

1 **CLASS AND PAGA REPRESENTATIVE ACTION SETTLEMENT AGREEMENT**

2 This Class and PAGA Representative Action Settlement Agreement (“Agreement” or
3 “Settlement Agreement”) is made and entered into by and between Plaintiff Urbano Zavala Lopez
4 (“Plaintiff”), individually, and on behalf of all others similarly situated and on behalf of the State of
5 California with respect to -aggrieved employees, and Defendant Food for Life Baking Co., Inc.
6 (“Defendant”) (together, Plaintiff and Defendant are referred to as “Parties” and individually as
7 “Party”).

8 This Settlement Agreement shall be binding on Plaintiff, Settlement Class Members (as
9 defined herein), the State of California as to the employment of PAGA Employees (as defined herein),
10 and Defendant, subject to the terms and conditions hereof and the approval of the Court.

11 **RECITALS**

12 1. Plaintiff is a current, but inactive employee of Defendant who performed work for
13 Defendant for at least one Workweek (as defined herein) during the Class Period (as defined herein).

14 2. On November 2, 2023, Plaintiff provided written notice to the Labor and Workforce
15 Development Agency (“LWDA”) by online submission and to Defendant by U.S. Certified Mail,
16 pursuant to California Labor Code § 2699.3, of the specific provisions of the California Labor Code
17 alleged to have been violated by Defendant (“PAGA Letter”). In the PAGA Letter, Plaintiff asserted
18 that Defendant allegedly violated California Labor Code §§ 201, 202, 203, 204, 210, 226(a), 226.3,
19 226.7, 510, 512(a), 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 1198.5, 1199, 2698, 2699, 2699.3,
20 2800, 2802, and the Industrial Welfare Commission Wage Orders (“IWC Wage Orders”).

21 3. On November 2, 2023, Plaintiff filed a putative Class Action Complaint for Damages
22 against Defendant in the action entitled, *Urbano Zavala Lopez v. Food for Life Baking Co., Inc.*,
23 Riverside County Superior Court Case No. CVRI2305901 (the “Action”), which asserted nine causes
24 of action: (1) failure to pay minimum wages in violation of California Labor Code §§ 1194, 1194.2,
25 1197, and 1197.1 and the applicable IWC Wage Orders; (2) failure to pay overtime wages in violation
26 of California Labor Code §§ 510, 1194, and 1198, and the applicable IWC Wage Orders; (3) failure
27 to authorize and permit meal periods in violation of California Labor Code §§ 226.7 and 512, and the
28 applicable IWC Wage Orders; (4) failure to authorize and permit rest periods in violation of California

1 Labor Code § 226.7 and the applicable IWC Wage Orders; (5) failure to timely pay all wages during
2 employment in violation of California Labor Code §§ 204 and 210; (6) failure to provide complete
3 and accurate wage statements in violation of California Labor Code § 226(a); (7) failure to timely pay
4 all wages upon termination in violation of California Labor Code §§ 201, 202, 203, and 204; (8) failure
5 to reimburse necessary business expenses in violation of California Labor Code §§ 2800 and 2802;
6 and (9) unfair, deceptive, and unlawful business practices in violation of Business and Professions
7 Code §§ 17200, et seq.

8 4. On January 29, 2024, Plaintiff filed a separate lawsuit against Defendant, entitled
9 *Urbano Zavala Lopez v. Food for Life Baking Co., Inc.*, Riverside County Superior Court Case No.
10 CVRI2400455 (the “PAGA Action”), wherein Plaintiff asserted one cause of action for violations of
11 the Private Attorneys General Act (Labor Code §§ 2699, et seq.), which alleged violations of
12 California Labor Code sections 201, 202, 203, 204, 210, 218.5, 226, 226.3, 226.7, 510, 512, 558,
13 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 2800, 2802, 2698, 2699, 2699.3, 2699.5, as well as the
14 applicable IWC Wage Orders.

15 5. On August 30, 2024, the Parties participated in mediation with Tripper Ortman, Esq.
16 (the “Mediator”), a respected mediator of complex wage and hour actions. After continued
17 negotiations, and with the assistance of the Mediator, the Parties reached the settlement that is
18 memorialized herein. The Parties’ settlement discussions were conducted at arms’ length, and the
19 Settlement is the result of an informed and detailed analysis of Defendant’s potential alleged liability
20 and exposure in relation to the costs and risks associated with continued litigation. Based on Class
21 Counsel’s investigation and evaluation, Class Counsel believes that the settlement with Defendant for
22 the consideration and on the terms set forth in this Agreement is fair, reasonable, and adequate and is
23 in the best interest of the Class Members, State of California, and PAGA Employees in light of all
24 known facts and circumstances, including the risk of significant delay and uncertainty associated with
25 litigation and various defenses asserted by Defendant.

26 6. The Parties agree that Plaintiff will file a First Amended Class and Representative
27 Action Complaint (“Operative Complaint”) in the Action, which will add the claims alleged in the
28 PAGA Action. Once the Operative Complaint is filed, Plaintiff will dismiss the PAGA Action without

1 prejudice and the Action, as defined herein, will become consolidated with the PAGA Action.

2 7. Defendant denies all materials allegations set forth in the Action and has asserted
3 numerous affirmative defenses. Notwithstanding, in the interest of avoiding further litigation,
4 Defendant desires to fully and finally settle the Action, Released Class Claims (as defined herein), and
5 Released PAGA Claims (as defined herein).

6 8. Class Counsel diligently investigated the class and PAGA claims against Defendant,
7 including any and all applicable defenses and the applicable law. Prior to mediation and finalizing the
8 Agreement, Plaintiff obtained relevant information from Defendant, including but not limited to an
9 adequate sampling of employee time and payroll records, records relating to Plaintiff, Defendant's
10 policy documents, and the exchange of relevant data points pertaining to the claims asserted in the
11 Action, as amended. Plaintiff's investigation was sufficient to satisfy the criteria for court approval
12 set forth in Dunk v. Foot Locker Retail, Inc., 48 Cal.App.4th 1794, 1801 (1996) and Kullar v. Foot
13 Locker Retail, Inc., 168 Cal.App.4th 116, 129-30 (2008) ("Dunk/Kullar"). The Parties have engaged
14 in sufficient formal and informal discovery and investigation to assess the relative merits of the claims
15 and contentions of the Parties.

16 9. The Parties expressly acknowledge that this Settlement Agreement is entered into
17 solely for the purpose of compromising significantly disputed claims and that nothing herein is an
18 admission of liability or wrongdoing by Defendant. The Parties agree to certification of the Class for
19 purposes of this Settlement only. If for any reason the settlement does not become effective, Defendant
20 reserves the right to contest certification of any class for any reason and reserves all available defenses
21 to the claims in the Action, as amended. If for any reason this Settlement Agreement is not approved,
22 it will be of no force or effect, and the Parties shall be returned to their original respective positions.

23 DEFINITIONS

24 10. The following definitions are applicable to this Settlement Agreement. Definitions
25 contained elsewhere in this Settlement Agreement will also be effective.

26 a. "Action" means Plaintiff's consolidated lawsuit alleging wage and hour
27 violations against Defendant, as amended, captioned *Urbano Zavala Lopez v. Food for Life Baking*
28 *Co., Inc.*, Riverside County Superior Court Case No. CVRI2305901, initiated on November 2, 2023,

1 (consolidated with *Urbano Zavala Lopez v. Food for Life Baking Co., Inc.*, Riverside County Superior
2 Court Case No. CVRI2400455, initiated on January 29, 2024)

3 b. "Attorneys' Fees and Costs" means attorneys' fees approved by the Court for
4 Class Counsel's litigation and resolution of the Action and all actual costs and expenses incurred and
5 to be incurred by Class Counsel in connection with the Action, as set forth in Paragraph 13.

6 c. "Class" or "Class Member(s)" means all current and former hourly-paid and/or
7 non-exempt employees who worked for Defendant in the State of California at any time during the
8 Class Period.

9 d. "Class Counsel" means Jonathan M. Genish, Miriam L. Schimmel, Joana Fang,
10 Alexandra Rose, and Jared C. Osborne of Blackstone Law, APC, who will seek to be appointed
11 counsel for the Class.

12 e. "Class List" means a complete list of all Class Members that Defendant will
13 diligently and in good faith compile from its records and provide to the Settlement Administrator. The
14 Class List will be formatted in a readable Microsoft Office Excel spreadsheet containing the following
15 information for each Class Member: (1) full name; (2) last known mailing address; (3) Social Security
16 number; (4) dates worked for Defendant during the Class Period; and (5) such other information as is
17 necessary for the Settlement Administrator to calculate Workweeks and Pay Periods (if applicable).

18 f. "Class Notice" means the Notice of Class Action Settlement, substantially in
19 the form attached hereto as "Exhibit A."

20 g. "Class Period" means the period from November 2, 2019 through December
21 31, 2024.

22 h. "Class Settlement" means the settlement and resolution of all Released Class
23 Claims.

24 i. "Court" means the Superior Court of the State of California for the County of
25 Riverside.

26 j. "Defendant" means Defendant Food for Life Baking, Co., Inc.

27 k. "Defendant's Counsel" means Jason W. Kearnaghan, Y. Douglas Yang, and
28 Emma Husseman of Sheppard, Mullin, Richter & Hampton LLP.

1 l. “Dispute” means a letter submitted by a Class Member disputing the number of
2 Workweeks and/or Pay Periods to which they have been credited, which must: (a) contain the case
3 name and number of the Action; (b) contain the Class Member’s full name, signature, address,
4 telephone number, and the last four (4) digits of the Class Member’s Social Security number; (c)
5 clearly state that the Class Member disputes the number of Workweeks and/or Pay Periods credited to
6 the Class Member and what the Class Member contends is the correct number; and (d) be returned by
7 mail to the Settlement Administrator at the specified address, postmarked on or before the Response
8 Deadline.

