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7 similarly situated, and on behalf of the general public.

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13 STATE OF CALIFORNIA

14 SUPERIOR COURT FOR THE COUNTY OF FRESNO

15 Rafael Flores, on behalf of himself and all
16 others similarly situated, and on behalf of the
17 general public,

18 Plaintiffs,

19 HR Mobile Services, Inc., a California
20 Corporation, and DOES 1 through 10,
inclusive.

21 Defendants.

Case No.: 23CECG00301

**CLASS ACTION AND PRIVATE
ATTORNEYS GENERAL ACT ("PAGA")
SETTLEMENT AGREEMENT**

Complaint Filed: October 29, 2024

22 Trial Date: None Set

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Rafael Flores on behalf of himself, the putative class, and aggrieved employees, and Defendant HR Mobile Services, Inc. The Agreement refers to Plaintiff Rafael Flores and Defendant HR Mobile Services, Inc. collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS

1.1. “Action” means the matter of Flores v. HR Mobile Services, Inc., Tulare County Superior Court, Case No. VCU314557.

1.2. “Administrator” means Apex Class Action Administrator, the neutral entity the Parties have agreed to appoint to administer the Settlement and who, as a condition of appointment, has agreed to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the Administration Expenses Payment.

1.3. “Administration Expenses Payment” means the amount payable to the Administrator from the Gross Settlement Amount in exchange for its services under this Agreement, in accordance with the Administrator's “not to exceed” bid submitted to the Court as part of the Plaintiff’s motion for preliminary approval of the Settlement, as set forth in the Final Approval Order.

1.4. “Aggrieved Employee” means any person who Defendant employed in a non-exempt capacity in California during the PAGA Period.

1.5. “Agreement” means this Class Action and Private Attorneys General Act (“PAGA”) Settlement Agreement, including Exhibit A hereto.

1.6. “Class” means all persons who Defendant employed in a non-exempt capacity in California during the Class Period.

1.7. “Class Counsel” means Roman Otkupman and Nidah Farishta of OTKUPMAN LAW FIRM, ALC.

1.8. “Class Counsel Fees Payment” means the amount payable to Class Counsel from the Gross Settlement Amount as payment for reasonable attorneys’ fees incurred in prosecuting the Action, in satisfaction for any attorney’s fees recoverable by Plaintiff, Participating Class Members, Aggrieved Employees, and/or the LWDA for any of the Released Class Claims and/or Released PAGA Claims,

as set forth in the Final Approval Order.

1.9. “Class Counsel Litigation Expenses Payment” means the amount payable to Class Counsel from the Gross Settlement Amount as payment for costs incurred in prosecuting the Action, in satisfaction for any costs recoverable by Plaintiff, Participating Class Members, Aggrieved Employees, and/or the LWDA for any of the Released Class Claims and/or Released PAGA Claims, as set forth in the Final Approval Order.

1.10. “Class Data” means each Class Member's name, last-known mailing address, Social Security number, number of Class Workweeks, and number of PAGA Pay Periods, set forth in a single Microsoft Excel file.

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

1.12. “Class Member Address Search” means the Administrator's investigation and search, as determined in the reasonable professional judgment of the Administrator, for current Class Member mailing addresses using available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.13. “Class Notice” means the Court-approved Notice of Class Action Settlement and Hearing Date for Final Court Approval in substantially the same form as that attached as Exhibit A hereto.

1.14. “Class Period” means the period from October 29, 2020, through either: (a) the date the Court signs the Preliminary Approval Order; or, as necessary, (b) an earlier date voluntarily selected by Defendant in accordance with of this Agreement.

1.15. “Class Representative” means the named plaintiff Rafael Flores.

1.16. “Class Representative Service Payment” means the amount payable to the Class Representative from the Gross Settlement Amount for initiating the Action, providing services in support of the Action, and providing a general release of claims and Civil Code §1542 waiver in

1 favor of Released Parties, as set forth in the Final Approval Order.

2 **1.17.** “Class Workweek” means any week (Monday through Sunday) during the Class
3 Period in which a Class Member: (1) worked directly for Defendant in a non-exempt capacity in
4 California; and, (2) earned wages for hours worked during the week.

5 **1.18.** “Court” means the Superior Court of California, County of Tulare.

6 **1.19.** “Defendant” means Defendant HR Mobile Services, Inc.

7 **1.20.** “Defense Counsel” means Ian B. Wieland and Michael J. Conway II of Sagaser
8 Watkins & Wieland, PC.

9 **1.21.** “Effective Date” means the first date on which all of the following have occurred:
10 (a) the Court enters Judgment in the Action; (b) the Judgment is final; and, (c) a Party, or the Court,
11 has issued notice of entry of order of the Judgment. The Judgment is “final” for these purposes if it
12 is no longer appealable or, if an appeal from the Judgment is filed, the date on which the appellate
13 court(s) issue a remittitur.

14 **1.22.** “Employer-Side Payroll Taxes” means the taxes calculated by the Administrator, in
15 accordance with this Agreement, payable by Defendant on the portion of the Individual Class
16 Payments reported by the Administrator using IRS Form W-2.

17 **1.23.** “Final Approval Hearing” means the Court's hearing on the Motion for Final
18 Approval of the Settlement.

19 **1.24.** “Final Approval Order” means the Court's order granting final approval of the
20 Settlement.

21 **1.25.** “Gross Settlement Amount” means either (a) \$150,000.00; or, (b) a higher amount
22 voluntarily selected by Defendant in accordance with Section 7.1.2 or 7.6.3.2 of this Agreement.

23 **1.26.** “Individual Class Payment” means a Participating Class Member's pro rata share of
24 the Net Settlement Amount calculated in accordance with Section 4.4 of this Agreement.

25 **1.27.** “Individual PAGA Payment” means an Aggrieved Employee's pro rata share of 35-
26 percent of the PAGA Penalties payable to Aggrieved Employees under Labor Code §2699, subd.
27 (m), calculated in accordance with Section 4.3.4.2 of this Agreement.

1 **1.28.** “Judgment” means the judgment entered by the Court in the Action in accordance
2 with the Final Approval Order and this Agreement.

3 **1.29.** “LWDA” means the California Labor and Workforce Development Agency, the
4 agency entitled, under Labor Code §2699, subd. (m), to receive the LWDA PAGA Payment.

5 **1.30.** “LWDA PAGA Payment” means 65-percent of the PAGA Penalties payable to the
6 LWDA under Labor Code §2699, subd. (m).

