

FILED
San Diego Superior Court
Central Division

OCT 08 2024

Clerk of the Superior Court
By: A. Yim, Deputy

DOUGLAS HAN (SBN 232858)
SHUNT TATAVOS-GHARAJEH (SBN 272164)
LIZETTE RODRIGUEZ (SBN 335182)
HAIG HOGDANIAN (SBN 334699)
JUSTICE LAW CORPORATION
751 N. Fair Oaks Avenue, Suite 101
Pasadena, California 91103
Telephone: (818) 230-7502
Facsimile: (818) 230-7259

Attorneys for Plaintiff

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO**

MANOLSA CHARLES, individually, and on
behalf of other members of the general public
similarly situated;

Plaintiff,

v.

NOVASYTE, LLC; a California limited
liability company; and DOES 1 through 100,
inclusive;

Defendants.

Case No.: 37-2022-00033748-CU-OE-CTL

Assigned for All Purposes to:
Honorable Katherine Bacal
Department C-69

CLASS ACTION

**[PROPOSED] AMENDED ORDER
GRANTING MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT, CONDITIONAL
CERTIFICATION, APPROVAL OF
CLASS NOTICE, SETTING OF FINAL
APPROVAL HEARING DATE**

Hearing Date: October 4, 2024
Hearing Time: 1:30 p.m.
Hearing Place: Department C-69 *65*

Complaint Filed: August 22, 2022
FAC Filed: February 27, 2023
SAC Filed: November 29, 2023
Trial Date: None Set

1 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

2 The Motion for Preliminary Approval of Class Action Settlement came before this Court,
3 the Honorable Katherine Bacal presiding, on October 4, 2024 at 1:30 p.m. The Court, having
4 considered the papers submitted in support of the Motion, **ORDERS THE FOLLOWING:**

5 1. The following Settlement Class is conditionally certified for purposes of settlement
6 only: all individuals who worked for Defendant NovasYTE, LLC (“Defendant”) as non-exempt
7 employees in California at any time between February 24, 2018 through December 21, 2023
8 (“Settlement Class,” “Settlement Class Members,” and Class Period”).

9 2. The Court grants preliminary approval of the settlement based upon the terms set
10 forth in the Amended Joint Stipulation of Class Action and PAGA Representative Action
11 Settlement and Release (“Settlement Agreement,” “Settlement,” or “Agreement”). Attached hereto
12 as **Exhibit 1** is a true and correct copy of the Settlement Agreement. Capitalized terms shall have
13 the definitions set forth in the Settlement Agreement.

14 3. The settlement embodied in the Settlement Agreement appears to be fair, adequate,
15 and reasonable to the Settlement Class. The Settlement Agreement falls within the range of
16 reasonableness and appears to be presumptively valid, subject only to any objections that may be
17 raised at the Final Approval Hearing.

18 4. Plaintiff Manolsa Charles (“Plaintiff”) is conditionally approved to serve as the class
19 representative.

20 5. Douglas Han, Shunt Tatavos-Gharajeh, and Lizette Rodriguez of Justice Law
21 Corporation are conditionally approved as Class Counsel for the Settlement Class.

22 6. The Court confirms ILYM Group, Inc. as the Settlement Administrator.

23 7. The proposed Gross Settlement Amount of \$3,000,000 is conditionally approved.

24 8. The proposed payment of the attorneys’ fees to Class Counsel not to exceed
25 \$1,050,000 (35% of the Gross Settlement Amount) and attorneys’ costs to Class Counsel for actual
26 litigation costs incurred not to exceed \$25,000 are conditionally approved.

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1 9. The proposed Service Enhancement not to exceed \$10,000 to Plaintiff for his
2 services as the class representative is conditionally approved.

3 10. The proposed payment of the Settlement Administration Expenses not to exceed
4 \$15,000 to the Settlement Administrator for its services is conditionally approved.

5 11. The Court also conditionally approves the Private Attorneys General Act of 2004
6 (“PAGA”) Penalties not to exceed \$150,000 the Parties have allocated for the settlement of the
7 claims for PAGA penalties stemming from the alleged Labor Code violations. Seventy-five percent
8 (75%) of the PAGA Penalties (\$112,500) will be paid to the California Labor and Workforce
9 Development Agency, and the remaining twenty-five percent (25%) of the PAGA Penalties
10 (\$37,500) will be paid to the PAGA Members, on a pro rata basis.

11 12. A Final Approval Hearing on the question of whether the Settlement Agreement,
12 attorneys’ fees and costs, and Service Enhancement should be finally approved as fair, reasonable,
13 and adequate as to all Settlement Class Members who do not submit valid and timely requests for
14 exclusion from the Settlement is scheduled on the date and time set forth below.

15 13. The Court approves, as to form and content, the Court-approved Class Notice, as
16 attached as **Exhibit A** to the Settlement Agreement. The Court also approves the procedure for the
17 Settlement Class Members to participate in, to opt out of, and to object to the Settlement as set forth
18 in the Class Notice.

19 14. The Court directs the mailing of the Class Notice to all identified Settlement Class
20 Members via first-class United States Postal Service mail in accordance with the implementation
21 schedule set forth below. The Court finds the dates selected for the mailing and distribution of the
22 Class Notice meet the requirements of due process, provide the best notice practicable under the
23 circumstances, and shall constitute due and sufficient notice to all persons entitled.

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1 15. The Court orders the following implementation schedule for further proceedings:

2 a.	Deadline for Defendant to submit Settlement Class Member data to Settlement Administrator	Within thirty (30) calendar days after the Preliminary Approval Date
3 b.	Deadline for Settlement Administrator to mail the Class Notice to the Settlement Class Members	Within thirty (30) calendar days of receiving the Settlement Class Member data
4 c.	Deadline for the Settlement Class Members to postmark requests for exclusion, written objections, and written disputes to the Settlement Administrator	Within forty-five (45) calendar days from the initial mailing of the Class Notice
5 d.	Deadline for Class Counsel to file Motion for Final Approval of Settlement, Attorneys' Fees and Costs, and Service Enhancement	Within sixteen (16) court days before Final Approval Hearing in conformity with Code of Civil Procedure section 1005
6 e.	Final Approval Hearing	<u>3/7/25</u> at <u>1:30</u> <u>a.m./p.m.</u> in Department C-69 <u>63</u>

7 Dated:

10/8/24

IT IS SO ORDERED.

By: 

Honorable Katherine Bacal
Judge of the Superior Court

EXHIBIT 1

**AMENDED JOINT STIPULATION OF CLASS ACTION AND PAGA
REPRESENTATIVE ACTION SETTLEMENT AND RELEASE**

This Amended Joint Stipulation of Class Action and PAGA Representative Action Settlement and Release (hereinafter “Settlement Agreement”) is made and entered into by and between the following parties: Plaintiff Manolsa Charles (“Plaintiff”), individually and on behalf of other similarly situated Settlement Class Members (defined below) and Plaintiff as a proxy of the State of California and the California Labor and Workforce Development Agency (“LWDA”) on behalf of all other allegedly aggrieved PAGA Members (defined below), and Defendant Novasyste, LLC (“Novasyste”) (collectively, the “Parties”), and their respective counsel of record. This Settlement Agreement is subject to the terms and conditions set forth below and the approval of the Court. This Settlement Agreement accurately sets forth the Parties’ PAGA representative action and class action settlement in the total amount of \$3,000,000 to resolve all claims, as detailed below.

I. DEFINITIONS

1. “Action” means the action entitled “*Manolsa Charles v. Novasyste, LLC*,” Case No. 37-2022-00033748-CU-OE-CTL, filed in the Superior Court of California in and for the County of San Diego.
2. “Class Counsel” means Justice Law Corporation.
3. “Class Members” means all members of the Settlement Class who do not opt out of the class action portion of the Settlement, or who opt out but subsequently rescind the opt-out in a timely manner.
4. “Class Notice” means the document attached hereto as **Exhibit A** that will be mailed to the Settlement Class Members in English.
5. “Class Period” means the time between February 24, 2018 through December 21, 2023.
6. “Class Representative” or “Plaintiff” means Manolsa Charles, who has been designated by Class Counsel as the Class Representative for settlement purposes.
7. “Class Settlement Payment” means the gross amount from the Net Settlement Amount to be paid to any individual Class Member under this Settlement Agreement for their Covered Class Workweeks.

8. “Court” means the Superior Court of California in and for the County of San Diego, which presides over the Action.

9. “Covered Class Workweeks” means, as reflected on Novasyste’s internal records, workweeks between February 24, 2018 through December 21, 2023 in which a Settlement Class Member worked for Novasyste as a non-exempt employee in California.

10. “Covered PAGA Pay Periods” means, as reflected on Novasyste’s internal records, pay periods between February 24, 2021 through December 21, 2023 in which a PAGA Member worked for Novasyste as a non-exempt employee in California.

11. “Defendant” means Defendant Novasyste, LLC.

12. “Defendant’s Counsel” or “Novasyste’s Counsel” means Morgan, Lewis & Bockius LLP.

13. “Deficient Request for Exclusion” means a Request for Exclusion that is not signed by the Settlement Class Member submitting the Request for Exclusion or cannot be verified by the Settlement Administrator as being an authentic submission by the Class Member.

14. “Effective Date” means that date on which the settlement embodied in this Settlement Agreement shall become effective after all the following events have occurred: (a) Final Approval of the Settlement is granted by the Court; and (b) the Court’s order approving the Settlement Agreement becomes a Final Judgment.

15. “Final Approval” means the date on which the Court enters the Final Approval Order.

16. “Final Approval Hearing” means the hearing to be scheduled by the Court after granting preliminary approval of the Settlement.

17. “Final Approval Order” means the Court’s order approving the Settlement after the Final Approval Hearing and entering judgment.

18. “Final Judgment” means the latest of: (a) the date of final affirmance on an appeal of the Final Approval Order and Judgment; (b) the date of final dismissal with prejudice of the last pending appeal from the Final Approval Order and Judgment; or (c) if no appeal is filed, the expiration date of the time for the filing or noticing of any form of valid appeal from the Final Approval Order.

19. “Individual PAGA Group Payments” means the individual payments that will be paid to PAGA members from the twenty-five percent (25%) share of the \$150,000 allocated from the Gross Settlement Amount for PAGA penalties (\$37,500).

20. “Late Request for Exclusion” means a Request for Exclusion that is submitted to the Settlement Administrator after the end of the Response Deadline.

21. “LWDA” means the California Labor and Workforce Development Agency.

22. “Gross Settlement Amount” is the sum of \$3,000,000, which represents the maximum amount payable in this Settlement by Novasyste, and includes all attorneys’ fees, litigation costs, Settlement Administration Expenses, Service Enhancement, and all settlement payments to the LWDA, Class Members, and PAGA Members. The Gross Settlement Amount does not include the employer’s share of payroll taxes, for which Novasyste is responsible through an additional contribution to the Qualified Settlement Fund.

23. “Motion for Preliminary Approval of Settlement” means the motion and supporting papers, including this Settlement Agreement and a proposed order preliminarily granting settlement approval consistent with the terms of this Settlement, prepared by Class Counsel and reviewed by Novasyste.

24. “Net Settlement Amount” means the portion of the Gross Settlement Amount eligible for distribution to Class Members. It equals the Gross Settlement Amount less Class Counsel’s attorneys’ fees and actual litigation costs, Settlement Administration Expenses, PAGA LWDA Payment, PAGA Group Payment, and Service Enhancement.

25. “Novasyste Releasees” means Novasyste, LLC and all its current, future, and former parents, subsidiaries, divisions, affiliates, affiliates and subsidiaries under common ownership, owners, shareholders, members, directors, partners, officers, employees, attorneys, insurers, benefit plans, executors, assigns, agents and independent contractors, and the predecessors, successors, and assigns of each of them.

26. “PAGA” means Labor Code section 2698 *et seq.* (Private Attorneys General Act of 2004).