9 m. “Effective Date” means the date on which the Final Approval Order and
10 Judgment becomes final. The Final Approval Order and Judgment “becomes final” only after the
11 Court grants the Motion for Final Approval, enters the Final Approval Order and Judgment, and if no
12 appeal, upon service of the Notice of Entry of Order and/or Judgment. If there is an appeal, the Final
13 Approval Order and Judgment becomes final upon the latter of: (i) the seventieth (70th) day following
14 Notice of Entry of the Court’s Final Approval Order and Judgment; (ii) the date of affirmance of an
15 appeal of the Final Approval Order and Judgment becomes final under the California Rules of Court;
16 or (iii) the date of final dismissal of any appeal from the Final Approval Order and Judgment or the
17 final dismissal of any proceeding on review of any court of appeal decision relating to the Final
18 Approval and Judgment, and issuance of remittitur.

19 n. “Employee Paid Taxes” means taxes paid by an individual employee, including
20 Federal Insurance Contributions Act, federal income tax, state disability insurance, and state income
21 tax payments.

22 o. “Employer Taxes” means the employer’s share of taxes and contributions in
23 connection with the wages portion of Individual Settlement Shares, including Federal Unemployment
24 Tax Act, Federal Insurance Contributions Act, state unemployment insurance, and Employee Training
25 Tax payments, which shall be paid by Defendant in addition to the Gross Settlement Amount.

26 p. “Exclusion Form” means the Request for Exclusion Form, substantially in the
27 form attached hereto as “**Exhibit B.**”

28 q. “Final Approval” means the determination by the Court that the Settlement is

1 fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

2 r. "Final Approval Hearing" means the hearing at which the Court will consider
3 and determine whether the Settlement should be granted Final Approval.

4 s. "Final Approval Order and Judgment" means the order granting final approval
5 of the Settlement and entering judgment thereon, in a form and content mutually agreed to by the
6 Parties, and subject to approval by the Court.

7 t. "Gross Settlement Amount" means the amount of Eight Hundred Forty
8 Thousand Dollars and Zero Cents (\$840,000.00) to be paid by Defendant in full satisfaction of the
9 Action, Released Class Claims, and Released PAGA Claims, which includes all Attorneys' Fees and
10 Costs, PAGA Amount, Settlement Administration Costs, and Net Settlement Amount to be paid to the
11 Settlement Class Members. Defendant shall pay the Employer Taxes separately and in addition to the
12 Gross Settlement Amount. The Gross Settlement Amount is non-reversionary; no portion of the Gross
13 Settlement Payment will return to Defendant. The Gross Settlement Amount is subject to increase, as
14 provided in Paragraph 16.

15 u. "Individual PAGA Payment" means the *pro rata* share of the PAGA Employee
16 Amount that a PAGA Employee may be eligible to receive under the PAGA Settlement, to be
17 calculated according to the number of Pay Periods worked during the PAGA Period, as set forth in
18 accordance with Paragraph 18.

19 v. "Individual Settlement Payment" means the net payment of each Settlement
20 Class Member's Individual Settlement Share, calculated according to the number of Workweeks
21 worked during the Class Period, less any and all Employee Paid Taxes required by law as a result of
22 the payment of the amount allocated to such Settlement Class Member as set forth herein, as provided
23 in Paragraph 17.

24 w. "Individual Settlement Share" means the *pro rata* share of the Net Settlement
25 Amount that a Class Member may be eligible to receive under the Class Settlement, to be calculated
26 in accordance with Paragraph 17.

27 x. "LWDA Payment" means the amount of Thirty-Seven Thousand Five Hundred
28 Dollars and Zero Cents (\$37,500.00), i.e., 75% of the PAGA Amount, that the Parties have agreed to

1 pay to the LWDA under the PAGA Settlement, as set forth in Paragraph 14.

2 y. "Net Settlement Amount" means the portion of the Gross Settlement Amount
3 that is available for distribution to Settlement Class Members, which is the Gross Settlement Amount
4 less the Court-approved Attorneys' Fees and Costs, PAGA Amount, and Settlement Administration
5 Costs.

6 z. "Notice of Objection" means an Objection Form or a Settlement Class
7 Member's written objection to the Class Settlement, which must: (a) contain the case name and number
8 of the Action; (b) contain the objector's full name, signature, address, telephone number, and the last
9 four (4) digits of the objector's Social Security number; (c) contain a written statement of all grounds
10 for the objection; (d) attach any documents on which the objector is relying for the objection; and (e)
11 be returned by mail to the Settlement Administrator at the specified address, postmarked on or before
12 the Response Deadline.

13 aa. "Notice Packet" means the Class Notice, Exclusion Form, and Objection Form,
14 substantially in the forms attached hereto as "**Exhibit A**," "**Exhibit B**," and "**Exhibit C**."

15 bb. "Objection Form" means the Notice of Objection Form, substantially in the
16 form attached hereto as "**Exhibit C**."

17 cc. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et
18 seq.).

19 dd. "PAGA Amount" means the allocation of Fifty Thousand Dollars and Zero
20 Cents (\$50,000.00) from the Gross Settlement Amount for the PAGA Settlement. Seventy-five
21 percent (75%) of the PAGA Amount, or \$37,500.00, will be paid to the LWDA (i.e., the LWDA
22 Payment) and the remaining twenty-five percent (25%), or \$12,500.00, will be distributed to the
23 PAGA Employees (i.e., the PAGA Employee Amount).

24 ee. "PAGA Employees" means all current and former hourly-paid and/or non-
25 exempt employees who worked for Defendant in the State of California at any time during the PAGA
26 Period.

27 ff. "PAGA Employee Amount" means the amount of Twelve Thousand Five
28 Hundred Dollars and Zero Cents (\$12,500.00), i.e., 25% of the PAGA Amount, to be distributed to

1 PAGA Employees on a *pro rata* basis based on their Pay Periods.

2 gg. "PAGA Letter" means Plaintiff's November 2, 2023 written notice to the Labor
3 and Workforce Development Agency ("LWDA") by online submission and to Defendant by U.S.
4 Certified Mail, pursuant to California Labor Code § 2699.3, of the specific provisions of the California
5 Labor Code alleged to have been violated by Defendant.

6 hh. "PAGA Period" means the period from November 2, 2022 through the date of
7 Preliminary Approval.

8 ii. "PAGA Settlement" means the settlement and resolution of all Released PAGA
9 Claims.

10 jj. "Pay Period" means any pay period during which a PAGA Employee worked
11 for Defendant for at least one day during the PAGA Period. Pay Periods will be calculated by the
12 Settlement Administrator following Defendant's practice of calculating a single pay period as a two-
13 week period.

14 kk. "Plaintiff" means Urbano Zavala Lopez, the named plaintiff in the Action.

15 ll. "Preliminary Approval" means the date on which the Court enters the
16 Preliminary Approval Order.

17 mm. "Preliminary Approval Order" means the order granting preliminary approval
18 of the Settlement, in a form and content mutually agreed to by the Parties, and subject to approval by
19 the Court.

20 nn. "Operative Complaint" means the First Amended Class and Representative
21 Action Complaint.

22 oo. "Released Class Claims" means any and all claims under any federal, state, or
23 local law, which were alleged in the Operative Complaint or which could have been alleged based on
24 the factual allegations in the Operative Complaint, arising during the Class Period, which specifically
25 includes all claims for unpaid wages, including, failure to pay minimum wages, straight time
26 compensation, overtime compensation, double-time compensation, and interest; the calculation of the
27 regular rate of pay; alleged illegal time rounding; failure to indemnify or reimburse expenses;
28 missed/short/late/interrupted meal period and/or rest period wages/premiums; failure to provide meal

1 periods; failure to authorize and permit rest periods; the calculation of meal period and/or rest period
2 premiums; payment for all hours worked, including off-the-clock work; failure to timely pay wages
3 during employment; failure to timely pay final wages; unfair business practices related to the Released
4 Class Clams; statutory penalties, including recordkeeping penalties, wage statement penalties,
5 minimum-wage penalties, and waiting-time penalties; non-compliant wage statements; and attorneys'
6 fees and costs; and all claims related to the Released Class Claims arising under: the California Labor
7 Code (including sections 201, 202, 203, 204, 226(a), 226.7, 510, 512, 1194, 1194.2, 1197, 1197.1,
8 1198, 2800, 2802); the applicable IWC Wage Orders; California Business and Professions Code
9 section 17200, *et seq.*; and California Code of Civil Procedure section 1021.5.

10 pp. "Released PAGA Claims" means any and all claims described in the PAGA
11 Letter and only to the extent they are alleged in the Operative Complaint, arising during the PAGA
12 Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code
13 sections 2698-2699.8, which specifically include all known and unknown claims relating to failure to
14 pay minimum wages, straight time compensation, overtime compensation, double-time compensation,
15 and interest; the calculation of the regular rate of pay; alleged illegal time rounding; failure to
16 indemnify or reimburse expenses; missed/short/late/interrupted meal period and/or rest period
17 wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods; the
18 calculation of meal period and/or rest period premiums; payment for all hours worked, including off-
19 the-clock work; wage statements; failure to timely pay wages; failure to timely pay final wages;
20 alleged violations of California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510,
21 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 1198.5, 1199, 2698, 2699, 2699.3, 2800, and
22 2802; and alleged violations of the applicable IWC Wage Orders.