7 **1.31.** “Net Settlement Amount” means the Gross Settlement Amount, less the Class
8 Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, the Class Representative
9 Service Payment, the Administration Expenses Payment, the Individual PAGA Payments, and the
10 LWDA PAGA Payment.

11 **1.32.** “Non-Participating Class Member” means any Class Member who submits a valid
12 and timely Request for Exclusion.

13 **1.33.** “Operative Complaint” means Plaintiff’s First Amended Class and Representative
14 Action Complaint, filed on December 23, 2025.

15 **1.34.** “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

16 **1.35.** “PAGA Notice” means all notices issued by Plaintiff to the LWDA pursuant to Labor
17 Code §2699.3, including but not limited to Plaintiff’s notice issued on or about September 26, 2025.

18 **1.36.** “PAGA Pay Period” means any pay period (i.e., an ordinary, biweekly paycheck
19 cycle of Defendant) during the PAGA Period in which an Aggrieved Employee: (1) worked directly
20 for Defendant in a non-exempt capacity in California; and, (2) earned wages for hours worked
21 during the pay period.

22 **1.37.** “PAGA Penalties” means \$25,000.00, payable from the Gross Settlement Amount to
23 the LWDA (as the LWDA PAGA Payment) and the Aggrieved Employees (as Individual PAGA
24 Payments) in settlement of the Released PAGA Claims, in accordance with Labor Code §2699,
25 subds. (m) and (s)(2).

26 **1.38.** “PAGA Period” means the period from September 26, 2024, through the Preliminary
27 Approval Order.

1 **1.39.** “Participating Class Member” means a Class Member who does not submit a valid
2 and timely Request for Exclusion from the Settlement.

3 **1.40.** “Plaintiff” means Rafael Flores.

4 **1.41.** “Preliminary Approval Order” means the Court's order preliminarily approving the
5 Settlement.

6 **1.42.** “Released Class Claims” means the claims Participating Class Members are
7 releasing as part of this Settlement, as described in Sections 5.3.1 through 5.3.1.1.15 of this
8 Agreement.

9 **1.43.** “Released PAGA Claims” means the claims Aggrieved Employees and the State of
10 California (inclusive of all of its agencies, including the LWDA, or any other agency with authority
11 to prosecute the Released Class Claims) are releasing as part of this Settlement, as described in
12 Sections 5.3.2 through 5.3.2.1.14 of this Agreement.

13 **1.44.** “Released Parties” means any of the following: Defendant; its present and former
14 parent, subsidiary, and/or affiliated entities; entities commonly owned and/or controlled by
15 Defendant’s owners; Defendant’s present and former owners, board members, officers, directors,
16 trustees, employees, agents, insurers, attorneys, representatives, heirs, executors, and/or
17 administrators; Defendant’s successors and/or assigns; and/or, any individual or entity who is or
18 could be liable for the claims released by Plaintiff, or for the Released Class Claims or the Released
19 PAGA Claims, on any legal theory, including but not limited to liability established pursuant to
20 Labor Code §§200.3, 558.1, or 2810.3, or on a joint-employer, alter-ego, or other theory of liability.

21 **1.45.** “Request for Exclusion” means a Class Member's submission of a written document
22 containing the Class Member’s name, address, and social security number, which reasonably
23 communicates his/her intent to exclude himself/herself from the Settlement in the professional
24 judgment of the Administrator.

25 **1.46.** “Response Deadline” means either (a) 60 days after the Administrator mails Notice
26 to Class Members; or in the case of Class Members whose Notice is remailed by the Administrator
27 after being returned as undeliverable, (b) 74 days after the Administrator initially mails Notice to
28

1 Class Members.

2 **1.47.** “Settlement” means the disposition of the Action effected by this Agreement and the
3 Judgment.

4 **2. RECITALS**

5 **2.1.**On October 29, 2024, Plaintiff Rafael Flores a class action complaint. Pursuant to Labor
6 Code §2699.3, subd. (a), Plaintiff gave written notice to Defendant and the LWDA by sending the
7 PAGA Notice. Thereafter, Plaintiff filed the Operative Complaint.

8 **2.2.**On August 21, 2025, the Parties participated in an all-day mediation presided over by neutral
9 Scott Radovich which led to this Agreement to settle the Action.

10 **2.3.**Prior to mediation, Plaintiff obtained, through informal discovery, the number of putative
11 Class Members, the number of Aggrieved Employees, the number of Class Workweeks, the number
12 of PAGA Pay Periods, sample time records, sample payroll records, written policies, and related
13 information. Plaintiff contends his investigation is sufficient to satisfy the criteria for court approval
14 set forth in Dunk v. Foot Locker Retail, Inc. (1996) 48 Cal.App.4th 1794, 1801 and Kullar v. Foot
15 Locker Retail, Inc. (2008) 168 Cal.App.4th 116, 129-130 (“Dunk/Kullar”).

16 **2.4.**The Court has not granted class certification.

17 **3. NATURE OF SETTLEMENT**

18 **3.1.**Non-Admission: This Agreement represents a compromise and settlement of highly disputed
19 claims. It is not intended, nor shall it be construed as, an admission by the Parties that the other’s
20 respective claims, defenses, or other positions have merit. This Agreement, or actions taken in
21 accordance with this Agreement, shall be inadmissible in connection with any litigation, except
22 proceedings necessary to enforce or effectuate the Settlement, whether in this Action or another.

23 **3.2.**Contingent Upon the Effective Date. The core aspects of this Agreement, including the
24 releases of claims and payment obligations, are contingent upon the occurrence of the Effective
25 Date. If, for any reason, the Effective Date is not achieved, the Parties shall revert to their respective
26 positions in the Action.

27 **3.3.**Res Judicata and/or Collateral Estoppel Effect of Judgment. The Parties intend this
28

Agreement to bar any claims released through the Judgment in the Action, based on application of applicable legal principles, including res judicata and/or collateral estoppel.

4. MONETARY TERMS

4.1. Gross Settlement Amount. Defendant promises to pay the Gross Settlement Amount and Employer-Side Payroll Taxes within 60 days of the Effective Date. Defendant, or other Released Parties, shall have no other monetary obligations under this Agreement. To the extent Defendant voids the Settlement pursuant to Section 7.6.3.1 of this Agreement, Defendant shall be liable for the Administrator's expenses actually incurred, up to the amount stated in the Administrator's "not to exceed" bid.

