

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Linkee Fair Lobyoc (“Plaintiff”), on behalf of herself, State of California, all similarly situated individuals, and all allegedly Aggrieved Employees, and Defendant Headway Technologies, Inc. (“Defendant”), subject to the approval of the Court. Plaintiff and Defendant collectively are referred to in this Agreement as the “Parties”.

I. DEFINITIONS

In addition to other terms defined in this Agreement, the terms below have the following meaning in this Agreement:

1. “Action” means the lawsuit alleging wage and hour violations captioned *Lobyoc v. Headway Technologies, Inc. d/b/a TDK Headway Technologies, Inc.* initiated by Plaintiff Lobyoc on August 22, 2023 as amended, and pending in Superior Court of the State of California, County of Santa Clara (Case Number 23CV421632).
2. “Administrator” means Apex Class Action Administration, the neutral entity the Parties have agreed to appoint to administer the Settlement.
3. “Aggrieved Employees” means all current and former hourly-paid or non-exempt employees of Defendant within the State of California at any time during the PAGA Period and who did not sign an arbitration agreement.
4. “Class” or “Class Member” means all current and former hourly-paid or non-exempt employees of Defendants within the State of California at any time during the Class Period and who did not sign an arbitration agreement.
5. “Class Counsel” means Justice Law Corporation.
6. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts to be paid to Class Counsel for fees and expenses to compensate Class Counsel for their legal work in connection with the Action.
7. “Class Data” means Class Members’ identifying information in Defendant’s possession, including the Class Member’s: (a) full name; (b) last-known mailing address; (c) Social Security number; and (d) number of workweeks within the Class Period and pay periods within the PAGA Period.
8. “Class Notice” means the Notice of Proposed Settlement of Class Action and Hearing Date to be provided to the Class Members by the Administrator in the form set forth herein as **Exhibit A** to this Agreement (other than formatting changes to facilitate printing by the Administrator).
9. “Class Period” means the period of time August 22, 2019, through March 24, 2025 or the date of preliminary approval, whichever date is earlier.

10. “Class Representative Service Payment” means the amount to be paid to Plaintiff for initiating the Action and providing services in support of the Action.
11. “Court” means the Superior Court of California, County of Santa Clara.
12. “Defendant” means Headway Technologies, Inc.
13. “Defense Counsel” means Seyfarth Shaw LLP.
14. “Effective Date” means fourteen (14) calendar days after all the following have occurred: (a) this Agreement and the contemplated settlement receive final approval from the Court; and (b) the Judgment becomes Final.
15. “Final”, when referring to the Judgment, means the last of the following dates: (a) the first business day following the last date on which a notice of appeal from the Judgment may be filed and none is filed; or (b) if Judgment is entered and an appeal from the Judgment is filed, the date the Judgment is affirmed and is no longer subject to challenge in the courts.
16. “Final Approval Hearing” means the hearing to be conducted by the Court to determine whether to approve finally and implement the terms of this Agreement and enter the Judgment.
17. “Gross Settlement Amount” means \$989,000 to be paid by Defendant as provided by this Agreement. This amount is an all-in amount without any reversion to Defendant or any of the Released Parties and shall be inclusive of all amounts due from Defendant under the terms of this Agreement, including payments of the Individual Class Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, Administration Expenses Payment, and PAGA Penalties.
18. “Individual Class Payment” means each Participating Class Member’s share of the Net Settlement Amount based on their weeks worked during the Class Period.
19. “Individual PAGA Payment” means each Aggrieved Employee’s individual share of thirty-five percent (35%) of the PAGA Penalties that is to be distributed to Aggrieved Employees based on their pay periods worked during the PAGA Period.
20. “Judgment” means the Final Approval Order and Judgment entered by the Court subsequent thereto.
21. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
22. “LWDA Payment” means the sixty-five percent (65%) portion of the PAGA Penalties payable to the LWDA as its share of the settlement of civil penalties pursuant to PAGA.

23. “Net Settlement Amount” means the Gross Settlement Amount less the Court-approved amount for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, Administration Expenses Payment, and PAGA Penalties.
24. “Non-Participating Class Member” means a Class Member who submits a valid and timely Request for Exclusion.
25. “PAGA Penalties” means the portion of the Gross Settlement Amount designated for PAGA, sixty-five percent (65%) of which will be allocated to the LWDA (“LWDA Payment”) and thirty-five percent (35%) of which will be distributed to the Aggrieved Employees as their Individual PAGA Payments.
26. “PAGA Period” means the period of time from January 28, 2024, through March 24, 2025 or the date of preliminary approval, whichever date is earlier.
27. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion.
28. “Preliminary Approval of the Settlement” means the Court’s Order Granting Preliminary Approval of the Settlement.
29. “Released Class Claims” means all claims that were asserted, or could have been asserted, based on the allegations set forth in the Operative Complaint arising at any time during the Class Period. This includes, but is not limited to, claims for: (a) failure to pay overtime and minimum wages; (b) failure to pay all regular rate wages due (including sick leave pay); (c) failure to provide meal and rest periods and associated premium payments; (d) untimely payment of wages during employment and upon termination; (e) inaccurate wage statements; (f) failure to maintain complete and accurate payroll records; (g) failure to keep payroll records in a central location; (h) failure to reimburse for necessary business expenses; (i) unfair business practices stemming from these alleged Labor Code violations; (j) any and all claims arising out of alleged violations of the Labor Code, including sections 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, 203, 204, 205.5, 210, 218.5, 218.6, 221, 226, 226.3, 226.7, 227.3, 229, 245-249, 510, 512, 551, 552, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 1776, 2800-2802, Code of Regulations Title 8 section 11040, and the applicable Industrial Welfare Commission Wage Orders, (l) interest; (m) attorneys’ fees and costs; and (n) any other claims arising out of, or related to, the Operative Complaint. Except as provided in section 8, subdivision c, pertaining to Plaintiff, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

