

1                   **FIRST AMENDED JOINT STIPULATION OF CLASS ACTION AND PAGA**  
2   **SETTLEMENT AGREEMENT**

3           This First Amended Joint Stipulation of Class Action and PAGA Settlement Agreement  
4 (“Agreement”) is made by and between Plaintiffs Daniel He (“He”) and Jonelle Velasquez  
5 (“Velasquez”) (collectively, “Plaintiffs”) and Defendants Bay Photo Lab Inc. and Circle Graphics,  
6 Inc. (“Defendants”). The Agreement refers to Plaintiffs and Defendants collectively as “Parties,” or  
7 individually as “Party.”

8           Pursuant to Paragraph 11.9 of the Joint Stipulation of Class Action and PAGA Settlement  
9 Agreement which was executed on April 8, 2025 (“Original Agreement”), the Original Agreement is  
10 hereby replaced and supplanted in its entirety by this instrument.

11           **1.DEFINITIONS.**

12           1.1 “Actions” means the Plaintiffs’ lawsuit alleging wage and hour violations against  
13 Defendants captioned *Daniel He and Jonelle Velasquez v. Bay Photo Lab Inc. and Circle Graphics,*  
14 *Inc.*, Case No. 24STCV05682 initiated on March 6, 2024, and pending in Superior Court of the State  
15 of California, County of Los Angeles, and Plaintiff Velasquez’s lawsuit seeking civil penalties from  
16 Defendants captioned *Jonelle Velasquez v. Bay Photo Lab Inc. and Circle Graphics, Inc.*, Case No.  
17 24STCV07440 initiated on March 24, 2024, and pending in Superior Court of the State of California,  
18 County of Los Angeles.

19           1.2 “Administrator” means Apex Class Action, the neutral entity the Parties have agreed to  
20 appoint to administer the Settlement.

21           1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from  
22 the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the  
23 Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval  
24 of the Settlement.

25           1.4 “Aggrieved Employee” means all current and former hourly paid and/or non-exempt  
26 employees who worked for Bay Photo Lab Inc. in California during the PAGA Period.

27           1.5 “Class” means all current and former hourly paid and/or non-exempt employees who  
28 worked for Bay Photo Lab Inc. in California during the Class Period.

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1 1.6 “Class Counsel” means Jonathan M. Genish, Barbara DuVan-Clarke, Danielle  
2 GruppChang, P.J. Van Ert, and Annabel Blanchard of Blackstone Law, APC.

3 1.7 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean  
4 the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and verified  
5 costs and expenses, respectively, incurred to prosecute the Actions.

6 1.8 “Class Data” means Class Member identifying information in Defendants’ possession  
7 including the Class Member’s name, last-known mailing address, Social Security number, and number  
8 of Class Period Workweeks and PAGA Pay Periods.

9 1.9 “Class Member” or “Settlement Class Member” means a member of the Class, as either a  
10 Participating Class Member or Non-Participating Class Member (including a Non-Participating Class  
11 Member who qualifies as an Aggrieved Employee).

12 1.10 “Class Member Address Search” means the Administrator’s investigation and search for  
13 current Class Member mailing addresses using all reasonably available sources, methods and means  
14 including, but not limited to, the National Change of Address database, skip traces, and direct contact  
15 by the Administrator with Class Members.

16 1.11 “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION  
17 SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class  
18 Members in English with a Spanish translation in the form, without material variation, attached as  
19 Exhibit A and incorporated by reference into this Agreement.

20 1.12 “Class Period” means the period November 19, 2021, through January 1, 2025.

21 1.13 “Class Representatives” mean the named Plaintiffs in the Operative Complaint in the  
22 Action seeking Court approval to serve as Class Representatives.

23 1.14 “Class Representative Service Payment” means the payment to the Class Representatives  
24 for initiating the Action and providing services in support of the Action.

25 1.15 “Court” means the Superior Court of California, County of Los Angeles.

26 1.16 “Defendants” means named Defendants Bay Photo Lab Inc. and Circle Graphics, Inc.

27 1.17 “Defense Counsel” means Rachael S. Lavi and Grace L. Waddell of Littler Mendelson,  
28 P.C.

1           1.18 “Effective Date” means the date by when both of the following have occurred: (a) the  
2 Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment  
3 is final and no longer appealable. For purposes of this Agreement, “becomes final and is no longer  
4 appealable” shall mean the latter of: (a) the day after the last date by which a notice of appeal, writ, or  
5 other appellate proceeding to the applicable Court of Appeal of the order and judgment approving this  
6 the Settlement Agreement may be timely filed and none is filed (i.e., 61 days from notice of entry of  
7 judgment); (b) if an appeal, writ, or other appellate proceeding is filed, and the appeal is finally  
8 disposed of by ruling, dismissal, denial, or in a any other manner that confirms the validity of the order  
9 and judgment, the day after the last date for filing a request for further review of the order and judgment  
10 approving this Agreement passes, and no further review is requested; or (c) if an appeal, writ, or other  
11 appellate proceeding is filed and the order approving this Agreement is affirmed and further review of  
12 the order is requested, the day after the review is finally resolved and the order and judgment approving  
13 this Agreement is affirmed. No funding of the Settlement shall occur until after the Effective Date has  
14 passed.

15           1.19 “Final Approval” means the Court’s order granting final approval of the Settlement.

16           1.20 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval  
17 of the Settlement.

18           1.21 “Final Judgment” means the Judgment Entered by the Court upon Granting Final  
19 Approval of the Settlement.

20           1.22 “Gross Settlement Amount” means \$650,000 which is the total amount Defendants agree  
21 to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount  
22 will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA  
23 Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and  
24 the Administrator’s Expenses.

25           1.23 “Individual Class Payment” means the Participating Class Member’s pro rata share of the  
26 Net Settlement Amount calculated according to the number of Workweeks worked during the Class  
27 Period.  
28

1 1.24 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of  
2 the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA  
3 Period.

4 1.25 “Judgment” means the judgment entered by the Court based upon the Final Approval.

5 1.26 “LWDA” means the California Labor and Workforce Development Agency, the agency  
6 entitled, under Labor Code section 2699, subdivision (i).

7 1.27 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA  
8 under Labor Code section 2699, subdivision (i).

9 1.28 “Net Settlement Amount” means the Gross Settlement Amount, less the following  
10 payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA  
11 Payment, Class Representatives Service Payment, Class Counsel Fees Payment, Class Counsel  
12 Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid  
13 to Participating Class Members as Individual Class Payments.

14 1.29 “Non-Participating Class Member” means any Class Member who opts out of the  
15 Settlement by sending the Administrator a valid and timely Request for Exclusion.

16 1.30 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked  
17 for Defendants for at least one day during the PAGA Period.

18 1.31 “PAGA Period” means the period from January 17, 2023 through January 1, 2025 .

19 1.32 “PAGA” means the Private Attorneys General Act (Lab. Code, § 2698 et seq.).

20 1.33 “PAGA Notice” means Plaintiff Velasquez’s January 17, 2024, letter to Defendants and  
21 the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).

22 1.34 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the  
23 Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$12,500.00) and the 75% to  
24 LWDA (\$37,500.00) in settlement of PAGA claims.

25 1.35 “Participating Class Member” means a Class Member who does not submit a valid and  
26 timely Request for Exclusion from the Settlement.

27 1.36 “Plaintiffs” means Daniel He and Jonelle Velasquez, the named plaintiffs in the Action.  
28

1           1.37 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the  
2 Settlement.

3           1.38 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval  
4 and Approval of PAGA Settlement.

5           1.39 “Released Class Claims” means the claims being released as described in Paragraph 5.3  
6 below.

7           1.40 “Released PAGA Claims” means the claims being released as described in Paragraph 5.4  
8 below.

9           1.41 “Released Parties” means Defendants, their subsidiaries, and affiliates, and each of their  
10 former and present directors, officers, shareholders, owners, members, attorneys, insurers,  
11 predecessors, successors, assigns, agents, reinsurers, and any individual or entity which could be  
12 jointly liable with Defendants.

13           1.42 “Request for Exclusion” means a Class Member’s submission of a written request to be  
14 excluded from the Class Settlement signed by the Class Member.

15           1.43 “Response Deadline” means 45 days after the Administrator mails Notice to Class  
16 Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax,  
17 email or mail Requests for Exclusion from the Settlement, or (b) fax, email or mail his, her, or their  
18 Objection to the Settlement. Class Members to whom Notice Packets are resent after having been  
19 returned undeliverable to the Administrator shall have an additional 15 calendar days beyond the  
20 Response Deadline has expired.