4.2. No Claims Process; No Reversion. The Administrator shall disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount shall revert to Defendant.

4.3. Payments from the Gross Settlement Amount. The Administrator shall make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval Order:

4.3.1. **To Plaintiff:** A Class Representative Service Payment to the Class Representative of not more than \$10,000.00, in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member and Aggrieved Employee. Plaintiff shall have responsibility for seeking approval of the Class Representative Service Award. Defendant shall not oppose Plaintiff's request for a Class Representative Service Payment to the extent it does not exceed \$10,000.00. If the Court does not approve a Class Representative Service Payment or awards less than the amount requested, it shall not impact the validity of the Settlement (including Plaintiff's general release of claims and waiver of rights under Civil Code §1542), and the Administrator shall retain the difference in the Net Settlement Amount. The Administrator shall report the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full legal responsibility

for taxes owed on the Class Representative Service Payment and agrees to hold Defendant harmless, and indemnify Defendant, from any dispute or controversy regarding any division, sharing, or taxation of this payment.

4.3.2. To Class Counsel: A Class Counsel Fees Payment of not more than 35-percent of the Gross Settlement Amount; and, a Class Counsel Litigation Expenses Payment of not more than \$20,000.00. Plaintiff shall have responsibility for seeking approval of the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment. Defendant shall not oppose Plaintiff's request for a Class Counsel Fees Payment to the extent it does not exceed 35-percent of the Gross Settlement Amount and Defendant shall not oppose Plaintiff's request for a Class Counsel Litigation Expenses Payment to the extent it does not exceed \$20,000.00. If the Court does not approve a Class Counsel Fees Payment or a Class Counsel Litigation Expenses Payment, or awards less than the amount(s) requested, it shall not impact the validity of the Settlement, and the Administrator shall retain the difference in the Net Settlement Amount. Defendant and other Released Parties shall have no liability to Class Counsel or any other attorney arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator shall report the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment using IRS Form 1099. Class Counsel assumes full legal responsibility for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment, and agrees to hold Defendant harmless, and indemnify Defendant, from any dispute or controversy regarding any division, sharing, or taxation of these payments.

4.3.3. To the Administrator: An Administrator Expenses Payment of not more than \$10,000.00. Plaintiff shall have responsibility for seeking approval of the Administrator Expenses Payment. Defendant shall not oppose Plaintiff's request for a Class Counsel Fees Payment to the extent it does not exceed \$10,000.00, or to the extent good cause exists for an increased payment. If the Court does not approve an Administrator Expenses Payment, or awards less than the amount requested, it shall not impact the validity of the Settlement, and the

Administrator shall retain the difference in the Net Settlement Amount. The Administrator shall report the Administrator Expenses Payment using IRS Form 1099. The Administrator assumes full legal responsibility for taxes owed on the Administrator Expenses Payment and agrees to hold Defendant harmless, and indemnify Defendant, from any dispute or controversy regarding any division, sharing, or taxation of this payment.

4.3.4. PAGA Penalties: PAGA Penalties in the amount of \$25,000.00, with PAGA Penalties split between the LWDA PAGA Payment and Individual PAGA Payments. Plaintiff shall have responsibility for seeking approval of the settlement of Released PAGA Claims generally, including the PAGA Penalties allocation. Defendant shall not oppose Plaintiff's request for PAGA Penalties to the extent it does not exceed \$20,000.00. If the Court awards less than the amount(s) requested, it shall not impact the validity of the Settlement, and the Administrator shall retain the difference in the Net Settlement Amount. The Administrator shall report PAGA Penalties (including the LWDA PAGA Payment and Individual PAGA Payments) using IRS Form 1099. The LWDA and Aggrieved Employees assume full legal responsibility for taxes owed on the LWDA PAGA Payment and Individual PAGA Payments.

4.3.4.1. To the LWDA. The Administrator shall pay a portion of the PAGA Penalties to the LWDA as the LWDA PAGA Payment.

4.3.4.2. To Aggrieved Employees. The Administrator shall pay a portion of the PAGA Penalties to Aggrieved Employees as Individual PAGA Payments. The Administrator shall calculate each Individual PAGA Payment by dividing the sum payable to Aggrieved Employees as Individual PAGA Payments by the number of PAGA Pay Periods, then multiplying the result by each Aggrieved Employee's number of PAGA Pay Periods listed in the Class Data.

4.4. Payments from the Net Settlement Amount. The Administrator shall distribute the Net Settlement Amount to Participating Class Members as Individual Class Payments. The Administrator shall calculate each Individual Class Payment by dividing the Net Settlement Amount by the number of Class Workweeks worked by all Participating Class Members, then multiplying

the result by each Participating Class Member's number of Class Workweeks listed in the Class Data. The Administrator shall report 10-percent of each Individual Class Payment using IRS Form W-2 and the remainder of each Individual Class Payment using IRS Form 1099. Participating Class Members assume full legal responsibility for employee-side taxes owed on the Individual Class Payments. The Administrator shall not issue Individual Class Payments to Non-Participating Class Members.

5. RELEASES OF CLAIMS

5.1. Effective Date of Releases. The releases described in this Agreement shall take effect upon the Effective Date. If Defendant fails to fund the Gross Settlement Amount and Employer-Side Payroll Taxes within the time set forth in of this Agreement, then, at Plaintiff's election and upon notice to Defendant and the Court, the Settlement shall void, and the Judgment shall vacate.

5.2. Plaintiff's General Release and Civil Code §1542 Waiver.

5.2.1. **General Release.** Plaintiff, on behalf of himself and on behalf of his respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns, agrees to release and discharge Released Parties from all known and unknown claims of whatever type that Plaintiff has or may have against Released Parties through the date of Plaintiff's execution of this Agreement, except for claims to enforce this Agreement or claims that Plaintiff cannot release via a general release as a matter of law, including claims for unemployment and workers' compensation benefits ("Plaintiff's General Release").

5.2.2. **Waiver of Rights Under California Civil Code §1542.** Plaintiff acknowledges that he may discover facts or law different from, or in addition to, the facts or law that he now knows or believes to be true, which could materially affect his decision to agree to the releases set forth in this Agreement. Nonetheless, Plaintiff voluntarily assumes this risk and agrees that Plaintiff's General Release shall remain in effect notwithstanding such different or additional discoveries. To this end, Plaintiff expressly waives and relinquishes his rights under California Civil Code §1542, which provides:

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

1 release, and that if known by him or her, would have materially affected his or
2 her settlement with the debtor or Released Party.

