

AMENDED CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Amended Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Maria Gonzalez (“Plaintiff” or “Gonzalez”) on the one hand and Defendants BESTNEST MANAGEMENT, LLC and BESTNEST STAFFING, LLC (“BestNest” and collectively “Defendants”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means Plaintiff’s lawsuit alleging wage and hour violations against Defendants captioned *Gonzalez v. BESTNEST MANAGEMENT, LLC, et al.* initiated on July 12, 2021 and pending in Superior Court of the State of California, County of Monterey (Case No. 21CV002228).
- 1.2. “Administrator” means a qualified neutral entity the Parties will agree to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Class Counsel” means Shaun Setareh and Jose Maria D. Patino, Jr. of Setareh Law Group.
- 1.5. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.6. “Class Data” means Class Member and Aggrieved Employee identifying information in Defendants’ possession including each Class Member’s and Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.7. “Class Member” or “Settlement Class Member” means a member of the Class.
- 1.8. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member and Aggrieved Employee mailing addresses using reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members and/or Aggrieved Employees.
- 1.9. “Class Notice” means the Court Approved Notice of Class Action and PAGA Settlement and Hearing Date for Final Court Approval to be mailed to Class Members in English and in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.

- 1.10. “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.11. “Class Representative Payment” means that Plaintiff will apply to the Court for an award of not more than Ten Thousand Dollars and No Cents (\$10,000.00) as her Class Representative Payment, made in her capacity as Class Representative to compensate her for initiating the Action, performing work in support of the Action, and undertaking the risk of liability for attorneys’ fees and expenses in the event she was unsuccessful in the prosecution of the Action. Any portion of the Class Representative Payment not awarded shall remain part of the settlement amount for inclusion in the disbursement.
- 1.12. “Court” means the Superior Court of California, County of Monterey.
- 1.13. “Defense Counsel” shall collectively refer to Defense Counsel Matthew Soleimanpour and Brad Beherns of Soleiman APC.
- 1.14. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (i) if there is an appeal of the Court’s judgment, the date the order and judgment approving the Settlement are affirmed on appeal, the date of dismissal of such appeal, or the expiration of the time to file a petition for writ of certiorari; (ii) if a petition for writ of certiorari is filed, the date of denial of the petition for writ of certiorari, or the date the order and judgment approving the settlement are affirmed pursuant to such petition; or (iii) if no appeal is filed, the expiration date of the time for filing or noticing any appeal of the order approving the settlement and/or entry of judgment.
- 1.15. “Aggrieved Employee” means all current and former hourly paid and/or non-exempt employees who were employed by BestNest in the State of California at any time from July 21, 2020 until Preliminary Approval.
- 1.16. “Class” means all current and former hourly paid and/or non-exempt employees who were employed by BestNest in the State of California at any time from July 21, 2017 until the date of Preliminary Approval.
- 1.17. “Class Period” means the period from July 21, 2017 through January 6, 2023.
- 1.18. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.19. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.20. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

- 1.21. “Gross Settlement Amount” means \$250,000.00 which is the total amount Defendants agree to collectively pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Payment, Class Counsel Fees, Class Counsel Expenses, and the Administrator’s Expenses.
- 1.22. “Individual Class Payment” means the Participating Class Members’ pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.23. “Individual PAGA Payment” means the Aggrieved Employees’ pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.24. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.25. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.26. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.27. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.28. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.29. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.30. “PAGA Notice” means Plaintiff’s July 3, 2021 letter submitted by Class Counsel on behalf of Plaintiff and the Aggrieved Employees to the LWDA, with a copy sent to BestNest via U.S. Certified Mail, pursuant to California Labor Code section 2699.3, in which Plaintiff provided notice of the specific provisions of the California Labor Code alleged to have been violated by BestNest, including the facts and theories to support the alleged violations.
- 1.31. “PAGA Pay Period” means any Pay Period during which: (a) an Aggrieved Employee performed work for BestNest for at least one day during the PAGA Period.