21           1.44 “Settlement” means the disposition of the Action effected by this Agreement and the  
22 Judgment.

23           1.45 “Workweek” means any week during which a Class Member worked for Defendants for  
24 at least one day, during the Class Period.

25 **2. RECITALS.**

26           2.1 On March 6, 2024, Plaintiffs commenced a class action by filing a Class Action Complaint  
27 For Damages alleging causes of action against Defendants for (1) Violation of Cal. Lab. Code §§ 1194,  
28 1197, and 1197.1 (Unpaid Minimum Wages); (2) Violation of Cal. Lab. Code §§ 510 and 1198

1 (Unpaid Overtime); (3) Violation of Cal. Lab. Code §§ 226.7 and 512(a) (Unpaid Meal Period  
2 Premiums); (4) Violation of Cal. Lab. Code § 226.7 (Unpaid Rest Period Premiums); (5) Violation of  
3 Cal. Lab. Code §§ 204 and 210 (Wages Not Timely Paid During Employment); (6) Violation of Cal.  
4 Lab. Code § 226(a) (Failure to Provide Accurate Wage Statements); (7) Violation of Cal. Lab. Code  
5 §§ 201, 202, and 203 (Untimely Final Wages); (8) Violation of Cal. Lab. Code §§ 2800 and 2802  
6 (Failure to Reimburse Necessary Business Expenses); and (9) Violation of Cal. Business &  
7 Professions Code §§ 17200, *et seq.* (the “ Class Action Complaint”).

8           2.2 On March 25, 2024, Plaintiff Velasquez filed a Complaint For Enforcement Action Under  
9 The Private Attorneys General Act, Cal. Labor Code §§ 2698, *et seq.* seeking civil penalties under the  
10 PAGA alleging (1) Violation of Cal. Lab. Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages);  
11 (2) Violation of Cal. Lab. Code §§ 510 and 1198 (Unpaid Overtime); (3) Violation of Cal. Lab. Code  
12 §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (4) Violation of Cal. Lab. Code § 226.7 (Unpaid  
13 Rest Period Premiums); (5) Violation of Cal. Lab. Code §§ 204 and 210 (Wages Not Timely Paid  
14 During Employment); (6) Violation of Cal. Lab. Code §§ 201, 202, and 203 (Untimely Final Wages);  
15 (7) Violation of Cal. Lab. Code § 226(a) (Failure to Provide Accurate Wage Statements); (8) Violation  
16 of Cal. Lab. Code § 1174(d) (Failure to Maintain Accurate Payroll Records); and (9) Violation of Cal.  
17 Lab. Code §§ 2800 and 2802 (Failure to Reimburse Necessary Business Expenses) (the “ PAGA  
18 Complaint”).

19           2.3 On November 6, 2025 Plaintiffs filed a First Amended Class and Representative Action  
20 Complaint (“Operative Complaint”), combining the claims in the Class Action Complaint and PAGA  
21 Complaint, and effectively consolidating both Actions into one, under the lead class action case (Los  
22 Angeles Superior Court Case No. 24STCV05682).

23           2.4 Defendants deny the allegations in the Actions and the Operative Complaint, deny any  
24 failure to comply with the laws identified in the Operative Complaint and deny any and all liability  
25 for the causes of action alleged.

26           2.5 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff Velasquez gave timely  
27 written notice to Defendants and the LWDA by sending the PAGA Notice.  
28

1           2.6 On October 2, 2024, the Parties participated in an all-day mediation presided over by  
2 Monique Ngo-Bonnici, Esq. The Parties did not reach a settlement during mediation. The Parties  
3 continued to engage in settlement negotiations after mediation, which led to this Agreement to settle  
4 the Actions.

5           2.7 Prior to mediation, Plaintiffs obtained, through informal discovery, information such as  
6 employee handbooks, payroll calendars, meal break waivers, meal break guidelines, job descriptions,  
7 timekeeping policies and procedures, and anonymized time and pay records for all putative class  
8 members. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in  
9 *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail,*  
10 *Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").<sup>2.8</sup> The Court has not granted class  
11 certification.

12           2.9 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any  
13 other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

14 **3. MONETARY TERMS.**

15           3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendants  
16 promise to pay \$650,000.00 and no more as the Gross Settlement Amount and to separately pay any  
17 and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments.  
18 Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the  
19 deadline stated in Paragraph 4.2 of this Agreement. The Administrator will disburse the entire Gross  
20 Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees  
21 to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to  
22 Defendants.

23           3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the  
24 following payments from the Gross Settlement Amount, in the amounts specified by the Court in the  
25 Final Approval:

26           3.2.1 **To Plaintiffs:** Class Representative Service Payments to each of the Class  
27 Representatives of not more than \$7,500.00 each (in addition to any Individual Class Payment and any  
28 Individual PAGA Payment the Class Representatives may be entitled to receive as a Participating

1 Class Member and/or Aggrieved Employee). Defendants will not oppose Plaintiffs' request for a Class  
2 Representative Service Payment that does not exceed this amount. As part of the motion for Class  
3 Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for  
4 any Class Representative Service Payments no later than 16 court days prior to the Final Approval  
5 Hearing. If the Court approves a Class Representative Service Payment less than the amount requested,  
6 the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay  
7 the Class Representative Service Payment using IRS Form 1099. Plaintiffs assume full responsibility  
8 and liability for employee taxes owed on the Class Representative Service Payment. This is not a  
9 material term of this Settlement, and any reduction by the Court of the requested Service Payment to  
10 Plaintiffs shall not be sufficient grounds to void the Settlement or appeal the Judgment.

11           **3.2.2 To Class Counsel:** A Class Counsel Fees Payment of not more than 35%, which  
12 is currently estimated to be \$227,500.00, and a Class Counsel Litigation Expenses Payment of not  
13 more than \$40,000.00. Defendants will not oppose requests for these payments provided that the  
14 payments do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class  
15 Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the  
16 Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel  
17 Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the  
18 remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or  
19 any other Plaintiffs' Counsel arising from any claim to any portion of any Class Counsel Fee Payment  
20 and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel  
21 Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class  
22 Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment  
23 and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies  
24 Defendants, from any dispute or controversy regarding any division or sharing of any of these  
25 Payments. This is not a material term of this Settlement, and any reduction by the Court of the  
26 requested Class Counsel Fees Payment Class Counsel Litigation Expenses Payment or shall not be  
27 sufficient grounds to void the Settlement or appeal the Judgment.

1                   **3.2.3 To the Administrator:** An Administrator Expenses Payment not to exceed  
2 \$10,900.00 except for a showing of good cause and as approved by the Court. To the extent the  
3 Administration Expenses are less or the Court approves payment less than \$10,900.00, the  
4 Administrator will retain the remainder in the Net Settlement Amount.

5                   **3.2.4 To Each Participating Class Member:** An Individual Class Payment calculated  
6 by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all  
7 Participating Class Members during the Class Period and (b) multiplying the result by each  
8 Participating Class Member's Workweeks.

9                   **3.2.4.1 Tax Allocation of Individual Class Payments.** One third (1/3) of each  
10 Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims  
11 (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an  
12 IRS W-2 Form. Two thirds (2/3) of each Participating Class Member's Individual Class Payment will  
13 be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-  
14 Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms.  
15 Participating Class Members assume full responsibility and liability for any employee taxes owed on  
16 their Individual Class Payment.

17                   **3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual**  
18 *Class Payments.* Non-Participating Class Members will not receive any Individual Class Payments.  
19 The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement  
20 Amount for distribution to Participating Class Members on a pro rata basis. Non-Participating Class  
21 Members are still subject to the release of Released PAGA Claims and will receive their Individual  
22 PAGA Payment.

23                   **3.2.5 To the LWDA and Aggrieved Employees:** PAGA Penalties in the amount of  
24 \$50,000.00 to be paid from the Gross Settlement Amount, with 75% (\$37,500.00) allocated to the  
25 LWDA PAGA Payment and 25% (\$12,500.00) allocated to the Individual PAGA Payments.

26                   **3.2.6** The Administrator will calculate each Individual PAGA Payment by (a) dividing  
27 the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$12,500.00) by the total  
28 number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period

1 and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved  
2 Employees assume full responsibility and liability for any taxes owed on their Individual PAGA  
3 Payment.

4 3.2.7 If the Court approves PAGA Penalties of less than the amount requested, the  
5 Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report  
6 the Individual PAGA Payments on IRS 1099 Forms.