3 **5.3. Release by Participating Class Members and Aggrieved Employees.**

4 5.3.1. Release of Class Claims. As of the Effective Date, all Participating Class
5 Members shall release the Released Parties of all claims Plaintiff alleged, or could have alleged,
6 on an individual, or a class basis, by reason of or in connection with any matter or fact set forth
7 in the Operative Complaint, and which arose or existed during the Class Period. This release
8 includes the release of all remedies recoverable for the Released Class Claims, including, as
9 applicable, all forms of economic and non-economic damages, punitive damages, penalties
10 (whether statutory or civil), restitution, interest, costs, attorneys' fees, and injunctive or other
11 equitable relief. This release shall bind Participating Class Members regardless of whether they
12 receive the Class Notice, receive and/or negotiate their Individual Class Payment, object to the
13 Settlement, or dispute the Class Workweeks set forth in the Class Data, so long as the procedures
14 of this Agreement are followed.

15 5.3.1.1. Illustration of Released Class Claims. Without limiting the foregoing,
16 Released Class Claims shall include all claims:

17 5.3.1.1.1 Relating to the failure to provide legally compliant meal periods,
18 including, but not limited to, due to the failure to provide meal periods at all, the failure
19 to provide a sufficient number of meal periods, interrupting meal periods, imposing on-
20 duty meal periods, imposing on-premises meal periods, providing short meal periods, or
21 providing late meal periods;

22 5.3.1.1.2 Relating to the failure to pay meal period premiums in all instances
23 required by law, inclusive of failures to pay meal period premiums at all, or at the correct
24 rate(s) of pay, or in a timely manner;

25 5.3.1.1.3 Relating to the failure to provide legally compliant rest or recovery
26 periods, including, but not limited to, due to the failure to provide rest periods at all, the
27 failure to provide a sufficient number of rest periods, interrupting rest periods, imposing
28

on-duty rest periods, imposing on-premises rest periods, providing short rest periods, and/or providing late or otherwise untimely rest periods;

5.3.1.1.4 Relating to the failure to pay rest or recovery period premiums in all instances required by law, including, but not limited to, due to the failure to pay rest period premiums at all, or at the correct rate(s) of pay, and/or in a timely manner;

5.3.1.1.5 Relating to unpaid minimum or straight time wages, including, but not limited to, unpaid minimum or straight time wages due as a result of any off-the-clock work performed, of rounding, and/or of other time record manipulations;

5.3.1.1.6 Relating to unpaid overtime (including double-time) wages, including, but not limited to, unpaid overtime wages due as a result of any off-the-clock work performed, of rounding, of other time record manipulations, and/or of the failure to accurately calculate the regular rate of pay;

5.3.1.1.7 Relating to the failure to keep, whether at all or accurately, records required under Labor Code sections 226, 432, 1174, and 1198.5, or the applicable IWC Wage Order(s), and/or failing to provide the records to Class Members upon their request, either at all, and/or in a timely and complete manner.

5.3.1.1.8 Relating to the failure to keep and/or furnish to Class Members accurate, itemized wage statements, whether as a result of the violations described in Section 5.3.1.1.1 through 5.3.1.1.7, or for any other reason, including, but not limited to, due to the failure to list in each wage statement, whether at all or accurately, the gross wages earned, total hours worked, net wages earned, all deductions, all applicable hourly rates in effect during the applicable pay period and the corresponding number of hours worked at each hourly rate, applicable piece rates in effect during the applicable pay period and the corresponding number of pieces earned, the legal name and address of the legal entity that is the employer, the legal name and address of the entity securing the services of Defendant, the total hours of compensable rest and recovery periods, the total hours of nonproductive time, and/or information required by law regarding sick leave of

COVID-19 supplemental sick leave.

5.3.1.1.9 Relating to the failure to pay all accrued and unused vacation wages owed to Class Members at the time of separation, including, but not limited, due to the failure to pay such wages at all, in the amount(s) due, and/or in a timely manner at the time of separation.

5.3.1.1.10 Relating to the failure to pay all wages owed to Class Members at the time of separation, whether as a result of the violations described in Section 5.3.1.1.1 through 5.3.1.1.7, or 5.3.1.1.9 or for any other reason, including, but not limited to, due to the failure to pay such wages at all, in the amount(s) due, and/or in a timely manner upon separation.

5.3.1.1.11 Relating to the failure to pay all wages owed to Class Members during employment, whether as a result of the violations described in Section 5.3.1.1.1 through 5.3.1.1.7, 5.3.1.1.9, or for any other reason, including, but not limited to, due to the failure to pay such wages at all, in the amount(s) due, and/or in a timely manner, including within the time frames specified in Labor Code sections 204, 204b, 205, or others as applicable.

5.3.1.1.12 Relating to the failure to reimburse necessary business expenses incurred by Class Members in compliance with Labor Code §2802, including, but not limited to, as the result of the failure to reimburse, in whole or in part, Class Members for expenses such as use of a personal vehicle (including mileage, gas, and wear and tear), purchasing uniforms, providing uniform and other deposits, separately laundering uniforms or work clothing, for the purchase of tools and safety equipment, or for the purchase of cellphone, computers, and/or internet plans associated with operating the same.

5.3.1.1.13 Relating to the payment of wages in a manner violative of Labor Code §212, including, but not limited to, as the result of payment of wages via gift card;

5.3.1.1.14 For violations of, or for penalties pursuant to, California Labor Code

§§ 201, 202, 203, 204, 212, 213, 226, 226.7, 227.3, 510, 512, 1174, 1182.12, 1197, 1198, 1198.5, 2800, 2802; any applicable provisions(s) of the IWC Wage Order(s) implicated by the allegations above; 8 C.C.R. §3395; California Business and Professions Code §§17200-17208; California Civil Code §§3287 and 3289; California Code of Civil Procedure §1021.5; and, related claims under the applicable provisions of the Fair Labor Standards Act (29 U.S.C. §§201, et seq.)