30. “Released PAGA Claims” means all claims that were asserted, or could have been asserted, based on the allegations set forth in the Operative Complaint and written notice to the LWDA arising at any time during the PAGA Period. These are claims for: (a) failure to pay overtime and minimum wages; (b) failure to pay all regular rate wages due (including sick leave pay); (c) failure to provide meal and rest periods and associated premium payments; (d) untimely payment of wages during employment and upon termination; (e) inaccurate wage statements; (f) failure to maintain complete and accurate payroll records; (g) failure to keep payroll records in a central location; (h) failure to reimburse for necessary business expenses; and (i) penalties under PAGA. The Released PAGA Claims includes violations of Labor Code 201, 202, 203, 204, 218.5, 221, 226, 226.3, 226.7, 229, 246, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 2800, and 2802, and the Industrial Welfare Commission Wage Orders.
31. “Released Parties” means Defendant and any of its parents, shareholders, members, predecessors, successors, all affiliates, subsidiaries, officers, directors, members, agents (including any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present, or future officers, directors, and employees), employees, and stockholders.
32. “Response Deadline” means sixty (60) calendar days after the Administrator mails Class Notice and shall be the last date Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement; or (b) fax, email, or mail their Objection to the Settlement. Class Members to whom Class Notices are re-sent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the date the Response Deadline has expired.
33. “Request for Exclusion” means a letter submitted by a Class Member to exclude themselves from the Class Settlement submitted in accordance with the instructions in the Class Notice. Such a written request will have no effect on the Class Member’s inclusion in the PAGA Settlement.
34. “Settlement” means the disposition of the Action and all related claims effectuated by this Agreement.

II. RECITALS

1. On August 22, 2023, Plaintiff Lobyoc filed a wage-and-hour class action lawsuit in the Superior Court of California, County of Santa Clara, alleging violations of: (a) Labor Code sections 510 and 1198 (unpaid overtime); (b) Labor Code sections 226.7 and 512(a) (unpaid meal period premiums); (c) Labor Code section 226.7 (unpaid rest period premiums); (d) Labor Code sections 1194 and 1197 (unpaid minimum wages); (e) Labor Code sections 201 and 202 (final wages not timely paid); (f) Labor Code section 226(a) (non-compliant wage statements); (g) Labor Code sections 2800 and 2802 (unreimbursed business expenses); and (h) Business & Professions Code section 17200.

2. After engaging in discovery, investigations, and negotiation, on January 21, 2025, the Parties remotely attended mediation with the mediator Brandon McKelvey, ultimately resulting in the Parties reaching a tentative settlement via a mediator's proposal, subject to the Court's approval.
3. In line with the settlement, on January 28, 2025, Plaintiff Lobyoc provided written notice to the LWDA and Defendant of the specific provisions of the Labor Code she contends were violated and the theories supporting her contentions.
4. On February 6, 2025, Plaintiff Lobyoc filed a First Amended Complaint that amended the "class" definition and added a cause of action for violation of Labor Code section 2698 (PAGA) ("Operative Complaint").
5. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint, and denies any and all liability for the causes of action alleged in the Operative Complaint.
6. The Parties conducted significant investigation and discovery of the facts and law both before and after the Action was filed. Defendant produced documents relating to their policies, practices, and procedures regarding reimbursement of business expenses, paying non-exempt employees for all hours worked, and meal and rest breaks along with payroll, timekeeping, and operational policies. As part of Defendant's production, Plaintiff reviewed time records, pay records, and information relating to the size and scope of the Class, as well as data permitting Plaintiff to understand the number of workweeks and pay periods. Plaintiff also located and interviewed putative class members who worked for Defendant throughout the Class Period. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130.
7. The Court has not granted class certification.
8. 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 Agreement and Settlement.

III. SETTLEMENT TERMS AND CONDITIONS

1. **Workweeks and PAGA Pay Periods.** Based on its records at the time of mediation, Defendant estimates there are: (a) 382 Class Members who worked a total of 74,087 workweeks between August 22, 2019 to November 1, 2024; and (b) 499 Aggrieved Employees who worked a total of 9,430 pay periods between January 28, 2024 to November 1, 2024.

2. **Gross Settlement Amount.** Defendant agrees to pay \$989,000 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. Participating Class Members are not required to submit claim forms to receive settlement payments. None of the Gross Settlement Amount will revert to Defendant.
3. **Funding of the Gross Settlement Amount and Disbursement of Settlement Payments.** Defendant shall deposit the Gross Settlement (including the employer payroll taxes) into the Qualified Settlement Fund maintained by the Administrator on the Effective Date. Within fourteen (14) calendar days after the funding of the Settlement, the Administrator will make all settlement payments, payroll tax payments, and remittance to relevant taxing authorities in accordance with this Agreement. Any costs associated with the Qualified Settlement Fund shall be paid from the Gross Settlement Amount.
4. **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:
 - a. **To Class Counsel.** Class Counsel will apply to the Court for an award of no more than \$346,150 (35% of the Gross Settlement Amount) as their Class Counsel Fees Payment and an amount no more than \$25,000 for all reasonable costs and expenses incurred as their Class Counsel Litigation Expenses Payment. The Administrator will pay the amounts approved by the Court out of the Gross Settlement Amount. The Administrator may also purchase an annuity to utilize U.S. treasuries and bonds or other attorney fee deferral vehicles for Class Counsel. If the Court approves a Class Counsel Fees Payment or Class Counsel Litigation Expenses Payment of less than these amounts, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members. Payroll tax withholding and deductions, if any, will not be taken from the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, and one or more IRS Form 1099 will be issued to Class Counsel with respect to those payments.
 - b. **To Plaintiff.** Plaintiff will apply to the Court for an award of no more than \$10,000 as the Class Representative Service Payment in addition to the Individual Class Payment to be paid to Plaintiff. The Administrator will pay the Class Representative Service Payment approved by the Court out of the Gross Settlement Amount. If the Court approves Class Representative Service Payment of less than the amounts requested, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members. The Class Representative Service Payment is in settlement of claims for interest and for penalties allegedly due, shall not be subject to wage withholdings, and shall be reported on IRS Form 1099. Plaintiff will be solely responsible for any tax payments associated with the Class Representative Service Payment.