#### 7 **4. SETTLEMENT FUNDING AND PAYMENTS.**

8 4.1 Class Data. Not later than 30 days after the Court grants Preliminary Approval of the  
9 Settlement, Defendants will simultaneously deliver the Class Data to the Administrator, in the form  
10 of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must  
11 maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for  
12 no other purpose, and restrict access to the Class Data to Administrator employees who need access  
13 to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to  
14 immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying  
15 information and to provide corrected or updated Class Data as soon as reasonably feasible. Without  
16 any extension of the deadline by which Defendants must send the Class Data to the Administrator, the  
17 Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise  
18 resolve any issues related to missing or omitted Class Data.

19 4.2 Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement  
20 Amount, and also fund the amounts necessary to fully pay Defendants' share of payroll taxes by  
21 transmitting the funds to the Administrator no later than 14 days after the Effective Date.

22 4.3 Payments from the Gross Settlement Amount. Within 14 days after Defendants fund the  
23 Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all  
24 Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the  
25 Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class  
26 Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel  
27 Litigation Expenses Payment and the Class Representative Service Payment shall not precede  
28 disbursement of Individual Class Payments and Individual PAGA Payments.

1                   4.3.1 The Administrator will issue checks for the Individual Class Payments and/or  
2 Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage  
3 prepaid. The face of each check shall prominently state the date (not less than 180 days after the date  
4 of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the  
5 void date. The Administrator will send checks for Individual Settlement Payments to all Participating  
6 Class Members (including those for whom Class Notice was returned undelivered). The Administrator  
7 will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-  
8 Participating Class Members who qualify as Aggrieved Employees (including those for whom Class  
9 Notice was returned undelivered). The Administrator may send Participating Class Members a single  
10 check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing  
11 any checks, the Settlement Administrator must update the recipients' mailing addresses using the  
12 National Change of Address Database.

13                   4.3.2 The Administrator must conduct a Class Member Address Search for all other  
14 Class Members whose checks are returned undelivered without United States Postal Service ("USPS")  
15 forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks  
16 to the USPS forwarding address provided or to an address ascertained through the Class Member  
17 Address Search. The Administrator need not take further steps to deliver checks to Class Members  
18 whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a  
19 replacement check to any Class Member whose original check was lost or misplaced, requested by the  
20 Class Member prior to the void date.

21                   4.3.3 For any Class Member whose Individual Class Payment check or Individual  
22 PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit  
23 the funds represented by such checks to the California Controller's Unclaimed Property Fund in the  
24 name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of Code  
25 of Civil Procedure section 384, subdivision (b).

26                   4.3.4 The payment of Individual Class Payments and Individual PAGA Payments shall  
27 not obligate Defendants to confer any additional benefits or make any additional payments to Class  
28 Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

1 **5. RELEASES OF CLAIMS.** Effective on the date when Defendants fully fund the entire Gross  
2 Settlement Amount and fund all employer payroll taxes owed on the Wage Portion of the Individual  
3 Class Payments, Plaintiffs, Class Members, Aggrieved Employees, the State of California with respect  
4 to the Aggrieved Employees, and Class Counsel will release claims against all Released Parties as  
5 follows:

6 5.1 Plaintiff He's Release. As to Plaintiff He's claims only, the Release of Claims further  
7 includes, without limitation, any and all claims and potential claims that may legally be waived by  
8 private agreement, whether known or unknown, which Plaintiff He has asserted or could assert against  
9 the Company arising out of or relating in any way to any acts, circumstances, facts, transactions, or  
10 omissions, occurring up to and including the date he signs this Agreement ("Plaintiff's Released  
11 Claims"). Plaintiff He understands that he is releasing such Plaintiff He's Released Claims on behalf  
12 of himself and all persons who could make Claims under, through or by Plaintiff He, such as Plaintiff  
13 He's spouse, heirs, executors or assignees. This release includes, but is not limited to, (i) any and all  
14 Claims arising under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, the Civil  
15 Rights Act of 1991, the Age Discrimination in Employment Act of 1967 (ADEA), the Family and  
16 Medical Leave Act (FMLA), the Employee Retirement Income Security Act (ERISA), the National  
17 Labor Relations Act (NLRA), the Pregnancy Discrimination Act, the Pregnant Workers Fairness Act  
18 (PWFA), the Worker Adjustment and Retraining Notification Act, the Americans with Disabilities  
19 Act (ADA), the Uniformed Services Employment and Reemployment Rights Act (USERRA), any  
20 amendments to such laws, any other federal, state, or local constitution, charter, law, rule, ordinance,  
21 regulation, or order; (ii) Claims based on veterans status; (iii) Claims in equity or under common law  
22 including but not limited to claims for tort, breach of contract (express or implied, written or oral),  
23 wrongful discharge, defamation, emotional distress, and negligence; (iv) all Claims made or which  
24 could have been made in civil action numbers 24STCV05682 and 24STCV07440 pending in the  
25 Superior Court of the State of California, County of Los Angeles.

26 Plaintiff He, for himself, has read Section 1542 of the Civil Code of the State of California,  
27 which provides as follows:

28 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE  
CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO**

1           **EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE**  
2           **RELEASE, AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE**  
3           **MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE**  
4           **DEBTOR OR RELEASED PARTY.**

5           Plaintiff He understands that Section 1542 gives the right not to release existing claims of which he is  
6           not now aware, unless Plaintiff He voluntarily chooses to waive this right. Having been so apprised,  
7           Plaintiff He nevertheless voluntarily waives the rights described in Section 1542, and elects to assume  
8           all risks for claims that now exist in his favor, known or unknown. The release of the claims of Plaintiff  
9           He as set forth in this Paragraph is a condition precedent to enforcement of this Agreement.

10           5.2     Plaintiff Velasquez's Release. Plaintiff Velasquez, without limitation, releases any and  
11           all claims and potential claims that may legally be waived by private agreement, whether known or  
12           unknown, which Plaintiff Velasquez has asserted or could assert against the Defendants in the Actions,  
13           including claims for unpaid wages (including premiums) or other compensation allegedly owed, or for  
14           damages, penalties, restitution, interest, liquidated damages, attorneys' fees, or costs, or any other  
15           recovery including under the California Labor Code and corresponding provisions of the California  
16           Code of Regulations, Title 8 and IWC Wage Orders, including, e.g., (1) Violation of Cal. Lab. Code  
17           §§ 1194, 1197, 1197.1 and 1194.2 (Unpaid Minimum Wages); (2) Violation of Cal. Lab. Code §§ 510,  
18           1198, and 1194 (Unpaid Overtime); (3) Violation of Cal. Lab. Code §§ 226.7 and 512(a) (Unpaid  
19           Meal Period Premiums); (4) Violation of Cal. Lab. Code § 226.7 (Unpaid Rest Period Premiums); (5)  
20           Violation of Cal. Lab. Code §§ 204 and 210 (Wages Not Timely Paid During Employment); (6)  
21           Violation of Cal. Lab. Code § 226(a) (Failure to Provide Accurate Wage Statements); (7) Violation of  
22           Cal. Lab. Code §§ 201, 202, and 203 (Untimely Final Wages); (8) Violation of Cal. Lab. Code §§  
23           2800 and 2802 (Failure to Reimburse Necessary Business Expenses); and (9) Violation of Cal.  
24           Business & Professions Code §§ 17200, *et seq.* In addition, to the greatest extent permitted by law,  
25           Plaintiff Velasquez individually and on behalf of herself freely, knowingly and voluntarily releases  
26           and forever discharges Defendants and the Released Parties of and from all manner of actions, suits,  
27           claims, damages, liabilities, penalties, arbitrations, charges, claims for attorneys' fees, interest,  
28           expenses and costs, judgments, awards, orders, executions or demands of any nature whatsoever,  
              whether known or unknown, suspected or unsuspected, against them or any of them, which Plaintiff

1 Velasquez ever had, now has, or which Plaintiff Velasquez or her heirs, assigns, executors or  
2 administrators hereafter can, shall or may have arising under the California Private Attorneys General  
3 Act (California Labor Code section 2698 et seq.) which includes but is not limited to claims brought  
4 under the PAGA predicated upon California Labor Code Sections 201, 202, 203, 204, 210, 218.5, 226,  
5 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2800, 2802, relevant sections of  
6 the applicable Industrial Welfare Commission Wage Order, and/or any other California Labor Code  
7 provisions that could have been asserted under the PAGA in connection with the Actions and/or PAGA  
8 Notice, including but not limited to any claims for penalties, wages, interest and/or attorneys' fees and  
9 costs thereon, for the entire period of her employment and through the date of Preliminary Approval  
10 of this Agreement. Collectively, the claims released in this paragraph shall be known as "Velasquez  
11 Released Claims." All such Velasquez Released Claims (including, without limitation, claims for  
12 related attorneys' fees and costs) are forever barred by this Agreement regardless of the forum in which  
13 they may be brought.

14 Plaintiff Velasquez, for herself, has read Section 1542 of the Civil Code of the State of  
15 California, which provides as follows:

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

22 Plaintiff Velasquez understands that Section 1542 gives the right not to release existing claims of  
23 which she is not now aware, unless Plaintiff Velasquez voluntarily chooses to waive this right as to  
24 the Velasquez Released Claims. Having been so apprised, Plaintiff Velasquez nevertheless voluntarily  
25 waives the rights described in Section 1542 as to the Velasquez Released Claims, and elects to assume  
26 all risks for claims that now exist in her favor, known or unknown. The release of the claims of Plaintiff  
27 Velasquez as set forth in this Paragraph is a condition precedent to enforcement of this Agreement.

28 **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 Released Parties from (i) all claims that were alleged,  
or reasonably could have been alleged, based on the Class Period facts stated in the Operative

1 Complaint and ascertained in the course of the Actions for unpaid wages (including premiums) or  
2 other compensation allegedly owed, or for damages, penalties, restitution, interest, liquidated  
3 damages, attorneys' fees, or costs, or any other recovery including under the California Labor Code  
4 and corresponding provisions of the California Code of Regulations, Title 8 and IWC Wage Orders,  
5 including, e.g., (1) Violation of Cal. Lab. Code §§ 1194, 1197, 1197.1 and 1194.2 (Unpaid Minimum  
6 Wages); (2) Violation of Cal. Lab. Code §§ 510, 1198, and 1194 (Unpaid Overtime); (3) Violation of  
7 Cal. Lab. Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (4) Violation of Cal. Lab. Code  
8 § 226.7 (Unpaid Rest Period Premiums); (5) Violation of Cal. Lab. Code §§ 204 and 210 (Wages Not  
9 Timely Paid During Employment); (6) Violation of Cal. Lab. Code § 226(a) (Failure to Provide  
10 Accurate Wage Statements); (7) Violation of Cal. Lab. Code §§ 201, 202, and 203 (Untimely Final  
11 Wages); (8) Violation of Cal. Lab. Code §§ 2800 and 2802 (Failure to Reimburse Necessary Business  
12 Expenses); and (9) Violation of Cal. Business & Professions Code §§ 17200, *et seq.* ("Released Class  
13 Claims"). Except as set forth in Section 5.4 of this Agreement, Participating Class Members do not  
14 release any other claims, including claims for vested benefits, wrongful termination, violation of the  
15 Fair Employment and Housing Act, unemployment insurance, disability, social security, workers'  
16 compensation or claims based on facts occurring outside the Class Period.

17       5.4 Release by Plaintiffs, Aggrieved Employees, and the State of California: Plaintiff  
18 Velasquez, individually and as the representative acting as proxy or agent of the LWDA, a State of  
19 California Executive Branch Agency, and Aggrieved Employees, in the Actions, are deemed to  
20 release, on behalf of themselves and their respective former and present representatives, agents,  
21 attorneys, heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA  
22 penalties under Labor Code section 2698 *et seq.* that were alleged, or reasonably could have been  
23 alleged, based on the PAGA Period facts stated in the Operative Complaint, the PAGA Notice, and  
24 ascertained in the course of the Actions, including, e.g., under Labor Code sections 201, 202, 203,  
25 204, 210, 218.5, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2800,  
26 2802, and all applicable IWC Wage Orders ("Released PAGA Claims"). The express purpose of this  
27 Agreement and the Judgment to be entered by the Court following approval of this settlement is to  
28 forever bar Plaintiffs, the LWDA, and any other individual or entity acting on behalf of or purporting

1 to act on behalf of the LWDA (including all Aggrieved Employees) from asserting any of the Released  
2 PAGA Claims in any future litigation. It is the intent of the Parties that, to the greatest extent provided  
3 by law, including under the holding of *Arias v. Superior Court*, 46 Cal. 4th 969, 986 (2009), the ability  
4 of Plaintiffs, the State of California or any Aggrieved Employee to bring a PAGA claim on behalf of  
5 the LWDA based on the Released PAGA Claims for the PAGA Period is completely and forever  
6 foreclosed. All Aggrieved Employees, including Non-Participating Class Members, are to be bound  
7 by the PAGA portion of this Settlement upon its approval by the Court, regardless of whether he or  
8 she negotiates (i.e. cashes or deposits) his or her Individual PAGA Payment.

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

12 6.1 Defendants’ Declaration in Support of Preliminary Approval. Within 30 days of the full  
13 execution of this Agreement, Defendants will prepare and deliver to Class Counsel a signed  
14 Declaration from Defendants and Defense Counsel disclosing all facts relevant to any actual or  
15 potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and  
16 Defendants shall aver that they are not aware of any other pending matter or action asserting claims  
17 that will be extinguished or adversely affected by the Settlement.

18 6.2 Plaintiffs’ Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all  
19 documents necessary for obtaining Preliminary Approval at least seven (7) days before filing,  
20 including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary  
21 Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of  
22 the PAGA Settlement under Labor Code section 2699, subdivision (f)(2); (ii) a draft proposed Order  
23 Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice;  
24 (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the  
25 Settlement and attesting to its willingness to serve; competency; operative procedures for protecting  
26 the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or  
27 other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members;  
28 and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense

1 Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and  
2 disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or  
3 the Administrator; (vi) a signed declaration from each Class Counsel firm attesting to its competency  
4 to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA  
5 documents (initial notice of violations (Lab. Code, § 2699.3, subd. (a))), Operative Complaint (Lab.  
6 Code, § 2699, subd. (1)(1)), this Agreement (Lab. Code, § 2699, subd. (1)(2)); (vii) a redlined version  
7 of the Parties' Agreement showing all modifications made to the Model Agreement ready for filing  
8 with the Court; and (viii) all facts relevant to any actual or potential conflict of interest with Class  
9 Members and/or the Administrator. In their Declarations, Plaintiffs and Class Counsel Declaration  
10 shall aver that they are not aware of any other pending matter or action asserting claims that will be  
11 extinguished or adversely affected by the Settlement.

12         6.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for  
13 expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the  
14 full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary  
15 Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval.  
16 Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

17         6.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for  
18 Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense  
19 Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone,  
20 and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or  
21 conditions Preliminary Approval on any material change to this Agreement, Class Counsel and  
22 Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by  
23 telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

## 24 **7. SETTLEMENT ADMINISTRATION.**

25         7.1 Selection of Administrator. The Parties have jointly selected Apex Class Action to serve  
26 as the Administrator and verified that, as a condition of appointment, Apex Class Action agrees to be  
27 bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in  
28 exchange for payment of Administration Expenses. The Parties and their Counsel represent that they

1 have no interest or relationship, financial or otherwise, with the Administrator other than a professional  
2 relationship arising out of prior experiences administering settlements.

3 7.2 Employer Identification Number. The Administrator shall have and use its own Employer  
4 Identification Number for purposes of calculating payroll tax withholdings and providing reports state  
5 and federal tax authorities.

6 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets  
7 the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-  
8 1.

9 7.4 Notice to Class Members.

10 7.4.1 No later than 3 business days after receipt of the Class Data, the Administrator  
11 shall notify Class Counsel that the list has been received and state the number of Class Members,  
12 PAGA Members, Workweeks and Pay Periods in the Class Data.

13 7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14  
14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the  
15 Class Data, via first-class USPS mail, the Class Notice with Spanish translation, substantially in the  
16 form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently  
17 estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment  
18 payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable)  
19 used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class  
20 Member addresses using the National Change of Address database.

21 7.4.3 Not later than 3 business days after the Administrator’s receipt of any Class  
22 Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using  
23 any forwarding address provided by the USPS. If the USPS does not provide a forwarding address,  
24 the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the  
25 most current address obtained. The Administrator has no obligation to make further attempts to locate  
26 or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

27 7.4.4 The deadlines for Class Members’ written objections, Challenges to Workweeks  
28 and/or Pay Periods and Requests for Exclusion will be extended an additional 15 days beyond the 45

1 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The  
2 Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

3 7.4.5 If the Administrator, Defendants, or Class Counsel is contacted by or otherwise  
4 discovers any persons who believe they should have been included in the Class Data and should have  
5 received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and  
6 in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree,  
7 such persons will be Class Members entitled to the same rights as other Class Members, and the  
8 Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise  
9 options under this Agreement not later than 15 days after receipt of Class Notice, or the deadline dates  
10 in the Class Notice, which ever are later.

11 7.5 Requests for Exclusion (Opt-Outs).

12 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement  
13 must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later  
14 than 45 days after the Administrator mails the Class Notice (plus an additional 15 days for Class  
15 Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member  
16 or his/her/their representative that reasonably communicates the Class Member's election to be  
17 excluded from the Settlement and includes the Class Member's name, address and email address or  
18 telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked  
19 by the Response Deadline. Class Members who are also Aggrieved Employees cannot opt out of the  
20 PAGA portion of this Settlement.

21 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it  
22 fails to contain all the information specified in the Class Notice. The Administrator shall accept any  
23 Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person  
24 as a Class Member and the Class Member's desire to be excluded. The Administrator's determination  
25 shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason  
26 to question the authenticity of a Request for Exclusion, the Administrator may demand additional  
27 proof of the Class Member's identity. The Administrator's determination of authenticity shall be final  
28 and not appealable or otherwise susceptible to challenge.

1           7.5.3 Every Class Member who does not submit a timely and valid Request for  
2 Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits  
3 and bound by all terms and conditions of the Settlement, including the Participating Class Members'  
4 Releases under Paragraphs 5.3 and 5.4 of this Agreement, regardless of whether the Participating Class  
5 Member actually receives the Class Notice or objects to the Settlement.

6           7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a  
7 Non-Participating Class Member and shall not receive an Individual Class Payment or have the right  
8 to object to the class action components of the Settlement. Because future PAGA claims are subject  
9 to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved  
10 Employees are deemed to release the claims identified in Paragraph 5.4 of this Agreement and are  
11 eligible for an Individual PAGA Payment even if they submit a Request for Exclusion.

12           7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 45 days after the  
13 Administrator mails the Class Notice (plus an additional 15 days for Class Members whose Class  
14 Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any)  
15 allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation  
16 by communicating with the Administrator via fax, email or mail. The Administrator must encourage  
17 the challenging Class Member to submit supporting documentation. In the absence of any contrary  
18 documentation, the Administrator is entitled to presume that the Workweeks contained in the Class  
19 Notice are correct so long as they are consistent with the Class Data. The Administrator's  
20 determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and  
21 not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies  
22 of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class  
23 Counsel and the Administrator's determination the challenges.

24           7.7 Objections to Settlement.

25           7.7.1 Only Participating Class Members may object to the class action components of  
26 the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or  
27 amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment  
28 and/or Class Representative Service Payment.

1                   7.7.2 Participating Class Members may send written objections to the Administrator by  
2 fax, email or mail. In the alternative, Participating Class Members may appear in Court (or hire an  
3 attorney to appear in Court) to present oral objections at the Final Approval Hearing. A Participating  
4 Class Member who elects to send a written objection to the Administrator must do so not later than 45  
5 days after the Administrator’s mailing of the Class Notice (plus an additional 15 days for Class  
6 Members whose Class Notice was re-mailed).

7                   7.7.3 Non-Participating Class Members have no right to object to any of the class action  
8 components of the Settlement.

9                   7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be  
10 performed or observed by the Administrator contained in this Agreement or otherwise.

11                   7.8.1 **Website, Email Address and Toll-Free Number**. The Administrator will  
12 establish and maintain and use an internet website to post information of interest to Class Members  
13 including the date, time and location for the Final Approval Hearing and copies of the Settlement  
14 Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion  
15 for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses  
16 Payment and Class Representative Service Payment, the Final Approval and the Judgment. The  
17 Administrator will also maintain and monitor an email address and a toll-free telephone number to  
18 receive Class Member calls, faxes and emails.

19                   7.8.2 **Requests for Exclusion (Opt-outs) and Exclusion List**. The Administrator will  
20 promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5  
21 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall  
22 email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying  
23 information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion  
24 List”); (b) the names and other identifying information of Class Members who have submitted invalid  
25 Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether  
26 valid or invalid).

27                   7.8.3 **Weekly Reports**. The Administrator must, on a weekly basis, provide written  
28 reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class

1 Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether  
2 valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received  
3 and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments  
4 (“Weekly Report”). The Weekly Reports must include provide the Administrator’s assessment of the  
5 validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections  
6 received.

7 **7.8.4 Workweek and/or Pay Period Challenges.** The Administrator has the authority  
8 to address and make final decisions consistent with the terms of this Agreement on all Class Member  
9 challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall  
10 be final and not appealable or otherwise susceptible to challenge.

11 **7.8.5 Administrator’s Declaration.** Not later than 14 days before the date by which  
12 Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will  
13 provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court  
14 attesting to its due diligence and compliance with all of its obligations under this Agreement,  
15 including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered,  
16 the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for  
17 Exclusion from Settlement it received (both valid or invalid), the number of written objections and  
18 attach the Exclusion List. The Administrator will supplement its declaration as needed or requested  
19 by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s  
20 declaration(s) in Court.

21 **7.8.6 Final Report by Settlement Administrator.** Within 10 days after the  
22 Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide  
23 Class Counsel and Defense Counsel with a final report detailing its disbursements by employee  
24 identification number only of all payments made under this Agreement. At least 15 days before any  
25 deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense  
26 Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments  
27 required under this Agreement. Class Counsel is responsible for filing the Administrator’s declaration  
28 in Court.

1 **8. DEFENDANTS' RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion  
2 identified in the Exclusion List exceeds 5% of the total of all Class Members, Defendants may, but  
3 are not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendants  
4 withdraw, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither  
5 Party will have any further obligation to perform under this Agreement; provided, however,  
6 Defendants will remain responsible for paying all Settlement Administration Expenses incurred to that  
7 point. Defendants must notify Class Counsel and the Court of its election to withdraw not later than 7  
8 days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have  
9 no effect.

10 **9. MOTION FOR FINAL APPROVAL.**

11 9.1 This Agreement is contingent upon an order by the Court granting Final Approval of the  
12 Settlement as agreed upon with respect to all material terms, that the LWDA does not intervene and/or  
13 object to the Settlement and that this Agreement becomes Effective, as defined in Paragraph 1.18,  
14 above. Material terms include the definition of Aggrieved Employee (Paragraph 1.4), the definition  
15 of Class (Paragraph 1.5), the definition of Class Period (Paragraph 1.12), the definition of Effective  
16 Date (Paragraph 1.18), the definition of Gross Settlement Amount (Paragraph 3.1), the definition of  
17 PAGA Period (Paragraph 1.31), the definition of Released Class Claims (Paragraphs 1.39 and 5.3),  
18 the definition of Released PAGA Claims (Paragraphs 1.40 and 5.4), the definition of Released Parties  
19 (Paragraph 1.41), and Plaintiff He's Release (Paragraph 5.1). In the event it becomes impossible to  
20 secure approval of the Settlement by the Court and the LWDA or the Agreement does not become  
21 Effective as to the material terms herein, the Parties shall be restored to their respective positions in  
22 the Action prior to entry of this Settlement. If this Settlement Agreement is voided, not approved by  
23 the Court or approval is reversed on appeal, it shall have no force or effect and no Party shall be bound  
24 by its terms except to the extent: (a) the Court reserves any authority to issue any appropriate orders  
25 when denying approval; and/or (b) there are any terms and conditions in this Settlement Agreement  
26 specifically stated to survive the Settlement Agreement being voided or not approved, and which  
27 control in such an event.  
28

1           9.2 Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will  
2 file in Court, a motion for final approval of the Settlement that includes a request for approval of the  
3 PAGA settlement under Labor Code section 2699, subdivision (l), a Proposed Final Approval Order  
4 and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiffs shall provide drafts of  
5 these documents to Defense Counsel not later than 7 days prior to filing the Motion for Final Approval.  
6 Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and  
7 in good faith, to resolve any disagreements concerning the Motion for Final Approval.

8           9.3 Response to Objections. Each Party retains the right to respond to any objection raised by  
9 a Participating Class Member, including the right to file responsive documents in Court no later than  
10 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

11           9.4 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval  
12 on any material change to the Settlement (including, but not limited to, the scope of release to be  
13 granted by Class Members), the Parties will expeditiously work together in good faith to address the  
14 Court’s concerns by revising the Agreement as necessary to obtain Final Approval. The Court’s  
15 decision to award less than the amounts requested for the Class Representative Service Payment, Class  
16 Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses  
17 Payment shall not constitute a material modification to the Agreement within the meaning of this  
18 paragraph.

19           9.5 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the  
20 Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i)  
21 enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters and (iii)  
22 addressing such post-Judgment matters as are permitted by law.