5.3.1.1.15 Relating to unfair business practices associated with any of the foregoing.

5.3.2. Release of PAGA Claims. As of the Effective Date, the State of California (including the LWDA and/or any other agency or official who could prosecute the Released PAGA Claims) and Aggrieved Employees shall release Defendant and other Released Parties of all claims Plaintiff alleged, or could have alleged, under PAGA, by reason of or in connection with any matter or fact set forth in the Operative Complaint or PAGA Notice, and which arose or existed during the PAGA Period. This release includes the release of all remedies recoverable for the Released PAGA Claims, including, as applicable, all forms of economic and non-economic damages, punitive damages, penalties (whether statutory or civil), restitution, interest, costs, attorneys' fees, and injunctive or other equitable relief. This release shall bind Aggrieved Employees regardless of whether they receive the Class Notice, receive and/or negotiate their Individual PAGA Payment, attempt to object to the Settlement, or dispute the PAGA Pay Periods set forth in the Class Data, so long as the procedures of this Agreement are followed.

5.3.2.1. Illustration of Released PAGA Claims. Without limiting the foregoing, Released PAGA Claims shall include all claims assertable under PAGA:

5.3.2.1.1 Relating to the failure to provide legally compliant meal periods, including, but not limited to, due to the failure to provide meal periods at all, the failure to provide a sufficient number of meal periods, interrupting meal periods, imposing on-duty meal periods, imposing on-premises meal periods, providing short meal periods, or providing late meal periods;

1 5.3.2.1.2 Relating to the failure to pay meal period premiums in all instances
2 required by law, inclusive of failures to pay meal period premiums at all, or at the correct
3 rate(s) of pay, or in a timely manner;

4 5.3.2.1.3 Relating to the failure to provide legally compliant rest or recovery
5 periods, including, but not limited to, due to the failure to provide rest periods at all, the
6 failure to provide a sufficient number of rest periods, interrupting rest periods, imposing
7 on-duty rest periods, imposing on-premises rest periods, providing short rest periods,
8 and/or providing late or otherwise untimely rest periods;

9 5.3.2.1.4 Relating to the failure to pay rest or recovery period premiums in all
10 instances required by law, including, but not limited to, due to the failure to pay rest
11 period premiums at all, or at the correct rate(s) of pay, and/or in a timely manner;

12 5.3.2.1.5 Relating to unpaid minimum or straight time wages, including, but
13 not limited to, unpaid minimum or straight time wages due as a result of any off-the-
14 clock work performed, of rounding, and/or of other time record manipulations;

15 5.3.2.1.6 Relating to unpaid overtime (including double-time) wages,
16 including, but not limited to, unpaid overtime wages due as a result of any off-the-clock
17 work performed, of rounding, of other time record manipulations, and/or of the failure
18 to accurately calculate the regular rate of pay;

19 5.3.2.1.7 Relating to the failure to keep, whether at all or accurately, records
20 required under Labor Code sections 226, 432, 1174, and 1198.5, or the applicable IWC
21 Wage Order(s), and/or failing to provide the records to Aggrieved Employees upon their
22 request, either at all, and/or in a timely and complete manner.

23 5.3.2.1.8 Relating to the failure to keep and/or furnish to Aggrieved Employees
24 accurate, itemized wage statements, whether as a result of the violations described in
25 Section 5.3.2.1.1 through 5.3.2.1.7, or for any other reason, including, but not limited to,
26 due to the failure to list in each wage statement, whether at all or accurately, the gross
27 wages earned, total hours worked, net wages earned, all deductions, all applicable hourly
28

1 rates in effect during the applicable pay period and the corresponding number of hours
2 worked at each hourly rate, applicable piece rates in effect during the applicable pay
3 period and the corresponding number of pieces earned, the legal name and address of the
4 legal entity that is the employer, the legal name and address of the entity securing the
5 services of Defendant, the total hours of compensable rest and recovery periods, the total
6 hours of nonproductive time, and/or information required by law regarding sick leave of
7 COVID-19 supplemental sick leave.

8 5.3.2.1.9 Relating to the failure to pay all accrued and unused vacation wages
9 owed to Aggrieved Employees at the time of separation, including, but not limited, due
10 to the failure to pay such wages at all, in the amount(s) due, and/or in a timely manner at
11 the time of separation.

12 5.3.2.1.10 Relating to the failure to pay all wages owed to Aggrieved Employees
13 at the time of separation, whether as a result of the violations described in Section 5.3.2.1
14 through 5.3.2.1.7, or 5.3.2.1.9, or for any other reason, including, but not limited to, due
15 to the failure to pay such wages at all, in the amount(s) due, and/or in a timely manner
16 upon separation.

17 5.3.2.1.11 Relating to the failure to pay all wages owed to Aggrieved Employees
18 during employment, whether as a result of the violations described in Section 5.3.2.1.1
19 through 5.3.2.1.7, 5.3.2.1.9, or for any other reason, including, but not limited to, due to
20 the failure to pay such wages at all, in the amount(s) due, and/or in a timely manner,
21 including within the time frames specified in Labor Code sections 204, 204b, 205, or
22 others as applicable.

23 5.3.2.1.12 Relating to the failure to reimburse necessary business expenses
24 incurred by Aggrieved Employees in compliance with Labor Code §2802, including, but
25 not limited to, as the result of the failure to reimburse, in whole or in part, Aggrieved
26 Employees for expenses such as use of a personal vehicle (including mileage, gas, and
27 wear and tear), purchasing uniforms, providing uniform and other deposits, separately
28

laundrying uniforms or work clothing, for the purchase of tools and safety equipment, or for the purchase of cellphone, computers, and/or internet plans associated with operating the same.

5.3.2.1.13 Relating to the payment of wages in a manner violative of Labor Code §212, including, but not limited to, as the result of payment of wages via gift card;

5.3.2.1.14 For violations of, or for penalties pursuant to, California Labor Code §§ 201, 202, 203, 204, 212, 213, 226, 226.7, 227.3, 510, 512, 1174, 1182.12, 1197, 1198, 1198.5, 2800, 2802; any applicable provisions(s) of the IWC Wage Order(s) implicated by the allegations above; 8 C.C.R. §3395; and, all default civil penalties provided for in Labor Code §2699(f) for any of the Released PAGA Claims.

5.4. Construction. The Parties intend that this release be construed as broadly as possible, in favor of releasing claims. However, “Released Class Claims” and “Released PAGA Claims” shall not be construed as releasing claims for wrongful termination, violations of the California Fair Employment and Housing Act (“FEHA”) or similar federal statutes providing for statutory claims for discrimination, harassment, and retaliation, and/or for claims for unemployment, disability, and/or workers’ compensation insurance.

5.5. Resolution of Good Faith Dispute. The Parties warrant and represent that the releases for Participating Class Members resolve, pursuant to Labor Code §§206 and 206.5, and applicable case law (including but not limited to *Chindarah v. Pick Up Stix, Inc.* (2009) 171 Cal.App.4th 796) a good faith dispute regarding any and all wages, if any, owed by Defendant to Class Members through their last day of employment with Defendant within the Class Period. The Parties further warrant and represent that the Gross Settlement Amount described in this Agreement is in addition to any undisputed wages and other benefits owed to Class Members by Defendant.

6. MOTION FOR PRELIMINARY APPROVAL

6.1. Plaintiff shall prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”). Defendant shall not oppose the Motion for Preliminary Approval to the extent it is consistent with this Agreement. No less than seven days prior to the deadline for filing

1 and serving the Motion for Preliminary Approval, Plaintiff shall provide to Defense Counsel drafts
2 of: (i) the notice and memorandum in support of the Motion for Preliminary Approval that includes
3 an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement
4 under Labor Code §2699, subd. (s)(2)); (ii) the proposed Preliminary Approval Order; (iii) a
5 declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement
6 and attesting to its willingness and ability to serve as an administrator in this matter under the terms
7 of this Agreement, including information related to its financial relationship with Class Counsel;
8 (iv) a declaration from Plaintiff confirming his willingness and competency to serve and disclosing
9 all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the
10 Administrator; (v) a declaration from Class Counsel attesting to their competency to represent the
11 Class Members and authenticating proof of Plaintiff’s timely transmission to the LWDA of all
12 necessary documents to effectuate the settlement and release of the Released PAGA Claims
13 (including the initial notice of violations sent to Defendant and the LWDA pursuant to Labor Code
14 §2699.3, subd. (a-c), as applicable, the Operative Complaint (Labor Code §2699, subd. (s)(1)), and
15 this Agreement (Labor Code §2699, subd. (s)(2))).

16 **6.2.** The Parties shall meet and confer to resolve any disagreements regarding the Motion for
17 Preliminary Approval, or any aspect thereof. If the Court does not issue the Preliminary Approval
18 Order, or conditions the Preliminary Approval Order on any material change to this Agreement, the
19 Parties shall meet and confer regarding modifying the Agreement or to otherwise satisfy the Court’s
20 concerns. The Parties shall have no duty to consent to any material change to this Agreement. A
21 “material change” for these purposes includes changes to the Gross Settlement Amount and the
22 releases described in Section 5 of this Agreement but does not include a change to Class Counsel
23 Fees Payment, Class Counsel Litigation Expenses Payment, and/or the Class Representative Service
24 Payment. The Parties shall have the continuing obligation to seek final approval of the Settlement
25 and entry of judgment consistent with the terms set forth herein, until the Effective Date occurs, and
26 such obligation shall only cease upon the written consent of all Parties.

27 **6.3.** Class Counsel shall file the Motion for Preliminary Approval no later than 75 days after the
28

Parties' execution of this Agreement; shall obtain a prompt hearing date for the Motion for Preliminary Approval; and, shall appear in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval Order to the Administrator.

7. SETTLEMENT NOTICE PROCEDURE

7.1. Class Data.

7.1.1. Submission of Class Data. Not later than 30 days after Notice of Entry of the Court's Preliminary Order is provided by the Court or a Party, Defendant shall deliver the Class Data to the Administrator. Defendant shall immediately notify the Administrator if it discovers errors or omissions in the Class Data. The Parties shall use their best efforts resolve any issues relating to the Class Data. The Administrator shall maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement.

7.1.2. Escalator Clause. If, through the date of the Preliminary Approval Order, the number of Class Members exceeds 148 and the number of Class Workweeks exceeds 13,800, then Defendant shall, at its sole discretion, elect to either (a) end the Class Period on date on which either the number of Class Members was 148 (or less) or the number of Class Workweeks was 13,800 (or less), whichever figure is more favorable to Defendant; or, (b) increase the Gross Settlement Amount proportionally to either the number of Class Members above 148 or the number of Class Workweeks above 13,800, whichever figure is more favorable to Defendant. Defendant shall notify the Administrator of its election, as necessary, at the time of submitting the Class Data, and the Class Data submitted shall reflect that election. The PAGA Period shall extend through the date of preliminary approval and shall not be subject to any pro rata increase.

7.2. Notice to Class Members.

7.2.1. No later than seven days after receipt of the Class Data, the Administrator shall notify Class Counsel regarding receipt of the Class Data and provide a summary of the

Class Data, including the number of Class Members, Aggrieved Employees, Class Workweeks, and PAGA Pay Periods.

7.2.2. No later than 30 days after receiving the Class Data, the Administrator shall send the Class Notice to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail. The Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member and/or Aggrieved Employee, and the number of Class Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts.

7.2.3. Not later than seven days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator shall notify the Class Member of the updated Response Deadline as a result of the re-mailing. The Administrator shall have no obligation to make further attempts to locate or send Notice Packet to Class Members whose Class Notice is returned by the USPS a second time.

7.2.4. If the Administrator, Defendant, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties shall meet and confer regarding whether to include them as Class Members. If the Parties agree to their inclusion, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send a Class Notice requiring them to exercise options under this Agreement within the timeframes applicable to Class Members whose Class Notice is re-mailed by the Administrator.

7.3. Requests for Exclusion (Opt-Outs).

7.3.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a Request for Exclusion not later than the Response Deadline.

7.3.2. The Administrator shall accept any timely, good-faith written effort by a Class Member to exclude himself/herself from the Class Settlement, even to the extent its contents do not constitute a Request for Exclusion as defined herein, so long as the Administrator can ascertain the identity of the Class Member and his/her desire to exclude himself/herself from the Settlement. If the Administrator has reason to question the authenticity of a Request for Exclusion (or other attempted exclusion effort), the Administrator may demand additional proof of the Class Member's identity or otherwise seek to authenticate the request. The Administrator's determinations shall be final and not appealable or otherwise susceptible to challenge.

7.3.3. Every Class Member who does not submit a timely and valid Request for Exclusion shall be considered a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Section 5.3.1 through 5.3.1.1.15 of this Agreement. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. All Aggrieved Employees are entitled to all benefits and bound by all terms and conditions of the Settlement as they pertain to PAGA claims, including the Aggrieved Employees' Releases under Section 5.3.2 through 5.3.2.1.14 of this Agreement, regardless of whether the Aggrieved Employee submits a valid, or invalid, Request for Exclusion.

7.3.4. The Administrator shall promptly provide copies of Requests for Exclusion (or other attempted exclusion efforts) and the Administrator's determination as to such requests to Defense Counsel and Class Counsel, except that any information provided to Class Counsel in relation to such requests shall not contain any personal identifying information.

7.4. Challenges to Assigned Class Workweeks and/or PAGA Pay Periods.

7.4.1. Class Members who wish to challenge the Class Workweeks and/or PAGA Pay Periods assigned to them in the Class Data must send the Administrator, by fax, email, or mail, a signed, written statement detailing their dispute not later than the Response Deadline.

7.4.2. The Administrator shall encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator shall presume that the Class Workweeks and PAGA Pay Periods contained in the Class Data are correct. The Administrator's determination of each Class Member's allocation of Class Workweeks and/or PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge.

7.4.3. The Administrator shall promptly provide copies of all challenges to calculation of Class Workweeks and/or PAGA Pay Periods and the Administrator's determination as to such challenges to Defense Counsel and Class Counsel, except that any information provided to Class Counsel in relation to such challenges shall not contain any personal identifying information.

7.5. Objections to Settlement.

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

7.5.2. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than the Response Deadline.

7.5.3. Non-Participating Class Members have no right to object to any of the class action components of the Settlement. To the extent consistent with applicable law, Aggrieved Employees shall have no right to object to any aspect of the settlement of the Released PAGA Claims.

7.6. Administrator Duties.

7.6.1. Email Address, Fax Number, and Toll-Free Number. The Administrator shall

1 establish and maintain and use an email address, fax number, and a toll-free telephone number,
2 displayed clearly in the Class Notice, to receive Class Member emails, faxes, and calls.

3 7.6.2. Weekly Reports. The Administrator shall, on a weekly basis, provide written
4 reports to Class Counsel and Defense Counsel that tally the number of: Class Notices mailed or
5 re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid)
6 received, objections received, and challenges to Class Workweeks and/or PAGA Pay Periods
7 received (“Weekly Report”). The Weekly Reports must include the Administrator's assessment
8 of the validity of any Request for Exclusion or challenge, and attach copies of all Requests for
9 Exclusion, challenge, and objection received, except that any information provided to Class
10 Counsel shall not contain personal identifying information

11 7.6.3. Updated Class Data and Exclusion List. Not later than seven days after the
12 Response Deadline, and after accounting for valid and successful challenges and Requests for
13 Exclusions, the Administrator shall email Class Counsel and Defense Counsel an updated
14 summary of the Class Data, including the number of Participating Class Members, Aggrieved
15 Employees, Class Workweeks, and PAGA Pay Periods. The Administrator shall also email
16 Defense Counsel a list of the Non-Participating Class Members (“Exclusion List”), and copies
17 of corresponding Requests for Exclusion, and shall provide the same to Class Counsel upon
18 request in a manner that does not personally identify the Non-Participating Class Member(s).

19 7.6.3.1. Defendant shall have the right at its sole discretion to terminate the
20 settlement if more than 15-percent of Class Members submit timely and valid Requests for
21 Exclusion, as determined by the Administrator. Defendant must exercise its right via email
22 to Class Counsel not less than 30 days from the date the Administrator provides the Parties
23 the Exclusion List.

24 7.6.3.2. Defendant shall have the right to exercise its options described in
25 Section 7.1.2 of this Agreement as necessary, after the updated Class Data is provided.
26 Defendant shall notify the Administrator of its election under Section 7.1.2 of this
27 Agreement, as necessary based on the updated Class Data, within 30-days from the date the
28

Administrator provides the updated Class Data pursuant to Section 7.6.3 of this Agreement.

7.6.4. Administrator's Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator shall provide to Class Counsel and Defense Counsel a signed declaration suitable for filing in Court attesting to its due diligence and compliance with its obligations under this Agreement, including, but not limited to, its mailing of Class Notices, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion it received (both valid or invalid), the number of challenges it received, and the number of written objections received. The Administrator shall provide along with such declaration the Exclusion List with all personal identifying information (e.g., names and contact information) redacted and replaced with a unique identifier. The Administrator shall supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

8. MOTION FOR FINAL APPROVAL

8.1. Plaintiff shall prepare and file a motion for final approval ("Motion for Final Approval"). Defendant shall not oppose the Motion for Final Approval to the extent it is consistent with this Agreement. Not less than seven days prior to the deadline for filing and serving the Motion for Final Approval, Plaintiff shall provide to Defense Counsel drafts of: (i) the notice and memorandum in support of the Motion for Final Approval and request for approval of the PAGA Settlement under Labor Code §2699, subd. (s)(2); (ii) a proposed Final Approval Order; (iii) a proposed Judgment; (iv) the Administrator's declaration referenced in Section 7.6.4 of this Agreement; (v) a declaration from Plaintiff in support of the requested Class Representative Service Award; and, (vi) a declaration from Class Counsel in support of the requested Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment.

8.2. The Parties shall meet and confer to resolve any disagreements regarding the Motion for Final Approval, or any aspect thereof. If the Court does not issue the Final Approval Order or Judgment, or conditions either on any material change to this Agreement, the Parties shall meet and

1 confer regarding modifying the Agreement or to otherwise satisfy the Court's concerns. The Parties
2 shall have no duty to consent to any material change to this Agreement. A "material change" for
3 these purposes includes changes to the Gross Settlement Amount and the releases described in
4 Section 5 of this Agreement but does not include a change to Class Counsel Fees Payment, Class
5 Counsel Litigation Expenses Payment, and/or the Class Representative Service Payment. The
6 Parties shall have the continuing obligation to seek final approval of the Settlement and entry of
7 judgment consistent with the terms set forth herein, until the Effective Date occurs, and such
8 obligation shall only cease upon the written consent of all Parties.

9 **8.3.** Each Party shall have the right to respond to any objection raised by a Participating Class
10 Member, including the right to file responsive documents in Court no later than five court days prior
11 to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

12 **9. POST-JUDGMENT PROCEEDINGS**

13 **9.1. Continuing Jurisdiction of Trial Court.** The Parties agree that, after entry of Judgment, the
14 Court shall retain jurisdiction over the Parties, the Action, and the Settlement solely for purposes of
15 (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and
16 (iii) addressing such post-Judgment matters that are permitted by law.

17 **9.2. Waiver of Right to Appeal.** Provided the Judgment is consistent with the terms and
18 conditions of this Agreement, the Parties and all Participating Class Members who did not object to
19 the Settlement as provided in this Agreement waive all rights to appeal from the Judgment, including
20 all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment,
21 motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any
22 waiver of the right to oppose such motions, writs or appeals.

23 **9.3. Reversal on Appeal.** If an appellate court vacates, reverses, or modifies the Judgment in a
24 manner that requires a material change to this Agreement, then the Parties shall meet and confer to
25 regarding modifying the Agreement or to otherwise satisfy the Court's concerns. The Parties shall
26 have no duty to consent to any material change to this Agreement. A "material change" for these
27 purposes includes changes to the Gross Settlement Amount and the releases described in Section 5
28

of this Agreement but does not include a change to the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or the Class Representative Service Payment. The Parties shall mediate any disagreements with Scott Radovich, Esq., and if they reach an agreement, shall seek approval of that agreement consistent with the terms of this Agreement. If they cannot reach an agreement after mediation, this Agreement shall be null and void.

10. DISTRIBUTION AND ACCOUNTING OF SETTLEMENT PROCEEDS

10.1. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under U.S. Treasury Regulation §468B-1.

10.2. Payments by the Administrator.

10.2.1. **Timing.** Within 14 days after Defendant funds the Gross Settlement Amount and Employer-Side Payroll Taxes, the Administrator shall mail all payments described in Sections 4.3 through 4.4 of this Agreement. The Administrator shall not disburse the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and/or the Class Representative Service Payment prior to disbursing Individual Class Payments and Individual PAGA Payments. The Administrator shall immediately notify the Parties upon disbursing the payments.

10.2.2. **Individual Class and PAGA Payments.** The Administrator may issue a single check to Participating Class Members who are also Aggrieved Employees, including both their Individual Class Payment and Individual PAGA Payment. The Administrator shall issue a check to all Participating Class Members and Aggrieved Employees, including those for whom the Class Notice was returned as undeliverable. The Administrator shall issue all checks to Participating Class Members and/or Aggrieved Employees via First Class U.S. Mail, postage prepaid. All checks issued by the Administrator shall remain negotiable for no less than 180 days, and no more than 200 days ("Check Cashing Deadline"). The Administrator shall state the void date of each check prominently thereon.

10.2.3. **Undeliverable Checks.** The Administrator shall conduct a Class Member

Address Search for all Class Members whose checks are returned undelivered without USPS forwarding address. Within seven days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, as requested by the Class Member prior to the void date.

10.2.4. No Further Benefit. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions, bonuses, vacation plans, sick leave plans, PTO plans, regular rate of pay calculations, or other benefit plan) beyond those specified in this Agreement.

10.3. Final Report by Administrator and Amended Judgment.

10.3.1. Not less than 14 days before any deadline set by the Court, the Administrator shall prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement (the "Final Report").

10.3.2. Not less than seven days prior to the deadline for filing the Administrator's Final Report, Plaintiff shall provide to Defense Counsel a draft proposed amended judgment, directing the Administrator to pay the sum of the unpaid residue (i.e., payments described in Section 4.3 through 4.4 of this Agreement that are not cashed by the Check Cashing Deadline), plus any interest that has accrued thereon, to the Bethlehem Center, 506 N. Garden St., Visalia, CA 93291 (the "Cy Pres"). Class Counsel shall file both the Final Report and the proposed amended judgment with the Court.

11. MISCELLANEOUS

11.1. Confidentiality. Class Counsel agrees not to publicize this Settlement, except as necessary to effectuate this Agreement or as part of a declaration made by Class Counsel to establish

its experience in handling similar cases.

11.2. No Solicitation. The Parties agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this section shall be construed to restrict the Parties' or their respective counsel's ability to communicate with Class Members for purposes of informing them about this Settlement and its procedures.

11.3. Integrated Agreement. Upon execution by the Parties, this Agreement together with its attached exhibit shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

11.4. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of Scott Radovich and/or the Court for possible resolution. Nothing in this section shall be construed as obligating the Parties to consent to any material change in the Agreement, whether or not such material change is caused or requested by the Court or a reviewing court.

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

11.6. No Tax Advice. Plaintiff, Class Counsel, Defendant, and Defense Counsel are not providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

11.7. Modification of Agreement. This Agreement, and all parts of it, may be amended,

modified, changed, or waived only by an express written instrument signed by all Parties, and approved by the Court.

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

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

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

11.11. Use and Return of Class Data. Information provided to Class Counsel in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Effective Date, Plaintiff and Class Counsel shall destroy all paper and electronic versions of Class Data received from Defendant unless, prior to the Effective Date, Defendant makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.

11.12. Headings. The descriptive heading of any section or section of this Agreement is inserted for convenience of reference only.

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

11.14. Notice. All written notices, demands or other communications between the Parties in connection with this Agreement shall be addressed as follows:

To Plaintiff:

Roman Otkupman

Nidah Farishta

OTKUPMAN LAW FIRM, A LAW CORPORATION

5743 Corsa Ave, Suite 123

Westlake Village, CA 91362

Emails: Roman@OLFLA.com; Nidah@OLFLA.com

To Defendant:

Ian B. Wieland, Esq.

Michael Conway, Esq.

Sagaser Watkins & Wieland PC

5260 N Palm Ave, Ste. 400

Fresno, CA 93704

Email: ian@sw2law.com; mikec@sw2law.com

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

02 / 16 / 2026

Dated: February __, 2026

Rafael Flores

By: 

Feb 18, 2026

Dated: February __, 2026

HR Mobile Services, Inc.

By: 

Kenneth Hernandez (Feb 18, 2026 14:00:15 PST)

Its: CEO/PRESIDENT

02 / 16 / 2026

Dated: February __, 2026

Approved as to Form

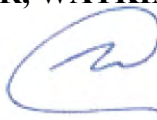
OTKUPMAN LAW FIRM

By: 

Attorneys for Plaintiff Rafael Flores

Dated: February 23, 2026

SAGASER, WATKINS & WIELAND PC



By: _____

Ian B. Wieland
Michael J. Conway II
Attorneys for Defendant HR Mobile
Services, Inc..