27. “PAGA Group” or “PAGA Member(s)” means all individuals who worked for Novasyste as non-exempt employees in California at any time during the PAGA Period.

28. “PAGA Group Payment” means the twenty-five percent (25%) share of the \$150,000 allocated from the Gross Settlement Amount for PAGA penalties (\$37,500) that will be paid to the PAGA Members.

29. “PAGA LWDA Payment” means the seventy-five percent (75%) share of the \$150,000 allocated from the Gross Settlement Amount for PAGA penalties (\$112,500) that will be paid to the LWDA.

30. “PAGA Period” means the time between February 24, 2021 through December 21, 2023.

31. “Preliminary Approval Date” means the date on which the Court approves this Settlement Agreement, and the exhibits thereto, and enters an Order providing for notice to the Settlement Class Members, an opportunity for Settlement Class Members to opt-out of the non-PAGA portion of the settlement, an opportunity to submit timely objections to the non-PAGA portion of the settlement and setting a hearing for Final Approval of the Settlement, including approval of attorneys’ fees and costs.

32. “Preliminary Approval Order” means the Order the Court enters on the Preliminary Approval Date approving this Settlement.

33. “Qualified Settlement Fund” means the Qualified Settlement Fund (“QSF”) created under Internal Revenue Code Section 468B, to be overseen by the Settlement Administrator.

34. “Released Class Claims” means all claims that were alleged, or could have been alleged, based on the facts and/or allegations contained in the Complaint, First Amended Complaint, Second Amended Complaint, PAGA letter to the LWDA, and any amendments thereto, and that occurred during the time between February 24, 2018 through December 21, 2023. The Released Class Claims include: (a) failure to pay overtime wages; (b) failure to provide meal periods and pay applicable premium wages; (c) failure to provide rest periods and pay applicable premium wages; (d) failure to pay minimum wages and pay for all hours worked; (e) failure to pay sick leave at the correct rate; (f) failure to timely pay wages during and after employment; (g) failure to provide compliant wage statements; (h) failure to reimburse business expenses; (i) failure to keep complete or accurate payroll records; and (j) violation of Business &

Professions Code section 17200, and includes all claims for recovery of compensation, overtime pay, minimum wage, premium pay, and/or all penalties under the Labor Code and Wage Orders, and claims derivative to those claims, including those under the Business & Professions Code and PAGA, from February 24, 2018 through December 21, 2023. Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims occurring outside the time between February 24, 2018 through December 21, 2023.

35. "Released PAGA Claims" means any and all claims, obligations, demands, rights, causes of action, and liabilities against Novasyste Releasees, under PAGA that have been asserted or that could have been asserted in the Complaint, First Amended Complaint, Second Amended Complaint, PAGA letter to the LWDA, and any amendments thereto, based on the facts, claims and/or allegations pled therein. Released PAGA Claims include, but are not limited to, claims for: (a) failure to pay minimum wage and pay for all hours worked; (b) failure to pay overtime; (c) failure to provide meal periods; (d) failure to provide rest periods; (e) failure to pay meal and rest break premiums; (f) failure to pay sick leave at the correct rate; (g) failure to timely pay wages during employment; (h) failure to timely pay wages upon separation; (i) failure to provide reimbursement for necessary business-related expenditures; (j) failure to keep complete or accurate payroll records; and (k) failure to furnish accurate wage statements, and includes all such claims from February 24, 2021 through December 21, 2023.

36. "Request for Exclusion" means a signed request from a Settlement Class Member to be excluded from the non-PAGA portions of this Settlement.

37. "Response Deadline" shall mean the period of forty-five (45) calendar days following the mailing of the Class Notice by the Settlement Administrator. If the 45th day falls on a Sunday or holiday, the Response Deadline shall end on the next business day that is not a Sunday or holiday.

38. "Settlement Class" and "Settlement Class Member" means all individuals who worked for Novasyste as non-exempt employees in California at any time during the Class Period.

39. "Service Enhancement" means the incentive payment paid to Plaintiff in an amount not to exceed \$10,000, for Plaintiff's efforts and work in prosecuting the Action.

40. “Settlement Administration Expenses” means all settlement administration fees and costs, including those for the Settlement Administrator, in effectuating the Settlement and approved by the Court in an amount not to exceed \$15,000.

41. “Settlement Administrator” means ILYM Group, Inc., or any other third-party settlement administrator that the Parties jointly select.

42. “Settlement Agreement” or “Settlement” will mean this Amended Joint Stipulation of Class Action and PAGA Representative Action Settlement and Release.

II. LITIGATION BACKGROUND

43. On August 22, 2022, Plaintiff filed a wage-and-hour class action lawsuit in the Superior Court of California, County of San Diego, alleging violations of: (a) Labor Code sections 510 and 1198 (unpaid overtime); (b) Labor Code sections 226.7 and 512(a) (unpaid meal period premiums); (c) Labor Code section 226.7 (unpaid rest period premiums); (d) Labor Code sections 1194 and 1197 (unpaid minimum wages); (e) Labor Code sections 201 and 202 (final wages not timely paid); (f) Labor Code section 226(a) (non-compliant wage statements); (g) Labor Code sections 2800 and 2802 (unreimbursed business expenses); and (h) Business & Professions Code section 17200, *et seq.*

44. On February 27, 2023, Plaintiff filed a First Amended Complaint that updated the factual allegations underlying the causes of action.

45. After engaging in discovery, investigations, and negotiation, the Parties remotely attended mediation with the mediator Deborah C. Saxe on September 21, 2023, resulting in the Parties reaching a tentative settlement.

46. In line with the settlement, on November 1, 2023, Plaintiff provided written notice to the LWDA and Defendant of the specific provisions of the Labor Code he contends were violated and the theories supporting his contentions.

47. On November 29, 2023, Plaintiff filed a Second Amended Complaint that adjusted the “Class” definition and added a cause of action for violation of Labor Code section 2698, *et seq.* (PAGA).

48. Novasyste denies Plaintiff's claims and asserts that it has complied fully with all applicable labor laws and wage orders. Novasyste does not believe that any liability to Plaintiff, State of California, LWDA, or to any other individual whom Plaintiff seeks to represent exists or that Plaintiff, State of California, LWDA, or any other individual whom Plaintiff seeks to represent are entitled to any recovery.

49. Neither this Settlement, nor any final judgment pursuant to this Settlement, will constitute an admission of any form of wrongdoing or liability on the part of Novasyste or the accuracy of any allegation raised in the Action. This Settlement is entered into in compromise of disputed claims. Plaintiff and Novasyste intend, by their actions pursuant to this Settlement, merely to avoid the expense, delay, uncertainty, and burden of litigation. This Settlement and any related court documents or orders may not be cited or otherwise admitted as evidence of liability. There has been no final determination by any Court as to the merits of the Action.

50. It is the desire of the Parties to settle, compromise, and discharge all disputes and claims against the Novasyste Releasees arising from or related to the Action fully, finally, and forever.

51. It is the intention of the Parties that this Settlement Agreement will constitute a full and complete settlement and release of the class and representative claims averred in the Action by Plaintiff, both individually, on behalf of any other individual whom Plaintiff seeks to represent, and as a proxy and agent of the State of California and LWDA on behalf of all PAGA Members pursuant to PAGA. This release includes in its effect a release of all the Novasyste Releasees.

III. JURISDICTION AND VENUE

52. This Court has jurisdiction over the Parties and the subject matter of this Settlement Agreement. This Court will have continuing jurisdiction over the terms and conditions of this Settlement Agreement, until all payments and obligations provided for herein have been fully executed.

IV. TERMS OF SETTLEMENT

53. NOW, THEREFORE, in consideration of the mutual covenants, promises, and undertakings set forth herein, the Parties agree, subject to the Court's approval, as follows:

A. Non-Admission of Liability

54. Nothing in this Settlement Agreement, or any communications, papers, or orders related to this Settlement Agreement, will be construed to be or deemed an admission by the Novasyste Releasees of any liability, culpability, negligence, or wrongdoing toward Plaintiff, Class Members, PAGA Members, or any other person, and the Novasyste Releasees specifically disclaim any liability, culpability, negligence, or wrongdoing toward Plaintiff, Class Members, PAGA Members, or any other person. Novasyste also maintains that, for any purpose other than settlement, the claims alleged in the Action are not suitable or appropriate for class and/or representative action treatment or manageable pursuant to Code of Civil Procedure Section 382, Labor Code section 2698 *et seq.*, or any other applicable laws or rule(s). Each of the Parties has entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and contingencies. This Settlement Agreement and any communications, papers, or orders related to the Settlement Agreement may not be cited or otherwise admitted as evidence of liability, whether in the Action or elsewhere. There has been no final determination by any Court as to the merits of the claims asserted by Plaintiff against Novasyste. If, for any reason, the Court does not approve the Settlement Agreement, or if the Settlement Agreement does not become final and effective for any reason, then the Second Amended Complaint will be deemed withdrawn and the First Amended Complaint will again become the operative complaint without prejudice to Plaintiff's right to seek leave to file another amended complaint. Novasyste does not impliedly or expressly waive any arguments or defenses to the Second Amended Complaint.

B. Certification

55. The Parties stipulate, for settlement purposes only, to the certification of the Class as to all claims asserted in the Second Amended Complaint pursuant to state law. If, for any reason, the Court does not approve this Settlement Agreement, fails to enter the Final Approval Order, or fails to enter the Judgment or Final Judgment, or if this Settlement Agreement is lawfully terminated for any other reason, Novasyste shall retain the absolute right to dispute the propriety of class certification and/or the ability of this action to proceed as a representative action on all applicable grounds.

56. The Parties further stipulate that, for settlement purposes only, Class Counsel may be appointed as the class counsel and that Plaintiff may be appointed as Class Representative. NovasYTE's stipulation to this settlement class shall in no way be considered any form of waiver to any alternative dispute resolution. NovasYTE's stipulation to this settlement class shall not be construed as an admission or acknowledgment of any kind that any class action should be certified or given class action treatment. The Settlement Class may be provisionally certified as a class action for the purposes of the monetary relief provided in this Settlement Agreement. Class Counsel may be preliminarily and conditionally appointed as the class counsel.

C. Non-Approval By The Court

57. If this Settlement Agreement is not approved by the Court, fails to become effective, is reversed, withdrawn, or modified by the Court:

- (a) The Settlement Agreement will have no force or effect, other than the confidentiality and non-disclosure provisions in Section XIII and the non-admission provisions in Section IV.A;
- (b) The Settlement Agreement will not be admissible in any judicial, administrative, or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural;
- (c) None of the Parties to this Settlement Agreement will be deemed to have waived any claims, objections, defenses, or arguments with respect to the merits of Plaintiff's claims; and
- (d) NovasYTE does not waive, and instead expressly reserves its right to challenge the propriety of the Action proceeding as a representative action or class action.

D. Settlement Payments

58. NovasYTE agrees to pay a Gross Settlement Amount of \$3,000,000, inclusive of (a) all settlement payments to Class Members; (b) all PAGA penalty settlement payments to the LWDA and PAGA Members; (c) any award of attorneys' fees and out-of-pocket litigation costs and expenses to Class Counsel; (d) any award of a Service Enhancement; (e) all Settlement Administration Expenses; and (f) all

payroll taxes and other applicable taxes for the settlement payments, excluding Novasyste's share of employer taxes on the amounts allocated to wages which will be paid separately from and in addition to the Gross Settlement Amount. The Parties agree, subject to Court approval, to the following allocations to be paid from the Gross Settlement Amount:

- (a) From the Gross Settlement Amount, Class Counsel may seek from the Court attorneys' fees up to thirty-five percent (35%) of the Gross Settlement Amount (\$1,050,000) and actual litigation costs up to \$25,000. Novasyste will not oppose Plaintiff's application up to these amounts so long as Plaintiff and Class Counsel are not in breach of the Settlement Agreement.
- (b) From the Gross Settlement Amount, Class Counsel may seek from the Court a Service Enhancement award to Plaintiff not to exceed \$10,000, which Novasyste will not oppose so long as Plaintiff and Class Counsel are not in breach of the Settlement Agreement.
- (c) From the Gross Settlement Amount, Settlement Administration Expenses in a reasonable amount currently estimated at \$15,000.
- (d) From the Gross Settlement Amount, a payment of \$112,500 to the LWDA (the PAGA LWDA Payment), representing the LWDA's seventy-five percent (75%) share of the settlement attributable to PAGA penalties.
- (e) From the Gross Settlement Amount, a payment of \$37,500, representing the PAGA Members' twenty-five percent (25%) share of the settlement attributable to PAGA penalties, to be allocated among PAGA Members based on PAGA Members' eligible employee service time for Covered PAGA Pay Periods, as reflected on Novasyste's internal records (PAGA Group Payment). Individual PAGA Group Payment will be calculated as follows: (i) the numerator shall be the number of the PAGA Member's individual Covered PAGA Pay Periods; (ii) the denominator shall be the total Covered PAGA Pay Periods for all PAGA Members; and (iii) this fraction shall be multiplied by the total PAGA Group

Payment amount.

- (f) From the Net Settlement Amount (*i.e.*, the remainder of the Gross Settlement Amount, including interest accruing to it, after payments have been made for attorneys' fees and litigation expenses, Service Enhancement, Settlement Administration Expenses, PAGA LWDA Payment, and PAGA Group Payment), settlement payments will be allocated among Class Members based on their eligible employee service time for Covered Class Workweeks. Class Settlement Payments will be calculated as follows: (i) the numerator shall be the number of the Class Member's individual Covered Class Workweeks; (ii) the denominator shall be the total Covered Class Workweeks for all Class Members; and (iii) this fraction shall be multiplied by the Net Settlement Amount.
- (g) Class Members and PAGA Members will also receive separate checks for their Class Settlement Payment and PAGA Group Payment.
- (h) If the Court approves a lesser amount of attorneys' fees and litigation costs and expenses, Service Enhancement, and/or Settlement Administrator Expenses than those sought, any amount disallowed by the Court will be added to the Net Settlement Amount to be distributed in pro rata shares to the Class Members. Class Counsel agrees not to appeal for any reduction in the award of fees by the Court. The Parties agree that the Settlement Agreement will remain binding with such modification(s) as ordered by the Court, and its terms will be otherwise unchanged. This Settlement is not conditioned upon the Court's approval of Class Counsel's petition for fees and costs or the amount of any Service Enhancement.
- (i) The Settlement Administrator will disburse monies from the Gross Settlement Amount as and when authorized in this Settlement Agreement and by order of the Court, will file and issue any necessary tax reporting documents, and will inform the Parties and (as required) the Court of its fulfillment of the duties imposed by this Settlement Agreement.

- (j) The Settlement Administrator will issue settlement checks to the Class Members, PAGA Members, and LWDA under this Settlement Agreement, as well as the Service Enhancement to Plaintiff and attorneys' fees and costs awarded to Class Counsel, by sending such payments by mail, wire, or other reliable means to the respective recipients as specified below.

E. Objections

59. Only Class Members may object to the non-PAGA portions of the Settlement. Settlement Class Members who opt out of the Settlement are not eligible to object to the Settlement. All objections must be sent no later than forty-five (45) calendar days after the mailing of the Class Notice, and such deadline applies notwithstanding any argument regarding non-receipt of the notice. Anyone who fails to send timely written objections in this manner shall be deemed to have waived any objections and shall be foreclosed from filing any appeal from any Final Approval Order issued by the Court. The Parties may file a response to any objections submitted by objecting Class Members at or prior to the Final Approval Hearing. Class Members shall be permitted to withdraw their objections in writing by submitting a withdrawal statement to the Settlement Administrator not later than one (1) business day prior to the Final Approval Hearing, or as otherwise ordered by the Court. All PAGA Members will be bound by the Released PAGA Claims and may not object to the Settlement Agreement as to the Released PAGA Claims.

60. Settlement Class Members who wish to object to the non-PAGA portion of the settlement must mail their objection to the Settlement Administration containing the following information: (a) their name, address, telephone number, and last four digits of their Social Security Number; (b) case name and number: *Manolsa Charles v. Novasyste, LLC*, Case No. 37-2022-00033748-CU-OE-CTL; (c) specific reason for their objection including any legal support; (d) whether they or someone on their behalf intends to appear at the Final Approval Hearing; and (e) their signature.

F. Opt Outs

61. All Settlement Class Members will be bound by the Released Class Claims unless they formally opt out.

62. Settlement Class Members who wish to “opt out” of and be excluded from the non-PAGA portions of this settlement must submit a written Request for Exclusion from the Settlement Agreement to the Settlement Administrator bearing a postmark from a date within the Response Deadline. Settlement Class Members are still bound by the release of PAGA claims even if they submit a valid Request for Exclusion and will receive a check with his or her individual payment from the PAGA Group Payment. The Request for Exclusion must include: (a) Settlement Class Member’s name; (b) a statement that the Settlement Class Member desires to exclude himself or herself from the case; and (c) last four digits of the Settlement Class Member’s Social Security Number. If a Settlement Class Member submits a Deficient Request for Exclusion, the Settlement Administrator shall notify the Settlement Class Member of the deficiency within five (5) business days of receipt. The Settlement Class Member shall have until the end of the Response Deadline or five (5) business days after the close of the Response Deadline if the notice of deficiency is sent by the Settlement Administrator within (5) business days of the end of the Response Deadline to cure said deficiencies, at which point his or her Request for Exclusion will be rejected if not received. Settlement Class Members submitting untimely or Deficient Requests for Exclusion shall be bound by the Settlement and its releases and will be considered Class Members for settlement distribution purposes. Settlement Class Members shall be permitted to rescind their Request for Exclusion in writing by submitting a rescission statement to the Settlement Administrator not later than one (1) business day prior to the Final Approval Hearing, or as otherwise ordered by the Court. The Settlement Administrator shall not accept Late Requests for Exclusion without the written authorization of Novasyste.

63. All PAGA Members will be bound by the Released PAGA Claims and may not opt out of the Settlement Agreement as to the Released PAGA Claims.

G. Released Class Claims

64. Upon Novasyste’s transfer of the Gross Settlement Amount to the Settlement Administrator and the funding of Novasyste’s share of applicable employer payroll taxes owed thereon, each Class Member and Plaintiff shall be deemed to have fully, finally, and forever released Novasyste Releasees from all Released Class Claims as set forth in Section I(34) above and Section VIII below. Plaintiff, in conjunction with his execution of this Settlement Agreement and requesting the Service Enhancement, will

also enter the General Release as set forth in Section VIII.B.

H. Released PAGA Claims

65. Upon Novasyste's transfer of the Gross Settlement Amount to the Settlement Administrator and the funding of Novasyste's share of applicable employer payroll taxes owed thereon, Plaintiff individually, and State of California, LWDA, and PAGA Members, through Plaintiff acting as the proxy and agent for the State of California and LWDA and as a Private Attorney General acting on behalf of all allegedly aggrieved current and former employees of Novasyste, will be deemed to have fully, finally, and forever released the Novasyste Releasees from all Released PAGA Claims as set forth in Section VIII.

I. Entry of Judgment

66. At the Final Approval Hearing, the Parties will request that the Court, among other things: (a) finally certify the Settlement Class for purposes of settlement only; (b) enter a Final Approval Order in accordance with the terms of this Settlement Agreement; (c) approve the settlement as fair, adequate, reasonable, and binding on all Class Members and PAGA Members; (d) enter an order permanently enjoining all Class Members and PAGA Members from pursuing and/or seeking to reopen claims that have been released by this Agreement; and (e) incorporate the terms of this Settlement Agreement.

V. SETTLEMENT ADMINISTRATION

A. Settlement Administrator Duties

67. The Settlement Administrator will create a QSF, to be funded by the Gross Settlement Amount paid by Novasyste and administered by the Settlement Administrator. The Settlement Administrator shall have control over the distribution of funds from the QSF, once funded. With respect to the QSF, the Settlement Administrator shall: (a) satisfy all federal, state and local and income and other tax reporting, return, and filing requirements with respect to the QSF and any interest or other income earned by the QSF; and (b) satisfy out of the QSF all fees, expenses, and costs incurred in connection with the opening and administration of the QSF and the performance of its duties and functions as described in this Settlement Agreement. The fees, costs and expenses shall be treated as and included in the costs of administering the QSF and as Settlement Administration Expenses. The Parties agree to cooperate with the Settlement Administrator and one another to the extent reasonably necessary to carry out the provisions of

this Section. If the Court does not enter the Final Approval Order and Judgment or if the Effective Date does not occur, NovasYTE shall not be obligated to wire the funds.

68. Pursuant to the terms of this Settlement Agreement, the Settlement Administrator will be responsible for and the Settlement Administration Expenses will cover: (a) calculating each Class Member's potential recovery of the Net Settlement Amount and the PAGA Group Payment; (b) preparing and mailing to all Settlement Class Members the Class Notice with estimated Class Settlement Payment amounts and/or PAGA Group Payment amounts, and instructions on how to opt out of or object to the non-PAGA portions of the Settlement, and will take appropriate steps to trace, update and locate any individual Settlement Class Members whose address or contact information as provided to the Settlement Administrator is inaccurate or outdated; (c) receiving and serving on Class Counsel and NovasYTE's Counsel, and the Court, Requests for Exclusion and any withdrawal and rescission statements; (d) providing to Class Counsel and NovasYTE's Counsel a weekly report of activity; (e) establishing a toll free telephone line and responding to inquiries and requests for information or assistance from Settlement Class Members; (f) determining and paying the final amounts due to be paid to Class Members and PAGA Members after adjustment for funds due to Settlement Class Members who opt out of the settlement; (g) calculating and determining the PAGA LWDA Payment, and preparing and mailing that payment to the LWDA; (h) issuing to Plaintiff, Class Counsel, Class Members, and PAGA Members any tax forms as may be required by applicable law for all amounts paid pursuant to this Settlement Agreement; (i) forwarding all taxes and penalties to the appropriate government authorities; (j) preparing and mailing the amount of attorneys' fees and litigation costs awarded to Class Counsel from the Gross Settlement Amount; (k) preparing and mailing the Service Enhancement awarded to Plaintiff from the Gross Settlement Amount; (l) reporting the completion of the tasks identified in this paragraph; and (m) carrying out other related tasks including the proper maintenance of the QSF and reporting required for that account, in accordance with the terms of this Settlement Agreement.

69. All disputes relating to the Settlement Administrator's ability and need to perform its duties will be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Settlement Agreement, until all payments and obligations contemplated by the Settlement Agreement have been fully executed.

70. When and if the Court grants Final Approval of the Settlement, and the Effective Date as defined herein has passed, the Settlement Administrator shall prepare a final list of all Class Members and PAGA Members. For each Settlement Class Member and PAGA Member on this list, the Settlement Administrator will calculate the amounts due to each Settlement Class Member and PAGA Member and issue checks payable to said Class Members and PAGA Members. The Settlement Administrator shall provide this list and the calculation of the individual settlement amounts to Novasys within seven (7) calendar days after the Effective Date.

71. Except for the Service Enhancement described above to be paid to Plaintiff, all Class Settlement Payments to Class Members shall be allocated as follows: fifty percent (50%) of each individual settlement payment as unpaid wages, which will be reported on an IRS Form W-2 with applicable withholdings; and fifty percent (50%) of each individual settlement payment as non-wage recovery, including interest and penalties, which will be reported on an IRS Form 1099 without withholdings. All PAGA Group Payments will be allocated entirely to statutory penalties and will be reported on an IRS Form 1099 without withholdings. Novasys is responsible for paying the employer tax contributions on the amounts allocated as unpaid wages as required by law. Plaintiff and Class Members must pay their own portion of payroll and all applicable income taxes on the fifty percent (50%) of the Class Settlement Payment representing unpaid wages, and such amounts will be withheld from the individual settlement payments. Plaintiff and Class Members shall be exclusively liable for any and all tax liability on the amounts allocated as non-wage recovery. The Settlement Administrator shall be responsible for the timely reporting and remitting of the Employer Payroll Tax Payment to the appropriate taxing authorities and shall indemnify Novasys for any penalty arising out of an incorrect calculation and/or interest with respect to late payment of the same. All Parties represent that they have not received, and shall not rely on, advice or representations from other Parties or their agents or attorneys regarding the tax treatment of payments under

federal, state, or local law.

72. The Service Enhancement to Plaintiff shall be treated as compensation for non-wage related claims and injuries and shall be reported on an IRS Form 1099 without withholdings.

73. All portions of Class Settlement Payments to Plaintiff and Class Members that are allocated as unpaid wages under this Settlement Agreement shall be considered compensation for disputed wages of Class Members during the period of employment with Novasys. To the extent any individual settlement payment results in any overpayment of unemployment benefits to Plaintiff and/or any Class Member, the amount of any such overpayment shall be the responsibility of the individual Plaintiff and/or Class Member.

74. Payments will be sent by check to all Class Members and PAGA Members within thirty (30) calendar days after the Effective Date.

B. Circular 230 Disclaimer.

75. Each Party to this Agreement (for purposes of this section, the “acknowledging party” and each Party to this Agreement other than the acknowledging party, an “other party”) acknowledges and agrees that: (a) no provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended); (b) the acknowledging party (i) has relied exclusively upon his, her, or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (ii) has not entered into this Agreement based upon the recommendation of any other party or any attorney or advisor to any other party, and (iii) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging party; and (c) no attorney or adviser to any other party has imposed any limitation that protects the confidentiality of any such attorney’s or adviser’s tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax structure of any transaction, including any

transaction contemplated by this Agreement.

76. After all payments have been disbursed from the QSF, the Settlement Administrator shall dissolve the QSF and file a return (SF-1120) with the IRS.

D. Notice to Settlement Class Members

77. Within thirty (30) calendar days after the Preliminary Approval Date, Novasyste shall provide to the Settlement Administrator information in electronic format regarding all Settlement Class Members, including: (a) name(s); (b) last known residence addresses; (c) Social Security Numbers; and (d) dates worked for Covered Class Workweeks and Covered PAGA Pay Periods. Settlement Class Member data shall only be used by the Settlement Administrator for the purpose of calculating settlement shares and finding and notifying Settlement Class Members of the settlement. Settlement Class Member data will be subject to the Settlement Administrator's confidentiality agreement and shall not be disclosed to Plaintiff, Class Counsel, or any other Settlement Class Members without the written consent of Novasyste.

78. Prior to mailing the Class Notice, the Settlement Administrator will update the addresses for the Settlement Class Members using the National Change of Address database and other available resources deemed suitable by the Settlement Administrator. Any returned envelopes from the initial mailing with forwarding addresses will be used by the Settlement Administrator to locate Settlement Class Members and re-mail the Class Notice to the correct or updated address. The Settlement Administrator will use all appropriate tracing methods, including skip tracing, to ensure that the Class Notice is received by Settlement Class Members. The Settlement Administrator shall also take reasonable steps including skip tracing to locate any Settlement Class Member whose Class Notice is returned as undeliverable.

79. Within thirty (30) calendar days of receiving the Settlement Class Member data from Novasyste and after it has completed all the address updates for Settlement Class Members, the Settlement Administrator shall mail the Class Notice to Settlement Class Members. At least five (5) business days prior to this mailing, the Settlement Administrator shall provide Novasyste's counsel with a report listing the estimated settlement payment amounts to each Class Member.

80. Settlement Class Members shall have forty-five (45) calendar days from the date of mailing of the Class Notice to opt out of the Class or object to the Settlement. If the 45th day falls on a Sunday or holiday, the deadline will be the next business day that is not a Sunday or holiday. After recalculating estimated settlement allocations to account for opt-outs, Class Members and PAGA Members will receive their allocation from the settlement fund agreed upon pursuant to this Settlement Agreement and calculated by the Settlement Administrator. There will be no payments for Covered Class Workweeks made to Settlement Class Members who opt out of this Settlement.

81. All Settlement Administration Expenses shall come out of the Gross Settlement Amount.

VI. CALCULATION AND DISTRIBUTION OF SETTLEMENT PAYMENTS

A. Calculation of Settlement Amounts

82. The Settlement Administrator shall calculate pro rata Class Settlement Payments out of the Net Settlement Amount to Settlement Class Members and pro rata Individual PAGA Group Payments to PAGA Members as described in Paragraph 58 of this Settlement Agreement and based on Novasys's internal records.

83. The Settlement Administrator shall also make a payment to the LWDA for the PAGA LWDA Payment as consideration for the release of all PAGA claims that are the subject of the Action on behalf of the State of California.

B. Eligibility for Settlement Payments:

84. Settlement Class Members who have not opted out of the settlement will be considered Class Members eligible to receive a Class Settlement Payment. Settlement Class Members with Covered PAGA Pay Periods will be eligible to receive a PAGA Group Payment in addition to the Class Settlement Payment. Any Settlement Class Member who timely opts out pursuant to the procedures set forth herein is not a Class Member and is not eligible to receive a Class Settlement Payment. However, Settlement Class Members who timely opt out of the Settlement but who are PAGA Members will receive an Individual PAGA Group Payment and will be bound by the release of Released PAGA Claims.

85. Each Class Notice mailed to a Settlement Class Member will identify their dates of employment for the Covered Class Workweeks and Covered PAGA Pay Periods that Novasyste's records indicate the individual worked as a Class Member and/or PAGA Member and will estimate each Class Member's pro rata share of the Net Settlement Amount and share, if any, of the PAGA Group Payment.

86. Class Members and PAGA Members will have the right to challenge only their dates of employment for the Covered Class Workweeks or Covered PAGA Pay Periods. Class Members' and PAGA Members' challenges to their dates of employment for the Covered Class Workweeks or Covered PAGA Pay Periods listed on the Class Notice shall be sent directly to the Settlement Administrator at the address indicated on the Class Notice. Any challenge must be made during the Response Deadline. The Settlement Administrator will inform Class Counsel and Novasyste's Counsel in writing of any timely filed challenges. Novasyste's records are presumed to be accurate unless the Settlement Class Member or PAGA Member submits documentation demonstrating otherwise. A Settlement Class Member or PAGA Member who fails to provide written proof will have his or her challenge denied. If there are any dispute over an individual's workweeks, Novasyste's Counsel will investigate the challenge and determine whether any additional workweeks should be credited to the Settlement Class Member or PAGA Member making the challenge. Novasyste will decide whether the Settlement Class Member's or PAGA Member's challenge shall be accepted. Novasyste's decision is final and binding without a right of appeal.

87. The Settlement Administrator shall: (a) date stamp all original Requests for Exclusion that it receives; (b) serve copies on Class Counsel and Novasyste's Counsel no later than five (5) business days after receipt, or immediately if received within five (5) business days of the Final Approval Hearing; and (c) provide a declaration attaching as exhibits the date-stamped Requests for Exclusion received to be filed with the Court.

88. The Settlement Administrator shall also: (a) date stamp all original rescissions of Requests for Exclusion it receives; (b) serve copies on Class Counsel and Novasyste's Counsel no later than five (5) business days after receipt, or immediately if received within five (5) business days of the Court's Final Approval Hearing; and (c) provide a declaration attaching as exhibits the date-stamped rescissions of Requests for Exclusion received to be filed with the Court.

VII. DISTRIBUTION OF NET SETTLEMENT AMOUNT

A. Process and Deadlines

89. Within seven (7) calendar days after the Effective Date, the Settlement Administrator shall make the final calculation of Class Settlement Payments from the Net Settlement Amount to be distributed to the Class Members. Upon completion of its final calculation of payments, the Settlement Administrator shall provide Class Counsel and Novasys's Counsel with a report listing the amount of all Class Settlement Payments to be made to each Settlement Class Member and all Individual PAGA Group Payments to be made to each PAGA Member, with all names redacted.

90. Within fourteen (14) calendar days after the Effective Date, Novasys will provide payment of the Gross Settlement Amount to the Settlement Administrator to fund the QSF to be created by the Settlement Administrator, in addition to Novasys's share of employer payroll taxes for the payments reportable on IRS Form W-2.

91. Within thirty (30) calendar days after the Effective Date, the Settlement Administrator shall distribute and pay all Class Settlement Payment checks to the Class Members, issue checks to the PAGA Members for their Individual PAGA Group Payments, issue a check to the LWDA for the PAGA LWDA Payment, pay Plaintiff his Service Enhancement payment, and pay Class Counsel's attorneys' fees and costs.

B. Uncashed Settlement Checks

92. Class Members and PAGA Members will have one hundred eighty (180) calendar days after mailing by the Settlement Administrator to cash settlement checks and will be so advised of such deadline. If such Class Members and/or PAGA Members do not cash their checks within that period, those checks will become void, and a stop payment will be placed on the uncashed checks. Within thirty (30) calendar days after the expiration date of the settlement checks, the Settlement Administrator shall provide to Class Counsel and Novasys's Counsel a verification/declaration signed under penalty of perjury that it has mailed the settlement checks to Class Members and/or PAGA Members, and if uncashed, that such amounts have been sent to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code Section 1500, *et seq.* in the name of the Class Member and/or PAGA

Member to whom the uncashed check was addressed, for the benefit of those Class Members and/or PAGA Members who did not cash their checks until such time as they claim their property.

VIII. RELEASE OF CLAIMS

A. Release by Plaintiff, Class Members, PAGA Members, and LWDA

93. Upon Novasyste's transfer of the Gross Settlement Amount to the Settlement Administrator and the funding of Novasyste's share of applicable employer payroll taxes owed thereon, Plaintiff and each and every Class Member, will be deemed to have, and by operation of the Final Approval Order and Judgment entered by the Court will have fully, finally, and forever released, relinquished, and discharged each and all of the Novasyste Releasees from any and all Released Class Claims. All Settlement Class Members shall be bound by the release unless they formally opt out.

94. Upon Novasyste's transfer of the Gross Settlement Amount to the Settlement Administrator and the funding of Novasyste's share of applicable employer payroll taxes owed thereon, Plaintiff, on behalf of himself and on behalf of the LWDA and each and every PAGA Member, will be deemed to have, and by operation of the Final Approval Order and Judgment entered by the Court will have fully, finally, and forever released, relinquished, and discharged each and all of the Novasyste Releasees from any and all Released PAGA Claims. All PAGA Members shall be bound by the release as to any Released PAGA claims even if they have formally opted out of the Settlement Class.

95. The Parties agree this Settlement Agreement is conditioned upon this release of all Released Class Claims as defined in Paragraph 33 and Released PAGA Claims as defined in Paragraph 35. Upon the Effective Date, Plaintiff, LWDA, and each and every Class Member and PAGA Member will be bound by the terms of this Settlement Agreement and will have recourse exclusively to the benefits, rights, and remedies provided hereunder.

96. Plaintiff agrees this Settlement Agreement is conditioned upon his individual covenant not to participate in any further proceedings seeking damages, penalties, or other remedies for any Released Class Claims or Released PAGA Claims. Plaintiff will opt out of those actions if he becomes aware of such actions. Plaintiff agrees the Settlement is fair and reasonable and will participate in the settlement.

B. General Release by Plaintiff

97. For and in accepting the consideration of the Service Enhancement awarded, Plaintiff will further make a general release (“General Release”) on behalf of himself and his heirs, executors, administrators, representatives, successors and assigns, of the NovasYTE Releasees (as defined in Paragraph 25), to the fullest extent permitted by law, of and from any and all claims, actions, causes of action, lawsuits, attorneys’ fees, costs, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, bonuses, controversies, agreements, promises, claims, charges, complaints and demands whatsoever, whether in law or equity, known and unknown, asserted and unasserted, which against the NovasYTE Releasees, Plaintiff (and his heirs, executors, administrators, representatives, successors and assigns) may now have or hereafter later determines that Plaintiff has or had upon or of the Preliminary Approval Date. This includes all of Plaintiff’s claims against the NovasYTE Releasees related to or arising out of Plaintiff’s employment with the NovasYTE Releasees, and/or the cessation of employment or purported employment therefrom. These claims expressly include, but are not limited to, claims arising under the Americans With Disabilities Act, National Labor Relations Act, Fair Labor Standards Act, the Equal Pay Act, Employee Retirement Income Security Act of 1974, 29 U.S.C. section 1001 *et seq.*, as amended, including, but not limited to, breach of fiduciary duty and equitable claims arising under section 1132(a)(3) (“ERISA”), Worker Adjustment and Retraining Notification Act, as amended, Title VII of the Civil Rights Act of 1964, Vocational Rehabilitation Act of 1973, Age Discrimination in Employment Act of 1967, as amended by the Older Workers Benefit Protection Act of 1990, Civil Rights Acts of 1866, 1871, and 1991, including Section 1981 of the Civil Rights Act, Family and Medical Leave Act (to the extent permitted by law), Fair Credit Reporting Act or other federal, state or local laws relating to background checks, Sarbanes-Oxley Act, the Dodd-Frank Wall Street and Consumer Protection Act, Family Rights Act (“CFRA”), Equal Pay Law, Whistleblower Protection Laws, Business and Professions Code section 17200 *et seq.* (“UCL”), Fair Employment and Housing Act, and any and all claims related to the following: (a) failure to pay minimum wage and pay for all hours worked; (b) failure to pay overtime; (c) failure to provide meal periods; (d) failure to provide rest periods; (e) failure to pay meal and rest break premiums; (f) failure to pay sick leave at the correct rate; (g) failure to timely pay wages during

employment; (h) failure to timely pay wages upon separation; (i) failure to provide reimbursement for necessary business-related expenditures; (j) failure to keep complete or accurate payroll records; (k) failure to furnish accurate wage statements; (l) damages, unpaid costs, penalties (including late payment penalties), premium pay, liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief, based on any and all claims arising under the Fair Labor Standards Act of 1938 ("FLSA"), as amended, 29 U.S.C. section 201, *et seq.*; (m) any alleged violations of the Labor Code and the Industrial Welfare Commission Wage Orders; (n) any alleged violation of and/or any remedy provided by the Civil Code and/or the Code of Civil Procedure including, but not limited to, section 1021.5; (o) any claims for penalties under the Labor Code and/or PAGA; and/or (p) any other federal, state or local human rights, civil rights, wage-hour, pension or labor law, rule, statute, regulation, constitution or ordinance and/or public policy, contract or tort law, or any claim related to whistleblowers or retaliation under such laws, or any claim of breach of any contract (whether express, oral, written or implied from any source), or any claim of intentional or negligent infliction of emotional distress, tortious interference with contractual relations, wrongful or abusive or constructive discharge, defamation, prima facie tort, fraud, negligence, loss of consortium, malpractice, breach of duty of care, breach of fiduciary duty or any action similar thereto against the Novasyste Releasees, including any claim for attorneys' fees, expenses or costs based upon any conduct from the beginning of the world up to and including the date of this General Release, provided that Plaintiff does not waive any right to file an administrative charge with the Equal Employment Opportunity Commission ("EEOC") or the National Labor Relations Board ("NLRB"), subject to the confidentiality provisions of the Settlement Agreement, and subject to the condition that Plaintiff not seek, or in any way obtain or accept, any monetary award, recovery or settlement therefrom and understands that such limitation does not in any way restrict Plaintiff's ability to file and pursue such charge consistent with the confidentiality obligations set forth in this Settlement Agreement; and further provided that Plaintiff does not waive any rights with respect to, or release the Novasyste Releasees from, any claims for Workers' Compensation benefits, unemployment insurance or indemnification provided by state law (except that Plaintiff releases and waives any claims that his termination was to avoid payment of such benefits or payments or that, as a result of his termination, he is entitled to additional benefits or payments); and further

provided that Plaintiff does not release any claim that cannot be released by private contract or for breach of the terms of the Settlement Agreement, subject to the confidentiality obligations in Section XIII below. Plaintiff's General Release includes the waiver of any right to bring, maintain, or participate in a class, collective, or representative action against the Novasyste Releasees to the maximum extent permitted.

98. For implementing a full and complete release and discharge of the Novasyste Releasees, Plaintiff acknowledges this General Release is intended to include in its effect, without limitation, all claims which Plaintiff does not know or suspect to exist in Plaintiff's favor at the time of execution hereof, and that this General Release contemplates the extinguishment of any such claim or claims.

99. In connection with such waiver and relinquishment, Plaintiff acknowledges that Plaintiff or his attorneys may hereafter discover claims or facts in addition to, or different from, those which he now knows or believes to exist, but that he expressly agrees to fully, finally and forever settle and release any and all claims, known or unknown, suspected or unsuspected, which exist or may exist on his behalf against the Novasyste Releasees at the time of execution of the Settlement Agreement, including, but not limited to, any and all claims relating to or arising from Plaintiff's employment with the Novasyste Releasees or the cessation of that employment. Plaintiff and Novasyste further acknowledge, understand, and agree that this representation and commitment is essential to each Party and that this Settlement Agreement would not have been entered into were it not for this representation and commitment.

100. It is understood and agreed that as a condition of this General Release, and to affect a full and complete general release as described above, Plaintiff expressly waives and relinquishes any and all claims, rights or benefits that he may have under Civil Code Section 1542, which provides as follows:

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

Plaintiff warrants he has read this Settlement Agreement, including the waiver of Civil Code section 1542, that he has consulted with or had the opportunity to consult with counsel of his choosing and specifically about the waiver of section 1542, that he understands this Agreement and the section 1542 waiver, and that he freely and knowingly enters this Agreement, this General Release, and the section 1542 waiver.

101. Plaintiff further agrees that, unless required to do so by law, he will not testify, provide documents, or otherwise participate, or request others to participate on his behalf, in any proceeding or litigation that is related to any conduct by any Novasyste Releasee as of the date of this Settlement Agreement. Notwithstanding the foregoing, nothing in this General Release will prohibit or restrict Plaintiff from: (a) providing information to, or otherwise assisting in, an investigation by Congress, Equal Employment Opportunity Commission or the NLRB, Securities and Exchange Commission ("SEC"), or any other federal regulatory or law enforcement agency or self-regulatory organization ("SRO"); (b) testifying, participating, or otherwise assisting in a proceeding relating to an alleged violation of any federal law relating to fraud or any rule or regulation of the SEC or any SRO; or (c) complying with a lawful subpoena or other legal process, subject to the terms of the Settlement Agreement.

102. If any of the provisions, terms, clauses, waivers or releases of claims and rights contained in this General Release are declared illegal, unenforceable, or ineffective in a legal forum of competent jurisdiction, such provisions, terms, clauses, waivers or releases of claims or rights will be modified, if possible, in order to achieve, to the extent possible, the intentions of the Parties and, if necessary, such provisions, terms clauses, waivers and releases of claims and rights will be deemed severable, such that all other provisions, terms, clauses and waivers and releases of claims and rights contained in this General Release will remain valid and binding upon the Parties, provided that, notwithstanding any other provision of this General Release, if any portion of the waiver or release of claims or rights is held to be unenforceable, Novasyste may, at its option, seek modification or severance of such portion, or terminate the Settlement Agreement pursuant to Section XII.

103. Plaintiff will certify he has returned all Novasyste's property in Plaintiff or his attorney's possession, custody, or control, including without limitation, proprietary or confidential information, equipment, telephones, credit cards, keys, pagers, documents, computers and computer discs, personal data assistants, files, and data, other than records related solely to Plaintiff's own compensation or benefits.

IX. DUTIES OF THE PARTIES BEFORE PRELIMINARY APPROVAL AND BETWEEN PRELIMINARY AND FINAL APPROVAL

104. Class Counsel, subject to Novasyste's approval, will submit this Settlement Agreement to the Court together with a Motion for Preliminary Approval of Settlement. At least three (3) calendar days before submission to the Court, Plaintiff will provide a draft of the Motion for Preliminary Approval of Settlement and supporting papers to Novasyste for its review and comment. The motion shall seek an order:

- (a) Preliminarily approving the settlement;
- (b) Approving as to form and content the proposed Class Notice;
- (c) Directing the mailing of the Class Notice to Settlement Class Members;
- (d) Preliminarily certifying the Settlement Class for purposes of settlement and preliminarily appointing Plaintiff and Class Counsel as representatives of the Settlement Class;
- (e) Preliminarily approving settlement administration services to be provided by the Settlement Administrator;
- (f) Preliminarily approving the Service Enhancement payment to Plaintiff as the Class Representative;
- (g) Preliminarily approving the application for payment of reasonable attorneys' fees and costs to Class Counsel;
- (h) Pending the Final Approval Hearing, enjoining Plaintiff and all Settlement Class Members and anyone acting on behalf of any Settlement Class Member, until the Settlement Class Member opts out, from: further prosecution of the Action; filing or taking any action directly or indirectly, to commence, prosecute, pursue, or participate on a class action basis any action, claim or proceeding against Novasyste

in any forum in which any of the claims subject to the Settlement are asserted, or which in any way would prevent any such claims from being extinguished; or seeking certification of a class action that involves any such claims; and

- (i) Scheduling a Final Approval Hearing on the question of whether the proposed settlement should be finally approved as fair, reasonable, and adequate as to the members of the Settlement Class and PAGA Members.

105. In conjunction with the Motion for Preliminary Approval, Class Counsel will submit the proposed Settlement to the LWDA, in accordance with Labor Code section 2699(1)(2).

106. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Novasyste's Counsel will expeditiously work together on behalf of the Parties by meeting in person, by telephone, or by email, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Novasyste's Counsel will expeditiously work together on behalf of the Parties by meeting in person, by telephone, or by email and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

107. Novasyste shall provide to the Settlement Administrator within thirty (30) calendar days after the Preliminary Approval Date the Settlement Class Member data as set forth in Paragraph 77. Novasyste shall submit this information in electronic format as specified by the Settlement Administrator and shall, during the notice, approval, opt out, and payment processes, assist the Settlement Administrator as necessary or as requested to use, correct, or update this information in order to enable the Settlement Administrator to locate and contact Settlement Class Members, and to provide information needed or requested by the Settlement Administrator to make determinations on Class Members' challenges.

108. The Parties shall cooperate with each other and the Settlement Administrator during the process of giving Settlement Class Members notice and opportunity to opt out of or object to the Settlement, in every way necessary and appropriate to assure effective communication to individual Settlement Class Members of information concerning their rights and obligations under this Settlement Agreement.

109. Class Counsel shall provide the Court at least five (5) calendar days prior to the Final Approval Hearing a declaration by the Settlement Administrator of due diligence and proof of mailing of the Class Notice required to be mailed to Settlement Class Members by this Settlement Agreement, and of the delivery results of the Settlement Administrator's mailings including tracing and re-mailing efforts.

110. Class Counsel represents that they do not currently represent any current or former employee, other than Plaintiff, who is intending to bring claims against Novasyste or Novasyste Releasees.

X. DUTIES OF THE PARTIES AFTER FINAL COURT APPROVAL

111. The Parties will submit a proposed Final Approval Order, which shall include findings and orders:

- (a) Approving the settlement, adjudging the terms thereof to be fair, reasonable, and adequate, and directing that its terms and provisions be carried out;
- (b) Approving the payment of a Service Enhancement to Plaintiff;
- (c) Approving Class Counsel's application for an award of attorneys' fees and reimbursement of out-of-pocket litigation costs;
- (d) Releasing and extinguishing all Released Class Claims and Released PAGA Claims upon Novasyste's transfer of the Gross Settlement Amount and any employer's share of payroll taxes thereon to the Settlement Administrator; and
- (e) Permanently enjoining all Class Members and PAGA Members from pursuing and/or seeking to reopen claims that have been released by this Settlement Agreement; and
- (f) Providing that the Court will retain jurisdiction to oversee administration and enforcement of the terms of the Settlement and the Court's orders.

112. Following entry of the Court's Final Approval Order, the Parties will each act to assure its timely execution and the fulfillment of all its provisions, including, but not limited to, the following:

- (a) Should an appeal be taken from the Final Approval Order, all Parties will support the approval order on appeal;

- (b) Class Counsel and Novasyste's Counsel will assist the Settlement Administrator as needed or requested in the process of identifying and locating Settlement Class Members entitled to payments from the Net Settlement Amount and/or PAGA Group Payment and assuring delivery of such payments;
- (c) Class Counsel and Novasyste's Counsel will assist the Settlement Administrator as needed or requested in responding to late requests for payments and the fair administration of that payment;
- (d) Class Counsel and Novasyste's Counsel will cooperate with each other and assist the Settlement Administrator as needed; and
- (e) The Parties and Class Counsel will certify to the Court completion of all payments required to be made by this Settlement Agreement.

XI. PRELIMINARY TIMELINE FOR COMPLETION OF SETTLEMENT

113. The preliminary schedule for notice, approval, and payment procedures carrying out this Settlement is as follows. The schedule may be modified depending on whether and when the Court grants necessary approvals and orders notice to the class and sets further hearings. In the event of such modification, the Parties will cooperate to complete the settlement procedures as expeditiously as reasonably practicable.

Within thirty (30) calendar days after the Preliminary Approval Date	Novasyste to provide the Settlement Administrator the Settlement Class Member information, including: (1) name(s); (2) last known residence addresses; (3) Social Security Numbers; and (4) number of Covered Class Workweeks and Covered PAGA Pay Periods.
Within five (5) business days before mailing Class Notice	Settlement Administrator to provide Novasyste's Counsel with estimated Class Settlement Payments to each Class Member and PAGA Group Payments to each PAGA Member.
Within thirty (30) calendar days after receipt of Settlement Class Member data from Novasyste	Settlement Administrator to complete any skip trace or other address searched for Settlement Class Members, including updating any contact information. Settlement Administrator to mail Class Notice to Settlement Class Members.

Within forty-five (45) calendar days after mailing Class Notice	Deadline for Settlement Class Members to opt-out or object.
Within one (1) business day before Final Approval Hearing	Last day to rescind objections or opt-outs.
Effective Date	<p>Following entry of the Final Approval Order and Judgment, the latest of the following dates: (1) the date of final affirmance on an appeal of the Approval Order and Judgment; (2) the date of final dismissal with prejudice of the last pending appeal from the Approval Order and Judgment; or (3) if no appeal is filed, the expiration date of the time for the filing or noticing of any form of valid appeal from the Approval Order and Judgment.</p> <p>(60 calendar days after entry of the Court's Final Approval Order if no appeals are filed).</p>
Within seven (7) calendar days after the Effective Date	Settlement Administrator to make the final calculation of Class Settlement Payments from the Net Settlement Amount to be distributed to the Class Members and provide Class Counsel and Novasyste's Counsel with a report listing the calculations and amount of all payments to be made to each Settlement Class Member and PAGA Member, with all names redacted.
Within fourteen (14) calendar days after the Effective Date	Novasyste to transfer the Gross Settlement Amount to the Settlement Administrator to be deposited into the QSF.
Within thirty (30) calendar days after the Effective Date	Settlement Administrator to distribute and pay settlement checks to the LWDA, Class Members, and PAGA Members, pay Plaintiff his Service Enhancement, and pay Class Counsel the attorneys' fees and costs approved and awarded by the Court.
Within one hundred eighty (180) calendar days after distribution of settlement checks	Expiration of settlement checks issued to Class Members and PAGA Members.
Within two hundred ten (210) calendar days after distribution of settlement checks	<p>Uncashed checks presented to Controller of the State of California</p> <p>Settlement Administrator to provide a declaration of payment, which will be filed with the Court and served on Class Counsel and Novasyste.</p>

XII. VOIDING OR MODIFYING THE SETTLEMENT AGREEMENT

114. Novasyste has the right to withdraw from the Settlement within fourteen (14) calendar days from the expiration of the Response Deadline if: (a) the Settlement is construed by the Court in such a fashion that Novasyste is required to pay more than the Gross Settlement Amount and Novasyste's share of applicable employer payroll taxes, except as provided for in Paragraph 115; (b) the Court denies approval of the Settlement or any material terms thereof (excluding any reduction of Plaintiff and Plaintiff's Counsel's requests for attorneys' fees, litigation costs and expenses, and Service Enhancement); (c) the Court does not certify the Settlement Class, or does not certify a class releasing the Class Claims set forth in this Settlement Agreement, or does not order the release of claims of the PAGA Members agreed to by the Parties, or otherwise makes an order inconsistent with any of the material terms of this Settlement Agreement; (d) seven and a half percent (7.5%) or more of the Settlement Class Members elect to "opt out" of the Settlement Class; or (e) Plaintiff or Plaintiff's counsel breaches this Settlement Agreement. If Novasyste nullifies the Settlement, it will pay administration costs to date. A late election will not be effective.

115. Based on its records, Novasyste estimates, as of October 25, 2023, there are 692 Class Members who worked a total of 62,000 workweeks during the Class Period. If it is determined that the number of workweeks through October 25, 2023 exceeds ten percent (10%) or more of 62,000 (*i.e.*, more than 68,200 Workweeks), then at Novasyste's option, either the: (a) Gross Settlement Amount shall increase proportionally over the ten percent (10%) increase (*i.e.*, if the number of workweeks increases by 15%, the Gross Settlement Amount will increase by 5%); or (b) Class Period shall end as of the date the workweeks within the Class Period reach 68,200 workweeks.

116. If for any reason the Settlement Agreement is not finally approved, or Novasyste withdraws from the Settlement, this Settlement Agreement and any related settlement documents (including the Parties' term sheet) will be null and void, other than the confidentiality and non-disclosure provisions in Section XIII and the non-admission provisions in Section IV.A. In such an event, neither this Settlement Agreement, nor the Parties' term sheet, nor the settlement documents, nor the negotiations leading to the Settlement, may be used as evidence for any purpose, and Novasyste will retain the right to challenge all

claims and allegations in the Action and to assert all applicable defenses on all applicable grounds.

117. Other than as specified above, this Settlement Agreement may not be changed, altered, or modified, except in writing and signed by counsel for the Parties hereto and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto and approved by the Court.

XIII. CONFIDENTIALITY AND PUBLICITY

118. Names of Settlement Class Members will be kept strictly confidential by the Settlement Administrator, who will not release such information to Plaintiff or Class Counsel and will only file such information under seal, if necessary, except the Settlement Administrator may disclose, in a declaration filed publicly with the Court, the names of Settlement Class Members who submitted valid and timely Requests for Exclusion. Class Counsel agrees that any information they receive or have received in connection with this Settlement may be used for the purposes of settling the Action only and may not be used for any purpose or in any other action or proceeding.

119. Plaintiff and Class Counsel agree not to disclose the terms of this settlement except in court papers, communications with Class Members after the Preliminary Approval Date, or if required by legal process, except that Class Counsel may put publicly available information about the settlement in any description of their experience or the like to describe their experience to a court. Plaintiff and Class Counsel shall not issue a press release, hold a press conference, publish information about the settlement on any website, or otherwise publicize the settlement. Plaintiff and Class Counsel agree not to respond to any press inquiries except to refer reporters to the papers filed with the Court. In the event that Plaintiff and/or Class Counsel believe they are legally obligated by statutory or regulatory requirements (including compulsory legal process, such as a subpoena) to make disclosures regarding the terms of this settlement or Settlement Agreement, they must notify Novasys's Counsel, Carrie A. Gonell, by email at carrie.gonell@morganlewis.com, within three (3) business days of receiving such notice that gives Plaintiff and/or Class Counsel reason to believe they are so obligated, and they shall take reasonable steps to maintain the confidentiality of this settlement and Settlement Agreement, including by filing any required disclosures under seal.

XIV. PARTIES' AUTHORITY

120. The signatories hereby represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions hereof.

XV. MUTUAL FULL COOPERATION

121. The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to, executing such documents and taking such other action as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties to this Settlement Agreement will use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court or otherwise to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable after execution of this Settlement Agreement, Class Counsel will, with the assistance and cooperation of Novasyste and Defendants' Counsel, take all necessary steps to secure the Court's approval of this Settlement Agreement.

XVI. NOTICES

122. Unless specifically provided herein, all notices, demands or other communications given hereunder will be in writing and will be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed as follows:

To Class Counsel:

Douglas Han
Shunt Tatavos-Gharajeh
Lizette Rodriguez
JUSTICE LAW CORPORATION
751 North Fair Oaks Avenue, Suite 101
Pasadena, CA 91103
Tel: (818) 230-7502
Fax: (818) 230-7259
dhan@justicelawcorp.com
statavos@justicelawcorp.com
lrodriguez@justicelawcorp.com

To Defendant's Counsel:

Carrie A. Gonell
MORGAN, LEWIS & BOCKIUS LLP
600 Anton Boulevard, Suite 1800
Costa Mesa, CA 92626
Tel: (714) 830.0600
Fax: (714) 830.0700
carrie.gonell@morganlewis.com

If the identity of the persons to be notified for any Party changes, or their address changes, that Party will notify all other Parties of the change in writing.

XVII. MISCELLANEOUS PROVISIONS

A. Captions and Titles

123. Paragraph titles, headings, or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision. Each term of this Settlement is contractual and not merely a recital.

B. Drafting

124. The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arms-length negotiations between the Parties. Neither Party will be considered the "drafter" of the Settlement Agreement for purposes of having terms construed against that Party, and this Settlement Agreement will not be construed in favor of or against any Party by reason of the extent to which any Party or their counsel participated in the drafting of this Settlement Agreement.

C. Extensions of Time

125. If a Party cannot reasonably comply with an obligation under this Settlement Agreement by the deadline set forth herein applicable to that obligation, that Party may apply to the Court for a reasonable extension of time to fulfill that obligation. Consent to such a request for an extension will not be unreasonably withheld by the other Party.

D. Governing Law

126. The rights and obligations of the Parties hereunder will be construed and enforced in accordance with, and will be governed by, the laws of the State of California, without regard to principles of conflict of laws.

E. No Impact on Benefit Plans

127. Neither the Settlement Agreement nor any amounts paid under the Settlement Agreement will modify any previously credited hours or service under any employee benefit plan, policy, or bonus program sponsored by Novasys. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Novasys's sponsored benefit plans, policies, or bonus programs. The payments made under the terms of this Settlement will not be applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of Novasys's benefit plan, policy, or bonus program. Novasys retains the right to modify the language of its benefit plans, policies and bonus programs to effect this intent, and to make clear that any amounts paid pursuant to this Settlement Agreement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies and bonus programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Settlement Agreement.

F. Integration

128. This Settlement Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

G. No Prior Assignments

129. This Settlement Agreement will be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, and successors. The Parties hereto represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim,

demand, action, cause of action or rights herein released and discharged except as set forth herein.

H. Counterparts and Electronic Signatures

130. This Settlement Agreement may be executed in counterparts with signatures transmitted by facsimile or as an electronic image of the original signature. When each Party has signed and delivered at least one such counterpart, each counterpart will be deemed an original, and, when taken together with other signed counterparts, will constitute one Settlement Agreement, which will be binding upon and effective as to all Parties. A facsimile signature or electronic image will have the same force and effect as the original signature.

READ CAREFULLY BEFORE SIGNING

PLAINTIFF MANOLSA CHARLES

Dated: 09/11/2024

Manolisa Jeanne Charles
Manolisa Charles

NOVASYTE, LLC

Dated: _____

Name: _____
Title: _____

APPROVED AS TO FORM

JUSTICE LAW CORPORATION

Dated: September 11, 2024

D. Han
Douglas Han
Attorneys for Plaintiff

MORGAN, LEWIS & BOCKIUS LLP

Dated: _____

Carrie A. Gonell
Attorneys for Defendant

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

If you were employed by Novasyste, LLC as a non-exempt employee in California at any time between February 24, 2018 and December 21, 2023, a settlement of a class action lawsuit may affect your rights.

A court authorized this notice. This is not a solicitation from a lawyer.

TO UNDERSTAND YOUR RIGHTS, PLEASE READ THIS NOTICE CAREFULLY.

A proposed class action and PAGA representative action settlement ("Settlement") has been reached in a class action lawsuit entitled *Manolsa Charles v. Novasyste, LLC*, Case No. 37-2022-00033748-CU-OE-CTL, filed in the San Diego County Superior Court ("Action"). The lawsuit was filed by Plaintiff Manolsa Charles ("Plaintiff") against Defendant Novasyste, LLC ("Novasyste"). Plaintiff and Novasyste are collectively referred to as the "Parties."

Plaintiff, a former Novasyste employee, asserts claims under California law for failure to pay minimum wage and pay for all hours worked, failure to pay overtime, failure to provide meal periods, failure to provide rest periods, failure to pay meal and rest break premiums, failure to pay sick leave at the correct rate, failure to timely pay wages during employment, failure to timely pay wages upon separation, failure to provide reimbursement for necessary business-related expenditures, failure to keep complete or accurate payroll records, failure to furnish accurate wage statements, and violation of Business & Professions Code section 17200, *et seq.*, on behalf of himself and all individuals who worked for Novasyste as non-exempt employees in California at any time between February 24, 2018 and December 21, 2023 ("Settlement Class Members").

Plaintiff also asserts violations of the Private Attorneys General Act of 2004 ("PAGA") on behalf of himself and all individuals who worked for Novasyste as non-exempt employees in California at any time between February 24, 2021 and December 21, 2023 ("PAGA Members").

On **DATE**, the Court preliminarily approved the Parties' class and PAGA action settlement. The Settlement provides for individual settlement payments based on the number of workweeks and weekly pay periods that Settlement Class Members worked for Novasyste in California from February 24, 2018 and December 21, 2023 and PAGA Members worked for Novasyste in California from February 24, 2021 and December 21, 2023.

This notice summarizes the proposed settlement. For the precise terms and conditions of the settlement, please see the settlement agreement by accessing either the Settlement Administrator's website at [REDACTED] or the Court's docket in this case through the Court's Case Access page at <https://roa.sdccourt.ca.gov/roa/>. You may also contact the Settlement Administrator, Counsel for the Class, or Counsel for Novasyste.

Do not contact the Court or the Clerk's Office about this settlement.

YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT	
DO NOTHING	If you do nothing, you will automatically receive your share of the settlement if the Settlement receives final approval by the Court and will be bound by the terms of the Settlement and releases described in this Notice.
EXCLUDE YOURSELF	<p>If you do not wish to receive money from the settlement as a Settlement Class Member and wish to retain your rights to pursue the non-PAGA Labor Code claims at issue in this lawsuit, you may submit a written request for exclusion to the Settlement Administrator, postmarked no later than DATE.</p> <p>By opting out or excluding yourself from the class action, you will not receive a settlement check as part of the class action settlement. You will not be bound by any of the non-PAGA</p>

	<p>terms of the settlement and will not release any of your non-PAGA legal claims against Novasyste.</p> <p>NOTE: If you are a PAGA Member, as defined above, you cannot opt out of the PAGA Member group, even if you opt out of the class action settlement. If the settlement is approved, you will receive a check for your allocation of the PAGA portion of the settlement, and you will be bound by the PAGA portion of the release whether you cash the check or not.</p>
OBJECT	<p>If you wish to object to the Settlement, you must submit a written Objection, and supporting papers, to the Court no later than DATE. This option is available only if you do <u>not</u> exclude yourself from the class action settlement.</p> <p>All PAGA Members will be bound by the Released PAGA Claims and may not object to the Settlement Agreement as to the Released PAGA Claims.</p>

Settlement payments will only be issued if the Court grants final approval of the Settlement.

BASIC INFORMATION

1. Why did I get this notice?

Plaintiff and Novasyste reached a settlement of a class action, and Novasyste's records show you are a Settlement Class and/or PAGA Member covered by this settlement. On **DATE**, the Court ordered this Notice be provided to Settlement Class and PAGA Members to explain the Action, the Settlement, and your legal rights.

2. What is this lawsuit about?

This is a class action and representative action, meaning it is a lawsuit seeking to have the claims and rights of many people decided in a single court proceeding. In the Second Amended Complaint filed in the action, Plaintiff asserts the following claims under California law: (1) failure to pay minimum wage and pay for all hours worked; (2) failure to pay overtime; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) failure to pay meal and rest break premiums; (6) failure to pay sick leave at the correct rate; (7) failure to timely pay wages during employment; (8) failure to timely pay wages upon separation; (9) failure to provide reimbursement for necessary business-related expenditures; (10) failure to keep complete or accurate payroll records; (11) failure to furnish accurate wage statements; and (12) violation of Business & Professions Code section 17200, *et seq.* These class claims seek recovery going back to February 24, 2018. For more information regarding Plaintiff's claims, you are advised to refer to the Second Amended Complaint, which is available on the Settlement Administrator's website.

The Action also includes a claim for civil penalties for the above alleged Labor Code violations brought on behalf of the State of California concerning Settlement Class Members whose weekly pay periods go back to February 24, 2021 ("PAGA claims").

Novasyste denies Plaintiff's claims and contends that Novasyste has paid its non-exempt California employees properly and complied with all applicable laws. Novasyste entered the Settlement solely for purposes of avoiding the risks and uncertainty of litigation.

This Settlement is the result of good-faith, arm's-length negotiations between the Parties, through their respective attorneys, with the assistance of a neutral mediator. The Parties agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair, adequate, and reasonable, and that it is in the best interest of the Settlement Class Members.

3. Has the Court decided who is right?

The Court hasn't decided whether Novasyste or the Plaintiff is correct. Novasyste and the Plaintiff reached a settlement by mediating the case with a neutral third party, for the sole purpose of resolving the matter and with no admission of liability or wrongdoing by Novasyste.

THE SETTLEMENT BENEFITS—WHAT YOU GET

4. What does the settlement provide?

Subject to Court approval, under the terms of the Settlement, Novasyste agreed to pay \$3,000,000 ("Gross Settlement Amount") to settle all claims at issue of Plaintiff, Settlement Class Members, PAGA Members, and Class Counsel. Portions of the Gross Settlement Amount will be used to pay Class Counsel's attorneys' fees and costs, Plaintiff's Service Enhancement, Settlement Administration Expenses, and payments to the State of California Labor and Workforce Development Agency ("LWDA") and PAGA Members for PAGA penalties. The remainder of the Gross Settlement Amount ("Net Settlement Amount") will be available to pay money to the Settlement Class Members who do not exclude themselves from the class.

The Gross Settlement Amount will be allocated as follows: \$1,050,000 of the Gross Settlement Amount will be paid to Class Counsel as attorneys' fees, \$25,000 will be paid to Class Counsel as costs, \$10,000 will be paid to the named Plaintiff for his services, \$15,000 will be paid to the Settlement Administrator for costs incurred in administering this settlement, \$112,500 will be paid to the State of California to settle claims alleged under PAGA, and a collective payment of \$37,500 will be paid to PAGA Members to settle claims alleged under PAGA.

The Net Settlement Amount will be divided among Settlement Class Members based on the number of workweeks each Settlement Class Member worked compared to the number of workweeks worked by all Settlement Class Members between February 24, 2018 and December 21, 2023.

The PAGA Group Payment will be divided among PAGA Members based on the number of weekly pay periods each PAGA Member worked compared to the number of biweekly pay periods worked by all PAGA Members between February 24, 2021 and December 21, 2023, including those who opt out of the class action settlement.

Tax Treatment of Settlement Payments

Class Settlement Payments will be allocated as follows: fifty percent (50%) to unpaid wages, with all applicable taxes withheld, for which an IRS Form W-2 shall be issued and fifty percent (50%) to non-wage recovery, including interest and penalties, for which an IRS Form 1099 shall be issued. Novasyste will pay its share of payroll taxes on the amounts allocated as unpaid wages. The Settlement Class Members shall be exclusively liable for any and all tax liability on the amounts allocated as non-wage recovery. Payments to PAGA Members from the PAGA Group Payment are treated as civil penalties, not wages, for tax purposes, for which an IRS Form 1099 shall be issued.

You should consult with a tax advisor concerning the tax consequences of the payment(s) you receive under the Settlement.

Settlement Administrator

The Court has appointed a neutral company ILYM Group, Inc. ("Settlement Administrator") to send this Notice, calculate and make payments, and process Settlement Class Members' Requests for Exclusion. The Settlement Administrator will also review Class Member challenges over estimated workweeks and pay periods, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Settlement Administrator's contact information is [REDACTED].

Your Weeks Worked and Estimated Individual Settlement Payment:

The settlement covers all workweeks from February 24, 2018 through December 21, 2023 in which a Settlement Class Member worked for Novasyste in California. According to Novasyste's records, the number of workweeks you worked for Novasyste as a non-exempt employee in California was [REDACTED].

The PAGA portion of the settlement covers all weekly pay periods from February 24, 2021 through December 21, 2023 in which a PAGA Member worked for Novasyste as non-exempt employees in California. According to Novasyste's records, the number of pay periods you worked for Novasyste as a non-exempt employee in California was [REDACTED].

Based on your work dates, the approximate amount of your recovery is: << **TotalestAmount** >>. This amount may change depending on participation in the settlement by all Settlement Class Members (e.g., if a Settlement Class Member opts out of the settlement, your amount may increase by a percentage of those settlement proceeds). If you are a PAGA Member, your estimated recovery for the PAGA portion of the settlement is: << **PAGA_estAmount** >>.

Procedure for Disputing Information

If you want to dispute your employment dates for your estimated number of workweeks or pay periods, you need to provide written evidence supporting your claim by **DATE** and send to:

ADDRESS

Novasyste's records are presumed to be correct unless you provide documentation to the Settlement Administrator that demonstrates otherwise. Novasyste's Counsel will investigate any dispute regarding the estimated number of workweeks or pay periods you worked based on Novasyste's records and the evidence submitted by you, and Novasyste will decide whether your challenge shall be accepted and whether any additional workweeks or pay periods should be credited to you. Novasyste's decision will be final and binding without a right of appeal.

5. What am I giving up in exchange for the settlement benefits?**Release by Class Members**

In exchange for receiving payments under the Settlement, Plaintiff and each Settlement Class Member who has not opted out of the Settlement (which would include you) shall be deemed to have fully, finally, and forever released Novasyste Releasees¹ from all claims that were alleged, or could have been alleged, based on the facts and/or allegations contained in the Complaint, First Amended Complaint, Second Amended Complaint, PAGA letter to the LWDA, and any amendments thereto, and that occurred during the time between February 24, 2018 through December 21, 2023. The Released Class Claims include: (1) failure to pay overtime wages; (2) failure to provide meal periods and pay applicable premium wages; (3) failure to provide rest periods and pay applicable premium wages; (4) failure to pay minimum wages and pay for all hours worked; (5) failure to pay sick leave at the correct rate; (6) failure to timely pay wages during and after employment; (7) failure to provide compliant wage statements; (8) failure to reimburse business expenses; (9) failure to keep complete or accurate payroll records; and (10) violation of Business & Professions Code section 17200, and includes all claims for recovery of compensation, overtime pay, minimum wage, premium pay, and/or all penalties under the Labor Code and Wage Orders, and claims derivative to those claims, including those under the Business & Professions Code and PAGA, from February 24, 2018 through

¹ "Novasyste Releasees" means Novasyste, LLC and all its current, future, and former parents, subsidiaries, divisions, affiliates, affiliates and subsidiaries under common ownership, owners, shareholders, members, directors, partners, officers, employees, attorneys, insurers, benefit plans, executors, assigns, agents and independent contractors, and the predecessors, successors, and assigns of each of them.

December 21, 2023. Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims occurring outside the time between February 24, 2018 through December 21, 2023. All Settlement Class Members shall be bound by the release unless they timely opt-out as explained below.

Release by PAGA Members

Plaintiff on behalf of himself and on behalf of the LWDA and each and every PAGA Member, shall be deemed to have fully, finally, and forever released each and all of the Novasyste Releasees from any and all claims, obligations, demands, rights, causes of action, and liabilities against Novasyste Releasees, under PAGA that have been asserted or that could have been asserted in the Complaint, First Amended Complaint, Second Amended Complaint, PAGA letter to the LWDA, and any amendments thereto, based on the facts, claims and/or allegations pled therein ("Released PAGA Claims"). Released PAGA Claims include, but are not limited to, claims for: (1) failure to pay minimum wage and pay for all hours worked; (2) failure to pay overtime; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) failure to pay meal and rest break premiums; (6) failure to pay sick leave at the correct rate; (7) failure to timely pay wages during employment; (8) failure to timely pay wages upon separation; (9) failure to provide reimbursement for necessary business-related expenditures; (10) failure to keep complete or accurate payroll records; and (12) failure to furnish accurate wage statements, and includes all such claims from February 24, 2021 through December 21, 2023. All PAGA Members shall be bound by the release as to any Released PAGA claims even if they have opted out of the Settlement Class.

HOW TO GET A SETTLEMENT PAYMENT

6. How do I get a settlement payment?

If the Settlement receives final approval by the Court, and you do not opt out, you will be mailed a check for your Class Settlement Payment at the address where this notice was mailed (unless you timely provide a forwarding address to the Settlement Administrator). If you are a PAGA Member, you will be mailed a check for your share of the PAGA Group Payment even if you opted out of the class Settlement.

7. When will I get my check?

The Court has scheduled a Final Approval Hearing on **DATE at TIME**. If the Court approves the Settlement, and there are no appeals, the Settlement Administrator will mail you your payment approximately two months after that. If there are any appeals of the approval order, your payment may be delayed until all appeals are resolved and the settlement becomes effective.

You will only have one hundred eighty (180) calendar days from the date the check is issued to cash it. After one hundred eighty (180) calendar days from the date of mailing, the checks shall become null and void. Any uncashed amounts from your settlement check will be sent to the Controller of the State of California as Unclaimed Property to be held in your name. If the monies represented by your check are sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

8. What if I lose my settlement 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 Fund <https://ucpi.sco.ca.gov/en/Property/SearchIndex> for instructions on how to retrieve the funds.

9. What if I change my address?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

EXCLUDING YOURSELF FROM THE SETTLEMENT

10. How do I ask the Court to exclude me from the Settlement Class?

You may only request exclusion from the class action portion of the settlement. You may not opt out of the PAGA portion of the settlement.

Settlement Class Members who wish to “opt out” of and be excluded from the class action settlement must submit to the Settlement Administrator a written Request for Exclusion that must be post-marked no later than **DATE**. The Request for Exclusion must: (1) include your name, last four digits of your Social Security Number, and your signature; and (2) indicate that you desire to exclude yourself from the class action settlement.

If you submit a timely and valid Request for Exclusion, you will no longer be a member of the Class, and you will not be eligible to receive any of the Class Member benefits under the Settlement or object to the terms of the Settlement. You will not be bound by the non-PAGA terms of the Settlement, and may pursue any individual claims you may have, at your own expense, against Novasys. If you are a PAGA Member, you will still receive a check with your share of the PAGA Group Payment allocated to settle PAGA Members’ claims for civil penalties, and you will be bound by the release as to the Released PAGA Claims.

Requests for Exclusion that do not include all required information or that are not timely submitted are ineffective. If you do not submit a valid and timely Request for Exclusion on or before **DATE**, and if the Court grants final approval of the settlement, you will be bound by the Settlement and its releases of the Released Class Claims and you will be considered a Class Member for settlement distribution purposes.

11. If I don’t exclude myself, can I sue later?

No. Unless you exclude yourself from the non-PAGA portions of the Settlement, you will be bound by all the terms of the Settlement, including the waiver and release of all Released Class Claims relating to the Action as set forth above, and you will be prevented from suing Novasys Releasees or participating in any other litigation or class action relating to the matters being settled in this Action, if the Court grants final approval of the settlement. Regardless of whether you exclude yourself from the non-PAGA portions of the Settlement, if you are a PAGA Member, you will be bound by the Released PAGA Claims and you will be prevented from suing Novasys Releasees or participating in any other litigation or representative action relating to the Released PAGA Claims.

THE LAWYERS REPRESENTING YOU

12. Do I have a lawyer in this case?

Yes. The Court has decided that the following lawyers are qualified to represent you and all Settlement Class Members for purposes of this Settlement. This means they have been appointed to serve as Class Counsel and represent the Settlement Class Members. You will not be charged for the work performed by Class Counsel. You may also appear in the Action through an attorney of your choice, at your own expense. Class Counsel’s contact information is as follows:

JUSTICE LAW CORPORATION

Douglas Han
 Shunt Tatavos-Gharajeh
 Lizette Rodriguez
 751 North Fair Oaks Avenue, Suite 101
 Pasadena, CA 91103
 Tel: (818) 230-7502
 Fax: (818) 230-7259
 dhan@justicelawcorp.com
 statavos@justicelawcorp.com
 lrodriguez@justicelawcorp.com

13. How will the costs of the lawsuit and the settlement be paid?

You will not be charged for any costs. The lawyers will request the Court to award their fees and reimburse their advancement of litigation expenses, from the Gross Settlement Amount. Subject to court approval, Class Counsel will ask the Court to award attorneys' fees to compensate them for the work performed for the benefit of the Settlement Class up to thirty-five percent (35%) of the Gross Settlement Amount (\$1,050,000). Class Counsel also will ask the Court to reimburse litigation costs of \$25,000.

In addition, and subject to Court approval, Class Counsel will ask the Court to authorize a Service Enhancement award of up to \$10,000 for Plaintiff for his work and effort in prosecuting this case, for undertaking the risks of payment of costs (in the event the outcome of this Action was not favorable) and a general release of all claims.

The Court may award less than these amounts. If lesser amounts are awarded, those unawarded amounts may be added to the Net Settlement Amount for distribution to Class Members.

OBJECTING TO THE SETTLEMENT**14. How do I object to the Settlement?**

You may object only as to the class action portion of the settlement and only if you do not submit a Request for Exclusion ("opt out") from the settlement. If you do not wish to opt out of the settlement but disagree with any portion of the class action settlement terms, you have the right to file an objection. If you opt out of the class action settlement, you will be ineligible to object to any aspect of the settlement.

You may not object to the PAGA portion of the settlement under any circumstances, whether or not you have opted out of the class action settlement. This means that if you qualify as a PAGA Member, you automatically will be bound by the PAGA portion of the settlement if the Court grants final approval of the settlement.

If you are a Settlement Class Member, you can object to the Settlement and you can give reasons for why you think the Court should not approve it. The Court will consider your views. To object, you must mail your objection to the Settlement Administrator no later than **DATE**. Your written objection must: (1) contain your name, address, telephone number, and last four digits of your Social Security Number; (2) state the case name and number: *Manolsa Charles v. Novasyte, LLC*, Case No. 37-2022-00033748-CU-OE-CTL; (3) state the specific reason for your objection including any legal support; (4) state whether you or someone on your behalf intends to appear at the Final Approval Hearing; and (5) contain your signature.

If you do not object in the manner described above, you shall be deemed to have waived any objections to the proposed Settlement, including its fairness or adequacy, payment of attorneys' fees or litigation costs to Class Counsel, Service Enhancement award to Plaintiff, and any and all other aspects of the Settlement.

15. What's the difference between objecting and asking to be excluded from the Class?

You cannot both exclude yourself and object. You can do one or the other, or neither. Objecting is simply telling the Court you do not like something about the Settlement. You can object to the class action portion of the settlement only if you remain a Class Member. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the class action settlement no longer affects you.

THE COURT'S FINAL APPROVAL HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend the hearing and you may ask to speak, but you do not have to attend.

The Proposed Settlement Will be Void if the Court Denies Final Approval.

It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Novasyste have agreed that, in either case, the Settlement will be void: Novasyste will not pay any money and Settlement Class Members will not release any claims against Novasyste Releasees. The confidentiality and non-disclosure provisions and the non-admission provisions in the Settlement will remain effective.

16. When and where will the Court decide whether to approve the settlement?

The Court will hold a Final Approval Hearing on **DATE at TIME** in Department C-69 at the San Diego Superior Court of California (Hall of Justice) located at 330 West Broadway, San Diego, California 92101. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are Objections, the Court will consider them. After the hearing, the Court will decide whether to approve the Settlement. There is no time limit for the Court to make its decision.

Note: The Court may change the date of the Final Approval Hearing without further notice to the Settlement Class. You should check the Administrator's website **[REDACTED]** beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing. Any Settlement Class Member who returns a written objection letter will be notified by Class Counsel of any rescheduling of the date and time of the Final Approval Hearing.

17. Do I have to come to the hearing?

No. The Parties' counsel will answer any questions the judge may have. You may attend the hearing and you may ask to speak, but you do not have to attend.

If you submit an objection, you do not have to come to Court to talk about it, but you can come if you wish. If you mailed a valid objection on time, the Court will consider it. You also may hire and pay another lawyer besides Class Counsel to attend, but it is not required. You have the right to appear in person, by telephone or by using the Court's virtual appearance platform. Class Counsel will not represent you in connection with any objection you submitted.

IF YOU DO NOTHING**18. What happens if I do nothing at all?**

If you do nothing, you automatically will receive your Class Settlement Payment from the Net Settlement Amount after the Court has granted final approval as well as a PAGA Group Payment if you are a PAGA Member. If you never cash your settlement check(s), you will still be bound by all the terms of the Settlement, including the waiver and release of all Released Class Claims relating to the Action as set forth above, and, if you are a PAGA Member, the waiver and release of all Released PAGA Claims relating to the Action as set forth above.

GETTING MORE INFORMATION**19. How do I get more information?**

This Notice summarizes the Settlement. This Notice does not contain all the terms of the proposed Settlement or all the details of these proceedings. For more detailed information, you are advised to refer to the underlying documents and papers on file with the Court.

You may visit the Settlement Administrator's website at [REDACTED] where you will find specific documents related to this case and be able to access the Notice and other forms. There is no charge to view the documents on the website.

You may also contact Class Counsel or Counsel for Novasyste for information about this lawsuit.

Write or email Class Counsel at:

JUSTICE LAW CORPORATION

Douglas Han
Shunt Tatavos-Gharajeh
Lizette Rodriguez
751 North Fair Oaks Avenue, Suite 101
Pasadena, CA 91103
Tel: (818) 230-7502
Fax: (818) 230-7259
dhan@justicelawcorp.com
statavos@justicelawcorp.com
lrodriguez@justicelawcorp.com

Write or email Counsel for Novasyste at:

MORGAN, LEWIS & BOCKIUS LLP

Carrie A. Gonell
600 Anton Boulevard, Suite 1800
Costa Mesa, CA 92626
Tel: (714) 830.0600
Fax: (714) 830.0700
carrie.gonell@morganlewis.com

You may also contact the Settlement Administrator at:

ADDRESS

Do not call, write, or otherwise contact the Court or the Court Clerk's Office to ask about this settlement process.