23           9.6 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and  
24 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class  
25 Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their respective counsel  
26 and all Participating Class Members who did not object to the Settlement as provided in this  
27 Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and  
28 appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary

1 writs and appeals. The waiver of appeal does not include any waiver of the right to oppose such  
2 motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform  
3 under this Agreement will be suspended until such time as the appeal is finally resolved and the  
4 Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement  
5 Amount.

6 9.7 Appellate Court Orders to Vacate, Reverse or Materially Modify Judgment. If the  
7 reviewing Court vacates, reverses or modifies the Judgment in a manner that requires a material  
8 modification of this Agreement (including, but not limited to, the scope of release to be granted by  
9 Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously  
10 work together in good faith to address the appellate court's concerns and to obtain Final Approval and  
11 entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably  
12 incurred after remittitur. An appellate decision to vacate, reverse or modify the Court's award of the  
13 Class Representative Service Payment or any payments to Class Counsel shall not constitute a material  
14 modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement  
15 Amount remains unchanged.

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

19 11. **ADDITIONAL PROVISIONS.**

20 11.1 No Admission of Liability, Class Certification or Representative Manageability for Other  
21 Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing  
22 in this Agreement is intended or should be construed as an admission by Defendants that any of the  
23 allegations in the Operative Complaint and/or PAGA Complaint have merit or that Defendants have  
24 any liability for any claims asserted; nor should it be intended or construed as an admission by  
25 Plaintiffs that Defendants' defenses in the Action have merit. The Parties agree that class certification  
26 and representative treatment is for purposes of this Settlement only. If, for any reason the Court does  
27 grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the right to contest  
28 certification of any class for any reasons, and Defendants reserve all available defenses to the claims

1 in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available  
2 and to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle  
3 the Action will have no bearing on, and will not be admissible in connection with, any litigation  
4 (except for proceedings to enforce or effectuate the Settlement and this Agreement).

5       11.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendants, and  
6 Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is  
7 filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another  
8 person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly,  
9 specifically or generally, to any person, corporation, association, government agency or other entity  
10 except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep  
11 this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report  
12 income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response  
13 to an inquiry or subpoena issued by a state or federal government agency. After the Motion for  
14 Preliminary Approval of Settlement is filed, Class Counsel and Plaintiffs agree not to publicize the  
15 terms of this Settlement with the media, including but not limited to, any newspaper, journal,  
16 magazine, website, online reporter of settlements or on any website, and/or in social media. Class  
17 Counsel may, however, use the factual information about this case, including but not limited to the  
18 amount and case name(s) and number(s), in any future motion practice in court. Each Party agrees to  
19 notify each other Party, within three business days, of any judicial or agency order, inquiry, or  
20 subpoena seeking such information. Plaintiff, Class Counsel, Defendants, and Defense Counsel  
21 separately agree not to, directly or indirectly, initiate any conversation or other communication, before  
22 the filing of the Motion for Preliminary Approval, with any third-party regarding this Agreement or  
23 the matters giving rise to this Agreement except to respond only that "the matter was resolved," or  
24 words to that effect. This paragraph does not restrict Class Counsel's communications with Class  
25 Members in accordance with Class Counsel's ethical obligations owed to Class Members.

26       11.3 No Solicitation. The Parties separately agree that they and their respective counsel and  
27 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from  
28 the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to

1 communicate with Class Members in accordance with Class Counsel's ethical obligations owed to  
2 Class Members.

3 11.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement  
4 together with its attached exhibits shall constitute the entire agreement between the Parties relating to  
5 the Settlement, superseding any and all oral representations, warranties, covenants or inducements  
6 made to or by any Party.

7 11.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and  
8 represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate  
9 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its  
10 terms, and to execute any other documents reasonably required to effectuate the terms of this  
11 Agreement including any amendments to this Agreement.

12 11.6 Cooperation. The Parties and their counsel will cooperate with each other and use their  
13 best efforts, in good faith, to implement the Settlement by, among other things, modifying the  
14 Settlement Agreement, submitting supplemental evidence and supplementing points and authorities  
15 as requested by the Court. In the event the Parties are unable to agree upon the form or content of any  
16 document necessary to implement the Settlement, or on any modification of the Agreement that may  
17 become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or  
18 the Court for resolution.

19 11.7 No Prior Assignments. The Parties separately represent and warrant that they have not  
20 directly or indirectly assigned, transferred, encumbered or purported to assign, transfer or encumber  
21 to any person or entity and portion of any liability, claim, demand, action, cause of action or right  
22 released and discharged by the Party in this Settlement.

23 11.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendants, nor Defense Counsel are  
24 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon  
25 as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as  
26 amended) or otherwise.

1           11.9 Modification of Agreement. This Agreement, and all parts of it, may be amended,  
2 modified, changed or waived only by an express written instrument signed by all Parties or their  
3 representatives and approved by the Court.

4           11.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to  
5 the benefit of, the successors of each of the Parties.

6           11.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be  
7 governed by and interpreted according to the internal laws of the State of California, without regard  
8 to conflict of law principles.

9           11.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of  
10 this Agreement. This Agreement will not be construed against any Party on the basis that the Party  
11 was the drafter or participated in the drafting.

12           11.13 Confidentiality. To the extent permitted by law, all agreements made and orders entered  
13 during Action and in this Agreement relating to the confidentiality of information shall survive the  
14 execution of this Agreement.

15           11.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to  
16 Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class  
17 Counsel by Defendants in connection with the mediation, other settlement negotiations, or in  
18 connection with the Settlement, may be used only with respect to this Settlement, and no other purpose,  
19 and may not be used in any way that violates any existing contractual agreement, statute or California  
20 Rules of Court rule. Not later than 90 days after the date when the Court discharges the Administrator's  
21 obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall  
22 destroy all paper and electronic versions of Class Data received from Defendants unless, prior to the  
23 Court's discharge of the Administrator's obligation, Defendants make a written request to Class  
24 Counsel for the return, rather than the destruction, of Class Data.

25           11.15 Headings. The descriptive heading of any section or paragraph of this Agreement is  
26 inserted for convenience of reference only and does not constitute a part of this Agreement.

1           11.16 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall  
2 be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend  
3 or federal legal holiday, such date or deadline shall be on the first business day thereafter.

4           11.17 Notice. All notices, demands or other communications between the Parties in connection  
5 with this Agreement will be in writing and deemed to have been duly given as of the third business  
6 day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

7                   To Plaintiffs:

8                   Jonathan M. Genish  
9                   jgenish@blackstonepc.com  
10                  Barbara DuVan-Clarke  
11                  BDC@blackstonepc.com  
12                  Danielle GruppChang  
13                  dgruppchang@blackstonepc.com  
14                  P.J. Van Ert  
15                  pjvanert@blackstonepc.com  
16                  Annabel Blanchard  
17                  ablanchard@blackstonepc.com  
18                  BLACKSTONE LAW, APC  
19                  8383 Wilshire Blvd., Suite 745  
20                  Beverly Hills, California 90211  
21                  Telephone: 310.622.4278

22                   To Defendants:

23                   Rachael S. Lavi  
24                   rlavi@littler.com  
25                   Grace L. Waddell  
26                   gwaddell@littler.com  
27                   LITTLER MENDELSON, P.C.  
28                   2049 Century Park East  
                    5th Floor  
                    Los Angeles, California 90067  
                    Telephone: 310.553.0308

29           11.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts  
30 by facsimile, electronically (i.e., DocuSign), or email which for purposes of this Agreement shall be  
31 accepted as an original. All executed counterparts and each of them will be deemed to be one and the  
32 same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any  
33 executed counterpart will be admissible in evidence to prove the existence and contents of this  
34 Agreement.

35           11.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the  
36 litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree  
37  
38

1 that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 to  
2 extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire  
3 period of this settlement process.

4  
5 Dated: November 2, 2025

*Daniel He*

7  
8 Daniel He  
Plaintiff

9  
10 Dated: November \_\_\_\_, 2025

11  
12 Jonelle Velasquez  
Plaintiff

13  
14 Dated: November 6, 2025

15  
16   
17 Jonathan M. Genish  
18 Barbara DuVan-Clarke  
Danielle GruppChang  
P.J. Van Ert  
Annabel Blanchard  
Attorneys for Plaintiffs

19 Dated: November \_\_\_\_, 2025

20  
21 Michael Freed, Chief Executive Officer  
22 For Defendants, Bay Photo Lab, Inc. and Circle  
Graphics, Inc.

23 Dated: November \_\_\_\_, 2025

LITTLER MENDELSON P.C.