- 1.32. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and the 75% to LWDA in settlement of PAGA claims.
- 1.33. "PAGA Period" means the period from July 21, 2020 through January 6, 2023.
- 1.34. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.35. "Plaintiff" means Maria Gonzalez, the named plaintiff in the Action.
- 1.36. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.
- 1.37. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.38. "Released Class Claims" means the claims being released as described in Paragraph 5.3 below.
- 1.39. "Released PAGA Claims" means the claims being released as described in Paragraph 5.4 below.
- 1.40. "Released Parties" means: BestNest, their parent or subsidiary corporations; each of their present, former, or future owners, officers, directors, shareholders, partners, exempt employees holding managerial/supervisory roles, insurers, successors, predecessors, contractors, assigns, and managing agents; any and all agents, legal representatives and/or attorneys of all of the foregoing entities and individuals and any entities that Plaintiff, and/or any Class Member or Aggrieved Employee may assert are joint employers with BestNest.
- 1.41. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.42. "Response Deadline" means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.43. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.
- 1.44. "Workweek" means any workweek during which: (a) a member of the Class worked for BestNest for at least one day during the Class Period.

2. RECITALS.

- 2.1. On July 21, 2021, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendants for: (1) failure to provide meal and rest periods; (2) failure to pay hourly regular and overtime wages; (3) failure to issue accurate itemized wage statements; (4) failure to timely pay all wages upon separation; and (5) unfair competition. On September 22, 2021, Plaintiff filed a First Amended Complaint adding a claim against Defendants for civil penalties pursuant to PAGA (“FAC”). The First Amended Complaint is the operative complaint in the Action (the “Operative Complaint”). Defendants deny the allegations in the FAC, deny any failure to comply with the laws identified in in the FAC, and deny any and all liability for the causes of action alleged.
- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave written notice to Defendants and the LWDA by sending the PAGA Notice.
- 2.3. The Parties attended an all-day mediation before Barry Appell, Esq. on or around January 6, 2023, which led to this Agreement to settle the Action.
- 2.4. Prior to mediation, Plaintiff obtained, through informal discovery: (a) Defendants’ workplace policies and procedures relevant to the claims asserted in the Action and (b) data regarding the Class Members and Aggrieved Employees (including their time and pay data) to conduct an exposure analysis. Plaintiff’s investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal. App. 4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal. App. 4th 116, 129-130 (“*Dunk/Kullar*”).
- 2.5. The Court has not granted class certification.
- 2.6. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.
- 2.7. There has been no determination of the merits of the Action or Defendants’ defenses thereto. However, in order to avoid additional cost and the uncertainty of litigation, the Parties desire to resolve the released claims (as set forth in Paragraph 5) as of the date of the execution of this Settlement Agreement.

3. TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendants promise to collectively pay \$250,000 and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval Order:
- 3.2.1. To Class Counsel: A Class Counsel Fees Payment of not more than 1/3 of the Gross Settlement Amount, which is currently estimated to be \$83,333.33 and a Class Counsel Litigation Expenses Payment of not more than \$10,500. Defendants will not oppose requests for these payments provided that do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.2.2. To the Administrator: An Administrator Expenses Payment not to exceed \$10,000 except for a showing of good cause and as approved by the Court. To the extent the actual Administration Expenses are less or the Court approves Administration Expenses of less than \$10,000, the difference between the \$10,000 maximum and the actual Administration Expenses incurred by the Administrator shall be added to the Net Settlement Amount.
- 3.2.3. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.
- 3.2.3.1. Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating

Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.3.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.4. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$20,000.00 to be paid from the Gross Settlement Amount, with 75% (\$15,000.00) allocated to the LWDA PAGA Payment and 25% (\$5,000.00) allocated to the Individual PAGA Payments. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$5,000.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Data. Not later than 30 days after the Court grants Preliminary Approval of the Settlement, Defendants will each simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' and Aggrieved Employees' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants each have a continuing duty to immediately notify Class Counsel if they discover that the Class Data omitted class member or aggrieved employee identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.2. Funding of Gross Settlement Amount. BestNest shall fully fund their portion of the Gross Settlement Amount by transmitting the funds to the Administrator in 5 installments of \$50,000.00 each. The first payment shall be made no later than 10 days after the Effective Date. Up to 4 subsequent payments are to be made at monthly intervals thereafter until the full GSA has been funded. At the same time

that the 5th and/or final payment is due, BestNest shall also fund the amounts necessary to fully pay its respective share of payroll taxes.

