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13 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

14 **IN AND FOR THE COUNTY OF LOS ANGELES**

15 UVALDO CHAVEZ, an individual, on behalf
16 of himself, and on behalf of all persons similarly
17 situated,

18 Plaintiff,

19 v.

20 BORRMANN METAL CENTER, a California
21 corporation; CONTRACTORS STEEL
22 HOLDING, a Delaware Corporation;
23 CONTRACTORS STEEL COMPANY, a
24 Michigan Corporation; UPG ENTERPRISES,
25 LLC, a Delaware Limited Liability Company;
26 UP INVESTMENT HOLDINGS, LLC, a
27 Delaware Limited Liability Company; and
28 DOES 1-100, Inclusive,

Defendants.

Case No. 22STCV34521

[Complaint Filed: October 27, 2022]

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

1 This Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims is
2 entered into by and between Plaintiff Uvaldo Chavez (hereinafter “Plaintiff”), an individual, on
3 behalf of himself, and on behalf of all persons similarly situated, and in his representative capacity
4 on behalf of the State of California and the Aggrieved Employees (as that term is defined below), on
5 one hand, and Defendants Borrmann Metal Center, Contractors Steel Holding, Contractors Steel
6 Company, UPG Enterprises, LLC, Up Investment Holdings, LLC, (“Defendants”) (together,
7 “Defendants,” and “Plaintiff”, the “Parties”), on the other hand:

8 **I. DEFINITIONS**

9 A. “Action” shall mean the putative class and PAGA representative action lawsuit
10 designated *Uvaldo Chavez v. Borrmann Metal Center*, Los Angeles County Superior Court, Case
11 No. 22STCV34521, filed October 27, 2022.

12 B. “Agreement,” “Settlement Agreement,” or “Class and PAGA Settlement” means this
13 Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims.

14 C. “Aggrieved Employees” means all non-exempt employees who are or previously
15 were employed by Borrmann Metal Center and performed work in California at any time during the
16 PAGA Period.

17 D. “Aggrieved Employee Payment” shall mean an Aggrieved Employee’s pro rata share
18 of twenty-five percent (25%) of the PAGA Payment, Forty Thousand Dollars and Zero
19 Cents(\$40,000.00) that will be distributed to the Aggrieved Employee based on the Aggrieved
20 Employee’s PAGA Payment Ratio, as described in this Agreement.

21 E. “Class” or the “Class Members” means all non-exempt employees who are or
22 previously were employed by Borrmann Metal Center and performed work in California at any time
23 during the Class Period.

24 F. “Class Counsel” shall mean Jean-Claude Lapuyade, Esq. of JCL Law Firm, APC,
25 Shani O. Zakay, Esq. of Zakay Law Group, APLC, and Edwin Aiwazian of Lawyers for Justice, PC.

26 G. “Class Counsel Award” means the award of fees and expenses that the Court
27 authorizes to be paid to Class Counsel for the services they have rendered to Plaintiff, the Class
28 Members and the Aggrieved Employees in the Action, consisting of attorneys’ fees not to exceed

1 one-third of the Gross Settlement Amount currently estimated to be Three Hundred Thousand
2 Dollars and Zero Cents (\$300,000.00) out of Nine Hundred Thousand Dollars and Zero Cents
3 (\$900,000.00). Payment for attorneys' fees will be divided between Class Counsel in the following
4 percentages: 32.50% to JCL Law Firm, APC, 32.50% to Zakay Law Group, APLC, and 35% to
5 Lawyers for Justice, PC, subject to court approval. Payment for attorneys' expenses shall be made
6 to the firm or firms that incurred the expenses as demonstrated through declarations with supporting
7 invoices submitted to the court, in a total amount not to exceed Thirty Thousand Dollars and Zero
8 Cents (\$30,000.00).

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

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

17 J. "Class Period" means the period beginning October 27, 2018 through February 29,
18 2024.

19 K. "Class Representative" shall mean plaintiff Uvaldo Chavez.

20 L. "Court" means the Superior Court for the State of California, County of Los Angeles
21 currently presiding over the Action.

22 M. "Defendants" shall mean Borrmann Metal Center, Inc. Contractors Steel Holding,
23 LLC, Contractors Steel Company, UPG Enterprises, LLC, UP Investment Holdings, LLC,

24 N. "Effective Date" means the first date upon which all of the following events have
25 occurred:

26 1. the Court has held a final fairness and approval hearing and entered the final
27 order and Judgment approving the Settlement; and,

28

1 2. the later of: (a) the date sixty (60) days after notice of entry of the final
2 approval order and Judgment, if no motions for reconsideration and no appeals or other efforts to
3 obtain review have been filed; or (b) in the event that a motion for reconsideration, an appeal or other
4 effort to obtain review of the Final Order and Judgment has been filed, the date sixty (60) days after
5 such reconsideration, appeal or review has been finally concluded without altering, modifying or
6 vacating the final approval order and Judgment. In this regard, it is the intention of the Parties that
7 the Effective Date of Settlement shall not be a date before the Court's order approving the Settlement
8 has become completely final, and there is no timely recourse by any person who seeks to object to
9 or otherwise contest the Settlement.

10 O. “Funding Date” shall mean the date by which Defendants pay the Gross Settlement
11 Amount to the Settlement Administrator in accordance with the terms of this Agreement. Defendants
12 will pay the Gross Settlement Amount to the Settlement Administrator within (3) calendar days after
13 the Effective Date.

14 P. “Gross Settlement Amount” means Nine Hundred Thousand Dollars and Zero Cents
15 (\$900,000.00), which sum is inclusive of Settlement Administration Costs, Class Counsel Award,
16 Service Award, and the PAGA Payment, as approved by the Court. The Gross Settlement Amount
17 is all-in with no reversion and exclusive of the employer's share of payroll tax, if any, triggered by
18 any payment under this Settlement, as calculated by the Settlement Administrator. Under no
19 condition will Defendants be required to pay more than the Gross Settlement Amount, except as
20 provided in Section III(A)(2) below and exclusive of the employer's share of payroll tax. Any
21 amounts not approved by the Court shall be added to the Net Settlement Amount to be distributed to
22 Settlement Class Members and shall not be grounds to object to or terminate the Settlement.

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

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

27 S. “LWDA Payment” shall mean the seventy-five percent (75%) of the PAGA Payment,
28 Thirty Thousand Dollars and Zero Cents (\$30,000.00) payable to the to the LWDA.

1 T. “Net Settlement Amount” or “NSA” means the Gross Settlement Amount, less Class
2 Counsel Award, Service Award, PAGA Payment, and Settlement Administration Costs.

3 U. “Notice Packet” means the Settlement Notice to be provided to the Class Members
4 by the Settlement Administrator in substantially the same form set forth as Exhibit A to this
5 Agreement (other than formatting changes to facilitate printing by the Settlement Administrator), as
6 approved by the Court.

7 V. “Operative Complaint” shall mean the First Amended Complaint filed by Plaintiff in
8 the Action on or about March 20, 2024.

9 W. “PAGA” means the California Labor Code Private Attorneys General Act of 2004,
10 Labor Code § 2698 et seq.

11 X. “PAGA Payment Ratio” means the respective Workweeks during the PAGA Period
12 for each Aggrieved Employee divided by the total Workweeks for all Aggrieved Employees during
13 the PAGA Period.

14 Y. “PAGA Period” means the period beginning on November 30, 2022 through February
15 29, 2024.

16 Z. “PAGA Payment” shall mean Forty Thousand Dollars and Zero Cents (\$40,000.00)
17 to be allocated from the Gross Settlement Amount for settlement of PAGA Claims asserted in the
18 Action, as approved by the Court.

19 AA. “Parties” means Plaintiff and Defendants, collectively, and “Party” shall mean either
20 Plaintiff or Defendants, individually.

21 BB. “Plaintiff” shall mean Uvaldo Chavez.

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

25 DD. “Released Class Claims” shall mean all causes of action and factual or legal theories
26 that (i) are alleged in the Operative Complaint or (ii) reasonably could have been alleged based on
27 the facts and legal theories contained in the Operative Complaint including all of the following claims
28 for relief: (a) failure to pay all and overtime wages due; (b) failure to provide proper meal periods,

1 and to properly provide premium pay in lieu thereof; (c) failure to provide proper rest periods, and
2 to properly provide premium pay in lieu thereof; (d) failure to pay all minimum wages due: (e) failure
3 to pay all wages timely during employment; (f) failure to pay all wages timely at the time of
4 termination; (g) failure to provide complete, accurate or properly formatted wage statements; (h)
5 failure to reimburse business expenses; (i) unfair business practices that could have been premised
6 on the claims, causes of action or legal theories of relief described above or any of the claims, causes
7 of action or legal theories of relief pleaded in the operative complaint; (j) failure to keep requisite
8 payroll records; (k) any other claims or penalties under the wage and hour laws pleaded in the Action;
9 and (l) all damages, penalties, interest and other amounts recoverable under said claims, causes of
10 action or legal theories of relief (collectively, the "Released Class Claims"). The Released Class
11 Claims expressly exclude claims for penalties under the Private Attorney General Act (PAGA). The
12 period of the Release shall extend to the limits of the Class Period. The res judicata effect of the
13 Judgment will be the same as that of the Release. Defendants shall be entitled to a release of Released
14 Claims which occurred during the Class Period only during such time that the Settlement Class
15 Member was classified as non-exempt, and expressly excluding all other claims, including claims
16 for vested benefits, wrongful termination, unemployment insurance, disability, social security,
17 workers' compensation, claims while classified as exempt, and claims outside of the Class Period.

18 EE. "Released PAGA Claims" shall mean all causes of action and factual or legal theories
19 for civil penalties under the California Labor Code Private Attorneys General Act of 2004 against
20 any of the Released Parties that (i) were alleged in the Operative Complaint and in Plaintiff's notice
21 of claims to the LWDA, or (ii) reasonably could have been alleged based on the facts and legal
22 theories contained in the Operative Complaint and in Plaintiffs notice of claims to the LWDA
23 (collectively, the "Released PAGA Claims"). The period of the Release shall extend to the limits of
24 the PAGA Covered Period. The res judicata effect of the Judgment will be the same as that of the
25 Release of Released PAGA Claims. Defendants shall be entitled to a release of Released PAGA
26 Claims which occurred during the PAGA Covered Period only during such time that the Settlement
27 Class Member was classified as non-exempt, and expressly excluding all other claims, including
28 claims for vested benefits, wrongful termination, unemployment insurance, disability, social

1 security, workers' compensation, claims while classified as exempt, and claims outside of the
2 Covered Period.

3 FF. "Released Parties" shall mean Defendants Borrmann Metal Center, Inc., Contractors
4 Steel Holding, LLC, Contractors Steel Company, UPG Enterprises, LLC and UP Investment
5 Holdings, LLC, and each of their past, present and/or future, direct and/or indirect, officers, directors,
6 members, managers, employees, agents, representatives, attorneys, insurers, partners, investors,
7 shareholders, owners, administrators, parent companies, subsidiaries, affiliates, divisions,
8 predecessors, successors, assigns, and joint venturers.

9 GG. "Response Deadline" means the date forty-five (45) calendar days after the Settlement
10 Administrator mails Notice Packets to Class Members and the last date on which Class Members
11 may submit requests for exclusion or objections to the Settlement. Neither side shall encourage any
12 Class Member to opt out.

13 HH. "Service Award" means an award in the amount of up to Ten Thousand Dollars and
14 Zero Cents (\$10,000.00) or in an amount that the Court authorizes to be paid to the Class
15 Representative, in addition to his Individual Settlement Payment and his individual Aggrieved
16 Employee Payment, in recognition of his efforts and risks in assisting with the prosecution of the
17 Action.

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

19 JJ. "Settlement Administration Costs" shall mean the amount paid to the Settlement
20 Administrator from the Gross Settlement Amount for administering the Settlement pursuant to this
21 Agreement, currently estimated not to exceed Eight Thousand Dollars and Zero Cents (\$8,000.00).

22 KK. "Settlement Administrator" means Apex Class Action LLC, located at 18 Technology
23 Dr. Suite 164 Irvine, CA 92618, Tel: (800) 355-0700. The Settlement Administrator shall establish,
24 designate, and maintain, a non-interest bearing QSF under Internal Revenue Code section 468B and
25 Treasury Regulation section 1.468B-1, into which the Gross Settlement Amount will be deposited.
26 The Settlement Administrator shall maintain the funds until distribution in an account(s) segregated
27 from the assets of Defendants and any person related to Defendants.

28

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

4 MM. "Workweeks" means the number of weeks each Class Member was employed by
5 Borrmann Metal Center during the Class Period.

6 **II. RECITALS**

7 A. On October 27, 2022, Plaintiff filed a Class Action complaint in the Los Angeles
8 Superior Court, Case No. 22STCV34521 ("Class Action").

9 B. On February 7, 2024, Plaintiff filed a Notice of Violations with the Labor and
10 Workforce Development Agency (LWDA) and served the same on Defendants.

11 C. On March 20, 2024, Plaintiff filed a First Amended Complaint in Los Angeles
12 Superior Court, Case No., to (i) add (a) all class claims and causes of action falling within the
13 definition of "Released Class Claims" for the Class Period and (b) all PAGA claims and cause of
14 action falling within the definition of "Released PAGA Claims" for the PAGA Covered Period, (ii)
15 allege all facts supporting those claims, including but not limited to all facts alleged by Plaintiff at
16 the mediation on November 29, 2023 and/or in Plaintiffs mediation brief, and (iii) amend the class
17 definition, and (iv) add as named defendants all entities identified in the class definition.

18 D. The Class Representative believes he has claims based on alleged violations of the
19 California Labor Code, and the Industrial Welfare Commission Wage Orders, and that class
20 certification is appropriate because the prerequisites for class certification can be satisfied in the
21 Action, and this action is manageable as a PAGA representative action.

22 E. Defendants deny any liability or wrongdoing of any kind associated with the claims
23 alleged in the Action, dispute any wages, damages and penalties claimed by the Class Representative,
24 alleged in the Operative Complaint, and/or alleged in the Class Representative's PAGA notices to
25 the LWDA are owed, and further contend that, for any purpose other than settlement, the Action is
26 not appropriate for class or representative action treatment. Defendants contend, among other things,
27 that at all times they complied with the California Labor Code, Industrial Welfare Commission Wage
28 Orders, and applicable law.

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

14 G. On November 29, 2023, the Parties participated in mediation presided over by
15 Honorable Brian C. Walsh (Ret.) a respected jurist and mediator of wage and hour class actions. The
16 Parties accepted a Mediator's settlement proposal, which was subsequently memorialized in the form
17 of a Memorandum of Understanding.

18 H. As a result of the settlement, the Parties stipulated to the filing of an amended
19 complaint, for purposes of settlement only, in a form acceptable to Defendants, to (i) add (a) all class
20 claims and causes of action falling within the definition of "Released Class Claims" for the Covered
21 Period and (b) all PAGA claims and cause of action falling within the definition of "Released PAGA
22 Claims" for the PAGA Covered Period, (ii) allege all facts supporting those claims, including but not
23 limited to all facts alleged by Plaintiff at the mediation on November 29, 2023 and/or in Plaintiffs
24 mediation brief, and (iii) amend the class definition, and (iv) add as named defendants all entities
25 identified in the class definition.

26 I. This Agreement replaces and supersedes the Memorandum of Understanding and any
27 other agreements, understandings, or representations between the Parties. This Agreement
28 represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is

1 intended or will be construed as an admission by Defendants that the claims in the Action of Plaintiff
2 or the Class Members have merit or that Defendants bear any liability to Plaintiff or the Class on
3 those claims or any other claims, or as an admission by Plaintiff that Defendants' defenses in the
4 Action have merit.

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

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

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

16 **III. TERMS OF AGREEMENT**

17 A. Settlement Consideration and Settlement Payments by Defendants.

18 1. Settlement Consideration. In full and complete settlement of the Action, and
19 in exchange for the releases set forth below, Defendants will pay the Gross Settlement Amount.
20 Other than Defendants' share of employer payroll taxes and as provided in Section III.A.2 below, as
21 determined by the Settlement Administrator, Defendants shall not be required to pay more than the
22 Gross Settlement Amount.

23 2. Class Size. Defendants represent that, at the time of mediation, the Class was
24 comprised of approximately 234 class members who collectively worked no more than 22,881
25 Workweeks between October 27, 2018, to September 13, 2023. The Parties acknowledge and agree
26 that this data was relied on to extrapolate and reach an arms-length negotiation of Plaintiff's claims
27 in the Action. In regard hereto, Defendants will provide a declaration under penalty of perjury
28 confirming the number of applicable Class Members and workweeks they worked during the

1 applicable Class Period one week prior to Plaintiff's deadline to file their motion for preliminary
2 approval of the settlement. If there is a more than 10% increase in the number of weeks worked by
3 the Settlement Class Members during the Class Period above (more than 25,169 workweeks), it will
4 trigger an escalator provision where the Gross Settlement Amount shall increase by 1% for every
5 1% increase in workweeks over the 10% threshold.

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

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

11 B. Release by Settlement Class Members. To be clear, the scope of the release is limited
12 to the Released Class Claims. Upon funding by Defendants of the Gross Settlement Amount, Plaintiff
13 and the Settlement Class Members shall be deemed to have, and by operation of the final judgment
14 approved by the Court, shall have, fully, finally, and forever settled and released all of the Released
15 Class Claims. The Parties understand and specifically agree that the scope of the release described
16 in this paragraph is a material part of this settlement and without it Defendants would not have agreed
17 to the consideration provided; and is narrowly drafted and necessary to ensure that Defendants are
18 obtaining peace of mind regarding the resolution of claims that were or could have been alleged
19 based on the facts, causes of action, and legal theories contained in the Operative Complaint.

20 C. Release by Plaintiff and State of California. Upon funding by Defendants of the Gross
21 Settlement Amount, Plaintiff and the State of California will be deemed to have fully, finally, and
22 forever released, settled, compromised, relinquished, and discharged the Released Parties of all
23 Released PAGA Claims. However, to be clear, the scope of this release is limited to the Released
24 PAGA Claims. By virtue of this Agreement, Plaintiff and the State of California shall be deemed to
25 have, and by operation of the final judgment approved by the Court, shall have, fully, finally, and
26 forever settled, and released all of the Released PAGA Claims.

27 D. Additional General Release and Waiver of Claims by Plaintiff.
28

1 1. In addition to the releases set forth above, Plaintiff, in his individual
2 capacity, agrees to release the Released Parties from any and all claims, known and unknown, under
3 federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law,
4 arising as of the date of execution of this Agreement, including but not limited to claims arising from
5 or related to his employment with Defendant, separation of employment from Defendant, and any
6 acts that have or could have been asserted in any legal action or proceeding against Defendant,
7 whether known or unknown, arising under any federal, state or local law or statute, including, inter
8 alia, those arising under the California Labor Code, Fair Labor Standards Act, Americans with
9 Disabilities Act, Title VII of the Civil Rights Act of 1964, Employee Retirement Income Security
10 Act, National Labor Relations Act, California Corporations Code, California Business and
11 Professions Code, California Fair Employment and Housing Act, California Constitution (all as
12 amended), and law of contract and tort, as well as for discrimination, harassment, retaliation,
13 wrongful termination, lost wages, benefits, other employment compensation, emotional distress,
14 medical expenses, other economic and non-economic damages, attorney fees, and costs (collectively,
15 “Plaintiff’s Released Claims”).

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

20 3. Even if Plaintiff discovers facts in addition to or different from those
21 that he now knows or believes to be true with respect to the subject matter of Plaintiff’s Released
22 Claims, those claims will remain released and forever barred. To effect a full and complete general
23 release as described above, Plaintiff expressly waives and relinquishes all rights and benefits of
24 section 1542 of the Civil Code of the State of California, and does so understanding and
25 acknowledging the significance and consequence of specifically waiving section 1542. Section 1542
26 of the Civil Code of the State of California states as follows:

27 **A general release does not extend to claims that the creditor or releasing**
28 **party does not know or suspect to exist in his or her favor at the time of**

1 **executing the release and that, if known by him or her, would have materially**
2 **affected his or her settlement with the debtor or released party.**

3 4. Thus, notwithstanding the provisions of section 1542, and to implement
4 a full and complete release and discharge of the Released Parties, Plaintiff expressly acknowledges
5 this Settlement is intended to include in its effect, without limitation, all claims Plaintiff does not
6 know or suspect to exist in Plaintiff's favor at the time of signing this Settlement, and that this
7 Settlement contemplates the extinguishment of any such claims. Plaintiff warrants that he has read
8 this Settlement, including this waiver of California Civil Code section 1542, and that Plaintiff has
9 consulted with or had the opportunity to consult with counsel of Plaintiff's choosing about this
10 Settlement and specifically about the waiver of section 1542, and that Plaintiff understands this
11 Settlement and the section 1542 waiver, and so Plaintiff freely and knowingly enters into this
12 Settlement. Plaintiff further acknowledges that Plaintiff later may discover facts different from or in
13 addition to those Plaintiff now knows or believes to be true regarding the matters released or
14 described in this Settlement, and even so Plaintiff agrees that the releases and agreements contained
15 in this Settlement shall remain effective in all respects notwithstanding any later discovery of any
16 different or additional facts. Plaintiff expressly assumes any and all risk of any mistake in connection
17 with the true facts involved in the matters, disputes, or controversies released or described in this
18 Settlement or with regard to any facts now unknown to Plaintiff relating thereto. Plaintiff further
19 acknowledges this waiver of the provisions of section 1542 was separately bargained for and is an
20 essential and material term of this Agreement.

21 E. Nullification of Settlement Agreement. In the event: (i) the Court does not grant
22 preliminary or final approval of this Settlement Agreement; (ii) the Court does not enter a final order
23 and Judgment approving the Settlement; (iii) the Settlement does not become final or Effective; (iv)
24 Defendants are in any way prevented or prohibited from obtaining a complete resolution of the
25 Released Class Claims and Released PAGA Claims, or (v) if Defendants fail to fully fund the Gross
26 Settlement Amount:

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

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

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

11 4. In the event that Defendants fail to fund the Gross Settlement Amount,
12 Defendants shall bear the sole responsibility for any cost to issue or reissue any curative notice to the
13 Settlement Class Members and all Settlement Administration Costs incurred to the date of
14 nullification.

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

23 G. Tax Liability. The Parties make no representations as to the tax treatment or legal
24 effect of the payments called for, and Class Members and/or Aggrieved Employees are not relying
25 on any statement or representation by the Parties in this regard. Class Members and/or Aggrieved
26 Employees understand and agree that they will be responsible for the payment of any taxes and
27 penalties assessed on the Individual Settlement Payments and/or Aggrieved Employees' individual
28 shares of the Aggrieved Employee Payment described and will be solely responsible for any penalties

1 or other obligations resulting from their personal tax reporting of Individual Settlement Payments
2 and/or Aggrieved Employees' individual shares of the Aggrieved Employee Payment.

3 H. No Tax Advice. Neither Class Counsel nor Defendants' Counsel intend anything
4 contained in this Settlement to constitute advice regarding taxes or taxability, nor shall anything in
5 this Settlement be relied upon as such within the meaning of United States Treasury Department
6 Circular 230 (31 CFR Part 10, as amended) or otherwise. Plaintiff, Class Members, and Aggrieved
7 Employees understand and agree that except for Defendants' payment of the employer's portion of
8 any payroll taxes, they will be solely responsible for the payment of any taxes and penalties assessed
9 on the payments described herein.

10 I. Preliminary Approval Motion. As soon thereafter as practicable after the execution of
11 this Agreement, Plaintiff shall file with the Court a Motion for Order Granting Preliminary Approval
12 and supporting papers, which shall include this Settlement Agreement. Plaintiff will provide
13 Defendants with a draft of the Motion at least five (5) business days prior to the filing of the Motion
14 to give Defendants an opportunity to review and comment upon the Motion.

15 J. Settlement Administrator. The Settlement Administrator shall be responsible for:
16 establishing and administering the QSF; establishing, hosting and maintaining a dedicated webpage
17 throughout the administration process with links to pertinent documents, i.e., notice and related
18 forms, and updates on settlement; calculating, processing and mailing payments to the Class
19 Representative, Class Counsel, LWDA and Class Members; formatting, printing and mailing the
20 Notice Packets to the Class Members as directed by the Court; conducting a National Change of
21 Address search to update Class Member addresses before mailing the Notice Packets; receiving and
22 reviewing for validity all objections and requests for exclusion; calculating workweeks, Individual
23 Settlement Payments and Aggrieved Employee Payments, and resolving workweek disputes; re-
24 mailing Notice Packets that are returned to the Class Member's new address; setting up, printing,
25 and mailing reminder post cards, as needed; setting up a toll-free telephone number to receive calls
26 from Class Members; setting up, maintaining, and hosting a dedicated webpage containing
27 information for class members about the action and settlement through the check cashing deadline;
28 issuing checks to effectuate the payments due under this Settlement; calculating, deducting and

1 remitting all legally required taxes from Individual Settlement Payments and Aggrieved Employee
2 Payments and distributing tax forms for the Wage Portion, the Penalties Portion and the Interest
3 Portion of the Individual Settlement Payments and/or Aggrieved Employee Payment; processing and
4 mailing tax payments to the appropriate state and federal taxing authorities and providing
5 documentation of same to Defendants; providing declaration(s) as necessary in support of
6 preliminary and/or final approval of this Settlement; and other tasks as the Parties mutually agree or
7 the Court orders the Settlement Administrator to perform. The Settlement Administrator shall keep
8 the Parties timely apprised of the performance of all Settlement Administrator responsibilities by
9 among other things, sending a weekly status report to the Parties' counsel stating the date of the
10 mailing, the number of opt outs from the Settlement it receives (including the numbers of valid and
11 deficient), and number of objections received. The Settlement Administrator will have the authority
12 to resolve all disputes concerning the calculation of Individual Settlement Payments and Aggrieved
13 Employee Payments, subject to the dollar limitations and calculations set forth in this Agreement.
14 The Settlement Administration Expenses, including without limitation the cost of printing and
15 mailing the Notice Packet, will be paid out of the Gross Settlement Amount.

16 Defendants and Defendants' counsel shall not enter into any contractual relationship with the
17 Settlement Administrator. Fees of the Settlement Administrator shall be paid out of the Gross
18 Settlement Amount. Neither Plaintiff, Plaintiff's counsel, Defendants nor Defendants' counsel shall
19 bear any responsibility for errors or omissions in the calculation of distribution of the settlement
20 payments or development of the list of recipients of settlement payments.

21 K. Notice Procedure.

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

26 2. Notice Packets. The Notice Packet shall contain the Notice of Pendency of
27 Class and PAGA Representative Action Settlement and Final Hearing Date in a form substantially
28 similar to the form attached as **Exhibit A**. The Notice Packet shall inform Class Members and

1 Aggrieved Employees that they need not do anything in order to receive an Individual Settlement
2 Payment and/or an Aggrieved Employee Payment and of their obligation to keep the Settlement
3 Administrator apprised of their current mailing address, to which the Individual Settlement Payments
4 and/or Aggrieved Employee Payment will be mailed following the Funding Date. The Notice Packet
5 shall set forth the release to be given by all members of the Class who do not request to be excluded
6 from the Settlement Class and the release to be given by Aggrieved Employees regardless of whether
7 they exclude themselves from the Class, in exchange for their Individual Settlement Payment and
8 Aggrieved Employee Payment, respectively; the number of Workweeks worked by each Class
9 Member during the Class Period; and the number of PAGA Workweeks worked by each Aggrieved
10 Employee during the PAGA Period, if any; and the estimated amount of their Individual Settlement
11 Payment if they do not request to be excluded from the Settlement and the estimated amount of their
12 Aggrieved Employee Payment, if any. The Settlement Administrator shall use the Class Data to
13 determine Class Members' Workweeks and PAGA Workweeks. The Notice Packet will also advise
14 the Aggrieved Employees that they will release the Released PAGA Claims and will receive their
15 Aggrieved Employee Payment regardless of whether they request to be excluded from the Class.

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

24 4. Undeliverable Notices. Any Notice Packets returned to the Settlement
25 Administrator as non-delivered on or before the Response Deadline shall be re-mailed to any
26 forwarding address provided within seven (7) days of receiving the returned notice. If no forwarding
27 address is provided, the Settlement Administrator shall promptly attempt to determine a correct
28 address by lawful use of skip-tracing, or other search using the name, address and/or Social Security

1 number of the Class Member involved, and shall then perform a re-mailing, if another mailing
2 address is identified by the Settlement Administrator. In addition, if the Notice Packet sent to any
3 Class Member who is currently employed by Defendants is returned to the Settlement Administrator
4 as non-delivered and no forwarding address is provided, the Settlement Administrator shall notify
5 Defendants. Defendants will request that the currently employed Class Member provide a corrected
6 address and transmit to the Settlement Administrator any corrected address provided by the Class
7 Member. Class Members who received a re-mailed Notice Packet shall have their Response
8 Deadline extended ten (10) days from the original Response Deadline. If these procedures are
9 followed, notice to Class Members shall be deemed to have been fully satisfied, and if the intended
10 recipient of the Notice Packet does not receive the Notice Packet, the intended recipient shall
11 nevertheless remain a Class Member and Aggrieved Employee (if applicable) and shall be bound by
12 all terms of the Settlement and the final order and Judgment.

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

25 M. Disputes Regarding Administration of Settlement. Any disputes not resolved by the
26 Settlement Administrator concerning the administration of the Settlement will be resolved by the
27 Court under the laws of the State of California. Before any such involvement of the Court, counsel
28

1 for the Parties will confer in good faith to resolve the disputes without the necessity of involving the
2 Court.

3 N. Exclusions. The Notice Packet shall state that Class Members who wish to exclude
4 themselves from the Settlement must submit a written request (“Request for Exclusion”) to the
5 Settlement Administrator by the Response Deadline. To be valid, the Request for Exclusion must be
6 in writing and must: (i) be signed by the Class Member; (ii) contain the name, address, telephone
7 number, and the last four digits of the Social Security number of the Class Member requesting
8 exclusion; (iii) clearly state the Class Member does not wish to be included in the Settlement; (iv) be
9 returned via mail to the Settlement Administrator as specified in the Notice Packet; and (v) be
10 postmarked on or before the Response Deadline. The date of the postmark on the return mailing
11 envelope will be the exclusive means to determine whether a Request for Exclusion has been timely
12 submitted. Any Class Member who submits a valid Request for Exclusion shall be excluded from
13 the Settlement Class and will not be entitled to an Individual Settlement Payment and will not be
14 otherwise bound by the terms of the Settlement or have any right to object, appeal, or comment
15 thereon. However, any Class Member that submits a valid Request for Exclusion that is also an
16 Aggrieved Employee will still receive his/her Aggrieved Employee Payment, and in consideration,
17 will be bound by the Release by the PAGA Class as set forth herein. Class Members who fail to
18 submit a valid Request for Exclusion shall be bound by all terms of the Settlement and any final
19 judgment entered in this Action if the Court approves the Settlement. No later than seven (7) calendar
20 days after the Response Deadline, the Settlement Administrator shall provide counsel for the Parties
21 with a final list of the Class Members who have submitted valid Requests for Exclusion. Defendants
22 retain the right, in the exercise of its sole discretion, to revoke the settlement and its stipulation to
23 class certification prior to the final fairness hearing in the event that five percent (5%) or more of
24 Settlement Class Members opt out of the settlement. At no time shall any of the Parties or their
25 counsel seek to solicit or otherwise encourage members of the Class to submit Requests for Exclusion
26 from the Settlement.

27 O. Objections.
28

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

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

27 P. Allocation of the Gross Settlement Amount.
28

1 1. Calculation of Individual Settlement Payments. Individual Settlement
2 Payments shall be paid from the Net Settlement Amount and shall be paid pursuant to the formula
3 set forth herein. Using the Class Data, the Settlement Administrator shall add up the total number of
4 Workweeks for all Class Members. The respective Workweeks for each Class Member will be
5 divided by the total Workweeks for all Class Members, resulting in the Class Payment Ratio for each
6 Class Member. Each Class Member’s Class Payment Ratio will then be multiplied by the Net
7 Settlement Amount to calculate each Class Member’s estimated Individual Settlement Payments.
8 Each Individual Settlement Payment will be reduced by any legally mandated employee tax
9 withholdings (e.g., employee payroll taxes, etc.). Individual Settlement Payments for Class
10 Members who submit valid and timely requests for exclusion will be redistributed to Settlement
11 Class Members who do not submit valid and timely requests for exclusion on a pro rata basis based
12 on their respective Class Payment Ratios, resulting in an average Settlement Payment of
13 approximately Two Thousand One Hundred and Eighty-Eighty Dollars and Three Cents (\$2,188.03).

14 2. Calculation of Aggrieved Employee Payments. Using the Class Data, the
15 Settlement Administrator shall add up the total number of PAGA Workweeks for all Aggrieved
16 Employees during the PAGA Period. The respective PAGA Workweeks for each Aggrieved
17 Employees will be divided by the total PAGA Workweeks for all Aggrieved Employees, resulting
18 in the “PAGA Payment Ratio” for each Aggrieved Employee. Each Aggrieved Employee’s PAGA
19 Payment Ratio will then be multiplied by Ten Thousand Dollars and Zero Cents (\$10,000.00) (i.e.,
20 25% of the PAGA Payment that is to be allocated to Aggrieved Employees pursuant to PAGA), to
21 calculate the individual’s Aggrieved Employee Payment.

22 3. Allocation of Individual Settlement Payments. For tax purposes, Individual
23 Settlement Payments shall be allocated and treated as 20% wages (“Wage Portion”), 80% penalties
24 and interest (“Penalties and Interest Portion”). The Wage Portion of the Individual Settlement
25 Payments shall be reported on IRS Form W-2 and the Penalty and Interest Portion of the Individual
26 Settlement Payments shall be reported on IRS Form 1099 issued by the Settlement Agreement.

27
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1 4. Allocation of Aggrieved Employee Payments. For tax purposes, Aggrieved
2 Employee Payments shall be allocated and treated as 100% penalties and shall be reported on IRS
3 Form 1099.

4 5. No Credit Toward Benefit Plans. The Individual Settlement Payments and
5 Aggrieved Employee Payments, as well as any other payments made pursuant to this Settlement
6 Agreement, will not be utilized to calculate any additional benefits under any benefit plans to which
7 any Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans,
8 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit
9 plan. Rather, it is the Parties' intention that this Settlement Agreement will neither confer any rights,
10 contributions, or amounts under any benefit plans nor affect any such rights, contributions, or
11 amounts to which any Class Members may be entitled under any benefit plans.

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

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

26 8. Expiration. Any checks issued to Settlement Class Members and Aggrieved
27 Employees shall remain valid and negotiable for one hundred and eighty (180) days from the date of
28 their issuance. If a Settlement Class Member and/or Aggrieved Employees does not cash his or her

1 settlement check within ninety (90) days, the Settlement Administrator will send a letter to such
2 persons, advising that the check will expire after the 180th day, and invite that Settlement Class
3 Member and/or Aggrieved Employees to request reissuance in the event the check was destroyed,
4 lost, or misplaced. In the event an Individual Settlement Payment and/or Aggrieved Employees'
5 individual share of the PAGA Payment check has not been cashed within one hundred and eighty
6 (180) days, all funds represented by such uncashed checks, plus any interest accrued thereon, shall
7 be transmitted to the State Controller's Unclaimed Property Fund in the name of the Class Member
8 who did not claim the funds.

9 9. Service Award. In addition to the Individual Settlement Payment as a
10 Settlement Class Member and his Aggrieved Employee Payment, Plaintiff will apply to the Court
11 for an award of not more than Ten Thousand Dollars and Zero Cents (\$10,000.00), as the Service
12 Award. Defendants will not oppose a Service Award of not more than Ten Thousand Dollars and
13 Zero Cents (\$10,000.00) for Plaintiff. The Settlement Administrator shall pay the Service Award,
14 either in the amount stated herein if approved by the Court or some other amount as approved by the
15 Court, to Plaintiff from the Gross Settlement Amount no later than fifteen (15) calendar days after
16 the Funding Date. Any portion of the requested Service Award that is not awarded to the Class
17 Representative shall be part of the Net Settlement Amount and shall be distributed to Settlement
18 Class Members as provided in this Agreement. The Settlement Administrator shall issue an IRS
19 Form 1099 — MISC to Plaintiff for his Service Award. Plaintiff shall be solely and legally
20 responsible to pay any and all applicable taxes on his Service Award and shall hold harmless the
21 Released Parties from any claim or liability for taxes, penalties, or interest arising as a result of the
22 Service Award. Approval of this Settlement shall not be conditioned on Court approval of the
23 requested amount of the Service Award. If the Court reduces or does not approve the requested
24 Service Award, Plaintiff shall not have the right to object to or revoke the Settlement, and it will
25 remain binding. To receive the Service Award, Plaintiff agrees to a California Civil Code section
26 1542 waiver and general release of all claims as set forth below.

27 10. Class Counsel Award. Defendants understand, and will not oppose, a motion
28 for Attorneys' Fees not to exceed one-third of the Gross Settlement Amount, currently estimated to

1 be Three Hundred Thousand Dollars and Zero Cents (\$300,000.00), and Attorneys' Expenses
2 supported by declaration not to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00). Any
3 awarded Class Counsel Award shall be paid from the Gross Settlement Amount. Any portion of the
4 requested Attorneys' Fees and/or Attorneys' Expenses that are not awarded to Class Counsel shall
5 be part of the Net Settlement Amount and shall be distributed to Settlement Class Members as
6 provided in this Agreement. The Settlement Administrator shall allocate and pay the Class Counsel
7 Award to Class Counsel from the Gross Settlement Amount no later than fifteen (15) calendar days
8 after the Funding Date. Class Counsel shall be solely and legally responsible to pay all applicable
9 taxes on the payment made pursuant to this paragraph. The Settlement Administrator shall issue an
10 IRS Form 1099 — MISC to Class Counsel for the payments made pursuant to this paragraph. If the
11 Court reduces or does not approve the requested Class Counsel Award, Plaintiff and Class Counsel
12 shall not have the right to object to or revoke the Settlement, or to appeal such order, and the
13 Settlement will remain binding.

14 11. PAGA Payment. Forty Thousand Dollars and Zero Cents (\$40,000.00) shall
15 be allocated from the Gross Settlement Amount for settlement of claims for civil penalties under the
16 Private Attorneys General Act of 2004 ("PAGA Payment"). The Settlement Administrator shall pay
17 seventy-five percent (75%) of the PAGA Payment, Thirty Thousand Dollars and Zero Cents
18 (\$30,000.00), to the California Labor and Workforce Development Agency no later than fifteen (15)
19 calendar days after the Effective Date (hereinafter "LWDA Payment"). Twenty-five percent (25%)
20 of the PAGA Payment Ten Thousand Dollars and Zero Cents (\$10,000.00) will be distributed to the
21 Aggrieved Employees as described in this Agreement. For purposes of distributing the PAGA
22 Payment to the Aggrieved Employees, each Aggrieved Employee shall receive their pro-rata share
23 using the PAGA Payment Ratio as defined above. If the Court approves a PAGA Payment of less
24 than Forty Thousand Dollars and Zero Cents (\$40,000), the difference between Forty Thousand
25 Dollars and Zero Cents (\$40,000) and the amount approved will be retained in the Net Settlement
26 Amount for distribution to Settlement Class Members. If the Court requires a larger PAGA Payment
27 than Forty Thousand Dollars and Zero Cents (\$40,000.00), then such additional sum will come out
28

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

3 12. Settlement Administration Costs. The Settlement Administrator shall be paid
4 for the costs of administration of the Settlement from the Gross Settlement Amount, as documented
5 and approved by the Court. The estimate of the Settlement Administration Costs is Eight Thousand
6 Dollars and Zero Cents (\$8,000.00). The Settlement Administrator shall be paid the Settlement
7 Administration Costs no later than fifteen (15) calendar days after the Effective Date. To the extent
8 the Settlement Administration Costs that are documented and approved by the Court are less than
9 Eight Thousand Dollars and Zero Cents (\$8,000.00), the remainder will be retained in the Net
10 Settlement Amount for distribution to Settlement Class Members. To the extent Settlement
11 Administration Costs documented and approved by the Court are more than Eight Thousand Dollars
12 and Zero Cents (\$8,000.00), the additional sum will come out of the Net Settlement Amount and will
13 not be grounds to object to or revoke the Settlement, or to appeal such order, and the Settlement will
14 remain binding.

15 Q. Final Approval Motion. Class Counsel and Plaintiff shall use best efforts to obtain a
16 hearing date for final approval when the Court grants preliminary approval of the Settlement, and
17 will comply with the Court’s requirements on timely filing a motion for final approval (“Final
18 Approval Motion”). Unless otherwise ordered by the Court, the Final Approval Motion will seek
19 determination and approval of the amounts payable for the Service Award, the Class Counsel Award,
20 the PAGA Payment, and the Settlement Administration Costs, and provide supporting document and
21 declarations as necessary. Plaintiff will provide Defendants with a draft of the Final Approval Motion
22 at least three (3) business days prior to filing it to give Defendants an opportunity to propose changes
23 or additions to the Motion.

24 1. Declaration by Settlement Administrator. No later than seven (7) days after
25 the Response Deadline, the Settlement Administrator shall submit a declaration in support of
26 Plaintiff’s motion for final approval of this Settlement detailing the number of Notice Packets mailed
27 and re-mailed to Class Members, the number of undeliverable Notice Packets, the number of timely
28 requests for exclusion, the employee number of any Class Members who opt out of the Settlement,

1 the number of objections received, the amount of the average, lowest, and highest Individual
2 Settlement Payments, the amount of the average, lowest, and highest Aggrieved Employee
3 Payments, the Settlement Administration Costs, and any other information as the Parties mutually
4 agree or the Court orders the Settlement Administrator to provide.

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

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

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

17 T. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action,
18 except such proceedings necessary to implement and complete the Settlement, pending the Final
19 Approval/Settlement Fairness Hearing to be conducted by the Court. The Parties will cooperate in
20 vacating any and all litigation deadlines, and in staying any and all discovery and trial-related
21 deadlines.

22 U. Amendment or Modification. This Agreement may be amended or modified only by
23 a written instrument signed by all Parties or their successors-in-interest.

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

28

1 W. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant
2 and represent they are expressly authorized by the Parties whom they represent to negotiate this
3 Agreement and to take all appropriate Action required or permitted to be taken by such Parties
4 pursuant to this Agreement to effectuate its terms, and to execute any other documents required to
5 effectuate the terms of this Agreement. The person signing this Agreement on behalf of Defendants
6 represents and warrants that he/she is authorized to sign this Agreement on behalf of Defendants.
7 Plaintiff represents and warrants that he is authorized to sign this Agreement and that he has not
8 assigned any claim, or part of a claim, covered by this Settlement to a third-party.

9 X. No Public Comment: Plaintiff and Plaintiff's Counsel agree not to disclose or
10 publicize the Settlement, including the fact of the Settlement, its terms or contents, and the
11 negotiations underlying the Settlement, in any manner or form, directly or indirectly, to any person
12 or entity, except potential class members and as shall be contractually required to effectuate the terms
13 of the Settlement. For the avoidance of doubt, this section means Plaintiff and Plaintiff's Counsel
14 agree that they will not issue any press releases, communicate with, or respond to any media or
15 publication entities, about the fact, amount, or terms of the Settlement Agreement, or publish
16 information concerning the Settlement, including the fact of the Settlement, its terms or contents and
17 the negotiations underlying the Settlement, in manner or form, whether printed or electronic, on any
18 medium or otherwise communicate, whether by print, video, recording or any other medium,. Class
19 Counsel further agrees not to use the Settlement Agreement or any of its terms for any marketing or
20 promotional purposes. Class Counsel will not use or reference the Settlement Agreement or any of
21 its terms on their website(s) or social media accounts. Nothing herein will restrict Class Counsel
22 from including the name of the Parties in this action and the venue/case number of this action (but
23 not any other settlement details) in future judicial submissions regarding Class Counsel's
24 qualifications and experience. Further, Class Counsel will not include, reference, or use the
25 Settlement Agreement for any marketing or promotional purposes, either before or after the Motion
26 for Preliminary Approval is filed.

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

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

3 AA. Counterparts. This Agreement may be executed in one or more counterparts. All
4 executed counterparts and each of them shall be deemed to be one and the same instrument provided
5 that counsel for the Parties to this Agreement shall exchange among themselves copies or originals
6 of the signed counterparts.

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

11 CC. Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction
12 over this case under Cal. Code Civ. Pr. 664.6 with respect to the interpretation, implementation, and
13 enforcement of the terms of this Agreement and all orders and judgments entered in connection
14 therewith, and the Parties and their counsel submit to the jurisdiction of the Court for purposes of
15 interpreting, implementing and enforcing the settlement and all orders and judgments entered in
16 connection with this Agreement.