24  
25  
26 Rachael S. Lavi  
27 Grace L. Waddell  
Attorneys for Defendants  
28

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3 period of this settlement process.  
4

5 Dated: November \_\_\_, 2025

7 \_\_\_\_\_  
8 Daniel He  
9 Plaintiff

10 Dated: November 6, 2025

11   
12 \_\_\_\_\_  
13 Jonelle Velasquez  
14 Plaintiff

15 Dated: November \_\_\_, 2025

16 \_\_\_\_\_  
17 Jonathan M. Genish  
18 Barbara DuVan-Clarke  
19 Danielle GruppChang  
20 P.J. Van Ert  
21 Annabel Blanchard  
22 Attorneys for Plaintiffs

23 Dated: November \_\_\_, 2025

24 \_\_\_\_\_  
25 Michael Freed, Chief Executive Officer  
26 For Defendants, Bay Photo Lab, Inc. and Circle  
27 Graphics, Inc.

28 Dated: November \_\_\_, 2025

LITTLER MENDELSON P.C.

\_\_\_\_\_

Rachael S. Lavi  
Grace L. Waddell  
Attorneys for Defendants

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2 extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire  
3 period of this settlement process.

4  
5 Dated: November \_\_, 2025

6  
7 \_\_\_\_\_  
8 Daniel He  
9 Plaintiff

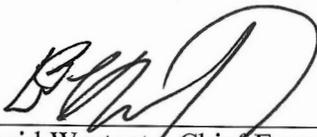
10 Dated: November \_\_, 2025

11  
12 \_\_\_\_\_  
13 Jonelle Velasquez  
14 Plaintiff

15 Dated: November \_\_, 2025

16 \_\_\_\_\_  
17 Jonathan M. Genish  
18 Barbara DuVan-Clarke  
19 Danielle GruppChang  
20 P.J. Van Ert  
21 Annabel Blanchard  
22 Attorneys for Plaintiffs

23 Dated: November 10, 2025

24  
25   
26 \_\_\_\_\_  
27 David Westgate, Chief Executive Officer  
28 For Defendants, Bay Photo Lab, Inc. and Circle  
Graphics, Inc.

Dated: November 10, 2025

LITTLER MENDELSON P.C.  
  
  
\_\_\_\_\_  
Rachael S. Lavi  
Grace L. Waddell  
Attorneys for Defendants

## **EXHIBIT A**

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

***Daniel He and Jonelle Velasquez v. Bay Photo Lab, Inc. and Circle Graphics, Inc.***  
**Superior Court of California for the County of Los Angeles, Case No. 24STCV05682**

**PLEASE READ THIS CLASS NOTICE CAREFULLY.**

**You have received this Class Notice because Defendants’ records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.**

**You do not need to take any action to receive a settlement payment.**

**This Class Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Workweeks and/or Pay Periods that you are credited with, if you so choose.**

**YOU ARE NOTIFIED THAT:** A class and representative action settlement has been reached between Plaintiffs Daniel He and Jonelle Velasquez (“Plaintiffs”) and Defendants Bay Photo Lab, Inc. and Circle Graphics, Inc. (“Defendants”) (Plaintiffs and Defendants are collectively referred to as the “Parties”) in the case entitled *Daniel He and Jonelle Velasquez v. Bay Photo Lab, Inc. et al.*, Los Angeles County Superior Court, Case No. 24STCV05682 (“Action”), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] (“Final Approval Hearing”) to determine whether or not the Court should grant final approval of the settlement.

**I. IMPORTANT DEFINITIONS**

“Class” or “Class Member(s)” means all current and former hourly paid and/or non-exempt employees who worked for Bay Photo Lab, Inc. in California during the Class Period.

“Class Period” means the period from November 19, 2021 through January 1, 2025.

“Class Settlement” means the settlement and resolution of all Released Class Claims.

“Aggrieved Employee(s)” means all current and former hourly paid and/or non-exempt employees who worked for Bay Photo Lab, Inc. in California during the PAGA Period.

“PAGA Period” means the period from January 17, 2023 through January 1, 2025.

“PAGA Settlement” means the settlement and resolution of all Released PAGA Claims.

**II. BACKGROUND OF THE ACTION**

On January 17, 2024, Plaintiff Velasquez provided written notice to the California Labor and Workforce Development Agency (“LWDA”) and Defendants of the specific provisions of the California Labor Code that Plaintiffs contend were violated (“PAGA Letter”). On March 6, 2024, Plaintiffs commenced a putative class action lawsuit by filing a Class Action Complaint for Damages in the Action (“Class Action Complaint”). On March 25, 2024, Plaintiff Velasquez filed a Complaint for Enforcement Action Under the Private Attorneys General Act, Cal. Labor Code §§ 2698, et seq. (“PAGA Complaint”). On November , 2025, Plaintiffs filed a First Amended Class and Representative Action Complaint in the Action, effectively consolidating the PAGA claims with the class action claims in the Action (“Operative Complaint”).

Plaintiffs contend that Defendants failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated waiting-time penalties, provide accurate wage statements, and reimburse business expenses, and thereby engaged in unfair business practices in violation of the California Business and Professions Code section 17200, et seq., and conduct that gives rise to penalties under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698, et seq. (“PAGA”). Plaintiffs seek, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys’ fees and costs.

Defendants deny all of the allegations in the Action or that it violated any law.

The Parties participated in mediation with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into a Joint Stipulation of Class Action and PAGA Settlement Agreement (“Settlement” or “Settlement Agreement”).

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Apex Class Action as the administrator of the Settlement (“Settlement Administrator”), Plaintiffs Daniel He and Jonelle Velasquez as representatives of the Class (“Class Representatives”), and the following Plaintiffs’ attorneys as counsel for the Class (“Class Counsel”):

Jonathan M. Genish  
Barbara DuVan-Clarke  
Danielle GruppChang  
P.J. Van Ert  
Annabel Blanchard  
**Blackstone Law, APC**  
8383 Wilshire Boulevard, Suite 745  
Beverly Hills, California 90211  
Tel: (310) 622-4278 / Fax: (855) 786-6356

If you are a Class Member, you need not take any action to receive an Individual Class Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Class Payment), object to the Class Settlement, and/or dispute the Workweeks and/or PAGA Pay Periods credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are an Aggrieved Employee, you do not need to take any action to receive an Individual PAGA Payment; you will not have the opportunity to object or seek exclusion from the PAGA Settlement and all Aggrieved Employees will be bound to the PAGA Settlement if the Court grants final approval of the Settlement.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendants that the claims in the Action have merit or that Defendants have any liability to Plaintiffs, Class Members, or Aggrieved Employees. Plaintiffs and Defendants, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, the State of California, and Aggrieved Employees.

### **III. SUMMARY OF THE PROPOSED SETTLEMENT**

#### **A. Settlement Formula**

The total gross settlement amount is Six Hundred Fifty Thousand Dollars (\$650,000) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys’ fees, in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$227,500), and reimbursement of litigation costs and expenses, in an amount not to exceed Forty Thousand Dollars (\$40,000) to Class Counsel; (2) Class Representative Service Payments in an amount not to exceed Seven Thousand Five Hundred Dollars (\$7,500) to each Plaintiff (for a total of \$15,000) for their services in the Action; (3) the amount of Fifty Thousand Dollars (\$50,000) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Amount”), of which the LWDA will be paid 75% (\$37,500) (“LWDA Payment”) and the remaining 25% (\$12,500) will be distributed to PAGA Employees (“PAGA Employee Amount”); and (4) Settlement Administration Costs in an amount not to exceed Ten Thousand Nine Hundred Dollars (\$10,900) to the Settlement Administrator.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Class Share”) based on the number of weeks each Class Member worked for Defendants for at least one day, during the Class Period (“Workweeks”). The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members and has multiplied each Class Member’s individual Workweeks by the result, in

order to yield an estimated Individual Class Share that each Class Member may be entitled to receive under the Class Settlement (which is listed in Section III.C below). Class Members who do not submit a timely and valid Request for Exclusion (“Participating Class Members”) will be issued their final Individual Class Payment.

Each Individual Class Share will be allocated as one-third (1/3) as wages, which will be reported on an IRS Form W-2, and two-thirds (2/3) as penalties and interest, which will be reported on an IRS Form 1099 (if applicable). Each Individual Class Share will be subject to reduction for the employee’s share of payroll taxes and withholdings with respect to the wages portion of the Individual Class Shares resulting in a net payment to the Participating Class Member (“Individual Class Payment”). The employer’s share of taxes and contributions in connection with the wages portion of Individual Class Payments (“Employer Taxes”) will be paid by Defendants separately and in addition to the Gross Settlement Amount.

Aggrieved Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the PAGA Employee Amount (“Individual PAGA Payment”) based on the number of pay periods each Aggrieved Employee worked for Defendants for at least one day during the PAGA Period (“Pay Periods”). The Settlement Administrator had divided the PAGA Employee Amount, i.e., 25% of the PAGA Penalties, by the Pay Periods of all Aggrieved Employees and multiplied each Aggrieved Employee’s individual Pay Periods by the result, to yield each Aggrieved Employee’s Individual PAGA Payment.

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject to taxes or withholdings, and will be reported on IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Class Payments will be mailed to Participating Class Members and Individual PAGA Payments will be mailed to Aggrieved Employees at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

**B. Your Workweeks and Pay Periods (if applicable) Based on Defendant’s Records**

According to Defendant’s records:

- **From November 19, 2021 through January 1, 2025 (i.e., the Class Period), you are credited as having worked [REDACTED] Workweeks.**
- **From January 17, 2023 through January 1, 2025 (i.e., the PAGA Period), you are credited as having worked [REDACTED] PAGA Pay Periods.**

If you wish to dispute the Workweeks and/or PAGA Pay Periods credited to you, you must submit your dispute in writing to the Settlement Administrator (“Challenge to Calculation of Workweeks” or “Challenge”). The Challenge must: (a) contain the case name and number of the Action (*He, et al. v. Bay Photo Lab, Inc., et al.*, Case No. 24STCV05682); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) clearly state that you dispute the number of Workweeks and/or PAGA Pay Periods credited to you and what you contend is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B below, postmarked **on or before [Response Deadline]**.

**C. Your Estimated Individual Settlement Share and Individual PAGA Payment (if applicable)**

As explained above, your estimated Individual Class Payment and Individual PAGA Payment (if applicable) is based on the number of Workweeks and PAGA Pay Periods (if applicable) credited to you.

**Under the terms of the Settlement, your Individual Class Payment is estimated to be \$ [REDACTED]. The Individual Class Payment is subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Class Payment and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.**

**Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED] and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.**

The settlement approval process may take multiple months. Your Individual Class Payment and Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Class Payment and Individual PAGA Payment (if applicable) may be higher or lower.

**D. Release of Claims**

Upon the full funding of the Gross Settlement Amount and all employer taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs and all Participating Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff, the State of California with respect to all PAGA Employees, and all PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

“Released Class Claims” means all claims which were alleged or which reasonably could have been alleged based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action for unpaid wages (including premiums) or other compensation allegedly owed, or for damages, penalties, restitution, interest, liquidated damages, attorneys’ fees, or costs, or any other recovery including under the California Labor Code and corresponding provisions of the California Code of Regulations, Title 8 and IWC Wage Orders, including, e.g., (1) Violation of Cal. Lab. Code §§ 1194, 1197, 1197.1 and 1194.2 (Unpaid Minimum Wages); (2) Violation of Cal. Lab. Code §§ 510, 1198, and 1194 (Unpaid Overtime); (3) Violation of Cal. Lab. Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (4) Violation of Cal. Lab. Code § 226.7 (Unpaid Rest Period Premiums); (5) Violation of Cal. Lab. Code §§ 204 and 210 (Wages Not Timely Paid During Employment); (6) Violation of Cal. Lab. Code § 226(a) (Failure to Provide Accurate Wage Statements); (7) Violation of Cal. Lab. Code §§ 201, 202, and 203 (Untimely Final Wages); (8) Violation of Cal. Lab. Code §§ 2800 and 2802 (Failure to Reimburse Necessary Business Expenses); and (9) Violation of Cal. Business & Professions Code §§ 17200, et seq. Except as set forth in Section 5.4 of the Settlement Agreement, 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

“Released PAGA Claims” means all claims for PAGA penalties under Labor Code section 2698 et seq. that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, the PAGA Notice, and ascertained in the course of the Action, including, e.g., under Labor Code sections 201, 202, 203, 204, 210, 218.5, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2800, 2802, and all applicable IWC Wage Orders. The express purpose of this Agreement and the Judgment to be entered by the Court following approval of this settlement is to forever bar Plaintiffs, the LWDA, and any other individual or entity acting on behalf of or purporting to act on behalf of the LWDA (including all Aggrieved Employees) from asserting any of the Released PAGA Claims in any future litigation. It is the intent of the Parties that, to the greatest extent provided by law, including under the holding of *Arias v. Superior Court*, 46 Cal. 4th 969, 986 (2009), the ability of Plaintiffs, the State of California or any Aggrieved Employee to bring a PAGA claim on behalf of the LWDA based on the Released PAGA Claims for the PAGA Period is completely and forever foreclosed.

All Aggrieved Employees, including Non-Participating Class Members, are to be bound by the PAGA portion of the Settlement upon its approval by the Court, regardless of whether he or she negotiates (i.e. cashes or deposits) his or her Individual PAGA Payment

“Released Parties” means Defendants, their subsidiaries, and affiliates, and each of their former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, agents, reinsurers, and any individual or entity which could be jointly liable with Defendants.

**E. Attorneys’ Fees and Costs to Class Counsel**

Class Counsel will seek attorneys’ fees in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$227,500) and reimbursement of litigation costs and expenses in an amount not to exceed Forty Thousand Dollars

(\$40,000) (collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and Costs granted by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiffs, Class Members, and Aggrieved Employees on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

**F. Class Representative Service Payments to Plaintiffs**

Plaintiffs will seek the amount of Seven Thousand Five Hundred Dollars (\$7,500) (“Class Representative Service Payment(s)”), each in recognition of their services in connection with the Action. The Class Representative Service Payments will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, it will be paid to Plaintiffs in addition to their Individual Class Payments and Individual PAGA Payments that they are entitled to under the Settlement.

**G. Settlement Administration Costs to Settlement Administrator**

Payment to the Settlement Administrator is estimated not to exceed Ten Thousand Nine Hundred Dollars (\$10,900) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Objections, and Challenges to Workweeks, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

**IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?**

**A. Participate in the Settlement**

**If you want to participate in the Class Settlement and receive money from the Class Settlement, you do not have to do anything.** You will automatically be included in the Class Settlement and issued your Individual Class Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement and if the Court grants final approval of the Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released Class Claims against the Released Parties as described in Section III.D above.

If you are an Aggrieved Employee and the Court grants final approval of the Settlement, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims against the Released Parties as described in Section III.D above.

As a Class Member and Aggrieved Employee (if applicable), you will not be separately responsible for the payment of attorney’s fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney’s fees and expenses.

**B. Request Exclusion from the Class Settlement**

Class Members may request to be excluded from the Class Settlement by submitting a letter (“Request for Exclusion”) to the Settlement Administrator, at the following address:

[Settlement Administrator]  
[Mailing Address]

A Request for Exclusion must: (a) contain the case name and number of the Action (*He, et al. v. Bay Photo Lab, Inc., et al.*, Case No. 24STCV05682); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security number; (c) clearly state that you do not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address above, postmarked **on or before [Response Deadline]**.

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be issued an Individual Class Payment, will not be bound by the Class Settlement (and the release of Released Class

Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit a timely and valid Request for Exclusion will be deemed Participating Class Members and will be bound by all terms of the Class Settlement, including those pertaining to the release of claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. Aggrieved Employees will be bound to the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above) and will still be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

### **C. Object to the Class Settlement**

You can object to the Class Settlement as long as you have not submitted a Request for Exclusion by submitting a written objection (“Objection”) to the Settlement Administrator.

The Objection must: (a) contain the case name and number of the Action (*He, et al. v. Bay Photo Lab, Inc., et al.*, Case No. 24STCV05682); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before [Response Deadline]**.

You may also appear at the Final Approval Hearing and present your objection orally, regardless of whether you have submitted an Objection.

### **V. FINAL APPROVAL HEARING**

The Court will hold a Final Approval Hearing in Department 7 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012, on [date], at [time], to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and grant the Attorneys’ Fees and Costs to Class Counsel, Class Representative Service Payments to Plaintiffs, and Settlement Administration Costs to the Settlement Administrator.

The Final Approval Hearing may be continued without further notice to the Class Members and Aggrieved Employees. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

### **VI. ADDITIONAL INFORMATION**

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers, which are on file with the Court.

You may view the Settlement Agreement and other documents filed in the Action by visiting <https://www.lacourt.org/>

You may also visit the Settlement Administrator’s website at [redacted] for key documents in the Action.

**PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.**

**IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.**