23 qq. "Released Parties" means Defendant and all of its past, present and future
24 agents, employees, managing agents, servants, officers, directors, members, owners (whether direct or
25 indirect), general partners, limited partners, trustees, representatives, shareholders, stockholders,
26 mortgagees or ground lessors, attorneys, parents, subsidiaries, equity sponsors, related
27 companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers,
28 consultants, joint venturers, joint employers, potential and alleged joint employers, temporary staffing

1 agencies, dual employers, alleged dual employers, co-employers, alleged co-employers, contractors,
2 affiliates, service providers, alter-egos, alleged alter-egos, vendors, affiliated organizations, any
3 person and/or entity with potential or alleged to have joint liability, and all of their respective past,
4 present and future employees, directors, officers, members, owners, agents, representatives, payroll
5 agencies, attorneys, stockholders, fiduciaries, parents, subsidiaries, other service providers, and
6 assigns and any and all persons acting under, by, through or in concert with any of them.

7 rr. "Request for Exclusion" means an Exclusion Form or letter submitted by a
8 Class Member indicating a request to be excluded from the Class Settlement, which must: (a) contain
9 the case name and number of the Action; (b) contain the Class Member's full name, signature, address,
10 telephone number, and last four (4) digits of the Class Member's Social Security number; (c) clearly
11 state that the Class Member does not wish to be included in the Class Settlement; and (d) be returned
12 by mail to the Settlement Administrator at the specified address, postmarked on or before the Response
13 Deadline.

14 ss. "Response Deadline" means the deadline by which Class Members must submit
15 a Request for Exclusion, Notice of Objection, and/or Dispute, which shall be the date that is forty-five
16 (45) calendar days from the initial mailing of the Notice Packet by the Settlement Administrator to
17 Class Members, unless the 45th day falls on a Sunday or Federal holiday, in which case the Response
18 Deadline will be extended to the next day on which the United States Postal service is open. The
19 Response Deadline may also be extended by express agreement between Class Counsel and
20 Defendant's Counsel. Under no circumstances, however, will the Settlement Administrator have the
21 authority to extend the Response Deadline. In the event that a Notice Packet is re-mailed to a Class
22 Member, the Response Deadline for that Class Member shall be extended fifteen (15) calendar days
23 from the original Response Deadline.

24 tt. "Settlement" means the disposition of the Action effected by this Agreement
25 and the Final Approval Order and Judgment.

26 uu. "Settlement Administrator" means Apex Class Action LLC, or any other third-
27 party class action settlement administrator agreed to by the Parties and approved by the Court for
28 purposes of administrating the Settlement. The Parties and their counsel each represent that they do

1 not have any financial interest in the Settlement Administrator or otherwise have a relationship with
2 the Settlement Administrator that could create a conflict of interest.

3 vv. "Settlement Administration Costs" means the costs payable from the Gross
4 Settlement Amount to the Settlement Administrator for administering the Settlement, as set forth in
5 Paragraph 20.

6 ww. "Settlement Class" or "Settlement Class Member(s)" means all Class Members
7 who do not submit a timely and valid Request for Exclusion.

8 xx. "Workweek(s)" means any week during which a Class Member worked for
9 Defendant, for at least one day, as an hourly-paid and/or non-exempt employee in California during
10 the Class Period. Workweeks will be calculated by the Settlement Administrator.

11 CLASS CERTIFICATION

12 11. For the purposes of this Settlement only, the Parties stipulate to the certification of the
13 Class.

14 12. The Parties agree that certification for the purpose of settlement is not an admission
15 that certification is proper under Section 382 of the California Code of Civil Procedure. Should, for
16 whatever reason, the Court not grant Final Approval, the Parties' stipulation to class certification as
17 part of the Settlement shall become null and void ab initio and shall have no bearing on, and shall not
18 be admissible in connection with, the issue of whether or not certification would be inappropriate in a
19 non-settlement context.

20 TERMS OF THE AGREEMENT

21 13. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application
22 or motion by Class Counsel for attorneys' fees in the amount up to thirty-five percent (35%) of the
23 Gross Settlement Amount (i.e., \$294,000.00 if the Gross Settlement Amount is \$840,000.00) and
24 reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement
25 of the Action, in an amount not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00),
26 both of which will be paid from the Gross Settlement Amount. These amounts will cover any and all
27 work performed and any and all costs incurred by Class Counsel in connection with the litigation of
28 the Action, including without limitation all work performed and costs incurred to date, and all work

1 to be performed and all costs to be incurred in connection with obtaining the Court's approval of this
2 Settlement Agreement, including any objections raised and any appeals necessitated by those
3 objections. Class Counsel shall be solely and legally responsible for correctly characterizing this
4 compensation for tax purposes and for paying any taxes on the amounts received. The Settlement
5 Administrator shall issue an IRS Form 1099 to Class Counsel for the Attorneys' Fees and Costs. Any
6 portion of the requested Attorneys' Fees and Costs that is not awarded by the Court to Class Counsel
7 shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.
8 A reduction by the Court of the Attorneys' Fees and Costs shall not be grounds to nullify this
9 Agreement.

10 14. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of
11 Fifty Thousand Dollars and Zero Cents (\$50,000.00) shall be allocated from the Gross Settlement
12 Amount toward penalties under the Private Attorneys General Act, California Labor Code Section
13 2698, *et seq.* (i.e., the PAGA Amount), of which seventy-five percent (75%), or \$37,500.00, will be
14 paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%), or \$12,500.00, will be
15 distributed to PAGA Employees (i.e., the PAGA Employee Amount) on a *pro rata* basis, based on the
16 total number of Pay Periods worked by each PAGA Employee during the PAGA Period (i.e., the
17 Individual PAGA Payments).

18 15. Settlement Administration Costs. The Settlement Administrator will be paid for the
19 reasonable costs of administration of the Settlement and distribution of payments under the Settlement,
20 which is currently not to exceed Eight Thousand Dollars and Zero Cents (\$8,000.00). These costs,
21 which will be paid from the Gross Settlement Amount, subject to Court approval, will include, *inter*
22 *alia*, translating the Notice Packet to Spanish, printing, distributing, and tracking Notice Packets and
23 other documents for the Settlement, calculating and distributing payments due under the Settlement,
24 issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings, and
25 remittances, providing necessary reports and declarations, and other duties and responsibilities set
26 forth herein to process the Settlement, and as requested by the Parties. To the extent the actual
27 Settlement Administrator's costs are greater than the estimated amount stated herein, such excess
28 amount will be deducted from the Gross Settlement Amount, subject to approval by the Court. Any

1 portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not
2 in fact required to fulfill payment to the Settlement Administrator to undertake the required settlement
3 administration duties shall be reallocated to the Net Settlement Amount for the benefit of the
4 Settlement Class Members.

5 16. Escalator Clause. Defendant has represented that the Class Members worked a total of
6 20,000 workweeks during the period November 2, 2019 to August 30, 2024. If it is determined by the
7 Settlement Administrator that the actual number of Workweeks worked by Class Members during the
8 Class Period grows by more than ten percent (10%), or more than 22,000 Workweeks, then the Gross
9 Settlement Amount will be increased on a *pro rata* basis equal to the percentage increase in the number
10 of Workweeks worked by the Class Members above 10%. For example, if the total number of
11 Workweeks worked by Class Members during the Class Period increases by twelve percent (12%)
12 beyond 20,000 Workweeks (i.e., to 22,400 Workweeks), the Gross Settlement Amount will increase
13 by two percent (2%) (i.e., the actual increase minus the ten percent (10%) tolerated increase).

14 17. Individual Settlement Share Calculations. Individual Settlement Shares will be
15 calculated and apportioned from the Net Settlement Amount based on the Class Members' number of
16 Workweeks, as follows:

17 a. After Preliminary Approval, the Settlement Administrator will divide the Net
18 Settlement Amount by the Workweeks of all Class Members to yield the "Estimated Workweek
19 Value," and multiply each Class Member's individual Workweeks by the Estimated Workweek Value
20 to yield each Class Member's estimated Individual Settlement Share that each Class Member may be
21 entitled to receive under the Class Settlement.

22 b. After Final Approval, the Settlement Administrator will divide the final Net
23 Settlement Amount by the Workweeks of all Settlement Class Members to yield the "Final Workweek
24 Value," and multiply each Settlement Class Member's individual Workweeks by the Final Workweek
25 Value to each Settlement Class Member's final Individual Settlement Share.

26 18. Individual PAGA Payment Calculations. Individual PAGA Payments will be
27 calculated and apportioned from the PAGA Employee Amount based on the PAGA Employees'
28 number of Pay Periods, as follows: The Settlement Administrator will divide the PAGA Employee

1 Amount, i.e., 25% of the PAGA Amount, by the Pay Periods of all PAGA Employees to yield the
2 “Pay Period Value,” and multiply each PAGA Employee’s individual Pay Periods by the Pay Period
3 Value to yield each PAGA Employee’s Individual PAGA Payment.

4 19. Tax Treatment of Individual Settlement Shares and Individual PAGA Payments. Each
5 Individual Settlement Share will be allocated as follows: twenty-five percent (25%) wages and
6 seventy-five percent (75%) penalties, interest, and non-wage damages. The portion allocated to wages
7 will be reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage
8 damages will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The
9 Settlement Administrator will withhold the Employee Paid Taxes and withholdings with respect to the
10 wages portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for
11 their Individual Settlement Payments (i.e., payment of their Individual Settlement Share net of these
12 taxes and withholdings). The Employer Taxes will be paid separately and in addition to the Gross
13 Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%)
14 penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

15 20. Administration of Taxes by the Settlement Administrator. The Settlement
16 Administrator will be responsible for issuing to Plaintiff, Settlement Class Members, PAGA
17 Employees, and Class Counsel any tax forms (i.e., IRS Forms W-2, IRS Forms 1099, etc.) as may be
18 required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement
19 Administrator will also be responsible for calculating the Employer Taxes and forwarding all payroll
20 taxes and other legally required withholdings to the appropriate government authorities.