- 4.3. Escalator Clause. Defendant estimates that there are no more than 672 Workweeks during the Class Period as of January 6, 2023. In the event the number of Workweeks during the Class Period increases by more than 10%, or an additional 68 Workweeks, then Defendant shall have the choice of (i) increasing the Gross Settlement Amount on a proportional basis above 10% (i.e., if there is an 11% increase in the number of workweeks during the Class Period, Defendant agrees to increase the Gross Settlement Amount by 1%); or (2) electing to end the Class Period on the date that the number of workweeks reaches 740 Workweeks (672 Workweeks + 68 Workweeks). In the event the number of Workweeks during the Class Period decreases by more than 10%, or 68 Workweeks, then the Gross Settlement Amount will be reduced on a proportional basis for every 1% decrease below 10% (i.e. if there is a 10% decrease in the number of workweeks during the Class Period, the Gross Settlement Amount will decrease by 1%)
- 4.4. Payments from the Gross Settlement Amount. Within 14 days after BestNest fully funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, Class Representative Payment, the Class Counsel Fees Payment, and the Class Counsel Litigation Expenses Payment. Disbursement of the Class Counsel Fees Payment, and the Class Counsel Litigation Expenses Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
- 4.5. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
- 4.6. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as

undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

- 4.7. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to Legal Aid at Work (<https://legalaidthatwork.org/>) as a *cy pres* beneficiary, leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).
- 4.8. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS.

Effective on the date when Defendants fully fund the entire Gross Settlement Amount and fund all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

- 5.1. Plaintiff's Release. Plaintiff and her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally release and discharge Released Parties from all claims, transactions, or occurrences – known or unknown – that occurred through the last day of the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint and/or Plaintiff's PAGA Notice ("Plaintiff's Release.") Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them. This release explicitly excludes the claims asserted in Plaintiff's individual action against BestNest entitled *Maria Gonzalez v. BESTNEST MANAGEMENT, LLC, et al.*, filed in the County of Monterey, Case Number 22CV002084.
 - 5.1.1. Plaintiff warrants and represents that Plaintiff has not assigned or transferred or purported to assign or transfer to any person or entity all or any part of or any interest in any claim released under this Settlement. Plaintiff is solely responsible for the satisfaction of any assignment or lien to any lien holder and will indemnify and hold the Released Parties harmless

against any liens, damages, penalties, fines, fees, assessments, taxes or attorneys' fees that may be imposed against or incurred by any of the Released Parties as a result of the Action of any lien holder or any lien claimant or any court in relation to any interest which any third party may have in any claim which Plaintiff is releasing under this Settlement Agreement or any interest in any of the proceeds paid to Plaintiff or Class Counsel under this Settlement Agreement. Plaintiff's release excludes the claims asserted in Plaintiff's individual action against BestNest entitled *Maria Gonzalez v. BESTNEST MANAGEMENT, LLC, et al.*, filed in the County of Monterey, Case Number 22CV002084.

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

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

- 5.3. Release by Participating Class Members. All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from all claims, demands, damages, debts, liabilities, actions, causes, and/or causes of action, whether known or unknown, arising or accruing at any point during the Class Period that were asserted in the Operative Complaint and/or that could have been asserted in the Operative Complaint based on the facts and/or legal allegations alleged in the Operative Complaint, including claims for violation(s) of California Labor Code sections 194, 201, 201.3, 201.5, 201.9, 202, 203, 204, 204.1, 204.2, 205, 205.5, 210, 226, 226.3, 226.7, 256, 510, 512, 558, 558.1, 1174, 1174.5, 1193.6, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198, 2698 *et seq.*, 2699 *et seq.*, 2800, and 2802, IWC Wage Order 7-2001, California Business & Professions Code sections 17000 *et seq.* and 17200 *et seq.*, and any and all claims from attorneys' fees and costs and statutory interest associated with the aforementioned claims. This includes claims for: the purported payment or nonpayment of compensation, including wages, minimum wage, straight time, overtime, premium pay, and the calculation or miscalculation of any of the foregoing; meal or rest period premiums or penalties, including the calculation or miscalculation thereof; failure to pay for all hours worked, including alleged off-the-clock work; failure to timely pay wages during employment; failure to pay wages at discharge or termination; failure to provide compliant meal and rest periods; failure to accurately record time, including all time worked (such as off-the-clock work); failure to provide timely and compliant wage statements and to