- c. **To the Administrator.** The Administrator will pay out of the Gross Settlement Amount to itself its reasonable fees and expenses that are documented and approved by the Court in an amount not to exceed \$15,000 (“Administration Expenses Payment”). To the extent the Administration Expenses Payment that are documented and approved by the Court are less than the amount requested, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members.
 - d. **To the LWDA and Aggrieved Employees.** The Parties will seek approval from the Court for the PAGA Penalties of \$75,000, sixty-five percent (65%) of which (\$48,750) shall be paid to the LWDA as its share of the settlement of civil penalties pursuant to PAGA and thirty-five percent (35%) of which (\$26,250) will be distributed to the Aggrieved Employees as their Individual PAGA Payments. Each Aggrieved Employee will be bound by the PAGA portion of the release contemplated in this Agreement and will receive their respective Individual PAGA Payment regardless of whether they are a Participating Class Member or Non-Participating Class Member. If the Court approves a PAGA Penalties of less than the amount requested, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members.
5. **Payments From the Net Settlement Amount.** The Net Settlement Amount shall include the following payments after the deductions have been made from the Gross Settlement Amount:
- a. **Individual Class Payment and Individual PAGA Payment.** Subject to the terms and conditions of this Agreement, the Administrator will pay an Individual Class Payment from the Net Settlement Amount to each Participating Class Member. The Administrator will calculate Individual Class Payments and Individual PAGA Payments as follows:
 - i. Each Participating Class Member’s Individual Class Payment will be calculated by: (1) dividing the Net Settlement Amount by the total number of workweeks worked by all Participating Class Members during the Class Period; and (2) multiplying the result by each Participating Class Member’s workweeks during the Class Period.
 - ii. Each Aggrieved Employee’s Individual PAGA Payment will be calculated by: (1) dividing the thirty-five percent (35%) share of PAGA Penalties by the total number of pay periods worked by all Aggrieved Employees during the PAGA Period; and (2) multiplying the result by each Aggrieved Employee’s pay periods during the PAGA Period.

- b. **Tax Withholding.** Fifteen percent (15%) of each Participating Class Member's Individual Class Payment is in settlement of wage claims ("Wage Portion") that is subject to wage withholdings and will be reported on IRS Form W-2. Eighty-five percent (85%) of each Participating Class Member's Individual Class Payment is in settlement of claims for interest and penalties ("Non-Wage Portion") that is not subject to wage withholdings and will be reported on IRS Form 1099. The Individual PAGA Payments distributed to Aggrieved Employees shall not be subject to wage withholdings and shall be reported on IRS Form 1099.
 - c. **Effect of Non-Participating Class Members.** Non-Participating Class Members will not receive Individual Class Payments. However, if a Non-Participating Class Member is an Aggrieved Employee, they shall still receive their Individual PAGA Payment. The Non-Participating Class Members' Individual Class Payments will remain a part of the Net Settlement Amount for distribution to Participating Class Members on a *pro rata* basis relative to their Individual Class Payments.
 - d. **Uncashed Settlement Checks.** Participating Class Members and Aggrieved Employees must cash their settlement check within one hundred eighty (180) calendar days after the settlement checks are mailed. If a settlement check is returned to the Administrator, the Administrator will make all reasonable efforts to re-mail it to the affected Participating Class Member and Aggrieved Employee at his or her correct address by using email addresses, phone numbers, Social Security numbers, and credit reports. If a settlement check is not cashed within one hundred twenty (120) calendar days after its last mailing to the Participating Class Member and Aggrieved Employee, the Administrator will also send the affected Participating Class Member and Aggrieved Employee a notice informing him or her that unless the settlement check is cashed in the next sixty (60) calendar days, it will expire and become non-negotiable, and will offer to replace the settlement check if it was lost or misplaced but not cashed. If the settlement check remains uncashed by the expiration of the 60-day period after this notice, the uncashed funds will be sent to the California State Controller's Office to be held as "Unclaimed Property" in the name of the Participating Class Member and Aggrieved Employee.
6. **Appointment of the Administrator.** The Administrator's duties will include: (a) preparing, printing, and mailing the Class Notice; (b) maintaining a static website to keep Class Members updated on this Action; (c) conducting a National Change of Address Database ("NCOA") search to update Class Member addresses before mailing the Class Notices; (d) re-mailing Class Notices that are returned to the Class Member's new address; (e) setting up a toll-free telephone number to receive calls from the Class Members; (f) receiving and reviewing for validity completed Requests for Exclusion; (g) providing the Parties with weekly status reports about the delivery of Class Notices and receipt of completed Requests for Exclusion; (h)

calculating settlement payments; (i) issuing the checks to effectuate the payments due under the Settlement; (j) issuing the tax reports required under this Agreement; and (k) administering the Settlement. The Administrator will establish a settlement fund that meets the requirements of a Qualified Settlement Fund under US Treasury Regulation section 468B-1.

7. **Procedure for Approving Settlement.**

a. **Motion for Preliminary Approval of Settlement by the Court.**

- i. After execution of this Agreement, Class Counsel will prepare and file a Motion for Preliminary Approval with the Court for an order giving Preliminary Approval of the Settlement, setting a date for the Final Approval Hearing, and approving the Class Notice.
- ii. At the hearing on the Motion for Preliminary Approval, the Parties will jointly appear, support the granting of the motion, and submit a Proposed Order Granting Preliminary Approval of the Settlement.
- iii. If the Court declines to preliminarily approve material aspects of the Settlement, the Parties shall work together to address any concerns raised and propose a revised Settlement for the Court's approval. However, an award of a lesser amount than that sought for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Class Representative Service Payment will not constitute a material modification to the Settlement.

b. **Notice to the Class Members.** After the Court enters an Order Granting Preliminary Approval of the Settlement, every Class Member will be mailed the Class Notice as follows:

- i. No later than fourteen (14) calendar days after entry of the Order Granting Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator. The Administrator shall not provide the Class Data to Class Counsel absent express authorization from Defendant. If any or all the Class Data is unavailable to Defendant, then Defendant will inform Class Counsel, and the Parties will make their best efforts to reconstruct or otherwise agree upon the Class Data prior to when it must be submitted to the Administrator. This information will otherwise remain confidential and will not be disclosed to anyone except as required to applicable taxing authorities to carry out the reasonable efforts described herein or pursuant to Defendant's express written authorization or by order of the Court.