21 21. Tax Liability. Plaintiff, Class Counsel, Defendant, and Defendant’s Counsel do not
22 intend anything contained in this Settlement Agreement to constitute advice regarding taxes or
23 taxability, nor shall anything in this Settlement Agreement be relied on as such. Plaintiff, Settlement
24 Class Members, and PAGA Employees are not relying on any statement, representation, or calculation
25 by Defendant, the Settlement Administrator, or Class Counsel in this regard. Plaintiff, Settlement
26 Class Members, Class Counsel, and PAGA Employees understand and agree that Plaintiff, Settlement
27 Class Members, Class Counsel, and PAGA Employees will be solely responsible for the payment of
28 any taxes and penalties assessed on the payments described in this Settlement Agreement. Plaintiff,

1 Settlement Class Members, Class Counsel, and PAGA Employees should consult with their tax
2 advisors concerning the tax consequences of any payment they receive under the Settlement.

3 22. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT
4 (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY
5 TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN
6 “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
7 SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE
8 BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS
9 OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE
10 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE
11 MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART
12 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY
13 UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE
14 (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B)
15 HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE
16 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY
17 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR
18 DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY
19 TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
20 ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT
21 PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISOR’S TAX
22 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING)
23 UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR
24 TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION
25 CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

26 23. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the
27 Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually
28 are issued to the payee. It is expressly understood and agreed that payments made under this

1 Settlement shall not in any way entitle Plaintiff, Settlement Class Members, or any PAGA Employee
2 to additional compensation or benefits under any new or additional compensation or benefits, or any
3 bonus, contest, or other compensation or benefit plan or agreement in place during the Class Period,
4 nor will it entitle Plaintiff, Settlement Class Members, or any PAGA Employee to any increased
5 retirement, 401(k) benefits or matching benefits, or deferred compensation benefits (notwithstanding
6 any contrary language or agreement in any benefit or compensation plan document that might have
7 been in effect during the Class Period).

8 24. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.

9 Upon execution of this Settlement Agreement, Plaintiff will obtain a hearing date from the Court for
10 Plaintiff's motion for preliminary approval of the Settlement, which Plaintiff and Class Counsel will
11 be responsible for drafting, and submit this Settlement Agreement to the Court in support of said
12 motion. Plaintiff and Class Counsel will be responsible for all documents necessary for obtaining
13 Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the motion
14 for preliminary approval that includes an analysis of the Settlement under Dunk/Kullar and a request
15 for approval of the PAGA Settlement under California Labor Code § 2699, subd. (f)(2); (ii) a draft
16 proposed Preliminary Approval Order; (iii) a signed declaration from the Administrator attaching its
17 "not to exceed" bid for administering the Settlement and attesting to its: willingness to serve;
18 competency; operative procedures for protecting the security of Class List; amounts of insurance
19 coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual
20 or potential conflicts of interest with Class Members; and the nature and extent of any financial
21 relationship with Plaintiff, Class Counsel, or Defendant's Counsel; (iv) a signed declaration from
22 Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual
23 or potential conflicts of interest with Class Members and/or the Settlement Administrator; (v) a signed
24 declaration from Class Counsel attesting to its competency to represent Class Members; and (vi) its
25 timely transmission to the LWDA of all necessary PAGA documents pursuant to California Labor
26 Code § 2699(l) (initial notice of violations (California Labor Code § 2699.3, subd. (a)), operative
27 complaints (California Labor Code § 2699, subd. (l)(1)), this Agreement (California Labor Code §
28 2699, subd. (l)(2)), and notice of final settlement and approval; and all facts relevant to any actual or

1 potential conflict of interest with Class Members and/or the Administrator. Class Counsel will provide
2 Defendant's Counsel a draft of the preliminary approval motion at least five (5) court days before
3 filing it with the Court. Defendant's Counsel will provide Class Counsel declarations pursuant to the
4 Class Action Case Management Order # 1, Sections G.3.b and G.3.k.ii, at least five (5) court days
5 before Class Counsel files the preliminary approval motion with the Court. Additionally, concurrently
6 with the filing of the motion for preliminary approval, Defendant or Defendant's Counsel will file a
7 motion or memorandum in support of the definition of the Released Parties. Defendant agrees not to
8 oppose the motion for preliminary approval of the Settlement so long as the motion for preliminary
9 approval is consistent with this Settlement Agreement. By way of said motion, Plaintiff will apply for
10 the entry of the Preliminary Approval Order seeking the following:

- 11 a. Conditionally certifying the Class for settlement purposes only;
- 12 b. Granting Preliminary Approval of the Settlement;
- 13 c. Preliminarily appointing Plaintiff as the representative of the Class;
- 14 d. Preliminarily appointing Class Counsel as counsel for the Class;
- 15 e. Approving as to form and content, the mutually-agreed upon and proposed
16 Notice Packet and directing its mailing by First Class U.S. Mail;
- 17 f. Approving the manner and method for Class Members to request exclusion
18 from or object to the Class Settlement as contained herein and within the Class Notice;
- 19 g. Scheduling a Final Approval Hearing at which the Court will determine whether
20 Final Approval of the Settlement should be granted.

21 25. Notice of Settlement to the LWDA. Pursuant to California Labor Code § 2699(1)(2),
22 Class Counsel shall notify the LWDA of the Settlement.

23 26. Delivery of Class List. Within twenty-one (21) calendar days of Preliminary Approval,
24 Defendant will provide the Class List to the Settlement Administrator.

25 27. Notice by First-Class U.S. Mail.

- 26 a. No later than three (3) business days after receipt of the Class List, the
27 Settlement Administrator shall notify Class Counsel that the Class List has been received and state the
28 number of Class Members, PAGA Employees, Workweeks, and Pay Periods in the Class List, and

1 whether the escalator clause has been triggered.

2 b. Within seven (7) calendar days after receiving the Class List from Defendant,
3 the Settlement Administrator will perform a search based on the National Change of Address Database
4 or any other similar services available, such as provided by Experian, for information to update and
5 correct for any known or identifiable address changes, and will mail a Notice Packet in English and
6 Spanish (in the forms attached as **Exhibit A**, **Exhibit B**, and **Exhibit C** to this Settlement Agreement)
7 to all Class Members via First-Class U.S. Mail, using the most current, known mailing addresses
8 identified by the Settlement Administrator.

9 c. Any Notice Packet returned to the Settlement Administrator as undeliverable
10 on or before the Response Deadline will be sent promptly via First-Class U.S. Mail to the forwarding
11 address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on
12 the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly
13 attempt to determine the correct address using a skip-trace or other search, using the name, address,
14 and/or Social Security number of the Class Member, and perform a single re-mailing within five (5)
15 calendar days.

16 d. If the Settlement Administrator, Defendant, Defendant's Counsel, or Class
17 Counsel is contacted by or otherwise discovers any persons who believe they should have been
18 included on the Class List and should have received Class Notice, the Parties will expeditiously meet
19 and confer in person or by telephone, and in good faith, in an effort to agree on whether to include
20 them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same
21 rights as other Class Members, and the Settlement Administrator will send, via email or overnight
22 delivery, a Class Notice requiring them to exercise options under this Agreement not later than
23 fourteen (14) calendar days after receipt of Class Notice, or the deadline dates in the Class Notice,
24 whichever are later.

25 e. Compliance with the procedures described herein above shall constitute due and
26 sufficient notice to Class Members of the Settlement and shall satisfy the requirements of due process.
27 Nothing else shall be required of or done by the Parties, Class Counsel, or Defendant's Counsel to
28 provide notice of the Settlement.

1 28. Disputes Regarding Workweeks and/or Pay Periods. Class Members will have an
2 opportunity to dispute the number of Workweeks and/or Pay Periods to which they have been credited,
3 as reflected in their respective Class Notices, by submitting a timely and valid Dispute to the
4 Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the
5 postmark on the return mailing envelope will be the exclusive means to determine whether a Dispute
6 has been timely submitted. Absent evidence rebutting the accuracy of Defendant's records and data
7 as they pertain to the number of Workweeks and/or Pay Periods to be credited to a disputing Class
8 Member, Defendant's records will be presumed to be correct and determinative of the dispute.
9 However, if a Class Member produces information and/or documents to the contrary, the Settlement
10 Administrator will evaluate the materials submitted by the Class Member and the Settlement
11 Administrator will resolve and determine the number of eligible Workweeks and/or Pay Periods that
12 the disputing Class Member should be credited with under the Settlement. The Settlement
13 Administrator's decision on such disputes will be final and non-appealable. The Settlement
14 Administrator shall promptly provide copies of all Disputes to Defendant's Counsel and Class Counsel
15 and the Settlement Administrator's determination of the challenges.

16 29. Requesting Exclusion from the Class Settlement. Any Class Member wishing to be
17 excluded from the Class Settlement must submit a timely and valid Request for Exclusion to the
18 Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the
19 postmark on the return mailing envelope will be the exclusive means to determine whether a Request
20 for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class
21 Counsel and Defendant's Counsel the number of timely and valid Requests for Exclusion that are
22 submitted, and also identify the individuals who have submitted a timely and valid Request for
23 Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing.
24 At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members
25 to request exclusion from the Class Settlement. Any Class Member who submits a Request for
26 Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who
27 submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will
28 not be issued an Individual Settlement Payment. Any Class Member who does not affirmatively

1 request exclusion from the Class Settlement by submitting a timely and valid Request for Exclusion
2 will be bound by all of the terms of the Class Settlement, including and not limited to those pertaining
3 to the Released Class Claims, as well as any judgment that may be entered by the Court if it grants
4 Final Approval to the Settlement. Notwithstanding the above, all PAGA Employees will be issued
5 their Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

6 30. Objecting to the Class Settlement. To object to the Class Settlement, Settlement Class
7 Members must submit a timely and complete Notice of Objection to the Settlement Administrator, by
8 mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing
9 envelope will be the exclusive means to determine whether a Notice of Objection has been timely
10 submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's
11 Counsel the number of Notices of Objection that are submitted (specifying which ones were timely
12 and complete and which were not), and also attach them to a declaration that is to be filed with the
13 Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel
14 seek to solicit or otherwise encourage Settlement Class Members to object to the Class Settlement or
15 appeal from the Final Approval Order and Judgment. Settlement Class Members, individually or
16 through counsel, may also present their objection orally at the Final Approval Hearing, regardless of
17 whether they have submitted a Notice of Objection.