maintain records; failure to reimburse business expenses; unfair business practices; related premiums, statutory penalties, waiting time penalties, civil penalties; liquidated damages; interest; punitive damages; costs; attorneys' fees; injunctive relief; declaratory relief; or accounting, whether such causes of action are in tort, contract, or pursuant to a statutory remedy. The release shall include all the above claims through Preliminary Approval.

- 5.4. Release by Aggrieved Employees. All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims, demands, damages, debts, liabilities, actions, causes, and/or causes of action for PAGA penalties, whether known or unknown, that Plaintiff or any Aggrieved Employee had, now has, has asserted, or may hereafter assert against Defendant or any Released Parties that are based on, or arise from, the factual allegations in the Operative Complaint or the PAGA Notice during the PAGA Period, including PAGA claims for violation(s) of California Labor Code sections 194, 201, 201.3, 201.5, 201.9, 202, 203, 204, 204.1, 204.2, 205, 205.5, 210, 226, 226.3, 226.7, 256, 510, 512, 558, 558.1, 1174, 1174.5, 1193.6, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198, 2698 *et seq.*, 2699 *et seq.*, 2800, and 2802, IWC Wage Order 7-2001, and any and all claims from attorneys' fees and costs and statutory interest associated with the aforementioned claims. The release shall include all the above claims through Preliminary Approval.
- 5.5. Release by Class Counsel. Class Counsel releases on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for Class Fees incurred in connection with the Operative Complaint and the facts stated in the Operative Complaint and/or the PAGA Notice.

6. MOTION FOR PRELIMINARY APPROVAL OF SETTLEMENT.

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

- 6.1. Defense Counsel's Declaration in Support of Preliminary Approval. Within thirty days of the full execution of this Agreement, Defense Counsel will prepare and deliver to Class Counsel a signed Declaration from Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator and Cy Pres Recipient. In their Declarations, Defense Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.
- 6.2. Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval of the Settlement, including: (i) a draft of the notice and memorandum in support of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary

Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members and/or the Administrator; (v) a signed declaration from Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); (vi) a redlined version of the parties’ Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (vii) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator. In their Declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 6.3. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 60 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court’s Preliminary Approval to the Administrator.
- 6.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court’s concerns.

7. **SETTLEMENT ADMINISTRATION.**

- 7.1. Selection of Administrator. The Parties will jointly select a qualified third-party settlement administrator to serve as the Administrator and will verify that, as a condition of appointment, the administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent

that they will have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship.

- 7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.
- 7.4. Notice to Class Members.
 - 7.4.1. No later than seven (7) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.
 - 7.4.2. Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice substantially in the form attached to this Agreement as **Exhibit A**. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
 - 7.4.3. Not later than 3 business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
 - 7.4.4. The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
 - 7.4.5. If the Administrator, Defense Counsel, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been

included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

- 7.5. Requests for Exclusion (Opt-Outs). Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
- 7.5.1. The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 7.5.2. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.3 and 5.4 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- 7.5.3. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in

Paragraph 5.4 of this Agreement and are eligible for an Individual PAGA Payment.

- 7.6. Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.
- 7.7. Objections to Settlement. Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment and/or the Class Counsel Litigation Expenses Payment.
- 7.7.1. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).
- 7.7.2. Non-Participating Class Members have no right to object to any of the class action components of the Settlement.
- 7.8. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.
- 7.8.1. Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Final Approval and the Judgment. The Administrator will also maintain and monitor an email

address and a toll-free telephone number to receive Class Member calls, faxes and emails.