- ii. Prior to mailing the Class Notices, the Administrator shall update the Class Data using the NCOA. Using best efforts to mail it as soon as possible and no later than fourteen (14) calendar days after receiving the Class Data, the Administrator will mail the Class Notices to all Class Members via first-class regular U.S. Mail using the mailing address information provided by Defendant.
 - iii. If a Class Notice is returned because of an incorrect address, the Administrator will promptly, and no later than ten (10) calendar days from receipt of the returned Class Notice, search for a more current address for the Class Member and re-mail the Class Notice to the Class Member. The Administrator will use the Class Data to find a more current address. The Administrator will be responsible for taking reasonable steps, consistent with its agreed-upon job parameters, Court orders, and fee, as agreed to with Class Counsel and according to the following deadlines, to trace the mailing address of any Class Member for whom a Class Notice is returned as undeliverable. These reasonable steps shall include, at a minimum: (1) tracking of all undelivered mail; (2) performing address searches for all mail returned without a forwarding address using available email addresses, phone numbers, Social Security Numbers, and credit reports; and (3) promptly re-mailing to Class Members for whom new addresses are found. If the Class Notice is re-mailed, the Administrator will note for its own records.
 - iv. No later than sixteen (16) court days before the Final Approval Hearing, the Administrator will provide the Parties a declaration of due diligence setting forth its compliance with its obligations under this Agreement and detailing the Requests for Exclusion (including the numbers of valid and deficient Requests for Exclusion) and objections that it received. Prior to the Final Approval Hearing, the Administrator will supplement its declaration of due diligence if there are any material changes.
- c. **Objections, Disputes, and Requests for Exclusion.** Participating Class Members may submit objections to the Settlement and/or objections to the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Class Representative Service Payment. Class Members may also submit disputes as to workweeks and/or pay periods allocated to them and Requests for Exclusion pursuant to the following procedures:
- i. **Objections to Settlement.** Only Participating Class Members who wish to object to the Settlement, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Class Representative Service Payment may object to the Settlement, either in writing or orally at the Final Approval Hearing. Objections in writing must be submitted to the Administrator and postmarked no later than the Response Deadline. Written objections must set forth the grounds for the objection(s) and

comply with the instructions in the Class Notice. The Administrator will provide the Parties' counsel with a copy of written objections received. Class Members shall be entitled to be heard at the Final Approval Hearing (whether individually or through counsel) to orally object to the Settlement, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Class Representative Service Payment even if they have not submitted written objections to the Administrator.

A Participating Class Member who does not submit an objection in the manner and by the deadline specified above will be deemed to have waived any objection to the Settlement, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Class Representative Service Payment. Non-Participating Class Members shall have no ability to comment on or object to the Settlement.

- ii. **Disputes as to Workweeks and/or Pay Periods.** Each Class Member and Aggrieved Employee shall have up to the Response Deadline to dispute the number of workweeks and/or pay periods allocated to them during the Class Period and PAGA Period respectively. Any notice of dispute shall be directed to the Administrator. Any dispute regarding this allocation shall be resolved by the Administrator with the input and assistance from Defense Counsel where applicable.
- iii. **Requests for Exclusion.** Class Members who wish to exclude themselves from the Settlement must mail to the Administrator a signed letter setting forth their name with a simple statement that they request exclusion from the class and do not wish to participate in the settlement postmarked no later than the Response Deadline. To be valid, a Request for Exclusion must be timely and comply with the instructions in the Class Notice. If a question is raised about the authenticity of a signed Request for Exclusion, the Administrator will have the right to demand additional proof of the Class Member's identity.

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. A Non-Participating Class Member will not participate in or be bound by the Settlement and Judgment. A Class Member who does not complete and mail a timely Request for Exclusion in the manner and by the deadline specified above and in the Class Notice will automatically become a Participating Class Member, will receive an Individual Class Payment, and will be bound by all terms and conditions of the Settlement if the Settlement is approved by the Court regardless of whether he or she has objected to the Settlement.

Class Members who submit a Request for Exclusion shall not be permitted to file objections to the Settlement or appear at the Final Approval Hearing to voice any objections to the Settlement.

Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, both Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release the Released PAGA Claims identified in this Agreement and will remain eligible to receive Individual PAGA Payments.

- d. **No Solicitation.** The Parties and their counsel represent that they have not nor will solicit or encourage any Class Member to object to the Settlement, appeal from the Judgment, or elect not to participate in the Settlement.

- e. **Motion for Final Approval.**
 - i. Class Counsel will prepare and file with the Court a Motion for Approval of the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Class Representative Service Payment along with a Motion for Final Approval of the Settlement

 - ii. If the Court does not grant final approval of the Settlement or grants final approval conditioned on any material change to the Settlement, then the Parties shall work together in good faith to address any concerns raised by the Court. However, an award of a lesser amount than that sought for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Class Representative Service Payment will not constitute a material modification to the Settlement.

 - iii. After entry of the Judgment, the Court will have continuing jurisdiction over the Action and the Settlement solely for purposes of: (1) enforcing this Agreement; (2) addressing settlement administration matters; and (3) addressing such post-Judgment matters as may be appropriate under court rules or applicable law.

 - iv. If any opposition is filed to the Motion for Final Approval, then no later than five (5) court days before the Final Approval Hearing, both Parties may file a reply in support of the Motion for Final Approval.

- f. **Waiver of Right to Appeal.** Provided the Judgment is consistent with the material terms and conditions of this Agreement, Plaintiff, Participating Class Members who did not timely submit an objection to the Settlement, Class Counsel, Defendant, and Defense Counsel waive any and all rights to appeal from the Judgment, including all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate judgment, a motion for new trial, and any extraordinary writ. The Judgment will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of

the right to oppose any appeal, appellate proceedings, or post-judgment proceedings. If an appeal is taken from the Judgment, the time for consummation of the Settlement (including payments under the Settlement) will be suspended until such time as the appeal is finally resolved and Judgment becomes Final.

- g. **Vacating, Reversal or Material Modification of Judgment on Appeal or Review.** If, after a notice of appeal, a petition for review, or a petition for *certiorari*, or any other motion, petition, or application, the reviewing court vacates, reverses, or modifies the Judgment such that there is a material modification to the Settlement, that court's decision is not completely reversed, and Judgment is not fully affirmed on review by a higher court, then the Parties shall work together in good faith to address any concerns raised by the reviewing court no later than fourteen (14) calendar days after the reviewing court's decision vacating, reversing, or materially modifying the Judgment becomes Final. A vacation, reversal, or modification of the court's award of the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Class Representative Service Payment will not constitute a vacation, reversal, or material modification of the Judgment within the meaning of this section.
- h. **Final Report by Administrator to Court.** Within ten (10) calendar days after final disbursement of all funds from the Gross Settlement Amount, the Administrator will provide the Parties with a declaration providing a final report on the disbursements of all funds from the Gross Settlement Amount.

8. **Release of Claims.**

- a. **Participating Class Members.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Participating Class Members will waive and release the Released Parties from the Released Class Claims.
- b. **Aggrieved Employees.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, State of California, and Aggrieved Employees will waive and release the Released Parties from the Released PAGA Claims.
- c. **Plaintiff.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, in addition to the above releases applicable to Participating Class Members and Aggrieved Employees, Plaintiff and her former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally release and

discharge the Released Parties from any and all claims, transactions, or occurrences during the Class Period. This general release includes any and all claims arising from the employment relationship with Defendant or any Released Party, including, without limitation, claims for wrongful termination, discrimination, harassment, or retaliation pursuant to Title VII of the Civil Rights Act of 1964, 42 U.S.C. section 2000, *et seq.*, Fair Employment and Housing Act, Gov't Code Section 12900, *et seq.*, or the Labor Code ("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 she may discover facts or law different from, or in addition to, the facts or law Plaintiff now knows or believes to be true but agrees that Plaintiff's Release shall remain effective in all respects, notwithstanding such different or additional facts or the discovery of them.

Plaintiff's Waiver of Rights Under Civil Code Section 1542. For purposes of this release, Plaintiff also expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the 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.

Plaintiff acknowledges that she has read this Agreement in its entirety, including the above language from the Civil Code, and that she fully understands both this Agreement and the Civil Code section. By executing this Agreement, Plaintiff expressly waives any benefits and rights granted pursuant to Civil Code section 1542 or any statute, rule, or principle of common law or equity, in any jurisdiction, that is similar, comparable, or equivalent, in whole or in part, to Civil Code section 1542. Plaintiff acknowledges and agrees that this knowing and voluntary waiver is an essential and material term of this Agreement, and the Agreement would not have been entered into without such a waiver.

9. **No Effect on Other Benefits.** The Individual Class Payments and Individual PAGA Payments will not result in any additional benefit payments (such as 401(k) or bonus) beyond those provided by this Agreement. Plaintiff, Participating Class Members, and Aggrieved Employees will be deemed to have waived all such claims, whether known or unknown by them, as part of their release of claims under this Agreement. Any amounts paid will not impact or modify any previously credited hours of service or compensation taken into account under any bonus or

incentive plan, benefit plan sponsored or contributed to by Defendant or any jointly trusted benefit plan, or for purposes of calculating the regular rate of pay.

10. **Confidentiality.** Plaintiff and Class Counsel shall make no public statement or release, and agree not to post the settlement terms, amount, or that they obtained a settlement from Defendant, including, but not limited to, on their website. This provision does not apply to the filing of any documents with the Court or LWDA which are necessary to effectuate the settlement, nor is it intended to interfere with or restrict: (a) the Administrator from distributing the Class Notices and otherwise complying with its obligation to provide information to affected Class Members and/or Aggrieved Employees; (b) the Administrator from posting any judgment on its website; and (c) Class Counsel from disclosing the names of the Parties in this Action and venue/case number of this Action for purposes of proving adequacy. Defendant may disclose the terms of the Agreement: (i) as required under their legal obligations; and (ii) for internal and/or auditing purposes. Plaintiff agrees to notify Defendant of any judicial or agency order, inquiry, or subpoena seeking such information. Before the filing of the Motion for Preliminary Approval, Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication with a 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 section does not restrict Class Counsel’s communications with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.

11. **Miscellaneous Terms.**

- a. **No Admission.** Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted. Nothing in this Agreement should be intended or construed as an admission by Plaintiff that Defendant’s defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Agreement only. If the Court does not grant Preliminary Approval or Final Approval, or enter Judgment, Defendant reserves the right to contest certification of any class for any reason, Defendant reserves 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 Defendant’s defenses. This Agreement and willingness to settle will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate this Agreement).
- b. **Attorney Authorization.** The Parties’ counsel warrant and represent that they are authorized by the Parties to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate and use their

best efforts to effect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the mediator.

- c. **Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibit will constitute the entire agreement between the Parties relating to the Settlement. It will then be deemed no oral representations, warranties, covenants, or inducements have been made to any Party concerning this Agreement or its exhibit other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibit.
- d. **Execution in Counterparts.** This Agreement may be executed in one or more counterparts by facsimile, electronically, 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.
- e. **Continuing Jurisdiction.** The Parties stipulate that the Court may, upon proper motion and good cause showing, enter judgment on the terms set forth herein. The Settlement shall be admissible to the Court in the event of an enforcement action. The Court shall retain continuing jurisdiction over the Action under CCP section 664.6 to ensure the continuing implementation of this Agreement and enforcement of the Settlement until performance in full of the terms of this Settlement.
- f. **Stay of Litigation.** The Parties agree upon execution of this Agreement to refrain from further litigation except to effectuate the terms of this Agreement. The Parties 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 from the date of mediation until the Effective Date.
- g. **Use and Return of Documents and Data.** All originals, copies, and summaries of documents and data provided to Class Counsel by Defendant in connection with the mediation or other settlement negotiations 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.

- h. **No Prior Assignments.** The Parties represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right released and discharged in this Settlement.
- i. **No Tax Advice.** Neither Class Counsel nor Defense Counsel intend anything contained in this Settlement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- j. **Fair Settlement.** The Parties and their counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, considering all relevant factors.
- k. **Cooperation.** 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.
- l. **Modification of Agreement.** Any and all parts of the Agreement may be amended, modified, changed, or waived only by an express written instrument signed by all Parties and approved by the Court.
- m. **Headings.** The descriptive heading of any section or section of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- n. **Applicable Law.** All terms and conditions of this Agreement and its exhibit will be governed by and interpreted according to the laws of California.
- o. **Agreement Binding on Successors.** This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- p. **Notice.** All notices, demands, or other communications given under this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by U.S. mail and email as follows:

To Plaintiffs: Douglas Han
Shunt Tatavos-Gharajeh
Lily Short
Justice Law Corporation
751 North Fair Oaks Avenue, Suite 101
Pasadena, California 91103
(Tel) (818) 230-7502
(Fax) (818) 230-7259

dhan@JusticeLawCorp.com
statavos@JusticeLawCorp.com
lshort@JusticeLawCorp.com

To Defendant: Phillip J. Ebsworth
Seyfarth Shaw LLP
400 Capitol Mall, Suite 2300
Sacramento, California 95814-4428
Telephone: (916) 498-7012
Facsimile: (916) 558-4839
pebsworth@seyfarth.com

Cristen R. Hintze
Seyfarth Shaw LLP
601 South Figueroa Street, Suite 3300
Los Angeles, California 90017-5793
Telephone: (213) 270-9722
Facsimile: (213) 270-9601
chintze@seyfarth.com

- q. **Escalator Clause.** If it is determined that the number of workweeks between August 22, 2019 to November 1, 2024 exceeds five percent (5%) or more of 74,087 (*i.e.*, more than 77,791 workweeks), then the Gross Settlement Amount shall increase proportionally over the five percent (5%) increase (*i.e.*, if the number of workweeks increases by 7%, the Gross Settlement Amount will increase by 2%).
- r. **Defendant's Right to Withdraw.** If the number of valid Requests for Exclusion identified by the Administrator exceeds ten percent (10%) of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever and that neither Party will have any further obligation to perform under this Settlement provided Defendant will remain responsible for paying all settlement administration costs incurred to that point. Defendant must notify Class Counsel and the Court of its selection to withdraw no later than fourteen (14) calendar days after the Response Deadline. A late election will have no effect.

II. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

Dated: 02/18/2025

Linkee Fair Lobyoc

By: *Linkee Fair L*

Dated: 02/19/2025

Justice Law Corporation [Approving as to Form Only]

By: *Lily Short*

Douglas Han, Esq.
Shunt Tatavos-Gharajeh, Esq.
Lily Short, Esq.
Attorneys for Plaintiff

Dated: _____

Headway Technologies, Inc.

By: _____

Dated: _____

Seyfarth Shaw LLP [Approving as to Form Only]

By: _____

Nick C. Geannacopulos, Esq.
Phillip J. Ebsworth, Esq.
Cristen R. Hintze, Esq.
Attorneys for Defendant

II. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

Dated: _____ **Linkee Fair Lobyoc**

By: _____

Dated: _____ **Justice Law Corporation [Approving as to Form Only]**

By: _____
Douglas Han, Esq.
Shunt Tatavos-Gharajeh, Esq.
Lily Short, Esq.
Attorneys for Plaintiff

Dated: Feb 12, 2025 **Headway Technologies, Inc.**

By:  _____

Dated: 02/12/2025 **Seyfarth Shaw LLP [Approving as to Form Only]**

By:  _____
Nick C. Geannacopulos, Esq.
Phillip J. Ebsworth, Esq.
Cristen R. Hintze, Esq.
Attorneys for Defendant

EXHIBIT A

NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION AND HEARING DATE

Lobyoc v. Headway Technologies, Inc.
(Case Number 23CV421632)

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

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Defendant Headway Technologies, Inc. (“Defendant”) for alleged wage and hour violations. Defendant denies the allegations. The Action was filed by Plaintiff Linkee Fair Lobyoc (“Plaintiff”). The Action seeks payment of:

- (1) Unpaid wages and penalties for a class of all current and former hourly-paid or non-exempt employees of Defendant within the State of California at any time from August 22, 2019, through [REDACTED] and who did not sign an arbitration agreement (“Class,” “Class Members,” “Class Period”); and
- (2) Penalties under the Private Attorneys General Act of 2004 (“PAGA”) for all current and former hourly-paid or non-exempt employees of Defendant within the State of California at any time from January 28, 2024, through [REDACTED] and who did not sign an arbitration agreement (“Aggrieved Employees” and “PAGA Period”).

The settlement has two main parts: (1) class portion of the Settlement requiring Defendant to fund Individual Class Payments; and (2) PAGA portion of the Settlement requiring Defendant to fund Individual PAGA Payments.

Based on Defendant’s records, your Individual Class Payment is estimated to be about \$ [REDACTED] (less withholding), and your Individual PAGA Payment is estimated to be about \$ [REDACTED]. The actual amount you may receive likely will be different and will depend on several factors. If no amount is stated for your Individual PAGA Payment, then according to Defendant’s records, you are not eligible for an Individual PAGA Payment under the settlement because you did not work during the PAGA Period.

These estimates are based on Defendant’s records showing that you worked [REDACTED] workweeks during the Class Period and worked [REDACTED] pay periods during the PAGA Period. If you believe that you worked more workweeks during the Class Period and/or worked more pay periods during the PAGA Period, you can submit a challenge by the deadline date. See Section IV of this Class Notice.

The Court has already preliminarily approved the settlement and approved this Class Notice. The Court’s approval of the settlement is not a finding of liability but an approval of the Parties’ efforts to resolve the Action and end the litigation.

The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. Read this Class 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 Defendant to make payments under the settlement and requires Class Members and Aggrieved Employees to release certain claims against Defendant.

If you worked for Defendant during the Class Period and/or PAGA Period, you have three (3) basic options under the settlement:

1. **Do Nothing.** You do not have to do anything to participate in the settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Class Member who does not submit a valid and timely Request for Exclusion (“Participating Class Members”), you will give up your right to assert Class Period wage-and-hour claims and PAGA Period penalty claims against Defendant.

2. **Opt Out of the Class Portion of the Settlement.** You can exclude yourself from the class portion of the Settlement by submitting a 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 but will preserve your right to personally pursue wage-and-hour claims against Defendant. If you are an Aggrieved Employee, you remain eligible for an Individual PAGA Payment. You cannot opt out of the PAGA portion of the settlement and will be bound by the release of PAGA penalty claims even if you opt out of the class portion of the Settlement.

3. **Object to the Class Portion of the Settlement but not the PAGA Portion of the Settlement.** You may also object to any aspect of the class portion of the settlement by sending written objections to the Administrator. See Section VII of this Class Notice.

Defendant will not retaliate against you for any actions you take with respect to the 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 Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant covered by this settlement (Released Claims).</p>
<p>You Can Opt Out of the Class Portion of the Settlement but not the PAGA Portion of the Settlement</p> <p>The Opt Out Deadline is</p> <div style="background-color: yellow; height: 15px; width: 100px; margin-top: 5px;"></div>	<p>If you don’t want to fully participate in the settlement, you can opt out of the class portion of the Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and will no longer be eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the settlement. See Section VI of this Class Notice.</p> <p>You cannot opt out of the PAGA portion of the settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees, and the Aggrieved Employees will be bound by the PAGA portion of the release (defined below).</p>

<p>Participating Class Members Can Object to the Class Portion of the Settlement but not the PAGA Portion of the Settlement</p> <p>Written Objections Must be Submitted by [REDACTED]</p>	<p>All Participating Class Members can object to any aspect of the class portion of the 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 or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section VII of this Class Notice.</p>
<p>You Can Participate in the Final Approval Hearing</p>	<p>The Final Approval Hearing is scheduled to take place on [REDACTED]. You don’t 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 VIII of this Class Notice.</p>
<p>You Can Challenge the Calculation of Your Workweeks and/or Pay Periods</p> <p>Written Challenges Must be Submitted by [REDACTED]</p>	<p>The amount of your Individual Class Payment and Individual PAGA Payment (if any) depends on how many workweeks you worked during the Class Period and pay periods you worked during the PAGA Period respectively. The number of workweeks you worked during the Class Period and pay periods you worked during the PAGA Period according to Defendant’s records is stated on the first page of this Class Notice. See Section IV of this Class Notice.</p>

I. WHAT IS THE ACTION ABOUT?

Plaintiff was a former employee of Defendant. The Action alleges that Defendant violated the labor laws by failing to: (1) pay overtime wages; (2) provide meal period premiums; (3) provide rest period premiums; (4) pay minimum wages; (5) timely pay final wages; (6) provide compliant wage statements; (7) reimburse business expenses; and (8) comply with the requirements of Business & Professions Code section 17200. Plaintiff also asserted a claim for civil penalties under Labor Code section 2698 (PAGA). Plaintiff is represented by attorneys Douglas Han, Shunt Tatavos-Gharajeh, and Lily Short of Justice Law Corporation. Defendant denies all allegations and contends that it did not violate any laws.

The Court has not made findings as to the allegations or whether any violations occurred. The settlement of the Action represents a compromise of disputed claims designed to avoid expensive and time-consuming litigation.

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

The Court has made no determination on the merits of the allegations. The Parties hired an experienced, neutral mediator to resolve the Action by negotiating a settlement rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful following a full day of mediation. By signing the Class Action and PAGA Settlement Agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the

Action and enforcing the Agreement, the Parties have negotiated a settlement that is subject to final approval. Defendant does not admit any violations or concede the merit of any claims.

The Court has preliminarily approved the Agreement as fair, reasonable, and adequate, authorized this Class Notice, and scheduled a hearing to determine Final Approval.

III. WHAT ARE THE IMPORTANT TERMS OF THE SETTLEMENT?

1. Defendant Will Pay \$989,000 as the Gross Settlement Amount. Defendant agreed to deposit the Gross Settlement Amount into an account controlled by the Administrator of the Agreement. The Administrator will use the Gross Settlement Amount to pay all amounts that are due under this Settlement, including the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, Administration Expenses Payment, Individual Class Payments, Individual PAGA Payments, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”).
 - a. Assuming the Court grants Final Approval, Defendant shall deposit the Gross Settlement Amount (including the employer payroll taxes) into the Qualified Settlement Fund maintained by the Administrator on the Effective Date. Within fourteen (14) calendar days after the funding of the Settlement, the Administrator will make all settlement payments, payroll tax payments, and remittance to relevant taxing authorities in accordance with this Agreement.
 - b. “Effective Date” fourteen (14) calendar days after all the following have occurred: (i) this Agreement and the contemplated settlement receive final approval from the Court; and (ii) the Judgment becomes Final. “Final” means the last of the following dates: (1) the first business day following the last date on which a notice of appeal from the Judgment may be filed and none is filed; or (2) if Judgment is entered and an appeal from the Judgment is filed, the date the Judgment is affirmed and is no longer subject to challenge in the courts.
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 payments to be made from the Gross Settlement Amount, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - a. Up to \$346,150 (35% of the Gross Settlement Amount) to Class Counsel as their Class Counsel Fees Payment and up to \$25,000 as their Class Counsel Litigation Expenses Payment.
 - b. Up to \$10,000 to Plaintiff as the Class Representative Service Payment for filing the Action, working with Class Counsel, and effectively representing the Class. The Class Representative Service Payment will be the only money Plaintiff will receive other than the Individual Class Payment and any Individual PAGA Payment.
 - c. Up to \$15,000 to the Administrator as the Administration Expenses Payment for services administering the Agreement.

- d. Up to \$75,000 for PAGA Penalties, sixty-five percent (65%) of which (\$48,750) will be paid to the LWDA as the LWDA PAGA Payment and thirty-five percent (35%) of which (\$26,250) will be paid to the Aggrieved Employees as their Individual PAGA Payments based on their PAGA Pay Periods.
3. Net Settlement Amount. After making the above distributions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement Amount (“Net Settlement Amount”) by making out Individual Class Payments to Participating Class Members based on their workweeks worked during the Class Period.
4. Taxes Owed on Payments to Class Members. The Parties are asking the Court to approve an allocation of fifteen percent (15%) of each Individual Class Payment to the settlement of wage claims (“Wage Portion”) eighty-five percent (85%) of each Individual Class Payment to the settlement of claims for interest and penalties (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS Form W-2. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and Non-Wage Portions of the Individual Class Payments on IRS Form 1099.
 - a. While the Parties 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 Agreement. You should consult a tax advisor if you have any questions about the tax consequences of the settlement.
5. Need to Promptly Cash Payment Checks. The face of each check shall state checks that are not cashed within one hundred eighty (180) calendar days after the date of mailing will be voided. The Administrator will cancel all checks not cashed by the void date. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller’s Unclaimed Property Fund in the name of the Class Member. If the monies represented by your check is sent to the California Controller’s Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.
6. Request for Exclusion from the Class Portion of the Settlement. You will be treated as a Participating Class Member, participating fully in the class portion of the Settlement, unless you notify the Administrator in writing that you wish to opt out. Class Members who request exclusion will not receive Individual Class Payments but will preserve their rights to personally pursue wage-and-hour claims against Defendant.
 - a. You cannot opt out of the PAGA portion of the Settlement. In other words, Class Members who exclude themselves from the class portion of the Settlement remain eligible for Individual PAGA Payments and will be bound by the release of PAGA penalty claims.

7. Right to Object. Participating Class Members have the right to object to any of the above-mentioned payments. Class Members who opt out can only object to the PAGA Penalties. The Court will consider all objections.
8. The Settlement Will be Void if the Court Denies Final Approval. It is possible that the Court will decline to grant Final Approval of the Agreement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. In either case, the Parties agreed the Agreement will be void: (a) Defendant will not pay any money; and (b) Class Members will not release any claims against Defendant.
9. Administrator. The Court has appointed Apex Class Action Administration (“Administrator”) to send this Class Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member and Aggrieved Employee challenges over workweeks and pay periods, mail and remail settlement checks and tax forms, and perform other tasks necessary to administer the Agreement. The Administrator’s contact information is contained in Section IX of this Class Notice.
10. Release by Participating Class Members. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Participating Class Members will waive and release the Released Parties from the Released Class Claims. The Released Class Claims means all claims that were asserted, or could have been asserted, based on the allegations set forth in the Operative Complaint arising at any time during the Class Period. This includes, but is not limited to, claims for: (a) failure to pay overtime and minimum wages; (b) failure to pay all regular rate wages due (including sick leave pay); (c) failure to provide meal and rest periods and associated premium payments; (d) untimely payment of wages during employment and upon termination; (e) inaccurate wage statements; (f) failure to maintain complete and accurate payroll records; (g) failure to keep payroll records in a central location; (h) failure to reimburse for necessary business expenses; (i) unfair business practices stemming from these alleged Labor Code violations; (j) any and all claims arising out of alleged violations of the Labor Code, including sections 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, 203, 204, 205.5, 210, 218.5, 218.6, 221, 226, 226.3, 226.7, 227.3, 229, 245-249, 510, 512, 551, 552, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 1776, 2800-2802, Code of Regulations Title 8 section 11040, and applicable Industrial Welfare Commission Wage Orders, (l) interest; (m) attorneys’ fees and costs; and (n) any other claims arising out of, or related to, the Operative Complaint. Except as provided in section 8, subdivision c, pertaining to Plaintiff, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