18 31. Settlement Administrator Duties. The Settlement Administrator has a duty to perform
19 or observe all tasks to be performed or observed by the Settlement Administrator contained in this
20 Agreement or otherwise.

21 a. Website and Toll-Free Number. The Settlement Administrator will establish,
22 maintain, and use an internet website (or maintain and use a portion of its existing internet website) to
23 post information of interest to Class Members, including the date, time and location for the Final
24 Approval Hearing and copies of the Settlement Agreement, motion for preliminary approval, the
25 Preliminary Approval Order, the Class Notice, the motion for final approval, and the Final Approval
26 Order and Judgment. The Settlement Administrator will also maintain and monitor a toll-free
27 telephone number to receive Class Member calls.

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1 b. Requests for Exclusion (Opt-outs) and Exclusion List. The Settlement
2 Administrator will promptly review on a rolling basis all Requests for Exclusion to ascertain their
3 validity. Not later than five (5) court days after the expiration of the Response Deadline, the
4 Settlement Administrator shall email a list to Class Counsel and Defendant’s Counsel containing (a)
5 the names and other identifying information of Class Members who have timely submitted valid
6 Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class
7 Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for
8 Exclusion submitted (whether valid or invalid).

9 c. Weekly Reports. The Settlement Administrator shall provide weekly reports
10 to counsel for the Parties providing: (a) the number of undeliverable and re-mailed Notice Packets;
11 (ii) the number of Class Members who have submitted Disputes; (iii) the number of Class Members
12 who have submitted Requests for Exclusion; and (iv) the number of Settlement Class Members who
13 have submitted Notices of Objection. Additionally, the Settlement Administrator will provide to
14 counsel for the Parties any updated reports regarding the administration of the Settlement Agreement
15 as needed or requested, and immediately notify the Parties when it receives a request from an
16 individual or any other entity regarding inclusion in the Class and/or Settlement or regarding a
17 Dispute.

18 e. Settlement Administrator’s Declaration. Not later than fourteen (14) calendar
19 days before the date by which Plaintiff is required to file the motion for final approval of the
20 Settlement, the Settlement Administrator will provide to Class Counsel and Defendant’s Counsel a
21 signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of
22 its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the
23 Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class
24 Members, the total number of Requests for Exclusion from Settlement it received (both valid or
25 invalid), the number of written Notices of Objection to Settlement, and attach the Exclusion List. The
26 Settlement Administrator will supplement its declaration as needed or requested by the Parties and/or
27 the Court. Class Counsel is responsible for filing the Settlement Administrator’s declaration(s) in
28 Court.

1 f. Final Report by Settlement Administrator. Within ten (10) calendar days after
2 the Settlement Administrator disburses all funds in the Gross Settlement Amount, the Settlement
3 Administrator will provide Class Counsel and Defendant’s Counsel with a final report detailing its
4 disbursements by employee identification number only of all payments made under this Agreement.
5 At least fifteen (15) calendar days before any deadline set by the Court, the Settlement Administrator
6 will prepare, and submit to Class Counsel and Defendant’s Counsel, a signed declaration suitable for
7 filing in Court attesting to its disbursement of all payments required under this Agreement. Class
8 Counsel is responsible for filing the Settlement Administrator’s declaration in Court.

9 32. Defendant’s Right to Rescind. If more than ten percent (10%) of the Class Members
10 submit timely and valid Requests for Exclusion, Defendant may elect to rescind the Settlement
11 Agreement. Defendant must exercise this right of rescission in writing that is provided to Class
12 Counsel within fourteen (14) calendar days of the Settlement Administrator notifying the Parties of
13 the number of Class Members who have submitted timely and valid Requests for Exclusion following
14 the Response Deadline. If Defendant exercises this option, Defendant shall pay any costs of settlement
15 administration owed to the Settlement Administrator incurred up to that date.

16 33. Certification of Completion. Upon completion of administration of the Settlement, the
17 Settlement Administrator will provide a written declaration under oath to certify such completion to
18 the Court and counsel for all Parties.

19 34. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After
20 the Response Deadline, a Final Approval Hearing will be conducted to determine whether Final
21 Approval of the Settlement should be granted, along with the amounts properly payable for: (a)
22 Individual Settlement Shares; (b) Individual PAGA Payments; (c) LWDA Payment; (d) Attorneys’
23 Fees and Costs; and (e) Settlement Administration Costs. The Final Approval Hearing will not be
24 held earlier than thirty (30) calendar days after the Response Deadline. Not later than sixteen (16)
25 court days before the calendared Final Approval Hearing, or other date set by the Court, Plaintiff will
26 file in Court a motion for final approval of the Settlement that includes a request for approval of the
27 PAGA settlement under California Labor Code section 2699, subd. (l) and a Final Approval Order
28 and Judgment (collectively “Motion for Final Approval”). Plaintiff shall provide drafts of these

1 documents to Defendant's Counsel prior to filing the Motion for Final Approval. Class Counsel and
2 Defendant's Counsel will expeditiously meet and confer in person or by telephone, and in good faith,
3 to resolve any disagreements concerning the Motion for Final Approval. By way of said motion,
4 Plaintiff will apply for the entry of the Final Approval Order and Judgment, which will provide for, in
5 substantial part, the following:

- 6 a. Approval of the Settlement as fair, reasonable, and adequate, and directing
7 consummation of its terms and provisions;
- 8 b. Certification of the Settlement Class;
- 9 c. Approval of the application for Attorneys' Fees and Costs to Class Counsel;
- 10 d. Directing Defendant to fund all amounts due under the Settlement Agreement
11 and ordered by the Court; and
- 12 e. Entering judgment in the Action, while maintaining continuing jurisdiction, in
13 conformity with California Rules of Court 3.769 and the Settlement Agreement.

14 35. Funding of the Gross Settlement Amount. No later than twenty-one (21) calendar days
15 after the Effective Date, Defendant will deposit the Gross Settlement Amount into a Qualified
16 Settlement Fund ("QSF") within the meaning of Treasury Regulation Section 1.468B-1, *et seq.*, to be
17 established by the Settlement Administrator. Defendant shall provide all information necessary for
18 the Settlement Administrator to calculate necessary payroll taxes including its official name, 8-digit
19 state unemployment insurance tax ID number, and other information requested by the Settlement
20 Administrator, no later than twenty-one (21) calendar days after the Effective Date.

21 36. Distribution of the Gross Settlement Amount. Within five (5) business days of the
22 funding of the Gross Settlement Amount, the Settlement Administrator will issue the Individual
23 Settlement Payments to Settlement Class Members, Individual PAGA Payments to PAGA Employees,
24 LWDA Payment to the LWDA, Attorneys' Fees and Costs to Class Counsel, and Settlement
25 Administration Costs to itself. The Settlement Administrator shall also set aside the Employer Taxes
26 and all Employee Paid Taxes, contributions, and withholding, and timely forward these to the
appropriate government authorities.

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1 37. Settlement Checks. The Settlement Administrator will be responsible for undertaking
2 appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way
3 of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the
4 PAGA Employees in accordance with this Settlement Agreement. When issuing payments, the
5 Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA
6 Payment into one check if the intended recipient for both payments is one individual. Settlement
7 Class Members and PAGA Employees are not required to submit a claim to be issued an Individual
8 Settlement Payment and/or Individual PAGA Payment. Each Individual Settlement Payment and
9 Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180)
10 calendar days from the date the checks are issued, and thereafter, shall be canceled. The Settlement
11 Administrator shall mail a reminder postcard by First Class U.S. Mail to any Settlement Class Member
12 and/or PAGA Employee whose Individual Settlement Payment and/or Individual PAGA Payment
13 check has not been negotiated within sixty (60) calendar days after the date of mailing. Any funds
14 associated with such canceled checks shall be distributed by the Settlement Administrator to the State
15 of California's Unclaimed Property Division in the name of the Settlement Class Member or PAGA
16 Employee. The Parties agree that this disposition results in no "unpaid residue" under California Civil
17 Procedure Code § 384, as the entire Net Settlement Amount will be paid out to Settlement Class
18 Members, whether or not they cash their settlement checks. Therefore, Defendant will not be required
19 to pay any interest on such amounts. The Settlement Administrator shall undertake amended and/or
20 supplemental tax filings and reporting required under applicable local, state, and federal tax laws that
21 are necessitated due to the cancelation of any Individual Settlement Payment and/or Individual PAGA
22 Payment checks.

23 38. Class Settlement Release. Upon the Effective Date and full funding of the Gross
24 Settlement Amount, Plaintiff and all Settlement Class Members will be deemed to have fully, finally,
25 and forever released, settled, compromised, relinquished, and discharged the Released Parties of all
26 Released Class Claims. By virtue of this release, any claims under the FLSA that are predicated on
27 the Released Class Claims are subject to res judicata pursuant to applicable law including but not
28 limited to *Rangel v. PLS Check Cashers of California Inc.*, 899 F.3d 1106 (9th Cir. 2018) and therefore

1 cannot be asserted in a future action.

2 39. PAGA Settlement Release. Upon the Effective Date and full funding of the Gross
3 Settlement Amount, Plaintiff and the State of California with respect to all PAGA Employees shall
4 release the Released Parties from the Released PAGA Claims.