17 DD. Invalidity of Any Provision. Before declaring any provision of this Agreement
18 invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible
19 consistent with applicable precedents so as to define all provisions of this Agreement valid and
20 enforceable. No Unalleged Claims. Plaintiff and Class Counsel represent that they are not currently
21 aware of any: (a) unalleged claims in addition to, or different from, those which are finally and
22 forever settled and released against the Released Parties by this Settlement; and (b) unalleged facts
23 or legal theories upon which any claims or causes of action could be brought against Defendant or
24 any of the Released Parties, except such facts and theories specifically alleged in the Operative
25 Complaint in this Action. Plaintiff and Plaintiff's Counsel further represent that, other than the
26 instant Action, they do not currently intend to pursue any claims against Defendants of any of the
27 Released Parties in any judicial or administrative forum, including, but not limited to, any and all
28 claims relating to or arising from Plaintiff's employment with Defendants, regardless of whether

1 Class Counsel is currently aware of any facts or legal theories upon which any claims or causes of
2 action could be brought against Released Parties, including those facts or legal theories alleged in
3 the Operative Complaint in this Action. Plaintiff and Plaintiff's Counsel further represent that they
4 do not currently know of or represent any persons who have expressed any interest in pursuing
5 litigation or seeking any recovery against Defendant or any of the Released Parties.

6 The Parties further acknowledge, understand, and agree that the representations described in
7 this paragraph are essential to the Agreement and that this Agreement would not have been entered
8 into were it not for these representations.

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

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

20 GG. Plaintiff's Right to Revoke: Plaintiff acknowledges that he is knowingly and
21 voluntarily waiving and releasing any rights he may have under the Age Discrimination in
22 Employment Act of 1967 ("ADEA"). He also acknowledges that the Class Representative Service
23 Award to him is in addition to anything of value to which he was already entitled. Plaintiff further
24 acknowledges that he has been advised by this writing, as required by the Older Workers' Benefit
25 Protection Act, that: (a) his waiver and release of Plaintiff's Released Claims does not apply to any
26 rights or claims that may arise after the Effective Date of this Agreement; (b) he should consult with
27 an attorney prior to executing this Agreement; (c) he has at least twenty-one (21) days to consider
28 this Agreement (although he may by his own choice execute this Agreement earlier); (d) he has seven

1 (7) days following the execution of this Agreement to revoke the Agreement; and (e) this Agreement
2 shall not be effective earlier than the next business day following the expiration of this 7-day
3 revocation period. Plaintiff may revoke this Agreement only by giving Defendants formal, written
4 notice of his revocation of this Agreement, addressed to: Christopher W. Decker, Esq., Ogletree
5 Deakins P.C., 400 South Hope Street, 12th Floor, Los Angeles, CA 90071; fax: 213-239-9045, to be
6 received by the Defendants by the close of business on the seventh day following the Plaintiff's
7 execution of this Agreement.

8 AGREED AS TO FORM AND CONTENT, BY PLAINTIFF:

9 DATED: _____
10 _____
11 UVALDO CHAVEZ

12 AGREED AS TO FORM AND CONTENT, BY DEFENDANTS:

13 DATED: 5/1/2024
14 _____
15 *Shawn Dennison*
16 BORRMANN METAL CENTER
17 CONTRACTORS STEEL HOLDING, LLC,
18 CONTRACTORS STEEL COMPANY
19 UPG ENTERPRISES, LLC
20 UP INVESTMENT HOLDINGS, LLC

21 _____
22 *Shawn Dennison*
23 Printed Name
24 _____
25 *CFO +*
26 Title
27 _____
28

1 (7) days following the execution of this Agreement to revoke the Agreement; and (e) this Agreement
2 shall not be effective earlier than the next business day following the expiration of this 7-day
3 revocation period. Plaintiff may revoke this Agreement only by giving Defendants formal, written
4 notice of his revocation of this Agreement, addressed to: Christopher W. Decker, Esq., Ogletree
5 Deakins P.C., 400 South Hope Street, 12th Floor, Los Angeles, CA 90071; fax: 213-239-9045, to be
6 received by the Defendants by the close of business on the seventh day following the Plaintiff's
7 execution of this Agreement.

8 AGREED AS TO FORM AND CONTENT, BY PLAINTIFF:

9 DATED: May 9, 2024


Uvaldo Chavez (May 9, 2024 10:24 PDT)
10 UVALDO CHAVEZ

11 AGREED AS TO FORM AND CONTENT, BY DEFENDANTS:

12
13 DATED: _____

14 _____
15 BORRMANN METAL CENTER
16 CONTRACTORS STEEL HOLDING, LLC,
17 CONTRACTORS STEEL COMPANY
18 UPG ENTERPRISES, LLC
19 UP INVESTMENT HOLDINGS, LLC

20 _____
21 Printed Name

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23 Title


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AGREED AS TO FORM BY COUNSEL:

DATED: 5/07/2024

JCL LAW FIRM, A.P.C.

By:  _____

Attorneys for Plaintiff and the Settlement Class Members

DATED: 5/07/2024

ZAKAY LAW GROUP, APLC

By:  _____

Attorneys for Plaintiff and the Settlement Class Members

DATED: _____

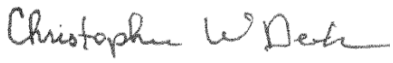
LAWYERS FOR JUSTICE

By: _____

Attorneys for Plaintiff and the Settlement Class Members

DATED: 5/1/2024

OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.

By:  _____


Attorney for Defendants

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AGREED AS TO FORM BY COUNSEL:

DATED: 05/07/2024


JCL LAW FIRM, A.P.C.

By:  _____

Attorneys for Plaintiff and the Settlement Class Members

DATED: 05/07/2024

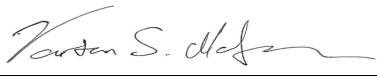
ZAKAY LAW GROUP, APLC

By:  _____

Attorneys for Plaintiff and the Settlement Class Members

DATED: April 30, 2024

LAWYERS FOR JUSTICE

By:  _____

Attorneys for Plaintiff and the Settlement Class Members

DATED: _____

OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.

By: _____

Attorney for Defendants

EXHIBIT A

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

xx

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

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Borrmann Metal Center, Inc., Contractors Steel Holding, LLC, Contractors Steel Company, UPG Enterprises, LLC, and UPG Investment Holdings, LLC, (“Defendants”) for alleged wage and hour violations. The Action was filed by Uvaldo Chavez (“Plaintiff”) and seeks payment of (1) back wages and other relief for a class of 234 (“Class Members”) who worked for Defendants during the Class Period (October 27, 2018, through February 29, 2024); and (2) penalties under the California Private Attorney General Act (“PAGA”) for November 30, 2022, through February 29, 2024) (“Aggrieved Employees”).

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

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

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

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

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

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

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

<p>You Don't Have to Do Anything to Participate in the Settlement</p>	<p>If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendants that are covered by this Settlement (Released Claims).</p>
<p>You Can Opt-out of the Class Settlement but not the PAGA Settlement</p> <p>The Opt-out Deadline is _____</p>	<p>If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.</p> <p>You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).</p>
<p>Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement</p> <p>Written Objections Must be Submitted by</p>	<p>All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel.</p>
<p>You Can Participate in the Final Approval Hearing</p>	<p>The Court's Final Approval Hearing is scheduled to take place on [redacted]. You do not have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.</p>

1. WHAT IS THE ACTION ABOUT?

On October 27, 2022, Plaintiff filed a class action lawsuit against Defendants, alleging claims for: (1) Failure To Pay Overtime Wages In Violation Of Cal. Lab. Code §§ 510, et seq; (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums); (4) Violation of California Labor Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages); (5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid); (6) Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment); (7) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements); (8) Violation of California Labor Code § 1174(d) (Failure To Keep Requisite Payroll Records); (9) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business Expenses); (10) Violation of California Business & Professions Code §§ 17200, et seq.

On February 7, 2024, Plaintiff filed a Notice of Violations with the Labor and Workforce Development Agency (LWDA) and served the same on Defendants.

On March 20, 2024, Plaintiff filed a First Amended Complaint in Los Angeles Superior Court, Case No. 22STCV34521, to add a single cause of action for violations of PAGA, provide additional factual detail supporting his claims, amend the class definition, and name additional defendants (the “Action”).

Plaintiff is represented by attorneys in the Action:

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

Defendants expressly 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 Plaintiff are owed, and further contend that, for any purpose other than 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, the Industrial Welfare Commission Wage Orders, and all applicable law.

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

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

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

reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. Gross Settlement Amount. Defendants Will Pay Nine Hundred Thousand Dollars and Zero Cents (\$900,000.00) as the Gross Settlement Amount (“Gross Settlement Amount”). Defendants have agreed to deposit the Gross Settlement Amount into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement Amount to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Payment, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement Amount not more than 3 days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement Amount. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement Amount, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to Three Hundred Thousand Dollars and Zero Cents (\$300,000.00) (33.33% of the Gross Settlement Amount) to Class Counsel for attorneys’ fees and up to Thirty Thousand Dollars and Zero Cents (\$30,000.00) for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to Ten Thousand Dollars and Zero Cents (\$10,000.00) to the Class Representative as a Class Representative Payment for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than each Plaintiff’s respective Individual Class Payment and any Individual PAGA Payment.
 - C. Up to Eight Thousand Dollars and Zero Cents (\$8,000.00) to the Administrator for services administering the Settlement.
 - D. Up to Forty Thousand Dollars and Zero Cents (\$40,000.00) for PAGA Payment, allocated 75% to the LWDA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Pay Periods.

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

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement Amount (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiff and Defendants are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages (“Wage Portion”) and 80% to interests and penalties (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendants will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

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

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

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than **MONTH XX, 202X**, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by **MONTH XX, 202X**, Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments but will preserve their rights to personally pursue wage and hour claims against Defendants.

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

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendants have agreed that, in either case, the Settlement will be void: Defendants will not pay any money and Class Members will not release any claims against Defendants.
8. Administrator. The Court has appointed a neutral company, Apex Class Action LLC, located at 18

Technology Dr. Suite 164 Irvine, CA 92618, Tel: (800) 355-0700 (the Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re- mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.

9. Participating Class Members’ Release. After the Judgment is final and Defendants have fully funded the Gross Settlement Amount, and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or related entities for wages based on the claims asserted or that could have been alleged arising out of the facts, circumstances, and primary rights at issue in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release: all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all causes of action and factual or legal theories that (i) were alleged in the Operative Complaint or (ii) reasonably could have been alleged based on the facts and legal theories contained in the Operative Complaint including all of the following claims for relief: (a) failure to pay all and overtime wages due; (b) failure to provide proper meal periods, and to properly provide premium pay in lieu thereof; (c) failure to provide proper rest periods, and to properly provide premium pay in lieu thereof; (d) failure to pay all minimum wages due; (e) failure to pay all wages timely during employment; (f) failure to pay all wages timely at the time of termination; (g) failure to provide complete, accurate or properly formatted wage statements; (h) failure to reimburse business expenses; (i) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaint; (j) failure to keep requisite payroll records; (k) any other claims or penalties under the wage and hour laws pleaded in the Action; and (l) all damages, penalties, interest and other amounts recoverable under said claims, causes of action or legal theories of relief (collectively, the "Released Class Claims"). The Released Class Claims expressly exclude claims for penalties under the Private Attorney General Act (PAGA). The period of the Release shall extend to the limits of the Covered Period. The res judicata effect of the Judgment will be the same as that of the Release. Defendants shall be entitled to a release of Released Claims which occurred during the Covered Period only during such time that the Settlement Class Member was classified as non-exempt, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, claims while classified as exempt, and claims outside of the Covered Period.

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

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present

representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from all causes of action and factual or legal theories for civil penalties under the California Labor Code Private Attorneys General Act of 2004 against any of the Released Parties that (i) were alleged in the Operative Complaint and in Plaintiff's notice of claims to the LWDA, or (ii) reasonably could have been alleged based on the facts and legal theories contained in the Operative Complaint and in Plaintiff's notice of claims to the LWDA (collectively, the "Released PAGA Claims"). The period of the Release shall extend to the limits of the PAGA Covered Period. The res judicata effect of the Judgment will be the same as that of the Release of Released PAGA Claims. Defendants shall be entitled to a release of Released PAGA Claims which occurred during the PAGA Covered Period only during such time that the Settlement Class Member was classified as non-exempt, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, claims while classified as exempt, and claims outside of the Covered Period.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by adding up the total number of Workweeks for all Class Members. The respective Workweeks for each Class Member will be divided by the total Workweeks for all Class Members, resulting in the Class Payment Ratio for each Class Member. Each Class Member's Class Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Class Member's estimated Individual Settlement Payments.
2. Individual Aggrieved Employee Payments. The Administrator will calculate Individual PAGA Payments by adding up the total number of PAGA Workweeks for all Aggrieved Employees during the PAGA Period. The respective PAGA Workweeks for each Aggrieved Employees will be divided by the total PAGA Workweeks for all Aggrieved Employees, resulting in the "PAGA Payment Ratio" for each Aggrieved Employee. Each Aggrieved Employee's PAGA Payment Ratio will then be multiplied by Ten Thousand Dollars and Zero Cents (\$10,000.00) (i.e., 25% of the PAGA Payment that is to be allocated to Aggrieved Employees pursuant to PAGA), to calculate the individual's Aggrieved Employee Payment.
3. Workweek Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Workweeks you worked during the PAGA Period, as recorded in Defendants' records, are stated in the first page of this Notice. You have until **MONTH XX, 202X** to challenge the number of Workweeks and/or PAGA Workweeks credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email, or fax. Section 9 of this Notice has the Administrator's contact information.

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

and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendants' Counsel. The Administrator's decision is final. You cannot appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

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

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

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

Submit a written and signed letter with the case name and number, your name, present address, telephone number, the last four digits of your social security number, a simple statement that you do not want to participate in the Settlement, and if you intend to appear the Final Approval/Settlement Fairness Hearing. The Administrator will exclude you based on any writing communicating your request to be excluded. Be sure to personally sign your request, identify the Action as Case No. 22STCV34521, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must receive your request to be excluded by MONTH XX, 202X, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

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

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Attorneys' Fees and Litigation Costs, and Service Award may wish to object. **The deadline for sending written objections to the Administrator is **MONTH XX, 202X**.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action xx and include your name, current address, telephone number, and approximate dates of employment for Defendants and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on **MONTH XX, 202X** at **XX:XX am/pm** in Department 7 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement Amount will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite

comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

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

9. **HOW CAN I GET MORE INFORMATION?**

You can telephone or send an email to the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://portal.scsccourt.org/search>) and entering the Case Number for the Action, Case No. 22STCV34521. You can also make an appointment to personally review court documents in the Clerk's Office at the Los Angeles Superior Court.

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

Settlement Administrator:

APEX CLASS ACTION LLC

18 Technology Dr. Suite 164

Irvine, CA 92618

T: (800) 355-0700

<https://apexclassaction.com/>

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

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

11. WHAT IF I CHANGE MY ADDRESS?

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