11. Release by Aggrieved Employees. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, State of California, and Aggrieved Employees will waive and release the Released Parties from the Released PAGA Claims. The Released PAGA Claims means all claims that were asserted, or could have been asserted, based on the allegations set forth in the Operative Complaint and written notice to the LWDA arising at any time during the PAGA Period. These are claims for: (a) failure to pay overtime and minimum wages; (b) failure to pay all regular rate wages due (including sick leave pay); (c) failure to provide meal and rest periods and associated premium payments; (d) untimely payment of wages during employment and upon termination; (e) inaccurate wage statements; (f) failure to maintain complete and accurate payroll records; (g) failure to keep payroll records in a central location; (h) failure to reimburse for necessary business expenses; and (i) penalties under PAGA. The Released PAGA Claims includes violations of Labor Code 201, 202, 203, 204, 218.5, 221, 226, 226.3, 226.7, 229, 246, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission Wage Orders.
12. Released Parties. The Released Parties are defined as Defendant and any of its parents, shareholders, members, predecessors, successors, all affiliates, subsidiaries, officers, directors, members, agents (including any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present, or future officers, directors, and employees), employees, and stockholders.

IV. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments 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 during the Class Period.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by: (a) dividing the thirty-five percent (35%) share of PAGA Penalties by the total number of pay periods worked by all Aggrieved Employees during the PAGA Period; and (b) multiplying the result by each Aggrieved Employee's pay periods during the PAGA Period.
3. Workweek / Pay Period Challenges. The number of workweeks you worked during the Class Period and number of pay periods you worked during the PAGA Period, as reflected in Defendant's records, are stated on the first page of this Class Notice. You have until to challenge the number of workweeks and pay periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail. Section IX of this Class Notice has the Administrator's contact information.
 - a. You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of workweeks and pay periods based on Defendant's 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 pay period challenges based on your submission and on input from Defense Counsel where applicable. The Administrator's decision is final, and you can't appeal or otherwise challenge its final decision.

V. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will mail a single check to every Participating Class Member, including those who also qualify as Aggrieved Employees. The single check will combine Individual Class Payment and Individual PAGA Payment.
2. Non-Participating Class Members. The Administrator will mail a single Individual PAGA Payment check to Aggrieved Employees who opt out of the class portion of the Settlement.
3. **Your check will be sent to the same address as this Class Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section IX of this Class Notice has the Administrator's contact information.**

VI. HOW DO I OPT OUT OF THE CLASS PORTION OF THE SETTLEMENT?

Submit a written and signed letter with your full name with a simple statement that you do not want to participate in the Agreement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Lobyoc v. Headway Technologies, Inc.* (Case Number 23CV421632), and include your full name. You must make the request yourself. If someone else makes the request for you, it will not be valid. The Administrator must be sent your request to be excluded by [REDACTED], or it will be invalid. Section IX of the Class Notice has the Administrator's contact information.

VII. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Agreement. A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Class Representative Service Payment may wish to object. The deadline for sending written objections to the Administrator is [REDACTED]. 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 *Lobyoc v. Headway Technologies, Inc.* (Case Number 23CV421632), include your full name, and sign the objection. Section IX of this Class Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain an attorney 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. Participating Class Members do not need to submit a written objection to the Administrator to be heard at the Final Approval Hearing. Finally, the Court will hear and consider objections to the PAGA portion of the Settlement. See Section VIII of this Class Notice for specifics regarding the Final Approval Hearing.

VIII. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [REDACTED] at [REDACTED] in Department 7 of the Santa Clara County Superior Court located at 191 North First Street San Jose, California 95113. At the Final Approval Hearing, the judge will decide whether to grant Final Approval of the Agreement and how much of the Gross Settlement Amount will be paid to Class Counsel, Plaintiff, and Administrator. The Court will invite comments from objectors, Class Counsel, and Defense Counsel before deciding.

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

The judge overseeing this case encourages remote appearances. (As of August 15, 2022, the Court's remote platform is Microsoft Teams.) Class Members who wish to appear remotely should contact class counsel at least three (3) days before the hearing if possible. Instructions for appearing remotely are provided at https://www.sccourt.org/general_info/ra_teams/video_hearings_teams.shtml and should be reviewed in advance. Class Members may appear remotely using the Microsoft Teams link for Department 7 (Afternoon Session) or by calling the toll-free conference call number for Department 7. Any Class Member who wishes to appear in person should check in at Court Services (1st floor, Downtown Superior Courthouse, 191 North First Street, San Jose) and wait for a sheriff's deputy to escort them to the courtroom for the hearing.

IX. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything the Parties have promised to do. The easiest way to read the Agreement, Judgment, or any other settlement documents is to go to Administrator's website at [REDACTED]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below.

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you are referred to the detailed Settlement, which is on file with the Clerk of the Court. The pleadings and other records in this matter, including the Settlement, may be examined (1) online on the Superior Court of California, County of Santa Clara's Electronic Filing and Service Website at <https://santaclara.courts.ca.gov/online-services/case-information-online>; or (2) in person at Records, Superior Court of California, County of Santa Clara, 191 North First Street, San Jose, California 95113, between the hours of 8:30 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays and closures, or you may contact Class Counsel or the Administrator.

PLEASE DO NOT TELEPHONE THE COURT OR DEFENDANT'S COUNSEL FOR INFORMATION REGARDING THIS SETTLEMENT.

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Administrator:

[ADMINISTRATOR]
[MAILING ADDRESS]
[TELEPHONE NUMBER]
[EMAIL]

X. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it if 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 California Controller's Unclaimed Property Fund at https://www.sco.ca.gov/search_upd.html for instructions on how to retrieve the funds.

XI. 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.