5 40. Final Approval Order and Judgment. The Parties shall provide the Settlement
6 Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court,
7 and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for
8 sixty (60) calendar days. No individualized notice of the Final Approval Order and Judgment to the
9 Class will be required.

10 41. Continued Jurisdiction. After entry of the judgment pursuant to the Settlement, the
11 Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and
12 Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the
13 interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters,
14 and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this
15 Settlement Agreement.

16 42. Waiver of Right to Appeal. Provided the Final Approval Order and Judgment is
17 consistent with the terms and conditions of this Agreement, specifically including the Attorneys' Fees
18 and Costs set forth in this Settlement, the Parties, their respective counsel, and all Settlement Class
19 Members who did not object to the Class Settlement as provided in this Agreement, waive all rights
20 to appeal from the Final Approval Order and Judgment, including all rights to post-judgment and
21 appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary
22 writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such
23 motions, writs or appeals. If an objector appeals the Final Approval Order and Judgment, the Parties'
24 obligations to perform under this Agreement will be suspended until such time as the appeal is finally
25 resolved and the Final Approval Order and Judgment becomes final, except as to matters that do not
26 affect the amount of the Net Settlement Amount.

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1 43. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
2 reviewing Court vacates, reverses, or modifies the Final Approval Order and Judgment in a manner
3 that requires a material modification of this Agreement (including, but not limited to, the scope of
4 release to be granted by Settlement Class Members), this Agreement shall be null and void. The
5 Parties shall nevertheless expeditiously work together in good faith to address the appellate court's
6 concerns and to obtain Final Approval and entry of the Final Approval Order and Judgment, sharing,
7 on a 50-50 basis, any additional Settlement Administrator's expenses reasonably incurred after
8 remittitur.

9 44. Amended Judgment. If any amended judgment is required under Code of Civil
10 Procedure § 384, the Parties will work together in good faith to jointly submit a proposed amended
11 judgment.

12 45. Effects of Termination or Rescission of Settlement. Termination or rescission of the
13 Settlement Agreement shall have the following effects:

14 a. The Settlement Agreement shall be void and shall have no force or effect, and
15 no Party shall be bound by any of its terms;

16 b. In the event the Settlement Agreement is terminated, Defendant shall have no
17 obligation to make any payments to any Party, Class Member, or attorney, except that the terminating
18 Party shall pay the Settlement Administrator for services rendered up to the date the Settlement
19 Administrator is notified that the Settlement has been terminated;

20 c. The Preliminary Approval Order, Final Approval Order and Judgment,
21 including any order certifying the Class, shall be vacated;

22 d. The Settlement Agreement and all negotiations, statements, and proceedings
23 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be
24 restored to their respective positions in the Action prior to the execution of the Settlement Agreement;

25 e. Neither this Settlement Agreement, nor any ancillary documents, actions,
26 statements, or filings in furtherance of the Settlement (including all matters associated with the
27 mediation) shall be admissible or offered into evidence in the Action or any other action for any
28 purpose whatsoever; and

1 f. Any documents generated to bring the Settlement into effect, will be null and
2 void, and any order or judgment entered by the Court in furtherance of this Settlement Agreement will
3 likewise be treated as void from the beginning.

4 50. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
5 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
6 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause
7 of action or right herein released and discharged.

8 51. Integrated Agreement. Upon execution by all Parties and their counsel, this
9 Agreement, together with its attached exhibits and the individual settlement agreement executed by
10 Defendant and Plaintiff, shall constitute the entire agreement between the Parties relating to the
11 Settlement, superseding any and all oral representations, warranties, covenants, or inducements made
12 to or by any Party.

13 52. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the
14 entirety of the Parties' agreement relating to the settlement and transaction completed thereby, and all
15 prior or contemporaneous agreements, understandings, representations, and statements, whether oral
16 or written and whether by a Party or such Party's legal counsel, are merged herein. No other prior or
17 contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties
18 expressly recognize California Civil Code § 1625 and California Code of Civil Procedure § 1856(a),
19 which provide that a written agreement is to be construed according to its terms and may not be varied
20 or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written
21 representations or terms will modify, vary, or contradict the terms of this Settlement Agreement.

22 53. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in
23 the Action (including with respect to California Code of Civil Procedure § 583.310), except such
24 proceedings necessary to implement and complete this Settlement Agreement, pending the Final
25 Approval Hearing to be conducted by the Court.

26 54. Amendment or Modification. Prior to the filing of the motion for preliminary approval
27 of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement
28 except by written agreement signed by counsel for all Parties. After the filing of the motion for
preliminary approval of the Settlement, the Parties may not amend or modify any provision of this
Settlement Agreement except by written agreement signed by counsel for all the Parties and subject

1 to Court approval. A waiver or amendment of any provision of this Settlement Agreement will not
2 constitute a waiver of any other provision.

3 55. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
4 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
5 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
6 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
7 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have
8 full authority to enter into this Settlement Agreement, and further intend that this Settlement
9 Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible
10 and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation
11 confidentiality provisions that otherwise might apply under state or federal law.

12 56. Signatories. It is agreed that because the members of the Class are so numerous, it is
13 impossible or impractical to have each Settlement Class Member or PAGA Employee execute this
14 Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the
15 Class Settlement as to the Settlement Class Members and the binding nature of the PAGA Settlement
16 as to the State of California with respect to all PAGA Employees, and the releases provided for by this
17 Settlement Agreement shall have the same force and effect as if this Settlement Agreement were
18 executed by each Class Member.

19 57. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
20 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

21 58. California Law Governs. All terms of this Settlement Agreement and attached exhibits
22 hereto will be governed by and interpreted according to the laws of the State of California.

23 59. Execution and Counterparts. This Settlement Agreement is subject only to the
24 execution of all Parties. However, this Settlement Agreement may be executed in one or more
25 counterparts. All executed counterparts and each of them, including facsimile, electronic, and scanned
26 copies of the signature page, will be deemed to be one and the same instrument. Any executed
27 counterpart will be admissible in evidence to prove the existence and contents of this Agreement. The
28 Parties agree where practicable to use DocuSign, or other electronic signature technology, to expedite
the execution of this Agreement, pursuant to California Civil Code § 1633.7.

1 60. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
2 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at
3 this Settlement after arm's length negotiations and in the context of adversarial litigation, taking into
4 account all relevant factors, present and potential. The Parties further acknowledge that they are each
5 represented by competent counsel and that they have had an opportunity to consult with their counsel
6 regarding the fairness and reasonableness of this Settlement Agreement. In addition, if necessary to
7 obtain approval of the Settlement, the Mediator may execute a declaration supporting the Settlement
8 and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to
9 discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

10 61. Invalidity of Any Provision. Before declaring any provision of this Settlement
11 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
12 possible consistent with applicable precedents so as to define all provisions of this Settlement
13 Agreement valid and enforceable.

14 62. Plaintiff's Cooperation. Plaintiff agrees to sign this Settlement Agreement and, by
15 signing this Settlement Agreement, is hereby bound by the terms herein and agrees to fully cooperate
16 to implement the Settlement.

17 63. Non-Admission of Liability. The Parties enter into this Settlement Agreement to
18 resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of
19 continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and
20 specifically denies, it has violated any federal, state, or local law; violated any regulations or guidelines
21 promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements;
22 breached any contract; violated or breached any duty; engaged in any misrepresentation or deception;
23 or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement
24 Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be
25 construed as an admission or concession by Defendant of any such violations or failures to comply
26 with any applicable law. If, for any reason the Court does not grant Preliminary Approval, Final
27 Approval, or enter the Final Approval Order and Judgment, Defendant reserves all available defenses
28 to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Parties

1 agree that class certification and representative treatment is for purposes of this Settlement only.
2 Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this Settlement
3 Agreement and its terms and provisions shall not be offered or received as evidence in any action or
4 proceeding to establish any liability or admission on the part of Defendant or to establish the existence
5 of any condition constituting a violation of, or a non-compliance with, federal, state, local or other
6 applicable law.

7 64. Confidentiality. Neither Plaintiff nor Class Counsel shall issue any press release or
8 announcement of any kind related in any way to the Settlement. Plaintiff and Class Counsel agree
9 that, prior to Preliminary Approval, they will keep the terms of this Settlement confidential except for
10 purposes of communicating with Plaintiff only, and will not disclose, disseminate, and/or publicize,
11 or cause or permit another person to disclose, disseminate, or publicize (to include by not limited to
12 posting on websites, settlement reporting services, and/or other media or social media), whether
13 verbally or in writing, any of the terms of the Agreement directly or indirectly, specifically or
14 generally, to any person, corporation, association, government agency, or other entity except: (1) to
15 the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement
16 confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate
17 taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or
18 subpoena issued by a state or federal government agency. Each Party agrees to immediately notify
19 the other Party of any judicial or agency order, inquiry, or subpoena seeking such information.
20 Plaintiff and Class Counsel separately agree not to, directly or indirectly, initiate any conversation or
21 other communication, before the filing of the motion for preliminary approval, with any third party
22 regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the
23 matter was resolved," or words to that effect. Plaintiff shall be informed that the Settlement is
24 confidential and shall be advised to keep the Settlement confidential.

25 From and after Preliminary Approval, Plaintiff and Class Counsel may: (1) as required by law;
26 (2) as required under the terms of the Settlement; or (3) as required under counsel's duties and
27 responsibilities as Class Counsel, comment regarding the specific terms of the Settlement. In all other
28 cases, Plaintiff and Class Counsel agree to limit their statements regarding the terms of the Settlement,

1 whether oral, written or electronic (including the world wide web), to say the Action has been resolved
2 and that Plaintiff and Class Counsel are satisfied with the Settlement terms. This Settlement shall not
3 be advertised or mentioned on any source, including Plaintiff's counsels' personal or firm website(s).