- 7.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).
- 7.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- 7.8.4. Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- 7.8.5. Administrator’s Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.
- 7.8.6. Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final

report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. DEFENDANTS' RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendants may, but are not obligated, elect to withdraw from the Settlement. The Parties agree that, if any Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that no Party will have any further obligation to perform under this Agreement; provided, however, the Defendant(s) who withdraw will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendants must notify Class Counsel and the Court of their election to withdraw not later than seven days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

9. MOTION FOR FINAL APPROVAL OF SETTLEMENT.

Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

- 9.1. Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 9.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

10. CONTINUING JURISDICTION OF THE COURT.

The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

- 10.1. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

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

12. ADDITIONAL PROVISIONS.

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

publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

- 12.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 12.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 12.6. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 12.7. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,

transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

- 12.8. No Tax Advice. Neither Plaintiff, Class Counsel, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.9. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 12.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants make a written request to Class Counsel for the return, rather than the destructions, of Class Data.
- 12.15. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

12.16. Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

12.17. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Shaun Setareh
Jose Maria D. Patino, Jr.
SETAREH LAW GROUP
420 North Camden Drive
Beverly Hills, CA 90210

To BestNest:

Matthew Soleimanpour
Brad Beherns
Soleiman APC
5771 La Jolla Blvd., Ste. 4
La Jolla, CA 92037

12.18. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

12.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

12.20. Class/Aggrieved Employee Size Estimates. Based on its records, BestNest estimates that, as of the date of the Parties’ mediation, (1) there were approximately 62 Class Members and approximately 672 Total Workweeks for them during the Class Period.

HAVING ELECTED TO EXECUTE THIS SETTLEMENT AGREEMENT, TO FULFILL THE PROMISES AND TO RECEIVE THE CONSIDERATION SET FORTH ABOVE, PLAINTIFF AND DEFENDANT, FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTER INTO THIS SETTLEMENT AGREEMENT.

IN WITNESS THEREOF, the Parties hereto knowingly and voluntarily executed this Amended Settlement Agreement as of the date(s) set forth below:

Dated: 7/7/2025


ID fkAuhZFkC7tDPMn4R1Lx7tir

By: Plaintiff Maria Gonzalez

BESTNEST

Dated: _____

By:
Its:

APPROVED AS TO FORM:

SETAREH LAW GROUP

Dated: 7/8/2025


ID FcW72ettbu1AUUyKP3yb8R3K

By: Jose Maria D. Patino, Jr.
Attorney for Plaintiff, Maria Gonzalez

SOLEIMAN APC

Dated: _____

By: Bradley Beherns
Attorneys for Defendant, BestNest

HAVING ELECTED TO EXECUTE THIS SETTLEMENT AGREEMENT, TO FULFILL THE PROMISES AND TO RECEIVE THE CONSIDERATION SET FORTH ABOVE, PLAINTIFF AND DEFENDANT, FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTER INTO THIS SETTLEMENT AGREEMENT.

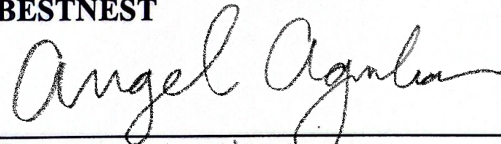
IN WITNESS THEREOF, the Parties hereto knowingly and voluntarily executed this Amended Settlement Agreement as of the date(s) set forth below:

Dated: _____

By: Plaintiff Maria Gonzalez

Dated: 07/08/2025

BESTNEST



By: Angel Aguilera
Its: Finance officer

APPROVED AS TO FORM:

SETAREH LAW GROUP

Dated: _____

By: Jose Maria D. Patino, Jr.
Attorney for Plaintiff, Maria Gonzalez

SOLEIMAN APC



Dated: July 9, 2025

By: Bradley Beherns
Attorneys for Defendant, BestNest

EXHIBIT A

Gonzalez v. BestNest Management, LLC, et al., Case No. 21CV002228
SUPERIOR COURT OF THE STATE OF CALIFORNIA, COUNTY OF MONTEREY
NOTICE OF CLASS ACTION SETTLEMENT

You are not being sued. This notice affects your rights. Please read it carefully

To: **Class Members**: All current and former hourly paid and/or non-exempt employees who were employed by BestNest Management, LLC and/or BestNest Staffing, LLC (collectively, “BestNest” or “Defendants”) in the State of California at any time from July 21, 2017 until January 6, 2023 (the "Class Period"); and

Aggrieved Employees: All current and former hourly paid and/or non-exempt employees who were employed by BestNest in the State of California at any time from July 21, 2020 until January 6, 2023 (the "PAGA Period").

On [DATE], the Honorable Carrie M. Panetta of the Monterey County Superior Court granted preliminary approval of this class action and PAGA settlement and ordered the litigants to notify all Class Members and Aggrieved Employees of the settlement. You have received this notice because Defendants' records indicate that you are a Class Member and/or Aggrieved Employee, and therefore entitled to a payment from the settlement.

Your Estimated Payment

A. Class Members

According to Defendants' records, you worked during the Class Period in a non-exempt position for a total of [Workweeks]. Accordingly, your estimated payment from the Net Settlement Amount is approximately \$[AMOUNT].

B. Aggrieved Employees

According to Defendants' records, you worked during the PAGA Period in a non-exempt position for a total of [Pay Periods]. Accordingly, your estimated payment from the PAGA Fund is approximately \$[AMOUNT].

If you believe this information is incorrect, you may dispute it by contacting the Settlement Administrator by [DATE]. You must provide supporting documentation (e.g., pay stubs, W-2s). Defendants' records will control unless you provide evidence otherwise:

Settlement Administrator
c/o [ADDRESS]
Contact. [CONTACT]

Unless you choose to opt out of the settlement by following the procedures described below, you will be deemed a Class Member if the Court grants final approval of the settlement, be bound by the Class portions of the Settlement, and you will be mailed a check for your share of the settlement fund.

The **Final Fairness Hearing** on the adequacy, reasonableness, and fairness of the Settlement will be held at [TIME] on [DATE OF FINAL APPROVAL HEARING] in Department 14 of the Monterey County Superior Court located at 1200 Aguajito Road, Monterey, CA 93940.

If you move, you must send the Settlement Administrator your new address; otherwise, you may never receive your settlement payment. It is your responsibility to keep a current address on file with the Settlement Administrator. The following are a list of your options:

DO NOTHING	By doing nothing, you will receive a share of the settlement proceeds, and you will give up any rights to sue Released Parties separately regarding all claims and causes of action of whatever kind or nature that are alleged, related to or that reasonably could have arisen out of the same facts alleged in the class action(s) filed on behalf of the class(es) you are included in.
ASK TO BE EXCLUDED FROM (OPT OUT OF) THE CLASS SETTLEMENT (BUT NOT THE PAGA SETTLEMENT)	<p>Get out of this lawsuit with respect to the Class Settlement. Get no benefits from the Class Settlement. Keep all your rights as to the Released Class Claims.</p> <p>If you ask to be excluded, you will not receive a share of the Settlement proceeds, but you will keep any rights you may have to sue the Released Parties separately about the same legal claims alleged in the lawsuits.</p> <p>However, if you are also an Aggrieved Employee, you will still be bound by the PAGA portions of the Settlement and will receive the payment due to you as an Aggrieved Employee</p>
OBJECT TO THE CLASS SETTLEMENT (BUT NOT THE PAGA SETTLEMENT)	Object to the terms of the Class Settlement.

Summary of the Litigation

On July 12, 2021, Plaintiff Maria Gonzalez (“Plaintiff”) filed a class action lawsuit against Defendants in the Superior Court of California, County of Monterey, alleging violations of California labor laws, including failure to provide meal and rest periods, failure to pay hourly wages and overtime, failure to provide accurate wage statements, failure to timely pay final wages, and unfair competition. On September 22, 2021, Plaintiff amended the complaint to add a claim for penalties under the California Private Attorneys General Act of 2004 ("PAGA"). After engaging in discovery and settlement negotiations, the Parties attended an all-day mediation before Barry Appell, Esq. on or around January 6, 2023, which led to this Agreement to settle the Action. Shaun Setareh and Jose Maria D. Patino, Jr. of Setareh Law Group ("Class Counsel"), representing Plaintiff, have investigated the facts and law and believe the settlement is fair and reasonable. Defendants deny all allegations and liability but have agreed to settle to avoid the costs and risks of further litigation.

Class Counsel have investigated and researched the facts and circumstances underlying the issues raised in the case and the applicable law. While Class Counsel believe that the claims alleged in this lawsuit have merit, Class Counsel also recognize that the risk and expense of continued litigation justify settlement. Based on the foregoing, Class Counsel believe the proposed settlement is fair, adequate, reasonable, and in the best interests of Class Members.

Defendants have denied, and continue to deny, the factual and legal allegations in the case and believe that they have valid defenses to Plaintiff's claims. By agreeing to settle, Defendants are not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action. Defendants have agreed to settle the case as part of a compromise with Plaintiff and the Class.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

Summary of The Proposed Settlement Terms

Plaintiff and Defendants have agreed to settle the underlying class claims in exchange for a Gross Settlement Amount of \$250,000.00 which is the total amount Defendants agree to collectively pay under the Settlement (except as provided in Paragraph 9 of the Settlement). This amount is inclusive of: (1) Individual Class Payments to all Participating Class Members; (2) a Class Representative Payment of not more than Ten Thousand Dollars and No Cents (\$10,000.00) to Plaintiff Maria Gonzalez for initiating the Action, performing work in support of the Action, and undertaking the risk of liability for attorneys' fees and expenses in the event she was unsuccessful in the prosecution of the Action; (3) a Class Counsel Fees Payment of not more than $\frac{1}{3}$ of the Gross Settlement Amount, which is currently estimated to be \$83,333.33 and a Class Counsel Litigation Expenses Payment of not more than \$10,500; (4) PAGA Penalties in the amount of \$20,000.00 to be paid from the Gross Settlement Amount, with 75% (\$15,000.00) allocated to the LWDA PAGA Payment and 25% (\$5,000.00) allocated to the Individual PAGA Payments; and (5) an Administrator Expenses Payment not to exceed \$10,000 except for a showing of good cause and as approved by the Court.

After deducting these amounts, the remaining Net Settlement Amount will be distributed to Participating Class Members as Individual Class Payments calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

Additionally, Aggrieved Employees will receive Individual PAGA Payments calculated by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$5,000.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods.

Taxes on Settlement Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms. You are responsible for any taxes due on your settlement payments. This is not intended to be tax advice.

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

If you want to receive your payment from the settlement, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1**, and if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement funds. In addition, you will be deemed to have released or waived the Released Class Claims and, if you are also an Aggrieved Employee, the Released PAGA Claims:

Released Class Claims: "Released Class Claims" all claims, demands, damages, debts, liabilities, actions, causes, and/or causes of action, whether known or unknown, arising or accruing at any point during the Class Period that were asserted in the Operative Complaint and/or that could have been asserted in the Operative Complaint based on the facts and/or legal allegations alleged in the Operative Complaint, including claims for violation(s) of California Labor Code sections 194, 201, 201.3, 201.5, 201.9, 202, 203, 204, 204.1, 204.2, 205, 205.5, 210, 226, 226.3, 226.7, 256, 510, 512, 558, 558.1,

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

1174, 1174.5, 1193.6, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198, 2698 et seq., 2699 et seq., 2800, and 2802, IWC Wage Order 7-2001, California Business & Professions Code sections 17000 et seq. and 17200 et seq., and any and all claims from attorneys' fees and costs and statutory interest associated with the aforementioned claims. This includes claims for: the purported payment or nonpayment of compensation, including wages, minimum wage, straight time, overtime, premium pay, and the calculation or miscalculation of any of the foregoing; meal or rest period premiums or penalties, including the calculation or miscalculation thereof; failure to pay for all hours worked, including alleged off-the-clock work; failure to timely pay wages during employment; failure to pay wages at discharge or termination; failure to provide compliant meal and rest periods; failure to accurately record time, including all time worked (such as off-the-clock work); failure to provide timely and compliant wage statements and to maintain records; failure to reimburse business expenses; unfair business practices; related premiums, statutory penalties, waiting time penalties, civil penalties; liquidated damages; interest; punitive damages; costs; attorneys' fees; injunctive relief; declaratory relief; or accounting, whether such causes of action are in tort, contract, or pursuant to a statutory remedy. The release shall include all the above claims through January 6, 2023.

Released PAGA Claims: "Released PAGA Claims" means "all claims, demands, damages, debts, liabilities, actions, causes, and/or causes of action for PAGA penalties, whether known or unknown, that Plaintiff or any Aggrieved Employee had, now has, has asserted, or may hereafter assert against Defendant or any Released Parties that are based on, or arise from, the factual allegations in the Operative Complaint or the PAGA Notice during the PAGA Period, including PAGA claims for violation(s) of California Labor Code sections 194, 201, 201.3, 201.5, 201.9, 202, 203, 204, 204.1, 204.2, 205, 205.5, 210, 226, 226.3, 226.7, 256, 510, 512, 558, 558.1, 1174, 1174.5, 1193.6, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198, 2698 et seq., 2699 et seq., 2800, and 2802, IWC Wage Order 7-2001, and any and all claims from attorneys' fees and costs and statutory interest associated with the aforementioned claims. The release shall include all the above claims through January 6, 2023.

Option 2 – Opt Out of the Class Settlement

If you do not wish to participate in the class settlement, you may exclude yourself from participating by submitting a valid written request to the Settlement Administrator expressly and clearly indicating that you have received this Notice of Class Action Settlement, decided not to participate in the settlement, and desire to be excluded from the settlement. The request must be in writing, signed by you, and include your name, address, telephone number, and a clear statement that you wish to be excluded from the settlement. Mail the request to:

Settlement Administrator
c/o _____

The request must be postmarked by [date], which is 60 days after the mailing of this notice. If your notice was re-mailed, the deadline is extended by 14 days.

If you opt out:

- You will not receive a payment from the Net Settlement Amount.
- You will not release the Released Class Claims.
- You cannot submit an objection to the Settlement.
- If you are an Aggrieved Employee, you will still receive your PAGA payment and release the Released PAGA Claims.
- If the number of Requests for Exclusion submitted exceeds 10% of the Class Members, Defendants will have the option, but are not required, to withdraw from the Settlement.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

Option 3 – Object to the Settlement

If you wish to object to the settlement, you may submit a written objection to the Settlement Administrator by [date], which is 60 days after the mailing of this notice (plus 14 days if re-mailed). The objection must include:

- The words “I object to the *Gonzalez v. BestNest Management, LLC, et al.* settlement”;
- A statement of your objection(s) and description; and
- Your full name, address, and the years you worked for Defendants.

If you also intend to appear at the Final Fairness Hearing, the objection must also include:

- The words “I intend to appear at the Final Fairness Hearing”; and
- A list of any witnesses or exhibits you may present.

You may fax, email, or mail the objection to the Settlement Administrator at [fax], [email address] or [address]. You may also appear at the Final Fairness Hearing on [date] to present your objection.

If you choose **Option 3**, you will still be entitled to the money from the settlement. If the Court overrules your objection, you will be deemed to have released the Released Class Claims and Released PAGA Claims. If you have opted out of the Settlement, you cannot submit an objection to the Settlement.

Additional Information

This Notice of Class Action Settlement is only a summary of the case and the settlement. For a more detailed statement of the matters involved in the case and the settlement, you may refer to the pleadings, the settlement agreement, and other papers filed in the case, or the Settlement Administrator’s website maintained for this matter at [URL OF WEBSITE]. You may also contact the Settlement Administrator at [PHONE NUMBER]. All inquiries by Class Members regarding this Class Notice and/or the Settlement should be directed to the Settlement Administrator or Class Counsel.

Setareh Law Group
Shaun Setareh and Jose Maria D. Patino, Jr.
420 North Camden Drive, Beverly Hills, CA 90210
(310) 888-7771

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, OR DEFENDANTS’ ATTORNEYS WITH INQUIRIES.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******