

ZAKAY LAW GROUP, APLC
Shani O. Zakay (State Bar #277924)
Jackland K. Hom (State Bar #327243)
Julieann Alvarado (State Bar #334727)
5440 Morehouse Drive, Suite 3500
San Diego, CA 92121
Telephone: (619)255-9047
Facsimile: (858) 404-9203
shani@zakaylaw.com
jackland@zakaylaw.com
julieann@zakaylaw.com

JCL LAW FIRM, APC
Jean-Claude Lapuyade (State Bar #248676)
5440 Morehouse Drive, Suite 3500
San Diego, CA 92121
Telephone: (619)599-8292
Facsimile: (619) 599-8291
jlapuyade@jcl-lawfirm.com

Attorneys for Plaintiff ELISA ALVAREZ

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN LUIS OBISPO

ELISA ALVAREZ, an individual, on behalf of
herself, and on behalf of all persons similarly
situated,

Plaintiffs,

vs.

SLO ARCHES, INC., a California Corporation;
IVERNIA, INCORPORATED, a California
Corporation; GOLDEN SENECA, INC., a
California Corporation; and DOES 1 through
50, Inclusive;

Defendants.

Case No. 21CV-0533

**[PROPOSED] ORDER GRANTING
PLAINTIFF'S AMENDED MOTION FOR
PRELIMINARY APPROVAL OF CLASS
AND PAGA ACTION SETTLEMENT**

Date:

Time:

Judge: Hon. Craig van Rooyen

Dept.: 2

This matter having come before the Honorable Judge Craig van Rooyen of the Superior Court of the State of California, in and for the County of San Luis Obispo, at _____ on _____, 2024, with Jean-Claude Lapuyade, Esq., of the JCL Law Firm, APC and Shani O. Zakay, Esq. of the Zakay Law Group, APLC as counsel for Plaintiff ELISA ALVAREZ (“Plaintiff”), and Thalia S. Rofos, Esq. of O’Hagan Meyer, LLP appearing for Defendants SLO ARCHES, INC., a California Corporation; IVERNIA, INCORPORATED, a California Corporation; and GOLDEN SENECA, INC., a California Corporation (hereinafter “Defendants”). The Court, having carefully considered the briefs, argument of counsel and all the matters presented to the Court, and good cause appearing, hereby GRANTS Plaintiff’s Amended Motion for Preliminary Approval of Class Action Settlement.

IT IS HEREBY ORDERED:

1. The Court preliminarily approves the Stipulation of Settlement of Class Action Claims and Release of Claims (“Settlement Agreement” or “Agreement”). 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 Defendants shall pay is Seven Hundred Fifty Thousand Dollars and Zero Cents (\$750,000.00). 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

1 intensive, serious, and non-collusive arms-length negotiations.

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

8 5. Plaintiff seeks a Class Counsel Award in the amount of up-to one-third of the Gross
9 Settlement Amount for attorneys' fees, currently estimated at Two Hundred Fifty Thousand Dollars
10 (\$250,000.00), an award of litigation expenses incurred not to exceed Twenty Thousand Dollars
11 (\$20,000), and proposed Class Representative Service Award to the Class Representative, Elisa
12 Alvarez, in the amount of Ten Thousand Dollars (\$10,000). While these awards appear to be within the
13 range of reasonableness, the Court will not approve the Class Counsel Award or Class Representative
14 Service Award until the Final Approval Hearing.

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

19 "All non-exempt employees who are or previously were directly employed
20 by Defendants and performed work in California during the period of
21 September 16, 2017 to May 28, 2021."

22 7. The Court concludes that, for settlement purposes only, the Class meets the requirements
23 for certification under section 382 of the California Code of Civil Procedure in that: (a) the Class is
24 ascertainable and so numerous that joinder of all members of the Class Members is impracticable; (b)
25 common questions of law and fact predominate, and there is a well-defined community of interest
26 amongst the Class Members with respect to the subject matter of the litigation; (c) the claims of the
27 Class Representative are typical of the claims of the Class Members; (d) the Class Representative will

1 fairly and adequately protect the interests of the Class Members; (e) a class action is superior to other
2 available methods for the efficient adjudication of this controversy; and (f) Class Counsel are qualified
3 to act as counsel for the Class Representative in her individual capacity and as the representative of the
4 Class Members.

5 8. The Court provisionally appoints Plaintiff Elisa Alvarez as the representative of the
6 Class.

7 9. The Court provisionally appoints Jean-Claude Lapuyade, Esq., of the JCL Law Firm,
8 A.P.C., and Shani O. Zakay, of the Zakay Law Group, APLC, as Class Counsel for the Class Members.

9 10. The Court hereby approves, as to form and content, the Proposed Amended Notice of
10 Pendency of Class Action Settlement and Final Hearing Date (“Class Notice”), a true and correct copy
11 of which is attached hereto as **Exhibit “1.”** The Court finds that both notices appear to fully and
12 accurately inform the Class Members and Aggrieved Employees of all material elements of the
13 proposed Settlement, including right of any Class Member to be excluded from the Class by submitting
14 a written request for exclusion, and of each Class Member’s right and opportunity to object to the
15 Settlement. The Court further finds that the distribution of the notices substantially in the manner and
16 form set forth in the Agreement and this Order meets the requirements of due process, is the most
17 reasonable notice under the circumstances, and shall constitute due and sufficient notice to all persons
18 entitled thereto. The Court orders the mailing of the notices by first class mail, pursuant to the terms
19 set forth in the Agreement.

20 11. The Court hereby appoints ILYM Group Inc., as Settlement Administrator. No later than
21 ten (10) business days after the entry of this order, Defendants shall provide, to the Settlement
22 Administrator the Class Data, including information regarding Class Members that Defendants will in
23 good faith compile from its records, including each Class Member’s full name; last known address;
24 Social Security Number; start dates and end dates of employment. No later than fourteen (14) calendar
25 days after receiving the Class Data from Defendants, the Settlement Administrator shall mail and email
26 the Class Notice to all identified, potential Class Members via regular first-class U.S. Mail and
27 electronic mail using the most current mailing address information available. The Settlement
28

1 Administrator shall also be required to perform all duties set forth in the Agreement.

2 12. Any Class Member may individually choose to opt out of and be excluded from the
3 Settlement as provided in the Class Notice by following the instructions for requesting exclusion from
4 the Settlement of the Released Class Claims that are set forth in the Class Notice and submitting to the
5 Settlement Administrator. All requests for exclusion must be postmarked or received by the Response
6 Deadline which is forty-five (45) calendar days after the date the Class Notice is mailed to the Class
7 Members or, in the case of a re-mailed Class Notice, not more than fifteen (15) calendar days after the
8 original Response Deadline. Any such person who chooses to opt out of and be excluded from the
9 Settlement will not be entitled to an Individual Settlement Payment under the Settlement and will not
10 be bound by the Settlement, or have any right to object, appeal or comment thereon. Class Members
11 who have not requested exclusion shall be bound by all determinations of the Court, the Agreement
12 and Judgment. A request for exclusion may only opt out that particular individual, and any attempt to
13 affect an opt-out of a group, class, or subclass of individuals is not permitted and will be deemed invalid.
14 The Settlement Administrator shall file a declaration concurrently with the filing of the Motion for
15 Final Approval, authenticating a copy of every exclusion form received by the administrator.

16 13. Any Class Member who has not opted out may appear at the final approval hearing and
17 may object or express the Class Member's views regarding the Settlement and may present evidence
18 and file briefs or other papers that may be proper and relevant to the issues to be heard and determined
19 by the Court as provided in the Class Notice. Class Members will have forty-five (45) days from the
20 date the Settlement Administrator mails the Class Notice to postmark their written objections to the
21 Settlement Administrator. The Settlement Administrator shall file a declaration concurrently with the
22 filing of the Motion for Final Approval authenticating a copy of every objection form received by the
23 Settlement Administrator.

24 14. A final approval hearing shall be held before this Court on _____ at
25 _____ in Department 2 of the San Luis Obispo County Superior Court to determine all necessary
26 matters concerning the Settlement, including: whether the proposed settlement of the Action on the
27 terms and conditions provided for in the Agreement is fair, adequate and reasonable and should be

1 finally approved by the Court; whether an Order Granting Final Approval should be entered herein;
2 whether the plan of allocation contained in the Agreement should be approved as fair, adequate and
3 reasonable to the Class; and to finally approve the Class Counsel Award, Class Representative Service
4 Award, and the Settlement Administration Costs. All papers in support of the motion for final approval
5 and the motion for Class Counsel Award and Class Representative Service Award shall be filed with
6 the Court and served on all counsel no later than sixteen (16) court days before the hearing. With respect
7 to Settlement Administration Costs, the papers must only request approval of an amount not to exceed
8 \$16,000. The Settlement Administrator must give notice to any objecting party of any continuance of
9 the hearing of the Motion for Final Approval.

10 15. Neither the Settlement nor any exhibit, document, or instrument delivered thereunder
11 shall be construed as a concession or admission by Defendants in any way, and shall not be used as
12 evidence of, or used against Defendants as, an admission or indication in any way, including with
13 respect to any claim of any liability, wrongdoing, fault or omission by Defendants or with respect to
14 the truth of any allegation asserted by any person. Whether or not the Settlement is finally approved,
15 neither the Settlement, nor any exhibit, document, statement, proceeding or conduct related to the
16 Settlement, nor any reports or accounts thereof, shall in any event be construed as, offered or admitted
17 in evidence as, received as or deemed to be evidence for any purpose adverse to the Defendants,
18 including, but not limited to, evidence of a presumption, concession, indication or admission by
19 Defendants of any liability, fault, wrongdoing, omission, concession or damage.

20 16. In the event the Settlement does not become effective in accordance with the terms of the
21 Agreement, or the Settlement is not finally approved, or is terminated, canceled, or fails to become
22 effective for any reason, this Order shall be rendered null and void and shall be vacated, and the Parties
23 shall revert to their respective positions as of before entering into the Agreement. In such an event, the
24 Court's orders regarding the Settlement, including this Preliminary Approval Order, shall not be used
25 or referred to in litigation for any purpose. Nothing in this paragraph is intended to alter the terms of
26 the Settlement Agreement with respect to the effect of the Settlement Agreement if it is not approved.

27 ///

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

4
5
6 Dated: _____

JUDGE OF THE SUPERIOR COURT

EXHIBIT 1

JCL LAW FIRM, APC

Jean-Claude Lapuyade (State Bar #248676)
Sydney Castillo-Johnson (State Bar #343881)
Monnett De La Torre (State Bar #272884)
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Telephone: (619) 599-8292
Facsimile: (619) 599-8291
jlapuyade@jcl-lawfirm.com
scastillo@jcl-lawfirm.com
mdelatorre@jcl-lawfirm.com

ZAKAY LAW GROUP, APLC

Shani O. Zakay (State Bar #277924)
Jackland K. Hom (State Bar #327243)
Julieann Alvarado (State Bar #334727)
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Telephone: (619) 255-9047
Facsimile: (858) 404-9203
shani@zakaylaw.com
jackland@zakaylaw.com
julieann@zakaylaw.com

ATTORNEYS FOR PLAINTIFF

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN LUIS OBISPO

ELISA ALVAREZ, an individual, on behalf
of herself and on behalf of all persons
similarly situated,

PLAINTIFF,

vs.

SLO ARCHES, INC., a California
Corporation; IVERNIA, INCORPORATED,
a California Corporation; GOLDEN
SENECA, INC., a California Corporation;
and DOES 1 through 50, Inclusive;

DEFENDANTS.

Case No. 21CV-0533

[Action Filed: September 16, 2021]

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

Judge: Honorable Rita Federman
Dept.: 2

This Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims is entered into by and between plaintiff ELISA ALVAREZ (hereinafter “Plaintiff”), individually and on behalf of the putative class and the State of California as a private attorney general, and defendants SLO ARCHES, INC., IVERNIA, INCORPORATED and GOLDEN SENECA, INC. (hereinafter, collectively, “Defendants”):

I. DEFINITIONS

- A. “Action” shall mean the putative class action lawsuit designated *Alvarez v. SLO Arches, Inc., et al.*, San Luis Obispo County Superior Court, Case No. 21CV-0533, filed September 16, 2021 (hereinafter “the Action”).
- B. “Aggrieved Employees” shall mean all non-exempt employees who are or previously were employed by Defendants in California during the period of September 16, 2020 to October 17, 2022.
- C. “Agreement” or “Settlement Agreement” means this Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims.
- D. “Class Counsel” shall mean Jean-Claude Lapuyade, Esq. of JCL Law Firm, APC and Shani Zakay, Esq. of Zakay Law Group, APLC.
- E. “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 Plaintiff and the Class in the Actions, consisting of attorneys’ fees currently not to exceed one-third of the Gross Settlement Amount currently estimated to be \$250,000.00 out of \$750,000.00 plus costs and expenses in an amount not to exceed \$20,000. Class Counsel’s award for attorneys’ fees will be divided equally between Class Counsel (50% to JCL Law Firm, APC and 50% to Zakay Law Group, APLC).
- F. “Class Data” means information regarding Class Members that Defendants will in good faith compile from its records and provide to the Settlement Administrator. It shall be formatted as a Microsoft Excel spreadsheet and shall include: each Class Member’s full name; last known address; Social Security Number; start dates and end dates of employment.

- 1 G. "Class Members" or the "Class" means all non-exempt employees who are or
2 previously were employed by Defendants and performed work in California during
3 the period of September 16, 2017 to October 17, 2022.
- 4 H. "Class Period" means the period between September 16, 2017 to October 17, 2022.
- 5 I. "Class Representative Service Award" means the amount that the Court authorizes to
6 be paid to the Class Representative, in addition to her Individual Settlement Payment
7 and her pro-rata share of the PAGA Settlement, in recognition of her efforts and risks
8 in assisting with the prosecution of the Actions and in exchange for executing a
9 General Release of Defendants.
- 10 J. "Class Representative" shall mean plaintiff ELISA ALVAREZ.
- 11 K. "Court" means the Superior Court for the State of California, County of San Luis
12 Obispo currently presiding over the Action.
- 13 L. "Defendants" shall mean SLO Arches, Inc., Ivernia, Incorporated and Golden Seneca,
14 Inc.
- 15 M. "Defendants' Counsel" shall mean Efthalia S. Rofos, Esq. of Lewis Brisbois Bisgaard
16 & Smith LLP.
- 17 N. "Effective Date" means the latest of the following dates: (i) sixty-one (61) calendar
18 days following the date the Court enters an order granting Final Approval of the
19 Settlement, assuming no appeal, objection, or request to intervene is filed, or (ii) if a
20 timely appeal, objection, or request to intervene is filed, the date of final resolution of
21 that appeal, objection, or intervening action (including any requests for rehearing
22 and/or petitions for writs of certiorari) resulting in final judicial approval of the
23 Settlement.
- 24 O. "Funding Date" shall mean ten (10) calendar days after the Effective Date and is the
25 date Defendants transfer the Gross Settlement Amount into the QSF in accord with
26 the terms of this Agreement.
- 27 P. "Gross Settlement Amount" means Seven Hundred Fifty Thousand Dollars
28 (\$750,000.00) that Defendants must pay into the QSF in connection with this

Settlement, inclusive of the sum of the Individual Settlement Payments, the Class Representative Service Award, the Class Counsel Award, PAGA Settlement and the Settlement Administration Costs and *exclusive* of the employer's share of payroll tax, if any, triggered by any payment under this Settlement.

Q. "Individual Settlement Payment" means the amount payable from the Net Settlement Amount to each Settlement Class Member and excludes any amounts distributed to Aggrieved Employees pursuant to PAGA.

R. "Net Settlement Amount" or "NSA" means the Gross Settlement Amount, less Class Counsel Award, Class Representative Service Award, PAGA Settlement, and Settlement Administration Costs.

S. "Notice Packet" means the Class Notice to be provided to the Class Members by the Settlement Administrator in the form set forth as Exhibit A to this Agreement (other than formatting changes to facilitate printing by the Settlement Administrator).

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

U. "PAGA Payment Ratio" means the respective pay periods during the PAGA Period for each Aggrieved Employee divided by the sum total of the pay periods for all Aggrieved Employees during the PAGA Period.

V. "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.

W. "PAGA Period" means the period between September 16, 2020 to October 17, 2022.

X. "PAGA Settlement" shall mean Thirty-Seven Thousand Five Hundred Dollars (\$37,500.00) to be allocated from the Gross Settlement Amount, with 25% of the payment going to the Aggrieved Employees and 75% of the payment going to the Labor and Workforce Development Agency ("LWDA"). The amount of the PAGA Settlement Payment is subject to Court approval pursuant to California Labor Code

1 section 2699(l). Any reallocation of the Gross Settlement Amount to increase the
2 PAGA Settlement Payment will not constitute grounds by either party to void this
3 Agreement, so long as the Gross Settlement Amount remains the same.

4 Y. "Parties" means Plaintiff and Defendants, collectively, and "Party" shall mean either
5 Plaintiff or Defendants, individually.

6 Z. "Class Payment Ratio" means the respective Workweeks for each Class Member
7 divided by the sum total Workweeks for all Class Members.

8 AA. "Plaintiff" shall mean ELISA ALVAREZ.

9 BB. "QSF" means the Qualified Settlement Fund established, designated and maintained
10 by the Settlement Administrator to fund the Gross Settlement Amount.

11 CC. "Released Class Claims" means all class claims alleged in the operative First
12 Amended Complaint which occurred during the Class Period, and expressly
13 excluding all other claims, including claims for vested benefits, wrongful termination,
14 unemployment insurance, disability, social security, workers' compensation, and
15 class claims outside of the Class Period.

16 DD. "Released PAGA Claims" means all PAGA claims alleged in the operative First
17 Amended Complaint and Plaintiff's PAGA notice to the LWDA which occurred
18 during the PAGA Period, and expressly excluding all other claims, including claims
19 for vested benefits, wrongful termination, unemployment insurance, disability, social
20 security, workers' compensation, and PAGA claims outside of the PAGA Period.

21 EE. "Released Parties" shall mean Defendants and any and all of its respective owners,
22 officers, directors, partners, shareholders, employees, agents, affiliates, subsidiaries,
23 successors, assigns, executors, trustees, fiduciaries, administrators, beneficiaries,
24 business managers, contractors, insurers, reinsurers, attorneys, employees, past and
25 present and/or legal representatives.

26 FF. "Response Deadline" means the date forty-five (45) days after the Settlement
27 Administrator mails Notice Packets to Class Members and the last date on which
28 Class Members may submit requests for exclusion or objections to the Settlement.

- 1 GG. "Settlement" means the disposition of the Actions pursuant to this Agreement.
- 2 HH. "Settlement Administrator" means ILYM Group Inc., 14771 Plaza Drive, Ste. L,
3 Tustin, CA 92780; Tel: 1-888-250-6810; Fax: 1-888-845-6185. The Settlement
4 Administrator establishes, designates and maintains, as a QSF under Internal Revenue
5 Code section 468B and Treasury Regulation section 1.468B-1, into which the amount
6 of the Gross Settlement Amount is deposited for the purpose of resolving the claims
7 of Settlement Class Members. The Settlement Administrator shall maintain the funds
8 until distribution in an account(s) segregated from the assets of Defendants and any
9 person related to Defendants. *All accrued interest shall be paid and distributed to*
10 *the Settlement Class Members as part of their respective Individual Settlement*
11 *Payment.*
- 12 II. "Settlement Class Members" or "Settlement Class" means all Class Members who
13 have not submitted a timely and valid request for exclusion as provided in this
14 Agreement.
- 15 JJ. "Workweeks", for purposes of calculating the distribution of the Net Settlement
16 Amount, means the number of weeks of employment during the Class Period that
17 each Class Member was employed by Defendants in California, excluding weeks
18 during which the Class Member did not perform any work for Defendants.

19 **II. RECITALS**

- 20 A. On September 16, 2021, Plaintiff filed the Class Action lawsuit for:
- 21 1. Unfair Competition in Violation of Bus. and Prof. Code §§ 17200, *et seq*;
- 22 2. Failure to pay overtime wages in violation of Cal. Lab. Code §§ 510, *et seq*.
- 23 3. Failure to pay minimum wages in violation of Cal. Lab. Code §§ 1194, 1197
24 & 1197.1;
- 25 4. Failure to provide required meal periods in violation of Cal. Lab. Code §§
26 226.7 and 512 and the applicable IWC wage order;
- 27 5. Failure to provide required rest periods in violation of Cal. Lab. Code §§ 226.7
28 and 512 and the applicable IWC wage order;

6. Failure to reimburse Employees for required expenses in violation of Cal. Lab. Code § 2802;

7. Failure to provide accurate itemized wage statements in violation of Cal. Lab. Code § 226;

8. Failure to pay wages when due in violation of Cal. Lab. Code §§ 201, 202 and 203.

B. On December 16, 2022, Plaintiff filed a Notice of Violations with the Labor and Workforce Development Agency (LWDA) and served the same on Defendants.

C. Prior to the filing of the Preliminary Approval Motion, Plaintiff filed the operative First Amended Complaint to include an additional cause of action for Violations of the Private Attorneys General Act [Labor Code §§ 2698, *et seq.*].

D. The Class Representative believes she has meritorious claims based on alleged violations of the California Labor Code, and the Industrial Wage Commission 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.

E. Defendants deny 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 Representative are owed, and further contend that, for any purpose other than this settlement, the Action is not appropriate for class or representative action treatment. Defendants contend, among other things, that at all times they complied with the California Labor Code and the Industrial Wage Commission Orders.

F. The Class Representative is represented by Class Counsel. Class Counsel conducted an investigation into 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 Defendants pursuant to informal requests for information to prepare for mediation. Defendants produced for the purpose of settlement negotiations certain

1 employment data, including payroll and timekeeping records, concerning the
2 Settlement Class, which Class Counsel reviewed and analyzed. Based on their own
3 independent investigation and evaluation, Class Counsel are of the opinion that the
4 Settlement with Defendants is fair, reasonable and adequate, and is in the best interest
5 of the Settlement Class in light of all known facts and circumstances, including the
6 risks of significant delay, defenses asserted by Defendants, uncertainties regarding
7 class certification, and numerous potential appellate issues. Although it denies any
8 liability, Defendants are agreeing to this Settlement solely to avoid the
9 inconveniences and cost of further litigation. The Parties and their counsel have
10 agreed to settle the claims on the terms set forth in this Agreement.

11 G. On October 17, 2022, the Parties participated in mediation presided over by Steven
12 Rottman, Esq., a mediator of wage and hour class actions. The mediation concluded
13 with a settlement, which was subsequently memorialized in the form of a
14 Memorandum of Understanding (“MOU”).

15 H. This Agreement replaces and supersedes the MOU and any other agreements,
16 understandings, or representations between the Parties. This Agreement represents a
17 compromise and settlement of highly disputed claims. Nothing in this Agreement is
18 intended or will be construed as an admission by Defendants that the claims in the
19 Actions of Plaintiff or the Class Members have merit or that Defendants bear any
20 liability to Plaintiff or the Class on those claims or any other claims, or as an
21 admission by Plaintiff that Defendants’ defenses in the Actions have merit.

22 I. The Parties believe that the Settlement is fair, reasonable and adequate. The
23 Settlement was arrived at through arm’s-length negotiations, taking into account all
24 relevant factors. The Parties recognize the uncertainty, risk, expense and delay
25 attendant to continuing the Action through trial and any appeal. Accordingly, the
26 Parties desire to fully, finally, and forever settle, compromise and discharge all
27 disputes and claims arising from or relating to the Action.
28

- 1 J. The Parties agree to certification of the Class for purposes of this Settlement only. If
2 for any reason the settlement does not become effective, Defendants reserve the right
3 to contest certification of any class for any reason and reserves all available defenses
4 to the claims in the Action.

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

6 **III. TERMS OF AGREEMENT**

7 A. Settlement Consideration and Settlement Payments by Defendants.

- 8 1. Settlement Consideration. In full and complete settlement of the Actions, and
9 in exchange for the releases set forth below, Defendants and the Released
10 Parties will pay the sum of the Individual Settlement Payment, the Class
11 Representative Service Award, the Class Counsel Award, PAGA Settlement,
12 and the Settlement Administration Costs, as specified in this Agreement, equal
13 to the Gross Settlement Amount of Seven Hundred Fifty Thousand Dollars
14 (\$750,000.00). The Parties agree that this is a non-reversionary Settlement and
15 that no portion of the Gross Settlement Amount shall revert to Defendants.
16 Other than the Defendants' share of employer payroll taxes, and as provided
17 for in ¶ III.A.2. below, Defendants shall not be required to pay more than the
18 Gross Settlement Amount.

- 19 2. Class Size. At the time of mediation, Defendants estimated that the Settlement
20 Class was comprised of 711 individuals who collectively worked
21 approximately 32,348 Workweeks ("Projected Workweeks") during the Class
22 Period. In regard hereto, Defendants will provide a declaration under penalty
23 of perjury before the deadline for the filing of the motion for preliminary
24 approval of the settlement, confirming the number of Class Members and
25 workweeks they worked during the applicable Class Period. If the workweek
26 number increases by more than 10% of the estimate stated herein, then
27 Defendants, at its option, can either choose to: (1) cut off the end date for the
28 class release as of the date on which the number of work weeks reaches 32,348

1 or (2) increase the Settlement Amount proportionally for the number of
2 workweeks over 110% of 32,348 (35,583).

3 3. Settlement Payment. Defendants and the Released Parties, and each of them,
4 are jointly and severally liable for payment of the Gross Settlement Amount.
5 Defendants shall pay the Gross Settlement Amount to the Settlement
6 Administrator on the Funding Date.

7 4. Defendants' Share of Payroll Taxes. Defendants' share of employer side
8 payroll taxes is in addition to the Gross Settlement Amount and shall be paid
9 together with the Gross Settlement Amount.

10 B. Release by Settlement Class Members. As of the Funding Date, in exchange for the
11 consideration set forth in this Agreement, Plaintiff and the Settlement Class Members
12 release the Released Parties from the Released Class Claims for the Class Period.

13 C. Release by the Aggrieved Employees. As of the Funding Date, in exchange for the
14 consideration set forth in this Agreement, the Plaintiff, the LWDA and the State of
15 California release the Released Parties from the Released PAGA Claims for the PAGA
16 Period.

17 D. General Release by Plaintiff. As of the Funding Date, for the consideration set forth
18 in this Agreement, Plaintiff waives, releases, acquits and forever discharges the
19 Released Parties from any and all claims, whether known or unknown, which exist or
20 may exist on her behalf as of the date of this Agreement, including but not limited to
21 any and all tort claims, contract claims, wage claims, wrongful termination claims,
22 disability claims, benefit claims, public policy claims, retaliation claims, statutory
23 claims, personal injury claims, emotional distress claims, invasion of privacy claims,
24 defamation claims, fraud claims, quantum meruit claims, and any and all claims arising
25 under any federal, state or other governmental statute, law, regulation or ordinance,
26 including, but not limited to claims for violation of the Fair Labor Standards Act, the
27 California Labor Code, the Wage Orders of California's Industrial Welfare
28 Commission, other state wage and hour laws, the Americans with Disabilities Act, the

1 Age Discrimination in Employment Act (ADEA), the Employee Retirement Income
2 Security Act, Title VII of the Civil Rights Act of 1964, the California Fair Employment
3 and Housing Act, the California Family Rights Act, the Family Medical Leave Act,
4 California's Whistleblower Protection Act, California Business & Professions Code
5 Section 17200 et seq., and any and all claims arising under any federal, state or other
6 governmental statute, law, regulation or ordinance. Plaintiff also waives and
7 relinquishes any and all claims, rights or benefits that she may have under California
8 Civil Code § 1542, which provides as follows:

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

15 Thus, notwithstanding the provisions of section 1542, and to implement a full and
16 complete release and discharge of the Released Parties, Plaintiff expressly
17 acknowledges this Settlement Agreement is intended to include in its effect, without
18 limitation, all claims Plaintiff does not know or suspect to exist in Plaintiff's favor at
19 the time of signing this Settlement Agreement, and that this Settlement Agreement
20 contemplates the extinguishment of any such claims. Plaintiff warrants that Plaintiff
21 has read this Settlement Agreement, including this waiver of California Civil Code
22 section 1542, and that Plaintiff has consulted with or had the opportunity to consult
23 with counsel of Plaintiff's choosing about this Settlement Agreement and specifically
24 about the waiver of section 1542, and that Plaintiff understands this Settlement
25 Agreement and the section 1542 waiver, and so Plaintiff freely and knowingly enters
26 into this Settlement Agreement. Plaintiff further acknowledges that Plaintiff later may
27 discover facts different from or in addition to those Plaintiff now knows or believes to
28 be true regarding the matters released or described in this Settlement Agreement, and

1 even so Plaintiff agrees that the releases and agreements contained in this Settlement
2 Agreement shall remain effective in all respects notwithstanding any later discovery of
3 any different or additional facts. Plaintiff expressly assumes any and all risk of any
4 mistake in connection with the true facts involved in the matters, disputes, or
5 controversies released or described in this Settlement Agreement or with regard to any
6 facts now unknown to Plaintiff relating thereto.

7 E. Conditions Precedent: This Settlement will become final and effective only upon the
8 occurrence of all of the following events:

- 9 1. The Court enters an order granting preliminary approval of the Settlement;
- 10 2. The Court enters an order granting final approval of the Settlement and a Final
11 Judgment;
- 12 3. If an objector appears at the final approval hearing, the time for appeal of the
13 Final Judgment and Order Granting Final Approval of Class Action
14 Settlement expires; or, if an appeal is timely filed, there is a final resolution of
15 any appeal from the Judgment and Order Granting Final Approval of Class
16 Action Settlement; and
- 17 4. Defendants fully fund the Gross Settlement Amount.

18 F. Nullification of Settlement Agreement. In the event that this Settlement Agreement is
19 not preliminarily or finally approved by the Court, fails to become effective, or is
20 reversed, withdrawn or modified by the Court, or in any way prevents or prohibits
21 Defendants from obtaining a complete resolution of the Released Claims, or if
22 Defendants fail to fully fund the Gross Settlement Amount:

- 23 1. This Settlement Agreement shall be void *ab initio* and of no force or effect,
24 and shall not be admissible in any judicial, administrative or arbitral
25 proceeding for any purpose or with respect to any issue, substantive or
26 procedural;
- 27 2. The conditional class certification (obtained for any purpose) shall be void *ab*
28 *initio* and of no force or effect, and shall not be admissible in any judicial,

1 administrative or arbitral proceeding for any purpose or with respect to any
2 issue, substantive or procedural; and

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

6 4. If Defendants fail to fully fund the Gross Settlement Amount, Defendants
7 shall bear the sole responsibility for any cost to issue or reissue any curative
8 notice to the Settlement Class Members and all Settlement Administration
9 Costs incurred to the date of nullification.

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

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

27 I. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section,
28 the "acknowledging party" and each Party to this Agreement other than the

acknowledging party, an “other party”) acknowledges and agrees that: (1) no provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department circular 230 (31 CFR part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any other Party or any attorney or advisor to any other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging party, and (3) no attorney or adviser to any other Party has imposed any limitation that protects the confidentiality of any such attorney’s or adviser’s tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

J. Preliminary Approval Motion. At the earliest practicable time, but no later than sixteen (16) court days prior to the hearing on the Motion for Order Granting Preliminary Approval, Plaintiff shall file with the Court a Motion for Order Granting Preliminary Approval and supporting papers, which shall include this Settlement Agreement. Plaintiff will provide Defendants with a draft of the Motion at least 3 business days prior to the filing of the Motion to give Defendants an opportunity to propose changes or additions to the Motion.

K. Settlement Administrator. The Settlement Administrator shall be responsible for: establishing and administering the QSF; calculating, processing and mailing payments to the Class Representative, Class Counsel, LWDA and Class Members; printing and mailing the Notice Packets to the Class Members as directed by the Court; receiving and reporting the objections and requests for exclusion; calculating, deducting and

1 remitting all legally required taxes from Individual Settlement Payments and
2 distributing tax forms for the Wage Portion and Non-Wage Portion of the Individual
3 Settlement Payments and/or Aggrieved Employees' individual shares of the PAGA
4 Settlement; processing and mailing tax payments to the appropriate state and federal
5 taxing authorities; providing declaration(s) as necessary in support of preliminary
6 and/or final approval of this Settlement; and other tasks as the Parties mutually agree
7 or the Court orders the Settlement Administrator to perform. The Settlement
8 Administrator shall keep the Parties timely apprised of the performance of all
9 Settlement Administrator responsibilities by among other things, sending a weekly
10 status report to the Parties' counsel stating the date of the mailing, the of number of
11 Elections Not to Participate in Settlement it receives (including the numbers of valid
12 and deficient), and number of objections received.

13 L. Notice Procedure.

14 1. Class Data. No later than ten (10) business days after the Preliminary
15 Approval Date, Defendants shall provide the Settlement Administrator with
16 the Class Data for purposes of preparing and mailing Notice Packets to the
17 Class Members.

18 2. Notice Packets.

19 a) The Notice Packet shall contain the Notice of Class Action Settlement
20 in a form substantially similar to the form attached as Exhibit A. The
21 Notice of Class Action Settlement shall inform Class Members and
22 Aggrieved Employees that they need not do anything in order to
23 receive an Individual Settlement Payment and/or Aggrieved
24 Employees' individual shares of the PAGA Settlement and to keep the
25 Settlement Administrator apprised of their current mailing address, to
26 which the Individual Settlement Payments and/or Aggrieved
27 Employees' individual shares of the PAGA Settlement will be mailed
28 following the Funding Date. The Notice of Class Action Settlement

1 shall set forth the release to be given by all members of the Class who
2 do not request to be excluded from the Settlement Class and/or
3 Aggrieved Employees' in exchange for an Individual Settlement
4 Payment and/or Aggrieved Employees' individual shares of the PAGA
5 Settlement, the number of Workweeks worked by each Class Member
6 during the Class Period and PAGA Period, if any, and the estimated
7 amount of their Individual Settlement Payment if they do not request
8 to be excluded from the Settlement and each Aggrieved Employee's
9 share of the PAGA Settlement, if any. The Settlement Administrator
10 shall use the Class Data to determine Class Members' Workweeks and
11 PAGA Workweeks. The Notice will also advise the Aggrieved
12 Employees that they will release the Released PAGA Claims and will
13 receive their share of the PAGA Settlement regardless of whether they
14 request to be excluded from the Settlement.

15 b) The Notice Packet's mailing envelope shall include the following
16 language: "IMPORTANT LEGAL DOCUMENT- YOU MAY BE
17 ENTITLED TO PARTICIPATE IN A CLASS ACTION
18 SETTLEMENT; A PROMPT REPLY TO CORRECT YOUR
19 ADDRESS IS REQUIRED AS EXPLAINED IN THE ENCLOSED
20 NOTICE."

21 3. Notice by First Class U.S. Mail. Upon receipt of the Class Data, the
22 Settlement Administrator will perform a search based on the National Change
23 of Address Database to update and correct any known or identifiable address
24 changes. No later than fourteen (14) calendar days after receiving the Class
25 Data from Defendants, the Settlement Administrator shall mail of the Notice
26 Packet to all Class Members via regular First-Class U.S. Mail. The Settlement
27 Administrator shall exercise its best judgment to determine the current mailing
28 address for each Class Member. The address identified by the Settlement

1 Administrator as the current mailing address shall be presumed to be the best
2 mailing address for each Class Member.

3 4. Undeliverable Notices. Any Notice Packets returned to the Settlement
4 Administrator as non-delivered on or before the Response Deadline shall be
5 re-mailed to any forwarding address provided. If no forwarding address is
6 provided, the Settlement Administrator shall promptly attempt to determine a
7 correct address by lawful use of skip-tracing, or other search using the name,
8 address and/or Social Security number of the Class Member involved, and
9 shall then perform a re-mailing, if another mailing address is identified by the
10 Settlement Administrator. In addition, if any Notice Packets, which are
11 addressed to Class Members who are currently employed by Defendants, are
12 returned to the Settlement Administrator as non-delivered and no forwarding
13 address is provided, the Settlement Administrator shall notify Defendants.
14 Defendants will request that the currently employed Class Member provide a
15 corrected address, and transmit to the Administrator any corrected address
16 provided by the Class Member. Class Members who received a re-mailed
17 Notice Packet shall have their Response Deadline extended fifteen (15) days
18 from the original Response Deadline.

19 5. Disputes Regarding Individual Settlement Payments. Class Members will
20 have the opportunity, should they disagree with Defendants' records regarding
21 the start and end dates of employment to provide documentation and/or an
22 explanation to show contrary dates. If there is a dispute, the Settlement
23 Administrator will consult with the Parties to determine whether an
24 adjustment is warranted. The Settlement Administrator shall determine the
25 eligibility for, and the amounts of, any Individual Settlement Payments under
26 the terms of this Agreement. The Settlement Administrator's determination
27 of the eligibility for and amount of any Individual Settlement Payment shall
28 be binding upon the Class Member and the Parties.

- 1 6. Disputes Regarding Administration of Settlement. Any disputes not resolved
2 by the Settlement Administrator concerning the administration of the
3 Settlement will be resolved by the Court under the laws of the State of
4 California. Before any such involvement of the Court, counsel for the Parties
5 will confer in good faith to resolve the disputes without the necessity of
6 involving the Court.
- 7 7. Exclusions. The Notice of Class Action Settlement contained in the Notice
8 Packet shall state that Class Members who wish to exclude themselves from
9 the Settlement must submit a written request for exclusion by the Response
10 Deadline. The written request for exclusion must state that the Class Member
11 wishes to exclude himself or herself from the Settlement and (1) must contain
12 the name, address, and the last four digits of the Social Security number of the
13 person requesting exclusion; (2) must be signed by the Class Member; (3)
14 must be postmarked or fax stamped by the Response Deadline and returned to
15 the Settlement Administrator at the specified address or fax telephone number;
16 and (4) contain a typewritten or handwritten notice stating in substance: “I
17 wish to opt out of the settlement of the class action lawsuit entitled *Alvarez v.*
18 *SLO Arches, Inc., et al.*, current pending in San Luis Obispo County Superior
19 Court, Case No. 21CV-0533. I understand that by requesting to be excluded
20 from the settlement, I will receive no money from the Settlement described in
21 this Notice.” The request for exclusion will not be valid if it is not timely
22 submitted, if it is not signed by the Class Member, or if it does not contain the
23 name and address and last four digits of the Social Security number of the
24 Class Member. The date of the postmark on the mailing envelope or fax stamp
25 on the request for exclusion shall be the exclusive means used to determine
26 whether the request for exclusion was timely submitted. Any Class Member
27 who requests to be excluded from the Settlement Class will not be entitled to
28 an Individual Settlement Payment and will not be otherwise bound by the

1 terms of the Settlement or have any right to object, appeal or comment
2 thereon. However, any Class Member that submits a timely request for
3 exclusion that is also a member of the Aggrieved Employees will still receive
4 his/her pro rata share of the PAGA Settlement, as specified below, and in
5 consideration, will be bound by the Release by the Aggrieved Employees as
6 set forth herein. Settlement Class Members who fail to submit a valid and
7 timely written request for exclusion on or before the Response Deadline shall
8 be bound by all terms of the Settlement and any final judgment entered in this
9 Action if the Settlement is approved by the Court. No later than fourteen (14)
10 calendar days after the Response Deadline, the Settlement Administrator shall
11 provide counsel for the Parties with a final list of the Class Members who have
12 timely submitted written requests for exclusion. At no time shall any of the
13 Parties or their counsel seek to solicit or otherwise encourage members of the
14 Class to submit requests for exclusion from the Settlement.

- 15 8. Objections. The Notice of Class Action Settlement contained in the Notice
16 Packet shall state that Class Members who wish to object to the Settlement
17 may submit to the Settlement Administrator a written statement of objection
18 (“Notice of Objection”) by the Response Deadline. The postmark date of
19 mailing shall be deemed the exclusive means for determining that a Notice of
20 Objection was served timely. The written Notice of Objection must be signed
21 by the Settlement Class Member and state: (1) the case name and number; (2)
22 the name of the Settlement Class Member; (3) the address of the Settlement
23 Class Member; (4) the last four digits of the Settlement Class Member’s Social
24 Security number; (4) the basis for the objection; and (5) if the Settlement Class
25 Member intends to appear at the Final Approval/Settlement Fairness Hearing.
26 Class Members who fail to make objections in writing in the manner specified
27 above may still make their objections orally at the Final Approval/Settlement
28 Fairness Hearing with the Court’s permission. Settlement Class Members will

1 have a right to appear at the Final Approval/Settlement Fairness Hearing to
2 have their objections heard by the Court. At no time shall any of the Parties
3 or their counsel seek to solicit or otherwise encourage Class Members to file
4 or serve written objections to the Settlement or appeal from the Order and
5 Final Judgment. Class Members who submit a written request for exclusion
6 may not object to the Settlement. Class Members may not object to the PAGA
7 Settlement.

8 M. Funding and Allocation of the Gross Settlement Amount. Defendants are required to
9 pay the Gross Settlement Amount on or before the Funding Date, plus any employer's
10 share of payroll taxes as mandated by law within the time specified herein.

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

25 2. Calculation of Individual Payments to the Aggrieved Employees. Using the
26 Class Data, the Settlement Administrator shall add up the total number of
27 PAGA pay periods for all Aggrieved Employees during the PAGA Period.
28 The respective PAGA pay periods for each Aggrieved Employee will be

1 divided by the total PAGA pay periods for all Aggrieved Employees, resulting
2 in the “PAGA Payment Ratio” for each Aggrieved Employee. Each
3 Aggrieved Employee’s PAGA Payment Ratio will then be multiplied by the
4 Aggrieved Employee Payment to calculate each Aggrieved Employee’s
5 estimated share of the PAGA Settlement.

6 3. Allocation of Individual Settlement Payments. For tax purposes, Individual
7 Settlement Payments shall be allocated and treated as follows: 15% as wages
8 (“Wage Portion”); 85% as penalties and interest (“Non-Wage Portion”). The
9 Wage Portion is subject to wage withholdings and shall be reported on IRS
10 Form W-2. The Non-Wage Portion shall not be subject to wage withholdings
11 and shall be reported on IRS Form 1099 issued by the Settlement
12 Administrator.

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

16 5. No Credit Toward Benefit Plans. The Individual Settlement Payments and
17 individual shares of the PAGA Settlement made to Settlement Class Members
18 and/or Aggrieved Employees under this Settlement Agreement, as well as any
19 other payments made pursuant to this Settlement Agreement, will not be
20 utilized to calculate any additional benefits under any benefit plans to which
21 any Class Members may be eligible, including, but not limited to profit-
22 sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans,
23 sick leave plans, PTO plans, and any other benefit plan. Rather, it is the
24 Parties’ intention that this Settlement Agreement will not affect any rights,
25 contributions, or amounts to which any Class Members may be entitled under
26 any benefit plans.

27 6. All monies received by Settlement Class Members under the Settlement which
28 are attributable to wages shall constitute income to such Settlement Class

Members solely in the year in which such monies actually are received by the Settlement Class Members. It is the intent of the Parties that Individual Settlement Payments and individual shares of the PAGA Settlement provided for in this Settlement agreement are the sole payments to be made by Defendants to Settlement Class Members and/or Aggrieved Employees in connection with this Settlement Agreement, with the exception of Plaintiff, 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 PAGA Settlement.

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) calendar days after the Funding Date.

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 Employee does not cash his or her settlement check within 90 days, the Settlement 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 Employee to request reissuance in the event the check was destroyed, lost or misplaced. In the event an Individual Settlement Payment and/or Aggrieved Employee's individual share of the PAGA Settlement 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 transmitted to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code §§ 1500 *et seq.*, in the names and corresponding amounts associated with each Class Member and/or Aggrieved Employee whose check(s) are cancelled.

- 1 9. Class Representative Service Award. In addition to the Individual Settlement
2 Payment and her individual share of the PAGA Settlement to be paid to
3 Plaintiff, Plaintiff will apply to the Court for an award of not more than
4 \$10,000, as the Class Representative Service Award. Defendants do not
5 presently intend to oppose a Class Representative Service Award of not more
6 than \$10,000 for Plaintiff. The Settlement Administrator shall pay the Class
7 Representative Service Award, either in the amount stated herein if approved
8 by the Court or some other amount as approved by the Court, to Plaintiff from
9 the Gross Settlement Amount no later than fifteen (15) calendar days after the
10 Funding Date. Any portion of the requested Class Representative Service
11 Award that are not awarded to the Class Representative shall be part of the
12 Net Settlement Amount and shall be distributed to Settlement Class Members
13 as provided in this Agreement. The Settlement Administrator shall issue an
14 IRS Form 1099 — MISC to Plaintiff for her Class Representative Service
15 Award. Plaintiff shall be solely and legally responsible to pay any and all
16 applicable taxes on her Class Representative Service Award and shall hold
17 harmless the Released Parties from any claim or liability for taxes, penalties,
18 or interest arising as a result of the Class Representative Service Award. The
19 Class Representative Service Award shall be in addition to Plaintiff's
20 Individual Settlement Payment as a Settlement Class Member. Approval of
21 this Settlement shall not be conditioned on Court approval of the requested
22 amount of the Class Representative Service Award. In the event that the Court
23 reduces or does not approve the requested Class Representative Service
24 Award, Plaintiff shall not have the right to revoke the Settlement, and it will
25 remain binding.
- 26 10. Class Counsel Award. Defendants understand a motion by Class Counsel for
27 attorneys' fees not to exceed one-third of the Gross Settlement Amount
28 currently estimated to be Two Hundred Fifty Thousand Dollars (\$250,000.00)

1 plus costs and expenses supported by declaration not to exceed Twenty
2 Thousand Dollars (\$20,000.00), from the Gross Settlement Amount will be
3 filed. Any portion of the requested Class Counsel Award that is not awarded
4 to Class Counsel shall be part of the Net Settlement Amount and shall be
5 distributed to Settlement Class Members as provided in this Agreement. The
6 Settlement Administrator shall allocate and pay the Class Counsel Award to
7 Class Counsel from the Gross Settlement Amount no later than fifteen (15)
8 calendar days after the Funding Date. Class Counsel shall be solely and
9 legally responsible to pay all applicable taxes on the payment made pursuant
10 to this paragraph. The Settlement Administrator shall issue an IRS Form 1099
11 — MISC to Class Counsel for the payments made pursuant to this paragraph.
12 In the event that the Court reduces or does not approve the requested Class
13 Counsel Award, Plaintiff and Class Counsel shall not have the right to revoke
14 the Settlement, or to appeal such order, and the Settlement will remain
15 binding.

- 16 11. PAGA Settlement. Thirty-Seven Thousand Five Hundred Dollars
17 (\$37,500.00) shall be allocated from the Gross Settlement Amount for
18 settlement of claims for civil penalties under the Private Attorneys General
19 Act of 2004 (“PAGA Settlement”). The Settlement Administrator shall pay
20 seventy-five percent (75%) of the PAGA Settlement (\$28,125.00) to the
21 California Labor and Workforce Development Agency no later than fifteen
22 (15) calendar days after the Funding Date (hereinafter “LWDA Payment”).
23 Twenty-five percent (25%) of the PAGA Settlement (\$9,375.00) will be
24 distributed to the Aggrieved Employees as described in this Agreement
25 (hereinafter “Aggrieved Employee Payment”). For purposes of distributing
26 the PAGA Settlement to the Aggrieved Employees, each Aggrieved
27 Employee shall receive their pro-rata share of the Aggrieved Employee
28 Payment using the PAGA Payment Ratio as defined above.

12. Settlement Administration Costs. The Settlement Administrator shall be paid for the costs of administration of the Settlement from the Gross Settlement Amount. The estimate of the Settlement Administration Costs is \$16,000. The Settlement Administrator shall be paid the Settlement Administration Costs no later than fifteen (15) calendar days after the Funding Date.

N. Final Approval Motion. Class Counsel and Plaintiff shall use best efforts to file with the Court a Motion for Order Granting Final Approval and Entering Judgment, within twenty-eight (28) days following the expiration of the Response Deadline, which motion shall request final approval of the Settlement and a determination of the amounts payable for the Class Representative Service Award, the Class Counsel Award, the PAGA Settlement, and the Settlement Administration Costs. Plaintiff will provide Defendants with a draft of the Motion at least 3 business days prior to the filing of the Motion to give Defendants an opportunity to propose changes or additions to the Motion

1. Declaration by Settlement Administrator. No later than fourteen (14) days after the Response Deadline, the Settlement 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 number of objections received, the amount of the average Individual Settlement Payment and highest Individual Settlement Payment, the Settlement Administration Costs, and any other information as the Parties mutually agree or the Court orders the Settlement 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.

- 1 N. Review of Motions for Preliminary and Final Approval. Class Counsel will provide
2 an opportunity for Counsel for Defendants to review the Motions for Preliminary and
3 Final Approval, including the Order Granting Final Approval of Class Action
4 Settlement, and Judgment at least three (3) days before filing with the Court. The
5 Parties and their counsel will cooperate with each other and use their best efforts to
6 affect the Court's approval of the Motions for Preliminary and Final Approval of the
7 Settlement, and entry of Judgment.
- 8 O. Cooperation. The Parties and their counsel will cooperate with each other and use
9 their best efforts to implement the Settlement.
- 10 P. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Actions,
11 except such proceedings necessary to implement and complete the Settlement, pending
12 the Final Approval/Settlement Fairness Hearing to be conducted by the Court.
- 13 Q. Amendment or Modification. This Agreement may be amended or modified only by
14 a written instrument signed by counsel for all Parties or their successors-in-interest.
- 15 R. Entire Agreement. This Agreement and any attached Exhibit constitute the entire
16 Agreement among these Parties, and no oral or written representations, warranties or
17 inducements have been made to any Party concerning this Agreement or its Exhibit
18 other than the representations, warranties and covenants contained and memorialized
19 in this Agreement and its Exhibit.
- 20 S. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
21 represent they are expressly authorized by the Parties whom they represent to negotiate
22 this Agreement and to take all appropriate Action required or permitted to be taken by
23 such Parties pursuant to this Agreement to effectuate its terms, and to execute any other
24 documents required to effectuate the terms of this Agreement. The persons signing
25 this Agreement on behalf of Defendants represents and warrants that he/she is
26 authorized to sign this Agreement on behalf of Defendants. Plaintiff represents and
27 warrants that she is authorized to sign this Agreement and that she has not assigned
28 any claim, or part of a claim, covered by this Settlement to a third-party.

- 1 T. No Public Comment: The Parties and their counsel agree that they will not issue any
2 press releases, initiate any contact with the press, respond to any press inquiry, or have
3 any communication with the press about the fact, amount or terms of the Settlement
4 Agreement. Class Counsel further agrees not to use the Settlement Agreement or any
5 of its terms for any marketing or promotional purposes. Nothing herein will restrict
6 Class Counsel from including publicly available information regarding this settlement
7 in future judicial submissions regarding Class Counsel's qualifications and experience.
8 Further, Class Counsel will not include, reference or use the Settlement Agreement for
9 any marketing or promotional purposes, either before or after the Motion for
10 Preliminary Approval is filed.
- 11 U. Binding on Successors and Assigns. This Agreement shall be binding upon, and inure
12 to the benefit of, the successors or assigns of the Parties, as previously defined.
- 13 V. California Law Governs. All terms of this Agreement and the Exhibit and any disputes
14 shall be governed by and interpreted according to the laws of the State of California.
- 15 W. Counterparts. This Agreement may be executed in one or more counterparts. All
16 executed counterparts and each of them shall be deemed to be one and the same
17 instrument provided that counsel for the Parties to this Agreement shall exchange
18 among themselves copies or originals of the signed counterparts.
- 19 X. This Settlement Is Fair, Adequate and Reasonable. The Parties believe this Settlement
20 is a fair, adequate and reasonable settlement of this Action and have arrived at this
21 Settlement after extensive arms-length negotiations, taking into account all relevant
22 factors, present and potential.
- 23 Y. Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction with
24 respect to the interpretation, implementation and enforcement of the terms of this
25 Agreement and all orders and judgments entered in connection therewith, and the
26 Parties and their counsel submit to the jurisdiction of the Court for purposes of
27 interpreting, implementing and enforcing the settlement and all orders and judgments
28 entered in connection with this Agreement.

1 Z. Invalidity of Any Provision. Before declaring any provision of this Agreement invalid,
2 the Parties shall first seek court intervention to construe the provisions valid to the
3 fullest extent possible consistent with applicable precedents so as to define all
4 provisions of this Agreement valid and enforceable.

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

14 BB. Stipulation to Class Certification. The Parties agree to stipulate to class certification
15 for purposes of this settlement only.

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

25 IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:

26
27 DATED: Mar 6, 2023

Elisa Alvarez
Elisa Alvarez (Mar 6, 2023 11:55 PST)

ELISA ALVAREZ

1 IT IS SO AGREED, FORM AND CONTENT, BY DEFENDANTS:

2

3 DATED: 3/2/2023

4

5

6

7

8

9

10

11

12

IT IS SO AGREED AS TO FORM BY COUNSEL:

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

DATED: _____

Keith Handley

SLO ARCHES, INC.
IVERNIA, INCORPORATED
GOLDEN SENECA, INC.

Keith Handley
Printed Name

O/O
Title

JCL LAW FIRM, A.P.C.

By: _____

Attorneys for Plaintiff and the Settlement Class
Members

DATED: _____

ZAKAY LAW GROUP, APLC

By: _____

Attorneys for Plaintiff and the Settlement Class
Members

DATED: _____

THALIA S. ROFOS
LEWIS BRISBOIS BISGAARD & SMITH LLP

By: _____

Attorneys for Defendants

1 IT IS SO AGREED, FORM AND CONTENT, BY DEFENDANTS:

2
3 DATED: _____

SLO ARCHES, INC.
IVERNIA, INCORPORATED
GOLDEN SENECA, INC.

6
7 _____
Printed Name

8 _____
9 Title

10
11 IT IS SO AGREED AS TO FORM BY COUNSEL:

12
13 DATED: March 6, 2023

JCL LAW FIRM, A.P.C.

14
15 By:  _____

16 Attorneys for Plaintiff and the Settlement Class
17 Members

18
19 DATED: March 6, 2023

ZAKAY LAW GROUP, APLC

20
21 By:  _____

22 Attorneys for Plaintiff and the Settlement Class
23 Members

24 DATED: March 8, 2023

THALIA S. ROFOS
LEWIS BRISBOIS BISGAARD & SMITH LLP

25
26 By:  _____

27 Attorneys for Defendants
28

EXHIBIT A

**AMENDED NOTICE OF PENDENCY OF CLASS ACTION SETTLEMENT
AND FINAL HEARING DATE**

(Alvarez v. SLO Arches, et al., San Luis Obispo County Superior Court Case No. 21CV-0533)

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 Settlement Share 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 Settlement 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 Settlement 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 action settlement (the “Settlement”) of this lawsuit pending in the Superior Court for the State of California, County of San Luis Obispo (the “Court”) has been reached between Plaintiff Elisa Alvarez (“Plaintiff”) and Defendants SLO Arches, Inc., Ivernia, Incorporated and Golden Seneca, Inc. (“Defendants”). The Court has granted preliminary approval of the Settlement. **You may be entitled to receive money from this Settlement.**

You have received this Class 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 Defendants and performed work in California during the period of September 16, 2017 to May 28, 2021.

The “Class Period” is the period of time running from September 16, 2017 to May 28, 2021.

This Class 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 September 16, 2021, Plaintiff filed a Complaint against Defendants in the Superior Court of the State of California, County of San Luis Obispo. Plaintiff asserted claims that Defendants: (1) Violated California Business and Professions Code § 17200 *et seq.*; (2) Failed to pay overtime wages in violation of California Labor Code §§ 510, *et seq.*; (3) Failed to pay minimum wages in violation of California Labor Code §§ 1194, 1197, and 1197.1; (4) Failed to provide required meal periods in violation of California Labor Code §§ 226.7 & 512, and the applicable IWC Wage Order; (5) Failed to provide required rest periods in violation of California Labor Code §§ 226.7 & 512, and the applicable IWC Wage Order; (6) Failed to reimburse for required business expenses in violation of California Labor Code § 2802; (7) Failed to provide accurate and complete itemized wage statements in violation of California Labor Code § 226; (8) Failed to pay wages when due in violation of Cal. Lab. Code §§ 201, 202 and 203. On July 18, 2023, Plaintiff filed the operative First Amended Complaint to include a ninth cause of action for Violations of the Private Attorney General Act at Labor Code Section 2698, *et seq.*

Defendants deny and dispute all claims asserted in the Actions and maintain that they have complied fully with state and federal law. Specifically, Defendants contended (and continues to contend) that the Action could not properly be maintained as a class action; that Defendants properly paid members of the class all wages and overtime that was due; that Defendants provided members of the class

with all legally required meal breaks and rest breaks; that Defendants paid any members of the class all wages due them at the time of their terminations; that Defendants provided accurate, itemized wage statements to members of the class; that Defendants did not violate California Business and Professions Code section 17200 *et seq.*; and that Defendants are not liable for any of the penalties claimed or that could be claimed in the Actions.

On October 17, 2022, the Parties participated in an all-day mediation with Steven Rottman, Esq., a mediator of wage and hour class actions. At the conclusion of the full-day mediation, the Parties reached an agreement for settlement.

The Court originally granted preliminary approval of the Settlement on July 28, 2023. On February 29, 2024, the Court denied final approval of the Settlement and ordered Plaintiff to seek preliminary approval of the Settlement again. The Court requested that Plaintiff explain certain terms of the settlement, including but not limited to, why the original Class Period of September 16, 2017 to October 17, 2022 was shortened to September 16, 2017 to May 28, 2021. In preparation for mediation, Defendants projected that the Class consisted of 711 individuals who collectively worked 32,348 Workweeks (“Projected Workweeks”) during the Class Period. In order to ensure that the value of the Settlement was maintained, the Parties negotiated as part of the Settlement, “If the workweek number increases by more than 10% of the estimate stated herein, then Defendants, at its option, can either choose to: (1) cut off the end date for the class release as of the date on which the number of workweeks reaches 32,348 or (2) increase the Settlement Amount proportionally for the number of workweeks over 110% of 32,348 (35,583).” Here, it was ultimately discovered that the number of Projected Workweeks that Defendants provided at mediation was more than 35,583, which meant that Defendants could choose to cut off the end date for the Class Period, or increase the Settlement Amount proportionally. Defendants elected to cut off the end date for the class release as of the date on which the number of workweeks reached 32,348, which meant that the Class Period would be September 16, 2017 to May 28, 2021. You can request a copy of the Settlement Agreement by following the instructions provided in Section 10 below, or by visiting the website provided herein. As a result of the above, you are receiving this Amended Class Notice because the Court requested that Plaintiff seek preliminary approval of the Settlement again. Please note that you did **not** receive the original Class Notice in error, as you were a member of the Class who worked for Defendants from September 16, 2017 to May 28, 2021.

On _____, the Court granted preliminary approval of the Settlement. At that time, the Court also preliminarily approved the Plaintiff to serve as the Class Representative, and the law firms of JCL Law Firm, APC and Zakay Law Group, APC to serve as Class Counsel.

3. What are the terms of the Settlement?

Gross Settlement Amount. Defendants have agreed to pay an “all in” amount of Seven Hundred Fifty Thousand Dollars (\$750,000) (the “Gross Settlement Amount”) to fund the settlement. The Gross Settlement Amount includes the payment of all Settlement Shares to Participating Class Members, Class Counsel’s attorneys’ fees and costs, Settlement Administration Expenses, the LWDA Payment, PAGA Shares, and the Class Representative Service Payment to the Plaintiff.

After the Judgment becomes Final, Defendants will pay the Gross Settlement Amount by depositing the money with the Settlement 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:

- Settlement Administration Expenses. Payment to the Settlement Administrator, estimated not to exceed \$16,000 for expenses, including expenses of sending this Notice, processing opt outs, and distributing settlement payments.
- Attorneys’ Fees and Costs. Payment to Class Counsel of an award of a Class Counsel Fees Payment of no more than 1/3 of the Gross Settlement Amount (currently \$250,000.00) and a Class Counsel Litigation Expenses Payment of not more than \$20,000 for all expenses incurred as documented in Class Counsel’s billing records, both subject to Court approval. Class Counsel have been prosecuting the Actions 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.
- Class Representative Service Payment. Class Representative Service Payment of up to Ten Thousand Dollars (\$10,000) to Plaintiff, or such lesser amount as may be approved by the Court, to compensate her for services on behalf of the Class in initiating and prosecuting the Action, and for the risks she undertook.
- PAGA Payment. A payment of \$37,500.00 relating to Plaintiff’s claim under the Private Attorneys General Act (“PAGA”), \$28,125.00 of which will be paid to the State of California’s Labor and Workforce Development Agency (“LWDA”) and the remaining \$9,375.00 will be distributed to PAGA Employees as part of the Net PAGA Amount.

- Calculation of Payments to Participating Class Members. After all the above payments of the court-approved Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Class Representative Service Payments, the LWDA Payment, and the Settlement 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 (“Participating Class Members”). The Settlement Share for each Participating Class Member will be calculated by dividing the Net Settlement Amount by the total number of workweeks for all Participating Class Members that occurred during the Class Period and multiplying the result by each individual Participating Class Member’s workweeks that occurred during the Class Period. A “workweek” is defined as a normal seven-day week of work during the Class Period in which, according to Defendants’ records, a member of the class worked at least one-day during any such workweek.
- Calculation of PAGA Penalties Payments to PAGA Employees. The Net PAGA Amount shall be distributed to PAGA Employees irrespective of whether they exclude themselves or opt-out. The Net PAGA Amount will be divided by the total number of pay periods worked by all PAGA Employees during the PAGA Period, and then taking that number and multiplying it by the number of pay periods worked by each respective PAGA Employee during the PAGA Period. “PAGA Employees” means all non-exempt employee who are or previously were employed by Defendants in California during the PAGA Period. The PAGA Period means the period between September 16, 2020 to May 28, 2021.

If the Settlement is approved by the Court, you will automatically be mailed a check for your Settlement Share to the same address as this Class Notice. You do not have to do anything to receive a payment. If your address has changed, you must contact the Settlement Administrator to inform them of your correct address to insure you receive your payment.

Tax Matters. Fifteen percent (15%) of each Settlement Share is allocated to wages. Taxes are withheld from this amount, and each Participating Class Member will be issued an Internal Revenue Service Form W-2 for such payment. Eighty-five percent (85%) of each Settlement Share is allocated to interest, penalties and other non-wage payments, and no taxes will be withheld, and each Participating Class Member will be issued an Internal Revenue Service Form 1099 for such payment. In addition, no taxes will be withheld from the PAGA Penalties paid to PAGA Employees, and each PAGA 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.

No Credit Toward Benefit Plans. The Individual Settlement Payments and individual shares of the PAGA Settlement made to Settlement Class Members and/or Aggrieved Employees under this Settlement Agreement, 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.

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 entry of final judgment and funding in full of the Gross Settlement Amount by Defendants, Plaintiff and the Participating Class Members shall release all Released Class Claims that occurred during the Class Period as to the Released Parties. Released Class Claims means all class claims alleged in the operative First Amended Complaint which occurred during the Class Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, and class claims outside of the Class Period. The Released PAGA Claims shall be released as follows. As of the Settlement Effective Date and upon funding in full of the Gross Settlement Amount by Defendants, all Aggrieved Employees shall release all Released PAGA Claims, 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 First Amended Complaint and Plaintiff’s PAGA notice to the LWDA which occurred during the PAGA Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, and PAGA claims outside of the PAGA Period.

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 Defendants 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?

Defendants' records reflect that you have 0.14 Workweeks worked during the Class Period (September 16, 2017 to May 28, 2021).

Based on this information, your estimated Settlement Share is \$.

Defendants' records reflect that you have 0.00 pay periods worked during the PAGA Period (September 16, 2020 to May 28, 2021).

Based on this information, your estimated PAGA Payment Share 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 Settlement Administrator at the address provided in this Notice no later than _____.

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 Notice. If your address is incorrect or has changed, you must notify the Settlement Administrator. The Settlement Administrator is: ILYM Group Inc.

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 Settlement 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 <https://ilymgroup.com/SLOArches>.

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 a share of the Net PAGA Amount.

To opt out, you must submit to the Settlement Administrator, by First Class Mail, a written, signed and dated request for exclusion postmarked no later than _____. The address for the Settlement Administrator is ILYM Group, Inc. P.O. Box 2031 Tustin, CA 92781. The request for exclusion must state in substance that the Class Member has read the Class Notice and wishes to opt out of the class action settlement. The request for exclusion must contain your name, address, 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?

Any Class Member who has not opted out and believes that the Settlement should not be finally approved by the Court for any reason, may object to the proposed Settlement. Objections may be in writing and state the Class Member's name, current address, telephone number, 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 *Alvarez v. SLO Arches, et al., San Luis Obispo County Superior Court Case No. 21CV-0533*. You may also object without submitting a written objection by appearing at the final approval hearing scheduled as described in Section 9 below.

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 Settlement Administrator no later than _____. The address for the Settlement Administrator is ILYM Group, Inc. P.O. Box 2031 Tustin, CA 92781.

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

Counsel for Defendants:

Efthalia S. Rofos, Esq.
 O'Hagan Meyer
 4695 MacArthur Court Suite 900
 Newport Beach, CA 92660
 Tel.: (949) 849-5005
 E-Mail: trofos@ohaganmeyer.com

9. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at _____ on _____, at the San Luis Obispo County Superior Court, Department 2, located at 1050 Monterey Street, San Luis Obispo, CA 93408 before Judge Craig van Rooyen. 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 Settlement Administrator at (888) 250-6810 or write to *Alvarez v. SLO Arches, et al., San Luis Obispo County Superior Court Case No. 21CV-0533*, Settlement Administrator, c/o ILYM Group, Inc. P.O. Box 2031 Tustin, CA 92781.

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 writing to JCL Law firm, APC, 5440 Morehouse Drive, Suite 3600, San Diego, CA 92121 or by visiting the website listed in this notice.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- You must inform the Settlement 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 Settlement Administrator shall pay all funds from such uncashed checks to the State of California's Unclaimed Property Fund. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.