4 Nothing in this section is intended to interfere with Class Counsel's duties and obligations to
5 faithfully discharge their duties as Class Counsel, including but not limited to, communicating with
6 Class Members regarding the Settlement. Nothing herein will restrict Class Counsel from including
7 publicly available information regarding this Settlement in future judicial submissions regarding Class
8 Counsel's qualifications and experience. Furthermore, Plaintiff and Class Counsel will undertake any
9 and all disclosures required to be made to the LWDA in conformity with PAGA.

10 65. No Solicitation. The Parties separately agree that they and their respective counsel and
11 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from
12 the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to
13 communicate with Class Members in accordance with Class Counsel's ethical obligations owed to
14 Class Members.

15 66. Headings. The headings and paragraph numbers in this Settlement Agreement are
16 inserted for the reader's convenience, and in no way define, limit, construe, or describe the scope or
17 intent of the provisions of this Settlement Agreement.

18 67. Use and Return of Class List. Information provided to Class Counsel pursuant to Cal.
19 Evid. Code section 1152, and all copies and summaries of the Class List provided to Class Counsel
20 by Defendant in connection with the mediation, other settlement negotiations, or in connection with
21 the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not
22 be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later
23 than ninety (90) calendar days after the date when the Court discharges the Settlement Administrator's
24 obligation to provide a declaration confirming the final pay out of all Settlement funds, upon
25 Defendant's written request to Class Counsel, Plaintiff shall destroy all paper and electronic versions
26 of the Class List received from Defendant unless, prior to the Court's discharge of the Settlement
27 Administrator's obligation, Defendant make a written request to Class Counsel for the return, rather
28 than the destruction, of the Class List.

1 Emma Husseman
ehusseman@sheppardmullin.com
2 **SHEPPARD, MULLIN, RICHTER & HAMPTON LLP**
3 350 South Grand Ave, 40th Floor
4 Los Angeles, California 90071
Tel: (213) 620-1780 / Fax: (213) 620-1398

5 72. Cooperation and Execution of Necessary Documents. All Parties and their counsel will
6 cooperate with each other in good faith and use their best efforts to implement the Settlement,
7 including and not limited to, executing all documents to the extent reasonably necessary to effectuate
8 the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or
9 content of any document needed to implement the Settlement Agreement, or on any supplemental
10 provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties
11 may seek the assistance of the Mediator and then the Court to resolve such disagreement.

12 **IN WITNESS WHEREOF**, the Parties hereto knowingly and voluntarily executed this Class
13 and PAGA Representative Action Settlement Agreement:

14 **IT IS SO AGREED.**

15 **PLAINTIFF URBANO ZAVALA LOPEZ**

16
17 Dated: 11/7/2025

Urbano Zavala Lopez

Plaintiff Urbano Zavala Lopez

18
19 **DEFENDANT FOOD FOR LIFE BAKING
CO., INC.**

20
21 Dated: 11/18/2025

Scott Matthew Kraus

Full Name: Scott Matthew KRAUS

Title: Chief Financial Officer
On behalf of Food for Life Baking Co., Inc.

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APPROVED AS TO FORM ONLY:

BLACKSTONE LAW, APC


Dated: 11/07/2025



Jonathan M. Genish
Attorneys for Plaintiff Urbano Zavala Lopez
and Proposed Class Counsel

**SHEPPARD, MULLIN, RICHTER &
HAMPTON LLP**

Dated: 11/18/2025



Jason W. Kearnaghan
Y. Douglas Yang
Emma Husseman
Attorneys for Defendant Food for Life Baking
Co., Inc.

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Urbano Zavala Lopez v. Food for Life Baking Co., Inc.
Superior Court of California for the County of Riverside, Case Nos. CVRI2305901

PLEASE READ THIS CLASS NOTICE CAREFULLY.

You have received this Class Notice because Defendant’s 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 Plaintiff Urbano Zavala Lopez (“Plaintiff”) and Defendant Food for Life Baking Co., Inc. (“Defendant”) (Plaintiff and Defendant are collectively referred to as the “Parties”) in the case *Urbano Zavala Lopez v. Food for Life Baking Co., Inc.*, Riverside County Superior Court Case No. CVRI2305901 (“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.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don’t Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Settlement Class Member, eligible for an Individual Settlement Share and an Individual PAGA Payment (if any). In exchange, you agree to release the Released Class Claims against the Released Parties that are covered by the Settlement. See Section III.D of this Class Notice.
You Can Opt-out of the Class Settlement but not the PAGA Settlement	If you don’t want to fully participate in the proposed Class Settlement, you can opt-out of the Class Settlement by sending the Settlement Administrator a Request for Exclusion. Once excluded, you will no longer be eligible for an Individual Settlement Payment. See Section IV.B of this Class Notice.
The Opt-out Deadline is [Response Deadline]	You cannot opt-out of the PAGA Settlement. Defendant must pay Individual PAGA Payments to all PAGA Employees.
Settlement Class Members Can Object to the Class Settlement but not the PAGA Settlement	All Class Members who do not submit a timely and valid Request for Exclusion (“Settlement Class Members”) can object to the Class Settlement by sending the Settlement Administrator a Notice of Objection. See Section IV.C of this Class Notice.
Written Objections Must be Submitted by [Response Deadline]	Settlement Class Members cannot object to the PAGA Settlement.
You Can Dispute the Number of Your Workweeks and/or Pay Periods (if any)	The amount of your Individual Settlement Share and Individual PAGA Payment (if any) depend on how many Workweeks and Pay Periods (if any) you were determined to have worked during the Class Period and/or PAGA Period. If you disagree with either of the numbers below, you must submit a Dispute to the Settlement Administrator. See Section III.B of this Class Notice.
Written Disputes Must be Submitted by [Response Deadline]	You have been credited with [] Workweeks during the Class Period. You have been credited with [] Pay Periods during the PAGA Period.

I. IMPORTANT DEFINITIONS

“Class” or “Class Member(s)” means Plaintiff and all current and former hourly-paid employees who worked for Defendant in the State of California at any time during the Class Period.

“Class Period” means the period from November 2, 2019 through December 31, 2024.

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

“PAGA Employee(s)” means all current and former hourly-paid employees who worked for Defendant in the State of California at any time during the PAGA Period.

“PAGA Period” means the period from November 2, 2022 through [the date of Preliminary Approval].

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

II. BACKGROUND OF THE ACTION

On November 2, 2023, Plaintiff provided written notice to the California Labor and Workforce Development Agency (“LWDA”) and Defendant of the specific provisions of the California Labor Code that Plaintiff contends were violated (“PAGA Letter”). On November 2, 2023, Plaintiff commenced a putative class action lawsuit by filing a Class Action Complaint for Damages in the Action. On October 16, 2025, Plaintiff filed a First Amended Class and Representative Action Complaint (“Operative Complaint”).

Plaintiff is a current, but inactive employee of Defendant. Plaintiff contends that Defendant failed to pay minimum wages, failed to pay overtime wages, failed to provide compliant meal periods and premium payments in lieu thereof, failed to provide compliant rest periods and premiums payments in lieu thereof, failed to timely pay wages during employment, failed to timely pay wages upon termination of employment, failed to provide accurate wage statements, and failed to reimburse necessary business expenses, for violations of California Business & Professions Code Sections 17200-17210 based on the aforementioned California Labor Code violations, and for civil penalties under the Private Attorneys General Act (“PAGA”) based on the aforementioned California Labor Code violations. Plaintiff seeks, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys’ fees and costs.

Defendant strongly denies that it violated any laws or failed to pay any wages and further denies any liability whatsoever to Plaintiff, the Class, or PAGA Employees. Defendant contends it complied with all applicable laws.

The Parties participated in mediation with a respected class action mediator, in an effort to resolve the Action by negotiating an end to the case by agreement (settle the case) with no decision or admission of who is right or wrong, rather than continuing the expensive and time-consuming process of litigation. As a result, the Parties reached a settlement. The Parties have since entered into a Class and PAGA Representative Action 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 LLC as the administrator of the Settlement (“Settlement Administrator”), Plaintiff Urbano Zavala Lopez as representative of the Class (“Class Representative”), and the following Plaintiff’s attorneys as counsel for the Class (“Class Counsel”):

Jonathan M. Genish

Miriam L. Schimmel

Joana Fang

Alexandra Rose

Jared C. Osborne

Blackstone Law, APC

8383 Wilshire Boulevard, Suite 745

Beverly Hills, California 90211

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

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 Defendant that the claims in the Action have merit or that Defendant has any liability to Plaintiff, Class Members, or PAGA Employees. Plaintiff and Defendant, 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 PAGA Employees. The Court has made no ruling on the merits of the claims asserted in the Action and has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate, and reasonable, and that any final determination of those issues will be made at the Final Approval hearing.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is Eight Hundred Forty Thousand Dollars and Zero Cents (\$840,000.00) (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 35% of the Gross Settlement Amount (i.e., \$294,000.00), and reimbursement of litigation costs and expenses, in an amount not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00) to Class Counsel; (2) the amount of Fifty Thousand Dollars and Zero Cents (\$50,000.00) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Amount”), of which the LWDA will be paid 75% (\$37,500.00) (“LWDA Payment”) and the remaining 25% (\$12,500.00) will be distributed to PAGA Employees (“PAGA Employee Amount”); and (3) Settlement Administration Costs in an amount not to exceed Eight Thousand Dollars and Zero Cents (\$8,000.00) 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 Settlement Share”) based on the number of weeks each Class Member worked for Defendant, for at least one day, as an hourly-paid and/or non-exempt employee in California during the Class Period (“Workweeks”). The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek Value,” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek Value to yield an estimated Individual Settlement Share that each Class Member may be entitled to receive under the Class Settlement (which is listed in Section III.C below). Settlement Class Members will be issued their final Individual Settlement Payment.

