Civil Code Section 1940.1);