

CLASS, COLLECTIVE AND PAGA ACTION SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class, Collective and PAGA Action Settlement Agreement (“Agreement”) is made by and between Plaintiffs Sheldon Monroe, Javier Escalante, and Manuel Castillo-Guerrero and Defendant Sun Gir, Inc. The Agreement refers to Plaintiffs and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1 “Actions” means the Plaintiffs’ lawsuits against Defendant, Sheldon Monroe v. Sun Gir, et al., LASC Case No. BC690757 (“Monroe”), Javier Escalante v. Sun Gir, et al., Case No. 21STCV00563 (“Escalante”) and Manuel Castillo-Guerrero v. Sun Gir, et al., Case No. 21STCV34174 (“Castillo”) all of which are pending in Superior Court of the State of California, County of Los Angeles.
- 1.2 “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4 “Aggrieved Employee” means all former and current non-exempt employees of Defendant in the State of California at any time from January 5, 2020 through December 21, 2022.
- 1.5 “Class” means all former and current non-exempt employees of Defendant in the State of California at any time from January 18, 2014 through December 21, 2022.
- 1.6 “Class Counsel” means RG Lawyers, Yeremian & Associates, and Koul Law Firm.
- 1.7 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the total amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action, to be apportioned amongst all three firms that constitute Class Counsel.
- 1.8 “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, employment dates and Workweek information.
- 1.9 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

- 1.10 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.11 “Class Notice” means the Court Approved Notice Of Class Action Settlement And Hearing Date For Final Court Approval, to be mailed to Class Members in English with a Spanish translation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12 “Class Period” means the period from January 18, 2014 through December 21, 2022.
- 1.13 “Class Representatives” mean Sheldon Monroe, Javier Escalante and Manuel Castillo-Guerrero who are seeking Court approval to serve as Class Representatives.
- 1.14 “Class Representative Service Payments” mean, in exchange for the execution of a stand-alone general release of all claims, the payments to each Class Representative for initiating the Action and providing services in support of the Action.
- 1.15 “Court” means the Superior Court of California, County of Los Angeles.
- 1.16 “Defendant” means each and every named Defendant in the Actions including, but not limited to, Sun Gir Incorporated.
- 1.17 “Defense Counsel” means Richard J. Simmons, Jason W. Kearnaghan, Ryan J. Krueger, and Elyssa M. Sternberg of Sheppard, Mullin, Richter, and Hampton LLP.
- 1.18 “Effective Date” means the date on which the Final Award becomes final. For purposes of this Section, the Final Award “becomes final” only after the Court grants the Motion for Final Approval and upon service of the Notice of Entry of Order and/or Judgment, and upon the latter of: (i) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from, or other challenge to, the Order Granting Final Approval and/or Judgment (this time period shall not be less than seventy (70) calendar days after the Court’s Order is entered); (ii) the date of affirmance of an appeal of the Order Granting Final Approval and/or Judgment becomes final under the California Rules of Court; or (iii) the date of final dismissal of any appeal from the Order Granting Final Approval and/or Judgment or the final dismissal of any proceeding on review of any court of appeal decision relating to the Order Granting Final Approval and/or Judgment.

- 1.19 “Employee Paid Taxes” means taxes paid by an individual employee, including but not limited to Federal Insurance Contributions Act, federal income tax, state disability insurance, and state income tax payments.
- 1.20 “Employer Paid Taxes” means taxes paid by the employer, including Federal Unemployment Tax Act, Federal Insurance Contributions Act, state unemployment insurance, and Employee Training Tax payments.
- 1.21 “Final Approval” or “Final Award” means the Court’s order granting final approval of the Settlement.
- 1.22 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.23 “Gross Settlement Amount” means \$1,000,000.00, which is the total gross amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payments, the Administrator’s Expenses, all interest payments, and all applicable Employee Paid Taxes.
- 1.24 “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks (as defined in Paragraph 1.47) worked during the Class Period. Specific calculations of Individual Settlement Payments will be made as follows:
- 1.24.1 The Claims Administrator will calculate the total number of Workweeks by each Class Member (“Individual Workweeks”) and the total number of Workweeks by all Class Members (“Class Workweeks”) during the Class Period.
- 1.24.2 To determine each Class Member’s Individual Class Payment, the Claims Administrator will use the following formula: Individual Settlement Payment = (Individual Workweeks ÷ Class Workweeks) × Net Settlement Amount.
- 1.25 “Individual PAGA Payment” is the amount each Aggrieved Employee will receive calculated and apportioned from the PAGA Net Settlement Amount based on the number of Workweeks an Aggrieved Employee worked for Defendant during the PAGA Period. Specific calculations of the Individual PAGA Payment will be made as follows:
- 1.25.1 The Claims Administrator will calculate the total number of Workweeks by each Aggrieved Employee (“Individual PAGA Workweeks”) and the total number of Workweeks by all Aggrieved Employees during the PAGA Period (“PAGA Workweeks”).

- 1.26 To determine each Aggrieved Employee's Individual PAGA Payment, the Claims Administrator will use the following formula: Individual PAGA Payment = (Individual PAGA Workweeks ÷ PAGA Workweeks) × PAGA Net Settlement Amount.
- 1.27 "Judgment" means the judgment entered by the Court based upon the Final Approval.
- 1.28 "LWDA" means the California Labor and Workforce Development Agency.
- 1.29 "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.30 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the LWDA PAGA Payment, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments, including all Employee Paid Taxes.
- 1.31 "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.32 "PAGA Period" means the period from January 5, 2020 through December 21, 2022.
- 1.33 "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698, *et seq.*).
- 1.34 "PAGA Notices" means Plaintiff Javier Escalante's January 5, 2021 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a) and Plaintiff Manuel Castillo-Guerrero's August 30, 2021 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.35 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, \$40,000, allocated 25% to the Aggrieved Employees (\$10,000.00) and 75% to LWDA (\$30,000.00) in settlement of PAGA claims.
- 1.36 "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.37 "Plaintiffs" means Sheldon Monroe, Javier Escalante and Manuel Castillo-Guerrero.
- 1.38 "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.

- 1.39 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.40 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.41 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.42 “Released Parties” means: Defendant, Sun Gir Incorporated, Friendly Franchisees Corporation, Harshad Dharod, DFG Restaurants, and each of their past, present, and future agents, managing agents, employees, servants, officers, directors, owners (whether direct or indirect), general partners, limited partners, trustees, representatives, shareholders, stockholders, members, mortgagees or ground lessors, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, joint employers, potential and/or alleged joint employers, common law employers, potential and alleged common law employers, temporary staffing agencies, dual employers, potential and/or alleged dual employers, co-employers, potential and/or alleged co-employers, contractors, affiliates, service providers, alter-egos, potential and/or alleged alter-egos, vendors, affiliated organizations, any person and/or entity with potential or alleged to have joint liability, and all of their respective past, present and future employees, directors, officers, members, agents, representatives, payroll agencies, attorneys, stockholders, fiduciaries, parents, subsidiaries, other service providers, and assigns.
- 1.43 “Request for Exclusion” means the Court approved Opt-Out Form to be mailed to Class Members in English with a Spanish translation in the form, without material variation, attached as Exhibit C and incorporated by reference into this Agreement.
- 1.44 “Response Deadline” means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.45 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.46 “Workweek” means each forty (40) hours worked, provided that in no event will an employee be credited for more than one (1) workweek for a single calendar week (i.e. Monday through Sunday).

2. **RECITALS.**

- 2.1 On January 18, 2018, Plaintiff Sheldon Monroe filed a Complaint alleging (1) failure to pay wages; (2) failure to pay overtime wages; (3) failure to provide accurate itemized wage statements; (4) failure to reimburse necessary expenditures or losses; and (5) unfair business practices as causes of action against Sun Gir Incorporated and Harshod Dharod. On May 18, 2018, Plaintiff Sheldon Monroe filed a First Amended Complaint, dismissing Harshod Dharod as a defendant, and alleging causes of action against only Sun Gir Incorporated.
- 2.2 On January 6, 2021 Plaintiff Javier Escalante filed a Complaint alleging (1) failure to pay wages; (2) failure to pay overtime wages; (3) failure to provide accurate itemized wage statements; (4) failure to reimburse necessary expenditures or losses; and (5) unfair business practices as causes of action against Sun Gir Incorporated. Additionally, on January 5, 2021, Plaintiff Javier Escalante submitted a letter to the Labor & Workforce Development Agency alleging (1) failure to pay minimum wages; (2) failure to pay wages and overtime; (3) meal period violations; (4) rest period violations; (5) failure to issue accurate wage statements; (6) failure to issue semimonthly payments; (7) failure to keep accurate records; (8) waiting time penalties; (9) failure to reimburse necessary business expenses; (10) unlawfully collecting of receiving wages; and (11) unfair competition.
- 2.3 On September 16, 2021 Plaintiff Manuel Castillo-Guerrero filed a Complaint alleging (1) failure to pay wages; (2) failure to pay overtime wages; (3) failure to provide accurate itemized wage statements; (4) failure to reimburse necessary expenditures or losses; and (5) unfair business practices as causes of action against Sun Gir Incorporated. Additionally, on August 30, 2021, Plaintiff Manuel Castillo-Guerrero submitted a letter to the Labor & Workforce Development Agency alleging (1) failure to pay for all hours worked, including overtime hours; (2) failure to provide place of employment that is safe and healthful; (3) failure to reimburse for required business expenses; (4) failure to provide cool-down periods; (5) failure to provide potable drinking water; (6) failure to provide suitable seating; (7) failure to provide safe working conditions; (8) failure to timely pay all wages owed; and (9) failure to provide accurate itemized wage statements and violation of record keeping requirements.
- 2.4 Defendant denies the allegations in all three Actions, denies any failure to comply with the laws identified in in the Actions and denies any and all liability for the causes of action alleged.
- 2.5 Pursuant to Labor Code section 2699.3, subd.(a), Plaintiffs Javier Escalante and Manuel Castillo-Guerrero gave written notice on January 5, 2021 and August 30, 2021 respectively to Defendant and the LWDA by sending the PAGA Notices.
- 2.6 On December 4, 2018 and December 15, 2021, the Parties participated in mediations with mediator Jeffrey Krivis, Esq. These efforts ultimately led to this Agreement to settle the Actions.

- 2.7 Prior to the mediation, Plaintiffs obtained data regard Defendant's employees, workweeks and pay rate, as well as a selection of wage statements and time punch records. Plaintiffs also obtained Defendant's handbooks since 2014, signoff documents, and meal and rest break policies. The Parties litigated this matter for more than five years, and thus Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("Dunk/Kullar").
- 2.8 Concurrent with filing the Motion for Preliminary Approval, Monroe will seek Court approval via a joint stipulation to add causes of action under the Fair Labor Standards Act, 29 U.S.C. § 201, et seq. ("FLSA"), to the extent the FLSA overlaps with the Plaintiffs' Released Class Claims and any and all other claims/causes of action encompassed by the Plaintiffs' Released Class Claims, to amend the Complaint to consolidate the allegations and causes of action in the Actions, to add Escalante and Castillo as named plaintiffs in the Monroe Action, and add all claims and causes of action alleged in the Escalante Action and Castillo Action, including but not limited to, failure to pay minimum wages, meal period violations, rest period violations, failure to pay final wages, failure to pay timely wages, all claims under the California Private Attorneys General Act ("PAGA"), failure to pay COVID supplemental sick leave; failure to provide a safe and healthful place of employment; failure to provide suitable seating; failure to provide potable water; and failure to provide safe working conditions. Defendant agrees that it shall not seek removal of the Actions to federal court based on the addition of the FLSA claim.
- 2.9 Within ten (10) business days after funding of the Gross Settlement Amount, Escalante's counsel will request dismissal of the Escalante action, in its entirety, with prejudice as to Escalante and without prejudice as to the respective proposed classes and alleged aggrieved employees. Similarly, within ten (10) business days after funding of the Gross Settlement Amount, Castillo's counsel will request dismissal of the Castillo action, in its entirety, with prejudice as to Castillo and without prejudice as to the respective proposed classes and alleged aggrieved employees.

3. **MONETARY TERMS.**

- 3.1 **Gross Settlement Amount.** Except as otherwise provided by Paragraph 8 below, Defendant promises to pay the total gross amount of \$1,000,000.00 and no more as the Gross Settlement Amount and to separately pay applicable Employer Paid Taxes required by law on the wage portions of the Individual Class Payments. All Employee Paid Taxes will be paid from the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount (or any Employer Paid Taxes) prior to the deadline stated in Paragraph 4.2 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees

to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

3.2.1 To Plaintiffs: Class Representative Service Payments to the Class Representatives of not more than \$7,500.00 each (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as a Participating Class Members). Defendant will not oppose each Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will add the remainder to the Net Settlement Amount. A reduction by the Court of the Class Representative Service Payment(s) shall not be grounds to nullify this Agreement. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for taxes owed on the Class Representative Service Payment. The Class Representative Service Payment will be in addition to each Plaintiff's Individual Settlement Payment paid pursuant to the Settlement, and is conditioned on the execution by each Plaintiff of a stand-alone settlement agreement and general release of all claims.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than thirty-five percent of the Gross Settlement Amount, which is currently estimated to be \$350,000.00 total and a Class Counsel Litigation Expenses Payment of not more than \$30,000.00. These amounts constitute the total amounts due to all three firms that constitute Class Counsel and will be apportioned amongst Class Counsel. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel, any other Plaintiff's Counsel, Class Members, or Aggrieved Employees arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. A reduction by the Court of either the Class Counsel Fee Payment(s) and/or Class Counsel Litigation Expenses Payment(s) shall not be grounds to nullify this Agreement. The Administrator will pay the Class Counsel Fees

Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Released Parties harmless, and indemnifies Released Parties from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed \$ 65,000 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$ 70,000, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4 To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

(a) Tax Allocation of Individual Class Payments. 25% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. 75% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any Employee Paid Taxes owed on their Individual Class Payment.

(b) Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis. Non-Participating Class Members shall still receive an Individual PAGA Payment.

3.2.5 To the LWDA and Aggrieved Employees: "PAGA Penalties" defined as \$40,000.00 to be paid from the Gross Settlement Amount, with 75% (\$30,000.00) allocated to the LWDA PAGA Payment and 25% (\$10,000.00) allocated to the Individual PAGA Payments as a satisfaction and release of the Released PAGA claims.

(a) The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25%

share of PAGA Penalties (\$10,000.00) by the total number of PAGA Workweeks (the total number of Workweeks by all Aggrieved Employee) and (b) multiplying the result by each Aggrieved Employee's Individual PAGA Workweeks (the total number of Workweeks by each Aggrieved Employee). Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

- (b) If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. **SETTLEMENT FUNDING AND PAYMENTS.**

- 4.1 Class Data. Not later than 15 business days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
- 4.2 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 14 days after the Effective Date.
- 4.3 Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, the Class Representative Service Payment, and the Employee Paid Taxes. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
 - 4.3.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall

prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment, with Employee Paid Taxes withheld and paid from the Gross Settlement Amount. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

- 4.3.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
- 4.3.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).
- 4.3.4 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

- 5.1 **Plaintiffs' Release.** As a condition of receiving any portion of the Class Representative Service Payment, Plaintiffs and each of their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all

known and unknown claims, transactions, or occurrences under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, including but not limited to claims arising from or related to their respective employments with Defendant and their compensation while so employed (“Plaintiffs’ Release”). Plaintiffs’ Release includes all claims asserted in the Actions and/or arising from or related to the facts and claims alleged in the Actions or the PAGA Notices, or that could have been raised in the Action or the PAGA Notices based on the facts and claims alleged. The Plaintiffs’ Release includes, but is not limited to, all claims for unpaid wages, including, but not limited to, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; wages related to alleged illegal or unlawful time rounding; reporting time pay; on-call pay; travel time pay; failure to pay wages at least twice each calendar month; missed, short, late, incomplete, or otherwise noncompliant meal period and rest-periods; missed meal period and rest-period wages; the calculation of meal and rest period premiums at the regular rate of pay; meal period waivers; failure to authorize and permit recovery periods; payment for all hours worked, including off-the-clock work; improper wage statements; deductions; failure to keep accurate records; failure to issue semimonthly payments; failure to pay COVID supplemental sick leave; failure to pay timely wages; failure to pay final wages; failure to provide a safe and healthful place of employment, failure to provide suitable seating; failure to provide potable water; failure to provide safe working conditions; reimbursement for all necessary business expenses; improper background and credit check disclosures; unfair business practices; penalties, including recordkeeping penalties, wage statement penalties, minimum-wage penalties and waiting-time penalties; unlawfully collecting or receiving wages; and attorneys’ fees and costs. The Plaintiffs’ Released Claims include all claims arising under the California Labor Code (including, but not limited to, sections 200, 201, 201.1, 201.3, 201.5, 202, 203, 204, 205.5, 206, 210, 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225, 225.5, 226, *et seq.*, 226.2, 226.3, 226.7, 226.8, 227.3, 246, 248 *et seq.*, 248.2, 256, 450, 510, 511, 512, 516, 550, 551, 552, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.1, 1194.2, 1197, 1197.1, 1197.2, 1197.5, 1198, 1198.5, 1199, 2441, 2698, *et seq.*, 2699, *et seq.*, 2699.3, 2699.5, 2802, 2926, 2927, 6300, 6310, 6400, 6401, 6401.7, 6402, 6403, 6404, 6407, 6712); all claims arising under: the Wage Orders of the California Industrial Welfare Commission (“IWC”), including but not limited to IWC Wage Order No. 5 and MW-2014; the California Private Attorneys General Act of 2004 (“PAGA”); California Business and Professions Code section 17200, *et seq.*, 17203, 17205; Unfair Competition Law; the California Civil Code, to include but not limited to, sections 1785 *et seq.* (the Consumer Credit Reporting Agencies Act (CCRAA)), 1786 *et seq.* (the Investigative Consumer Reporting Agencies Act (ICRAA)), 3287, 3336 and 3294; 12 CCR § 11040; 8 CCR § 11060; 8 CCR § 3203; 8 CCR § 3395; 8 CCR § 3363; 8 CCR § 3457(c); 8 CCR § 2441; California Code of Civil Procedure § 1021.5; the Health and Safety Code, including but not limited to section 25910; the California common law of contract; the Fair Labor Standards Act (“FLSA”),

29 U.S.C. § 201, *et seq.*; federal common law; 15 USC § 1681 *et seq.* (the Fair Credit Reporting Act (FCRA)); emergency orders including but not limited to Executive Order N-51-20 and SB 95; and the Employee Retirement Income Security Act, 29 U.S.C. § 1001, *et seq.* (“ERISA”). The Plaintiffs’ Released Claims also include all claims for lost wages and benefits, emotional distress, retaliation, punitive damages, and attorneys’ fees and costs arising under federal, state, or local laws for discrimination, harassment, retaliation, and wrongful termination, such as, by way of example only, (as amended) 42 U.S.C. section 1981, Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, the Age Discrimination in Employment Act, damages under California Civil Code, including but not limited to sections 1021.5, 3287, and 3288, California Labor Code, including sections 98.6, *et seq.*, 1102.5, and the California Fair Employment and Housing Act including but not limited to California Government Code sections 12940 *et seq.*, 12965, and the law of contract and tort. This release excludes the release of claims not permitted by law. Plaintiffs’ Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers’ compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs’ Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs’ discovery of them. The specific terms of each respective Plaintiff’s Release will be detailed in stand-alone individual settlement agreements. This release does not apply to Javier Escalante’s claims currently alleged in the Complaint filed on January 14, 2022 against Defendant entitled Javier Escalante v. Sun Gir Incorporated, Los Angeles Superior Court Case No. 22STCV02126, currently pending before Hon. Terry Green (hereinafter referred to as “Escalante’s FEHA lawsuit”). This carve-out shall not apply to any new claims, any new parties, or any other litigation matter.

5.1.1 Plaintiffs’ Waivers of Rights Under California Civil Code Section 1542. With the exception of Escalante’s FEHA lawsuit, for purposes of Plaintiffs’ Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

5.2 Released Class Claims by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective past, present, and future representatives, spouses, agents, attorneys, heirs, administrators, successors, and assigns, shall fully and finally release the Released Parties of the Released Class Claims. The “Released Class Claims” include all claims asserted in the Actions

and/or arising from or related to the facts and claims alleged in the Actions or the PAGA Notices, or that could have been raised in the Actions or the PAGA Notices based on the facts and claims alleged. The Released Class Claims include, but are not limited to, all claims for unpaid wages, including, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; wages related to alleged illegal or unlawful time rounding; reporting time pay; on-call pay; travel time pay; failure to pay wages at least twice each calendar month; missed, short, late, incomplete, or otherwise noncompliant meal period and rest-periods; missed meal period and rest-period wages; the calculation of meal and rest period premiums at the regular rate of pay; meal period waivers; failure to authorize and permit recovery periods; payment for all hours worked, including off-the-clock work; improper wage statements; deductions; failure to keep accurate records; failure to issue semimonthly payments; failure to pay COVID supplemental sick leave; failure to pay timely wages; failure to pay final wages; failure to provide a safe and healthful place of employment, failure to provide suitable seating; failure to provide potable water; failure to provide safe working conditions; reimbursement for all necessary business expenses; improper background and credit check disclosures; unfair business practices; penalties, including recordkeeping penalties, wage statement penalties, minimum-wage penalties and waiting-time penalties; unlawfully collecting or receiving wages; and attorneys' fees and costs. The Released Class Claims include all claims arising under the California Labor Code (including, but not limited to, sections 200, 201, 201.1, 201.3, 201.5, 202, 203, 204, 205.5, 206, 210, 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225, 225.5, 226, *et seq.*, 226.2, 226.3, 226.7, 226.8, 227.3, 246, 248 *et seq.*, 248.2, 256, 450, 510, 511, 512, 516, 550, 551, 552, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.1, 1194.2, 1197, 1197.1, 1197.2, 1197.5, 1198, 1198.5, 1199, 2441, 2698, *et seq.*, 2699, *et seq.*, 2699.3, 2699.5, 2802, 2926, 2927, 6300, 6310, 6400, 6401, 6401.7, 6402, 6403, 6404, 6407, 6712); all claims arising under: the Wage Orders of the California Industrial Welfare Commission ("IWC"), including but not limited to IWC Wage Order No. 5 and MW-2014; the California Private Attorneys General Act of 2004 ("PAGA"); California Business and Professions Code section 17200, *et seq.*, 17203, 17205; Unfair Competition Law; the California Civil Code, to include but not limited to, sections 1785 *et seq.* (the Consumer Credit Reporting Agencies Act (CCRAA)), 1786 *et seq.* (the Investigative Consumer Reporting Agencies Act (ICRAA)), 3287, 3336 and 3294; 12 CCR § 11040; 8 CCR § 11060; 8 CCR § 3203; 8 CCR § 3395; 8 CCR § 3363; 8 CCR § 3457(c); 8 CCR § 2441; California Code of Civil Procedure § 1021.5; the Health and Safety Code, including but not limited to section 25910; the California common law of contract; the FLSA, 29 U.S.C. § 201, *et seq.*; federal common law; 15 USC § 1681 *et seq.* (the Fair Credit Reporting Act (FCRA)); emergency orders including but not limited to Executive Order N-51-20 and SB 95; and the Employee Retirement Income Security Act, 29 U.S.C. § 1001, *et seq.* ("ERISA"). This release excludes the release of claims not permitted by law.

Plaintiffs and Class Members who timely cash or otherwise negotiate their Settlement Payment Check will be deemed to have opted into the Actions, as amended, for purposes of the FLSA and, as to those Class Members, the Released Class Claims include any and all claims the Class Members may have under the FLSA asserted in the Actions as amended, arising from or related to the facts and claims alleged in the Actions as amended, or that could have been alleged in the Actions based on the facts and claims alleged in the Actions as amended, during the Class Period. Only those Class Members who timely cash or otherwise negotiate their Settlement Payment Check will be deemed to have opted into the Actions for purposes of the FLSA and thereby release and waive any of their claims under the FLSA arising under or relating to the alleged claims.

The following language will be printed on the reverse of each Individual Class Payment Check, or words to this effect: “By endorsing or otherwise negotiating this check, I acknowledge that I read, understood, and agree to the terms set forth in the Notice of Class Action Settlement and I consent to join in the Fair Labor Standards Act (“FLSA”) portion of the Actions, elect to participate in the settlement of the FLSA claims, and agree to release all of my FLSA claims that are covered by the Settlement.”

Upon entry of Judgment, Class Members are precluded from filing a wage and hour action under the Fair Labor Standards Act against the Released Parties for claims and/or causes of action encompassed by the Released Claims which are extinguished and precluded pursuant to the holding in *Rangel v. PLS Check Cashers of California, Inc.*, 899 F.3d 1106 (2018). This release excludes the release of claims not permitted by law

- 5.3 Released PAGA Claims by Aggrieved Employees: All Aggrieved Employees, on behalf of themselves and their respective past, present and future representatives, spouses, agents, attorneys, heirs, administrators, successors, and assigns, shall release the Released Parties from all known and unknown claims for civil penalties under PAGA that were alleged, or could have been alleged, in the Actions, based on the allegations asserted in Plaintiffs’ Actions, as amended, and in the PAGA Notices, including, but not limited to, all claims for unpaid wages, including, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; wages related to alleged illegal or unlawful time rounding; reporting time pay; on-call pay; travel time pay; failure to pay wages at least twice each calendar month; missed, short, late, incomplete, or otherwise noncompliant meal period and rest-periods; missed meal period and rest-period wages; the calculation of meal and rest period premiums at the regular rate of pay; meal period waivers; failure to authorize and permit recovery periods; payment for all hours worked, including off-the-clock work; improper wage statements; deductions; failure to keep accurate records; failure to issue semimonthly payments; failure to pay COVID supplemental sick leave; failure to pay timely wages; failure to pay final wages; failure to provide a safe and healthful place of employment, failure to provide suitable seating; failure to provide potable water;

failure to provide safe working conditions; reimbursement for all necessary business expenses; improper background and credit check disclosures; unfair business practices; penalties, including recordkeeping penalties, wage statement penalties, minimum-wage penalties and waiting-time penalties; unlawfully collecting or receiving wages; and attorneys' fees and costs. The Released PAGA Claims include all claims arising under the California Labor Code (including, but not limited to, sections 200, 201, 201.1, 201.3, 201.5, 202, 203, 204, 205.5, 206, 210, 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225, 225.5, 226, *et seq.*, 226.2, 226.3, 226.7, 226.8, 227.3, 246, 248 *et seq.*, 248.2, 256, 450, 510, 511, 512, 516, 550, 551, 552, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.1, 1194.2, 1197, 1197.1, 1197.2, 1197.5, 1198, 1198.5, 1199, 2441, 2698, *et seq.*, 2699, *et seq.*, 2699.3, 2699.5, 2802, 2926, 2927, 6300, 6310, 6400, 6401, 6401.7, 6402, 6403, 6404, 6407, 6712); all claims arising under: the Wage Orders of the California Industrial Welfare Commission ("IWC"), including but not limited to IWC Wage Order No. 5 and MW-2014; the California Private Attorneys General Act of 2004 ("PAGA"); California Business and Professions Code section 17200, *et seq.*, 17203, 17205; Unfair Competition Law.

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

- 6.1 **Plaintiffs' Responsibilities.** Plaintiffs will provide to Defense Counsel for review and then finalize and file with the Court documents necessary for obtaining Preliminary Approval, including: (i) the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (vi) a signed declaration from Class Counsel attesting to their competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), operative complaints filed in each Action (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); (vii) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (viii) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator.

- 6.2 Responsibilities of Counsel. Class Counsel is responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than February 23, 2023. Class Counsel and Defense Counsel are responsible for appearing in Court to advocate in favor of the Motion for Preliminary Approval on March 17, 2023. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.
- 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating and remitting Employee Paid Taxes to the state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 7.4 Notice to Class Members.
- 7.4.1 No later than 3 business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.
- 7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice with Spanish translation, attached to this Agreement as Exhibit A. The first page of the

Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Workweeks (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

- 7.4.3 Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 7.4.4 The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 7.4.5 If the Administrator, Defendant or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5 Requests for Exclusion (Opt-Outs).

- 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion, attached hereto as Exhibit C, not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). To be valid,

a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the releases under Paragraph 5.2 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

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

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Workweeks (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7 Objections to Settlement.

- 7.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payments.
- 7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).
- 7.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

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

- 7.8.1 Email Address and Toll-Free Number. The Administrator will maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.
- 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).
- 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must provide the Administrator's assessment of the

validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

- 7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.
- 7.8.5 Administrator's Declaration. Not later than 14 days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.
- 7.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. **DEFENDANT'S RIGHT TO WITHDRAW**. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than seven days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.
9. **MOTION FOR FINAL APPROVAL**. Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will file in Court a motion for final

approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than seven days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

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

null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

10. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

11. **ADDITIONAL PROVISIONS.**

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

- 11.2 **Confidentiality Prior to Preliminary Approval.** Plaintiffs and Class Counsel agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Plaintiffs and Class Counsel agree that to the extent they own or operate any website regarding this litigation, they will shut down the website within 10 days after this settlement agreement is signed by all parties. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs and Class Counsel agree not to, directly or indirectly, initiate any conversation or

other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that “the matter was resolved,” or words to that effect. This paragraph does not restrict Class Counsel’s communications with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members. Plaintiffs and Class Counsel further agree not to use the logos or trademarks of Released Parties for advertising purposes.

- 11.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Class Counsel shall not at any time list or publicize the action or settlement on its website or any material. Nothing in this paragraph shall be construed to restrict Class Counsel’s ability to communicate with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.
- 11.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 11.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 11.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 11.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 11.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendant, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

- 11.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 11.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 11.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 11.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 11.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 11.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, protective order, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy all paper and electronic versions of Class Data and discovery received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant make a written request to Class Counsel for the return, rather than the destruction of, Class Data.
- 11.15 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 11.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 11.17 Notice. All notices, demands, or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

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To Defendant:

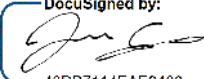
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11.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for

purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

PLAINTIFF Sheldon Monroe

DEFENDANT Sun Gir Incorporated

DocuSigned by:

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PLAINTIFF Javier Escalante

SHEPPARD, MULLIN, RICHTER &
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Counsel For Defendant

PLAINTIFF Manuel Castillo-Guerrero

RG Lawyers
Counsel For Plaintiff Sheldon Monroe



David Yeremian & Associates, Inc.
Counsel For Plaintiff Javier Escalante

Koul Law Firm
Counsel For Plaintiff Manuel Castillo-
Guerrero

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PLAINTIFF Javier Escalante

SHEPPARD, MULLIN, RICHTER &
HAMPTON, LLP
Counsel For Defendant

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Manuel Castillo

PLAINTIFF Manuel Castillo-Guerrero



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