Each Individual Settlement Share will be allocated as twenty-five percent (25%) as wages, which will be reported on an IRS Form W-2, and seventy-five percent (75%) as penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement 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 Settlement Shares (“Employee Paid Taxes”) resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”). The employer’s share of taxes and contributions in connection with the wages portion of Individual Settlement Shares (“Employer Taxes”) will be paid by Defendant separately and in addition to the Gross Settlement Amount.

PAGA 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 PAGA Employee worked for Defendant 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 Amount, by the Pay Periods of all PAGA Employees to yield the “PAGA Workweek Value,” and multiplied each PAGA Employee’s individual Pay Periods by the PAGA Workweek Value to yield each PAGA 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 Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to PAGA 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 2, 2019 through December 31, 2024 (i.e., the Class Period), you are credited as having worked [REDACTED] Workweeks.**
- **From November 2, 2022 through [Preliminary Approval] (i.e., the PAGA Period), you are credited as having worked [REDACTED] Pay Periods.**

If you wish to dispute the Workweeks and/or Pay Periods credited to you, you must submit your dispute in writing to the Settlement Administrator ("Dispute"). The Dispute must: (a) contain the case name and number of the Action (*Urbano Zavala Lopez v. Food for Life Baking Co., Inc.*, Case No. CVRI2305901); (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 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]**.

You need to support your challenge by sending copies of pay stubs or other records. The Settlement Administrator will accept Defendant's calculation of Workweeks and/or Pay Periods based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Settlement Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Class Members) and Defendant's counsel. The Settlement Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

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

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

Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED]. The Individual Settlement Share is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share 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 Settlement Share and Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and Individual PAGA Payment (if applicable) may be higher or lower.

D. Release of Claims

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff and all Settlement 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. By virtue of this release, any claims under the FLSA that are predicated on the Released Class Claims are subject to res judicata pursuant to applicable law including but not limited to *Rangel v. PLS Check Cashers of California Inc.*, 899 F.3d 1106 (9th Cir. 2018) and therefore cannot be asserted in a future action.

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff and the State of California with respect

to all PAGA Employees shall release the Released Parties from the Released PAGA Claims.

“Released Class Claims” means any and all claims under any federal, state, or local law, which were alleged in the Operative Complaint or which could have been alleged based on the factual allegations in the Operative Complaint, arising during the Class Period, which specifically includes all claims for unpaid wages, including, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; alleged illegal time rounding; failure to indemnify or reimburse expenses; missed/short/late/interrupted meal period and/or rest period wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods; the calculation of meal period and/or rest period premiums; payment for all hours worked, including off-the-clock work; failure to timely pay wages during employment; failure to timely pay final wages; unfair business practices related to the Released Class Claims; statutory penalties, including recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; non-compliant wage statements; and attorneys’ fees and costs; and all claims related to the Released Class Claims arising under: the California Labor Code (including sections 201, 202, 203, 204, 226(a), 226.7, 510, 512, 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802); the applicable IWC Wage Orders; California Business and Professions Code section 17200, *et seq.*; and California Code of Civil Procedure section 1021.5.

“Released PAGA Claims” means any and all claims described in the PAGA Letter and only to the extent they are alleged in the Operative Complaint, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code sections 2698-2699.8, which specifically include all known and unknown claims relating to failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; alleged illegal time rounding; failure to indemnify or reimburse expenses; missed/short/late/interrupted meal period and/or rest period wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods; the calculation of meal period and/or rest period premiums; payment for all hours worked, including off-the-clock work; wage statements; failure to timely pay wages; failure to timely pay final wages; alleged violations of California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 1198.5, 1199, 2698, 2699, 2699.3, 2800, and 2802; and alleged violations of the applicable IWC Wage Orders.

“Released Parties” Defendant and all of its past, present and future agents, employees, managing agents, servants, officers, directors, members, owners (whether direct or indirect), general partners, limited partners, trustees, representatives, shareholders, stockholders, mortgagees or ground lessors, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, joint employers, potential and alleged joint employers, temporary staffing agencies, dual employers, alleged dual employers, co-employers, alleged co-employers, contractors, affiliates, service providers, alter-egos, alleged alter-egos, vendors, affiliated organizations, any person and/or entity with potential or alleged to have joint liability, and all of their respective past, present and future employees, directors, officers, members, owners, agents, representatives, payroll agencies, attorneys, stockholders, fiduciaries, parents, subsidiaries, other service providers, and assigns and any and all persons acting under, by, through or in concert with any of them.

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., \$294,000.00) and reimbursement of litigation costs and expenses in an amount not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00) (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 Plaintiff, Class Members, and PAGA 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. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Eight Thousand Dollars and Zero Cents (\$8,000.00) (“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, Notices of Objection, and Disputes, 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 Settlement 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 a PAGA Employee, you will automatically be issued your Individual PAGA Payment.

As a Class Member and PAGA 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.

Your check will be sent to the same address as this Class Notice. If you change your address, be sure to notify the Settlement Administrator as soon as possible.

B. Request Exclusion from the Class Settlement

Class Members may request to be excluded from the Class Settlement by submitting a letter indicating a request to be excluded from the Class Settlement, as described below, or by completing and submitting the enclosed Request for Exclusion Form (both of which are referred to as a "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 (*Urbano Zavala Lopez v. Food for Life Baking Co., Inc.*, Case No. CVRI2305901); (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 Settlement 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 Settlement 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.

PAGA Employees will still be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion. PAGA Employees may not request exclusion from the PAGA Settlement.

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, as described below, or by completing and submitting the enclosed Notice of Objection Form (both of which are referred to as a "Notice of Objection") to the Settlement Administrator.

The Notice of Objection must: (a) contain the case name and number of the Action (*Urbano Zavala Lopez v. Food for Life Baking Co., Inc.*, Case No. CVRI2305901); (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; (d) attach any documents on which you are relying for the objection; 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 a Notice of Objection.

PAGA Employees may not object to the PAGA Settlement.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 1 of the Riverside County Superior Court, located at Riverside Historic Courthouse, 4050 Main Street, Riverside, California 92501, 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, and Settlement Administration Costs to the Settlement Administrator.

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

On the Court's website, you can find information regarding appearing remotely via Zoom online (for the Final Approval Hearing that is scheduled to be held in Department 1 of the Riverside Historic Courthouse of the Riverside Superior Court): <https://riverside.courts.ca.gov/remoteppearance>

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, which is attached as Exhibit [] to the Declaration of Alexandra Rose in Support of Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement filed on [MPA filing date] and other papers which are on file with the Records Management Division of the Riverside County Superior Court, located at the Riverside Historic Courthouse, 4050 Main Street, Riverside, California 92501. Some documents and information regarding the Action can also be accessed online for a fee or at a minimal charge at the Riverside County Superior Court's website (<https://epublic-access.riverside.courts.ca.gov/public-portal/>). To look up and access documents and information on the Court's systems, you will need to use the case number for the Action (Case No. CVRI2305901).

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.

IMPORTANT:

- **What if Your Address Changes** - To receive your check, you should immediately notify the Settlement Administrator if you move or otherwise change your mailing address.
- **What if You Fail to Cash a Check** - Settlement checks will be null and void 180 days after issuance if not deposited or cashed, and this expiration date is printed on the check. In such events, the Settlement Administrator shall direct all unclaimed funds to be paid to the California Controller's Unclaimed Property Division in the name of and for the benefit of the individual who did not cash their check. The funds may be claimed at https://www.sco.ca.gov/upd_msg.html.
- **What if You Lose Your Check** - If you lose or misplace your settlement check before cashing it, the Settlement Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Division website for instructions on how to retrieve the funds.

EXHIBIT B

REQUEST FOR EXCLUSION FORM

USE AND RETURN THIS FORM ONLY IF YOU WISH TO EXCLUDE YOURSELF FROM THE CLASS SETTLEMENT.

If you wish to exclude yourself from the Class Settlement, you must read and sign the following statement and return this form to the Settlement Administrator, by mail, postmarked on or before **[Response Deadline]**, at the following mailing address:

[Settlement Administrator]
[Mailing Address]

I request to be excluded from the class action settlement in the matter of *Urbano Zavala Lopez v. Food for Life Baking Co., Inc.* By excluding myself from the class action settlement, I understand that I will not be bound by the settlement and release of the Released Class Claims, and I will not receive an Individual Settlement Payment. I understand that, nevertheless, if I am a PAGA Employee, exclusion from the Class Settlement will not result in exclusion from the PAGA Settlement and I will still be issued an Individual PAGA Payment.

Date: _____

Full Name: _____

Address: _____

Telephone Number: _____

Signature: _____

To ensure that this form is properly processed on your behalf and to avoid confusion in the event that multiple individuals having the same or similar names submit this form, please provide the last 4 digits of your Social Security Number to the administrator so that your identity may be confirmed:

If you do not wish to exclude yourself from the Class Settlement (and you wish to receive payment from the Class Settlement), you should not complete or return this form – you do not need to take any action.

EXHIBIT C

NOTICE OF OBJECTION FORM

USE AND RETURN THIS FORM ONLY IF YOU WISH TO OBJECT TO THE CLASS SETTLEMENT.

If you wish to object to the Class Settlement, you must state all grounds for your objection (space is provided below for doing so), attach any documents you are relying on for your objection, provide your signature, and return this form to the Settlement Administrator, by mail, postmarked on or before **[Response Deadline]**, at the following mailing address:

[Settlement Administrator]
[Mailing Address]

I wish to object to the Class Settlement on the following grounds:

Date: _____

Full Name: _____

Address: _____

Telephone Number: _____

Signature: _____

To ensure that this form is properly processed on your behalf and to avoid confusion in the event that multiple individuals having the same or similar names submit this form, please provide the last 4 digits of your Social Security Number to the administrator so that your identity may be confirmed:
