



1 to pay overtime pursuant to Labor Code sections 510 and 1198; (2) failure to provide meal period  
2 premiums in violation of sections 226.7 and 512(a); (3) failure to provide rest period premiums in violation  
3 of section 226.7; (4) failure to pay minimum wages pursuant to sections 1194, 1197, and 1197.1; (5)  
4 failure to timely pay wages upon termination in violation of sections 201 and 202; (6) failure to timely  
5 pay wages during employment in violation of section 204; (7) failure to provide accurate and itemized  
6 wage statements in violation of section 226(a); (8) failure to keep requisite payroll records in violation of  
7 section 1174(d); (9) failure to reimburse business expenses in violation of sections 2800 and 2802; and,  
8 (10) violations of California Business and Professions Code §§ 17200, et seq.

9       4.       **Defendant Denies Liability and Asserts Strong Defenses.** Defendant denies all claims  
10 alleged in both Actions, and asserts that, during all relevant times, employees were properly paid for all  
11 hours worked, received all overtime wages to which they were entitled, were provided with compliant  
12 meal and rest breaks in accordance with then-existing California law, and were properly reimbursed for  
13 all necessary business expenditures. Defendant also asserts that, at all times, employees received wage  
14 statements that were compliant with the Labor Code, were timely paid all wages as required under the  
15 Labor Code, and that Class Members who ended their employment with Defendant during the Class  
16 Period were properly compensated for all wages due as required by California law. Notwithstanding,  
17 in the interest of avoiding further litigation, Defendant desires to fully and finally settle the Actions, the  
18 Released Class Claims, and the Released PAGA Claims.

19       5.       **Claims Aggressively Litigated.** Class Counsel diligently investigated the claims against  
20 Defendant, including any and all applicable defenses and the applicable law. The investigation included,  
21 *inter alia*, the exchange of information, data, and documents, and review of Defendant’s employment  
22 and operations policies, practices, and procedures.

23       6.       **Mediation.** On January 21, 2025, the Parties participated in mediation with Monique Ngo-  
24 Bonnici, Esq. (the “Mediator”), a respected mediator of complex wage and hour actions, and with the  
25 assistance of the Mediator’s evaluations, the Parties reached the settlement that is memorialized herein.  
26 The settlement discussions were conducted at arm’s-length, and the settlement is the result of an  
27 informed and detailed analysis of Defendant’s potential liability and exposure in relation to the costs  
28 and risks associated with continued litigation. Based on the documents produced, as well as Class



1 e. **“Class Member”** means any one of the Class Members.

2 f. **“Class Members”** means all current or former non-exempt, hourly-paid  
3 employees who were employed by Defendant in California at any time during the Class Period. Defendant  
4 represents that the number of Class Members was approximately Four Hundred Twenty (420)  
5 individuals, as of December 18, 2024.

6 g. **“Class Notice”** means the Notice of Class Action Settlement, substantially in the  
7 form attached as **“EXHIBIT B.”**

8 h. **“Class Period”** means the period from May 26, 2019, through April 21, 2025.

9 i. **“Class Representative”** or **“Plaintiff”** means Edward Angel Narvaez Ponce.

10 j. **“Class Settlement”** means the settlement and resolution of all Released Class  
11 Claims.

12 k. **“Court”** means the Superior Court of California for the County of San  
13 Bernardino.

14 l. **“Defendant”** means FXI, Inc.

15 m. **“Defendant’s Counsel”** means Daryl S. Landy and Alexander L. Grodan of  
16 Morgan, Lewis & Bockius LLP.

17 n. **“Effective Date”** means the later of (a) the last day on which any appeal might be  
18 filed with respect to the Final Approval Order and Judgment, assuming no appeal is filed, or (b) the date  
19 of successful resolution of any appeal(s) with respect to the Final Approval Order and Judgment –  
20 including expiration of any time to seek reconsideration or further review. The Court will retain  
21 jurisdiction to enforce the Settlement Agreement after the Effective Date.

22 o. **“Employer Taxes”** means the employers’ share of taxes and contributions in  
23 connection with the wages portion of Individual Settlement Shares.

24 p. **“Enhancement Payment”** means the amount to be paid to Plaintiff in recognition  
25 of his efforts and work in prosecuting the Actions.

26 q. **“Final Approval”** means the determination by the Court that the Settlement is  
27 fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

28 r. **“Final Approval Hearing”** means the hearing at which the Court will consider

1 and determine whether the Settlement should be granted Final Approval.

2 s. **“Individual PAGA Payment(s)”** means the *pro rata* share of the PAGA  
3 Employee Amount that a PAGA Employee may be eligible to receive for the PAGA Settlement, to be  
4 calculated in accordance with Paragraph 18.

5 t. **“Individual Settlement Payment(s)”** means the net payment of each Settlement  
6 Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and  
7 withholdings with respect to the wages portion of the Individual Settlement Share, as provided in  
8 Paragraph 17.

9 u. **“Individual Settlement Share”** means the *pro rata* share of the Net Settlement  
10 Amount that a Class Member may be eligible to receive for the Class Settlement, to be calculated in  
11 accordance with Paragraph 17.

12 v. **“LWDA Payment”** means the amount of Sixty-Seven Thousand Five Hundred  
13 Dollars (\$67,500.00), i.e., 75% of the PAGA Amount, that the Parties have agreed to pay to the  
14 California Labor and Workforce Development Agency (“LWDA”) for the PAGA Settlement, as set  
15 forth in Paragraph 16.

16 w. **“Net Settlement Amount”** means the Total Settlement Amount less the Court-  
17 approved Enhancement Payment, Settlement Administration Costs, PAGA Amount, and Attorneys’ Fees  
18 and Costs.

19 x. **“Objection”** means a Class Member’s written objection to the Class Settlement,  
20 which must: (a) include the case name and number of the Actions; (b) provide the Class Member’s full  
21 name, signature, address, and telephone number; (c) include a written statement of all grounds for the  
22 objection accompanied by any legal and factual support for such objection; and (d) be submitted by mail  
23 to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

24 y. **“Operative Complaint”** means the Consolidated First Amended Class Action  
25 Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code  
26 § 2698, Et Seq. filed on September 10, 2025 in the Actions.

27 z. **“PAGA Amount”** means the allocation of Ninety Thousand Dollars (\$90,000.00)  
28 from the Total Settlement Amount as civil penalties pursuant to the Private Attorneys General Act,

1 California Labor Code sections 2698 *et seq.*, for the settlement and resolution of the Released PAGA  
2 Claims. Seventy-five percent (75%) of the PAGA Amount, or \$67,500.00, will be paid to the LWDA  
3 (i.e., the LWDA Payment) and the remaining twenty-five percent (25%), or \$22,500.00, will be  
4 distributed to PAGA Employees (i.e., the PAGA Employee Amount).

5 aa. **“PAGA Employee”** means any one of the PAGA Employees.

6 bb. **“PAGA Employees”** means all current and former non-exempt, hourly-paid  
7 employees who were employed by Defendant in California at any time during the PAGA Period.

8 cc. **“PAGA Employee Amount”** means the amount of Twenty-Two Thousand Five  
9 Hundred Dollars (\$22,500.00), i.e., 25% of the PAGA Amount, to be distributed to PAGA Employees  
10 on a *pro rata* basis based on their Workweeks during the PAGA Period.

11 dd. **“PAGA Period”** means the time period from March 22, 2022, through April 21,  
12 2025.

13 ee. **“PAGA Settlement”** means the settlement and resolution of Released PAGA  
14 Claims.

15 ff. **“Preliminary Approval”** means entry of the Court order granting preliminary  
16 approval of the Settlement Agreement.

17 gg. **“Released Class Claims”** means all claims under state, federal, or local law,  
18 arising out of the claims expressly pleaded in the Actions and all other claims, such as those under the  
19 California Labor Code, Wage Orders, regulations, and/or other provisions of law, that could have been  
20 asserted based on the facts or allegations pleaded in the Operative Complaint in the Actions for: (1) failure  
21 to pay overtime wages under Labor Code Sec. 510, 1198; (2) failure to provide meal periods and/or pay  
22 meal period premiums under Labor Code Sec. 226.7, 512; (3) failure to provide rest periods and/or pay  
23 rest period premiums under Labor Code Sec. 226.7; (4) failure to pay minimum wages under Labor Code  
24 Sec. 1194, *et seq.*; (5) failure to timely pay wages upon termination under Labor Code Sec. 203; (6) failure  
25 to timely pay wages during employment under Labor Code Sec. 204, 210; (7) failure to provide accurate,  
26 itemized wage statements under Labor Code Sec. 226; (8) failure to keep requisite payroll records under  
27 Labor Code Sec. 1174(d); (9) failure to reimburse business expenses under Labor Code Sec. 2800, 2802;  
28 and (10) violation of California’s unfair competition law under Business and Professions Code Sec. 17200.

1           hh.     “**Released PAGA Claims**” means all claims for civil penalties under the Private  
2 Attorneys General Act, California Labor Code sections 2698, *et seq.* that were alleged in the PAGA  
3 Notice and Operative Complaint in the Actions or that reasonably could have been alleged based on the  
4 facts or allegations in the PAGA Notice and Operative Complaint in the Actions, arising during the  
5 PAGA Period, against any of the Released Parties, for violations of the California Labor Code, including  
6 *inter alia* sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197,  
7 1197.1, 1198, 2800, 2802, and 2810.5, and IWC Wage Orders including *inter alia*, Wage Orders 1-2001  
8 and 4-2001 for failure to pay all and overtime wages due; failure to provide compliant meal periods and  
9 associated premiums; failure to provide compliant rest periods and associated premiums; failure to pay  
10 all minimum wages due; failure to pay all wages timely during employment, failure to pay all wages  
11 timely at the time of termination; failure to provide complete, accurate, or properly formatted wage  
12 statements; failure to maintain requisite payroll records; and failure to reimburse business expenses.

13           ii.     “**Released Parties**” means FXI, Inc. and any of its former and/or current parents,  
14 subsidiaries, affiliates, and any other entities that could be considered to have jointly employed the Class  
15 Members or PAGA Employees as well as each of their officers, directors, managers, owners, executives,  
16 partners, executive-level employees, shareholders, agents, attorneys, and any other predecessors,  
17 successors, assigns or legal representatives.

18           jj.     “**Request for Exclusion**” means a Class Member’s written letter indicating a  
19 request to be excluded from the Class Settlement, which must: (a) include the case name and number of  
20 the Actions; (b) provide the Class Member’s full name, signature, address, telephone number, and last  
21 four (4) digits of their Social Security Number; (c) contain a clear written statement indicating that the  
22 Class Member seeks exclusion from the Class Settlement; and (d) be submitted by mail to the Settlement  
23 Administrator at the specified address, postmarked on or before the Response Deadline.

24           kk.     “**Response Deadline**” means the deadline by which Class Members must submit  
25 a Request for Exclusion, Objection, and/or Workweeks Dispute, which shall be the date that is forty-  
26 five (45) calendar days from the initial mailing of the Class Notice by the Settlement Administrator,  
27 unless the 45<sup>th</sup> day falls on a Sunday or Federal holiday, in which case the Response Deadline will be  
28 extended to the next day on which the U.S. Postal Service is open; in the event that a Class Notice is re-

1 mailed to a Class Member, the Response Deadline for that Class Member shall be extended by fifteen  
2 (15) calendar days from the initial Response Deadline.

3           ll.        “**Settlement Administrator**” means ILYM Group, Inc. or any other third-party  
4 class action settlement administrator agreed to by the Parties and approved by the Court for purposes  
5 of administering this Settlement. The Parties and their counsel each represent that they do not have  
6 any financial interest in the Settlement Administrator or otherwise have a relationship with the  
7 Settlement Administrator that could create a conflict of interest. The Administrator will provide a  
8 declaration in support of Plaintiff’s motion for preliminary approval of the Settlement which shall certify  
9 and identify the data security protocols used to keep data regarding Class Members confidential.

10           mm.      “**Settlement Administration Costs**” means the costs payable from the Total  
11 Settlement Amount, subject to Court approval, to the Settlement Administrator for administering this  
12 Settlement, as set forth in Paragraph 15.

13           nn.      “**Settlement Class Members**” or “**Settlement Class**” means all Class Members  
14 who do not submit a timely and valid Request for Exclusion.

15           oo.      “**Total Settlement Amount**” means the amount of One Million Two Hundred  
16 Thousand Dollars (\$1,200,000.00) to be paid by Defendant in full resolution of all Released Class Claims,  
17 Released PAGA Claims, and the Actions provided for under the Class Settlement and PAGA Settlement,  
18 which includes all Attorneys’ Fees and Costs to be paid to Class Counsel, Enhancement Payment to be  
19 paid to Plaintiff, PAGA Amount to be paid to the LWDA and PAGA Employees, Net Settlement Amount  
20 to be paid to the Settlement Class Members, and Settlement Administration Costs to be paid to the  
21 Settlement Administrator. The Total Settlement Amount may increase to the extent provided in  
22 Paragraph 40. The Total Settlement Amount does not include Employer Taxes; Employer Taxes will  
23 be paid by Defendant, separately and in addition to the Total Settlement Amount.

24           pp.      “**Workweeks**” means the number of weeks each Class Member was employed by  
25 Defendant as a non-exempt, hourly paid employee in California during the Class Period, which will be  
26 calculated by the Settlement Administrator based on Defendant’s records. The number of Workweeks  
27 will be the nearest whole number calculated by determining the number of calendar days between the  
28 first date worked and the last date worked for each Class Member during the relevant period, dividing

1 that number by 7, and rounding that number up to the nearest whole number.

2 qq. **“Workweeks Dispute”** means a Class Member’s written letter disputing the pre-  
3 printed information on the Class Notice as to the number of Workweeks credited to them, which must:  
4 (a) contain the case name and number of the Actions; (b) contain the Class Member’s full name,  
5 signature, address, and telephone number, and (c) clearly state that the Class Member disputes the  
6 number of Workweeks credited to them and what they contend is the correct number to be credited to  
7 them; (d) attach any documentation that they have to support the dispute; and (e) be submitted by mail  
8 to the Settlement Administrator at the specified address, postmarked on or before the Response  
9 Deadline.

10 **CLASS CERTIFICATION**

11 9. For the purposes of this settlement only, the Parties stipulate to the certification of the  
12 Class.

13 10. The Parties agree that certification for the purpose of settlement is not an admission that  
14 certification is proper under California Code of Civil Procedure section 382. Should, for whatever  
15 reason, the Court not grant Final Approval, the Parties’ stipulation to class certification as part of the  
16 Settlement shall become null and void *ab initio* and shall have no bearing on, and shall not be admissible  
17 in connection with, the issue of whether or not certification would be appropriate as to any of the claims  
18 asserted by Plaintiff against Defendant in a non-settlement context.

19 **TERMS OF AGREEMENT**

20 NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set  
21 forth herein, the Parties agree, subject to the Court’s approval, as follows:

22 11. **Amendment of Complaint.** To implement the terms of the Settlement, Parties agreed that  
23 Plaintiff would file a Consolidated First Amended Class Action Complaint for Damages & Enforcement  
24 Under the Private Attorneys General Act, California Labor Code §§ 2698, *et seq.* in the PAGA Action,  
25 the first filed case, that added the causes of action alleged in the Class Action. The Parties entered into a  
26 separate stipulation seeking an order from the Court granting Plaintiff leave to file the contemplated  
27 amended complaint on August 27, 2025.

28 12. **Funding and Disbursement of the Total Settlement Amount.** Within fifteen (15) calendar

1 days after the Effective Date, the Settlement Administrator will provide the Parties with an accounting  
2 estimate of the amounts to be paid by Defendant pursuant to the terms of the Settlement and establish a  
3 qualified settlement account for administration of the Settlement. Within thirty (30) calendar days after  
4 the Effective Date, Defendant will make a one-time deposit of the Total Settlement Amount into the  
5 settlement account to be established by the Settlement Administrator. Within seven (7) calendar days of  
6 the funding of the Total Settlement Amount, the Settlement Administrator will issue payments due under  
7 the Settlement and approved by the Court, as follows: (a) Individual Settlement Payments to Settlement  
8 Class Members; (b) Individual PAGA Payments to PAGA Employees; (c) LWDA Payment to the  
9 LWDA; (d) Enhancement Payment to Plaintiff; (e) Attorneys' Fees and Costs to Class Counsel; and (f)  
10 Settlement Administration Costs to itself (the Settlement Administrator). The Settlement Administrator  
11 will obtain funds from Defendant that are sufficient for the Employer Taxes that Defendant must fund  
12 separately and in addition to the Total Settlement Amount. The Settlement Administrator will also  
13 undertake filings and remittances in connection with the employee's share of taxes on the wages portion  
14 of Individual Settlement Shares and the Employer Taxes, that are necessary for administration of the  
15 Settlement.

16 13. Attorneys' Fees and Costs. Class Counsel will request and Defendant will not oppose  
17 attorneys' fees of up to thirty-five percent (35%) of the Total Settlement Amount (i.e., up to \$420,000.00  
18 if the Total Settlement Amount is \$1,200,000.00) and reimbursement of actual costs and expenses  
19 associated with Class Counsel's litigation and settlement of the Actions, supported by declaration, in an  
20 amount not to exceed Twenty-Five Thousand Dollars (\$25,000.00), both of which will be paid from the  
21 Total Settlement Amount subject to Court approval. These amounts will cover any and all work  
22 performed and any and all costs incurred by Class Counsel in connection with the litigation and  
23 settlement of the Actions, including without limitation all work performed and costs incurred to date,  
24 and all work to be performed and all costs to be incurred in connection with obtaining the Court's  
25 approval of this Settlement Agreement, including any objections raised and any appeals necessitated by  
26 those objections. Class Counsel shall be solely and legally responsible for correctly characterizing this  
27 compensation for tax purposes and for paying any taxes on the amounts received. Any portion of the  
28 requested Attorneys' Fees and Costs not awarded to Class Counsel shall be a part of the Net Settlement

1 Amount for the benefit of Settlement Class Members.

2 14. Enhancement Payment. In recognition of Plaintiff's efforts and work in prosecuting the  
3 Actions, Defendant agrees not to oppose or impede any application or motion for an Enhancement  
4 Payment to Plaintiff in the amount of up to Seven Thousand Five Hundred Dollars (\$7,500.00). The  
5 Enhancement Payment, which will be paid from the Total Settlement Amount subject to Court approval,  
6 will be in addition to any Individual Settlement Payment and Individual PAGA Payment (if applicable)  
7 that he is eligible to receive pursuant to the Settlement. The Settlement Administrator will issue an IRS  
8 Form 1099 to Plaintiff for the Enhancement Payment, and Plaintiff shall be solely and legally responsible  
9 for correctly characterizing this compensation for tax purposes and for paying any and all taxes on the  
10 amounts received. Should the Court not approve the Enhancement Payment to Plaintiff, or approve it in  
11 an amount that is less than that set forth above, Plaintiff shall not have the right to revoke this  
12 Agreement, and it will remain binding, and the difference between the amount approved by the Court  
13 (if any) and the amount allocated toward the Enhancement Payment will be part of the Net Settlement  
14 Amount for the benefit of Settlement Class Members.

15 15. Settlement Administration Costs. The Settlement Administrator will be paid for the  
16 reasonable costs of administration of the Settlement and distribution of payments under the Settlement,  
17 which is currently estimated not to exceed Ten Thousand Dollars (\$10,000.00). These costs, which will  
18 be paid from the Total Settlement Amount subject to Court approval, will include, *inter alia*, translating  
19 the Class Notice to Spanish, printing, distributing, and tracking Class Notices and other documents for  
20 the Settlement, calculating and distributing payments due under the Settlement, issuing of 1099 and W-  
21 2 IRS Forms and all required tax reporting, filings, withholdings, and remittances, providing necessary  
22 reports and declarations, and other duties and responsibilities set forth herein to process this Settlement,  
23 and as requested by the Parties. To the extent actual Settlement Administration Costs are greater than the  
24 estimated amount stated herein, such excess amount will be deducted from the Total Settlement Amount,  
25 subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement  
26 Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator,  
27 to undertake the requirement settlement administration duties, will be part of the Net Settlement Amount  
28 for the benefit of Settlement Class Members.

1           16.    PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of  
2 Ninety Thousand Dollars (\$90,000.00) from the Total Settlement Amount will be allocated toward civil  
3 penalties under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* (i.e., the  
4 PAGA Amount), of which seventy-five percent (75%), or \$67,500, will be paid to the LWDA (i.e., the  
5 LWDA Payment) and twenty-five percent (25%) or, \$22,500, will be distributed to PAGA Employees  
6 (i.e., the PAGA Employee Amount) on a *pro rata* basis, based on Workweeks during the PAGA Period  
7 (i.e., the Individual PAGA Payment).

8           17.    Individual Settlement Share Calculations. Individual Settlement Shares will be calculated  
9 and apportioned from the Net Settlement Amount based on the Class Members' number of Workweeks  
10 during the Class Period, as follows:

11           a.     After Preliminary Approval of the Settlement, the Settlement Administrator will  
12 divide the estimated Net Settlement Amount by the Workweeks of all Class Members during the Class  
13 Period to yield the "Estimated Workweek Value," and multiply each Class Member's individual  
14 Workweeks during the Class Period by the Estimated Workweek Value to yield his or her estimated  
15 Individual Settlement Share.

16           b.     After Final Approval of the Settlement, the Settlement Administrator will divide  
17 the final Net Settlement Amount by the Workweeks of all Settlement Class Members during the Class  
18 Period to yield the "Final Workweek Value," and multiply each Settlement Class Member's individual  
19 Workweeks during the Class Period by the Final Workweek Value to yield his or her Individual  
20 Settlement Share.

21           18.    Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated  
22 and apportioned from the PAGA Employee Amount based on the PAGA Employees' number of  
23 Workweeks during the PAGA Period as follows: The Settlement Administrator will divide the PAGA  
24 Employee Amount, i.e., 25% of the PAGA Amount, by the total number of Workweeks of all PAGA  
25 Employees during the PAGA Period to yield the "PAGA Workweek Value," and multiply each PAGA  
26 Employee's individual Workweeks during the PAGA Period by the PAGA Workweek Value to yield  
27 his or her Individual PAGA Payment.

28           19.    Settlement Awards Do Not Trigger Additional Benefits. All payments made under the

1 Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually  
2 are issued to the payee. It is expressly understood and agreed that payments made under this Settlement  
3 shall not in any way entitle Plaintiff, Settlement Class Members, or PAGA Employees to additional  
4 compensation or benefits under any new or additional compensation or benefits, or any bonus, contest  
5 or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle  
6 Plaintiff, Settlement Class Members, or PAGA Employees to any increased retirement, 401K benefits  
7 or matching benefits, or deferred compensation benefits. It is the intent of this Agreement that the  
8 Individual Settlement Payments and Individual PAGA Payments provided for in this Agreement are the  
9 sole payments to be made by Defendant to the Settlement Class Members and PAGA Employees in  
10 connection with this Agreement (notwithstanding any contrary language or agreement in any benefit or  
11 compensation plan document that might have been in effect during the Class Period).

12 20. Notice of Proposed PAGA Settlement to LWDA. Pursuant to California Labor Code  
13 section 2699(s)(2), Class Counsel will submit a copy of this Settlement Agreement to the LWDA at the  
14 same time that it is submitted to the Court for preliminary approval.

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

17 22. Notice by First-Class U.S. Mail.  
18 a. Within fourteen (14) calendar days after receiving the Class List from Defendant,  
19 the Settlement Administrator will perform a search based on the United States Postal Service's National  
20 Change of Address Database or any other similar services available, such as provided by Experian, for  
21 information to update and correct for any known or identifiable address changes, and will mail a Class  
22 Notice in English and Spanish (in the form attached as **EXHIBIT B** to this Settlement Agreement) to  
23 all Class Members via U.S. mail, using the most current, known mailing addresses identified by the  
24 Settlement Administrator.

25 b. With respect to Class Notices that are returned as undeliverable on or before the  
26 Response Deadline, the Settlement Administrator will search for an alternate address by way of skip-  
27 trace and re-mail the Class Notice within five (5) calendar days to an alternate address if one is located.

28 c. Dispute Regarding Workweeks. The Class Notice will include the procedure by

1 which a Class Member may dispute the number of Workweeks allocated to him or her by submitting a  
2 timely and valid Workweeks Dispute. The date of the postmark on the return mailing envelope will be  
3 the exclusive means to determine whether a dispute has been timely submitted. Absent evidence  
4 rebutting the accuracy of Defendant's records and data as they pertain to the number of Workweeks to  
5 be credited to a disputing Class Member, Defendant's records will be presumed correct and  
6 determinative of the dispute. Defendant (through Defendant's Counsel) will evaluate the information  
7 and/or documents submitted by the Class Member and resolve and determine the number of Workweeks  
8 that the disputing Class Member should be credited with under the Settlement, if different from the  
9 originally calculated amount. Defendant's decision on such disputes will be final and non-appealable.

10 23. Settlement Checks.

11 a. The Settlement Administrator will be responsible for undertaking appropriate  
12 deductions, required tax reporting, and issuing the Individual Settlement Payments by way of check to  
13 the Settlement Class Members and the Individual PAGA Payments by way of check to the PAGA  
14 Employees in accordance with this Settlement Agreement. When issuing payments, the Settlement  
15 Administrator may combine the Individual Settlement Payment and Individual PAGA Payment into one  
16 check if the intended recipient for both payments is one individual.

17 b. The Settlement Administrator shall remit and report the applicable portions of the  
18 payroll tax payment to the appropriate taxing authorities on a timely basis pursuant to its duties under this  
19 Agreement. Defendant agrees to reasonably cooperate with the Settlement Administrator to the extent  
20 necessary to determine the amount of the payroll tax payment required

21 c. Each Individual Settlement Payment check and Individual PAGA Payment check  
22 will be valid and negotiable for one hundred and eighty (180) calendar days from the date of original  
23 issuance, and thereafter, shall be canceled. All funds remaining in connection with, and after the  
24 cancelation of checks issued to Settlement Class Members and PAGA Employees, shall be transmitted  
25 to the Controller of the State of California pursuant to the Unclaimed Property Law, California Civil  
26 Code § 1500, et seq., to be held in trust for those Settlement Class Members and PAGA Employees who  
27 did not timely cash their Settlement checks. The Parties agree that this disposition results in no "unpaid  
28 residue" under California Civil Procedure Code § 384, as all payments to the Settlement Class Members

1 will be paid out, whether or not these individuals cash their Settlement checks.

2 d. The Settlement Administrator shall undertake amended and/or supplemental tax  
3 filings and reporting, required under applicable local, state, and federal tax laws, that are necessitated  
4 due to the cancelation of any Individual Settlement Payment or Individual PAGA Payment checks.  
5 Settlement Class Members whose Individual Settlement Payment checks are canceled shall,  
6 nevertheless, be bound by this Settlement Agreement and the Final Approval Order and Judgment will  
7 have claim preclusive impact with respect to them and all Settlement Class Members with respect to the  
8 Class Settlement. The Final Approval Order and Judgment will have claim preclusive impact on the  
9 PAGA Employees with respect to the PAGA Settlement irrespective of whether their Individual PAGA  
10 Payment checks are canceled.

11 24. Procedures for Requesting Exclusion from the Class Settlement. Any Class Member  
12 wishing to be excluded from the Class Settlement must submit a timely and valid Request for Exclusion  
13 to the Settlement Administrator, by mail, on or before the Response Deadline. The date of the postmark  
14 on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion  
15 has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and  
16 Defendant's Counsel, the number of timely and valid Requests for Exclusion that were submitted, and  
17 also identify the individuals who submitted them, in a declaration that is to be filed with the Court in  
18 advance of the Final Approval Hearing. Any Class Member who submits a timely and valid Request  
19 for Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who  
20 submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will not  
21 be issued an Individual Settlement Payment. All PAGA Employees will be bound by the PAGA  
22 Settlement and will be issued an Individual PAGA Payment, irrespective of whether they submit a  
23 Request for Exclusion.

24 25. Procedures for Objecting to the Class Settlement. Class Members who have not opted  
25 out of the Class Settlement (i.e., Settlement Class Members) may object to the Class Settlement. To  
26 object to the Class Settlement, Settlement Class Members must submit a timely and complete Objection  
27 to the Settlement Administrator, by mail, on or before the Response Deadline. The Objection must be  
28 signed by the Settlement Class Member and contain all information required by Paragraph 8(y) of this

1 Settlement Agreement. The postmark date will be deemed the exclusive means for determining that the  
2 Objection is timely. At no time will any of the Parties or their counsel seek to solicit or otherwise  
3 encourage Class Members to object to the Settlement Agreement or appeal from the Final Approval  
4 Order and Judgment. Settlement Class Members may also present their objection orally at the Final  
5 Approval Hearing, irrespective of whether they submit a written Objection. The Settlement  
6 Administrator will certify jointly to Class Counsel and Defendant's Counsel the Objections that were  
7 timely submitted, and also attach them as exhibits to a declaration that is to be filed with the Court in  
8 advance of the Final Approval Hearing.

9       26. Reports by the Settlement Administrator Regarding Settlement Administration. The  
10 Settlement Administrator will provide Defendant's Counsel and Class Counsel a weekly report which  
11 certifies: (a) the number of Class Members who have submitted Workweeks Disputes; (b) the number  
12 of Class Members who have submitted timely and valid Requests for Exclusion; (c) the number of Class  
13 Members who have submitted timely and complete Objections; (d) the number of undeliverable Class  
14 Notices; and (e) the number of re-mailed Class Notices. Additionally, the Settlement Administrator will  
15 provide to counsel for both Parties any updated reports regarding the administration of the Settlement  
16 Agreement as needed or requested, and immediately notify the Parties when it receives a request from  
17 an individual or any other entity regarding inclusion in the Class and/or Settlement.

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

21       28. Treatment of Individual Settlement Payments and Individual PAGA Payments. Each  
22 Individual Settlement Share will be allocated as follows: fifty percent (50%) wages and fifty percent  
23 (50%) penalties, interest, and non-wage damages. The portion allocated to wages will be reported on  
24 an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages will be  
25 reported on an IRS Form-1099 by the Settlement Administrator. The Settlement Administrator will  
26 withhold the employee's share of taxes and withholdings with respect to the wages portion of the  
27 Individual Settlement Shares, and issue checks to Settlement Class Members for their Individual  
28 Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes and

1 withholdings). Each Individual PAGA Payment will be allocated as one hundred percent (100%)  
2 penalties and will be reported on an IRS Form-1099 (if applicable) by the Settlement Administrator.

3 29. Administration of Taxes by the Settlement Administrator. The Settlement Administrator  
4 will be responsible for issuing to Plaintiff, Settlement Class Members, PAGA Employees, and Class  
5 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to  
6 this Settlement Agreement. The Settlement Administrator will also be responsible for forwarding all  
7 payroll taxes, contributions, and withholdings to the appropriate government authorities.

8 30. Tax Liability. Plaintiff, Class Counsel, Defendant, and Defendant's Counsel do not  
9 intend anything contained in this Settlement Agreement, the Class Notice, or any other communications  
10 to Class Members or PAGA Employees regarding the Settlement to constitute advice regarding taxes or  
11 taxability, nor shall anything in this Settlement Agreement, the Class Notice, or any other  
12 communication regarding the Settlement be relied on as such. Plaintiff, Settlement Class Members, and  
13 PAGA Employees understand and agree that they will be solely responsible for correctly characterizing  
14 any compensation received by them under the Settlement on their personal income tax returns and  
15 paying any and all taxes due for any and all amounts paid to them under the Settlement.

16 31. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT (FOR  
17 PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS  
18 SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER  
19 PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS SETTLEMENT  
20 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR  
21 AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS  
22 INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE  
23 OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF  
24 UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS  
25 AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS,  
26 HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING  
27 TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B) HAS NOT  
28 ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE RECOMMENDATION

1 OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND  
2 (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY  
3 ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY  
4 BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO  
5 ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE  
6 CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES  
7 (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON  
8 DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX  
9 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED  
10 BY THIS SETTLEMENT AGREEMENT.

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

15 33. Releases of Claims.

16 a. Class Settlement Release. Upon the Effective Date and full funding of the Total  
17 Settlement Amount, Plaintiff and all Class Members who do not submit a timely and valid Request for  
18 Exclusion (i.e., Settlement Class Members) will be deemed to have fully, finally, and forever released,  
19 settled, compromised, relinquished, and discharged the Released Parties of and from all Released Class  
20 Claims.

21 34. PAGA Settlement Release. Upon the Effective Date and full funding of the Total  
22 Settlement Amount, Plaintiff, the State of California with respect to PAGA Employees, and PAGA  
23 Employees will be deemed to have fully, finally, and forever released, settled, compromised,  
24 relinquished, and discharged the Released Parties of and from all Released PAGA Claims pertaining to  
25 Plaintiff and the PAGA Employees.

26 35. Plaintiff's Acknowledgment. Plaintiff acknowledges that he has not made any claims or  
27 allegations related to discrimination, retaliation, or harassment, including sexual harassment, or sexual  
28 abuse, and none of the payments set forth as consideration in this Agreement are related to such

1 discrimination, retaliation, or harassment, including sexual harassment or sexual abuse.

2       36.     General Release of Claims by Plaintiff. In addition to the above releases of claims, upon  
3 the Effective Date and full funding of the Total Settlement Amount, Plaintiff will be deemed to have fully  
4 released and discharged the Released Parties of and from all claims arising from his employment with  
5 Defendant, separation of employment from Defendant, and any acts that have or could have been asserted  
6 in any legal action or proceeding against Defendant, whether known or unknown, arising under any  
7 federal, state, or local law, or statute, including, *inter alia*, those arising under the California Labor Code,  
8 Fair Labor Standards Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964,  
9 Employee Retirement Income Security Act, National Labor Relations Act, California Corporations Code,  
10 California Business and Professions Code, California Fair Employment and Housing Act, California  
11 Constitution (all as amended), and law of contract and tort, as well as for discrimination, harassment,  
12 retaliation, wrongful termination, lost wages, benefits, other employment compensation, emotional  
13 distress, medical expenses, other economic and non-economic damages, attorney fees, and costs, arising  
14 on or before the date of execution of the Settlement Agreement. With respect to those claims released by  
15 Plaintiff in an individual capacity, Plaintiff acknowledges and waives any and all rights and benefits  
16 available under California Civil Code section 1542, which provides:

17             A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR  
18             OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR  
19             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.

20 Plaintiff understands and agrees that claims or facts in addition to or different from those which are now  
21 known or believed by Plaintiff to exist may hereafter be discovered. It is Plaintiff's intention to settle  
22 fully and release all claims Plaintiff now has against the Released Parties, whether known or unknown,  
23 suspected or unsuspected, upon the Effective Date and full funding of the Total Settlement Amount.  
24 Notwithstanding the above, this general release by Plaintiff shall not extend to claims for workers'  
25 compensation benefits, claims for unemployment benefits, or other claims that may not be released by  
26 law.

27       37.     Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.  
28 Upon execution of this Settlement Agreement, Plaintiff shall promptly obtain a hearing date for

1 Plaintiff's motion for preliminary approval of the Settlement, and submit this Settlement Agreement to  
2 the Court in support of said motion. Defendant agrees not to oppose the motion for preliminary approval  
3 of the Settlement consistent with this Settlement Agreement. Said motion shall apply to the Court for  
4 the entry of an order ("Preliminary Approval Order"), which shall be mutually agreed upon by the  
5 Parties, seeking the following:

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

16 38. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After  
17 the Response Deadline, and with the Court's permission, a hearing will be conducted on Plaintiff's  
18 motion for final approval of the Settlement (i.e., the Final Approval Hearing), to determine whether  
19 Final Approval of the Settlement should be granted, along with the amounts properly payable for  
20 Individual Settlement Payments, Individual PAGA Payments, LWDA Payment, Attorneys' Fees and  
21 Costs, Enhancement Payment, and Settlement Administration Costs. By way of said motion, Plaintiff  
22 will apply for the entry of the mutually-agreed-upon proposed order and judgment ("Final Approval  
23 Order and Judgment"), which will provide for, in substantial part, the following:

- 24 a. Approval of the Settlement as fair, reasonable, and adequate, and directing  
25 consummation of its terms and provisions;
- 26 b. Certification of the Settlement Class;
- 27 c. Appointment of Plaintiff as representative of the Settlement Class;

- 1 d. Appointment of Class Counsel as counsel for the Settlement Class;  
2 e. Approval of the application for Attorneys' Fees and Costs to Class Counsel;  
3 f. Approval of the application for Enhancement Payment to Plaintiff;  
4 g. Directing Defendant to fund all amounts due under the Settlement Agreement and  
5 ordered by the Court; and  
6 h. Entering judgment in this Action, while maintaining continuing jurisdiction to  
7 implement the Settlement, in conformity with California Rules of Court 3.769 and the Settlement  
8 Agreement.

9 39. Effects of Termination of the Settlement. In the event that the Settlement Agreement is  
10 not approved by the Court, such a development shall have the following effects:

11 a. The Settlement Agreement and all negotiations, statements, and proceedings  
12 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored  
13 to their respective positions in the Actions prior to the execution of the Settlement Agreement;

14 b. Neither this Settlement Agreement, nor any ancillary documents, actions,  
15 statements, or filings in furtherance of the Settlement (including all matters associated with the mediation)  
16 shall be offered into evidence in the Actions or any other action for any purpose whatsoever; and

17 c. Any documents generated to bring the Settlement into effect, will be null and  
18 void, and any order entered by the Court in furtherance of this Settlement Agreement will likewise be  
19 treated as void from the beginning.

20 40. Escalator Clause. Defendant represents that, during the period from May 26, 2019  
21 through January 21, 2025, there were 29,549 Workweeks for the Class Members. If it is determined that  
22 the total number of Workweeks exceed 29,549 by more than ten percent (10%) (i.e. exceeds 32,504)  
23 during the Class Period, then the Total Settlement Amount will be increased on a *pro rata* basis equal to  
24 the percentage increase in the number of Workweeks above 32,504 Workweeks (e.g., if the threshold of  
25 32,504 Workweeks is exceeded by 1%, the Total Settlement Amount will increase by 1%).

26 41. Continuing Jurisdiction. After entry of judgment pursuant to the Settlement, the Court  
27 will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and Section  
28 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the interpretation and

1 enforcement of the terms of the Settlement, (b) settlement administration matters, and (c) such post-  
2 judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

3 42. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the  
4 terms set forth in any attached exhibits, which are incorporated by this reference as though fully set  
5 forth herein. Any exhibits to this Settlement Agreement are an integral part of the Settlement.

6 43. No Publicity. Plaintiff and Class Counsel agree not to issue press releases and engage in  
7 any publicity regarding the Settlement, except as shall be contractually required to effectuate the terms  
8 of the Settlement and respond to inquiries received from Class Members and PAGA Employees.  
9 However, for the limited purpose of allowing Class Counsel to prove their experience and adequacy as  
10 class counsel in other actions, Class Counsel may reference the Settlement in the Actions for such  
11 purposes. Such references must be limited to already public information about the Settlement.  
12 Furthermore, Plaintiff and Class Counsel will undertake any and all disclosures and submissions  
13 required to be made to the LWDA in conformity with PAGA. This no publicity provision will survive  
14 regardless of whether the other terms of this Settlement Agreement are voided.

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

26 45. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in the  
27 Actions (including, and not limited to, the deadline to bring the Actions to trial under California Code  
28 of Civil Procedure section 583.310), except such proceedings necessary to implement and complete the

1 Settlement Agreement, pending the Final Approval Hearing to be conducted by the Court.

2 46. Amendment and Waiver. The Parties may not waive, amend, or modify any provision of  
3 this Settlement Agreement except by written agreement signed by counsel for the Parties, and subject  
4 to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement  
5 will not constitute a waiver of any other provision.

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

15 48. Right to Withdraw. Defendant has the right to withdraw from the Settlement if: (a) more  
16 than 5% of Class Members exclude themselves from the Class Settlement; (b) Defendant is required to  
17 pay more than the Total Settlement Amount (excluding any increase attributed to the triggering of the  
18 Escalator Clause due to the number of covered Workweeks set forth in paragraph 39 above and excluding  
19 the amount of Employer Taxes to be paid by Defendant); (c) the court fails to certify the Settlement Class  
20 or does not certify a class releasing the claims as provided by this Settlement Agreement; or (e) the LWDA  
21 or any other state or government agency seeks to intervene in the PAGA Action.

22 49. Consequence of Withdrawal. If Defendant withdraws from the Settlement, this Settlement  
23 Agreement and any related settlement documents will be null and void, other than the confidentiality and  
24 non-publicity provisions of Paragraph 43, and the non-admission provisions in Paragraph 57. Any class  
25 certified for settlement purposes will be vacated and/or decertified. In such an event, neither this  
26 Settlement Agreement, nor any prior settlement Memorandum of Understanding (“MOU”), nor the  
27 settlement documents, nor the negotiations leading to the Settlement Agreement may be used as evidence  
28 for any purpose, and Defendant shall retain the right to challenge all claims and allegations in the Actions,

1 to assert all applicable defenses, and to dispute the propriety of class certification on all applicable  
2 grounds. The Parties and the Actions will return to their status quo as of the date of the MOU.

3 50. Signatories. It is agreed that because the members of the Class are so numerous, it is  
4 impossible or impractical to have each Class Member execute this Settlement Agreement. The Class  
5 Notice will advise all Class Members of the binding nature of the Class Settlement as to the Settlement  
6 Class Members, and the release shall have the same force and effect as if this Settlement Agreement  
7 were executed by each Settlement Class Member.

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

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

12 53. Execution and Counterparts. This Settlement Agreement is subject only to the execution  
13 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All  
14 executed counterparts and each of them, including facsimile, electronic, and scanned copies of the  
15 signature page, will be deemed to be one and the same instrument.

16 54. Acknowledgment that the Settlement is Fair and Reasonable. The Parties believe this  
17 Settlement Agreement is a fair, adequate, and reasonable settlement of the Actions, Released Class  
18 Claims, and Released PAGA Claims, and have arrived at this Settlement after arm's-length negotiations  
19 and in the context of adversarial litigation, taking into account all relevant factors, present and potential.  
20 The Parties further acknowledge that they are each represented by competent counsel and that they have  
21 had an opportunity to consult with their counsel regarding the fairness and reasonableness of this  
22 Settlement Agreement. In addition, if necessary to obtain Court approval of the Settlement, the Mediator  
23 may execute a declaration supporting the Settlement and the reasonableness of the Settlement and the  
24 Court may, in its discretion, contact the Mediator to discuss the Settlement and whether the Settlement  
25 is objectively fair and reasonable.

26 55. Invalidity of Any Provision. Before declaring any provision of this Settlement  
27 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent  
28 possible consistent with applicable precedents so as to find all provisions of this Settlement Agreement

1 valid and enforceable.

2 56. Cooperation. By signing this Settlement Agreement, the Parties are hereby bound by the  
3 terms herein and agree to fully cooperate to implement the Settlement.

4 57. Non-Admission of Liability. The Parties enter into this Settlement Agreement to resolve  
5 the dispute that has arisen between them and to avoid the burden, expense, and risk of continued  
6 litigation. In entering into this Settlement Agreement, Defendant does not admit, and specifically denies,  
7 that it has violated any state, federal, or local law; violated any regulations or guidelines promulgated  
8 pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any  
9 contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in  
10 any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any  
11 of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an  
12 admission or concession by Defendant of any such violations or failures to comply with any applicable  
13 law. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this  
14 Settlement Agreement and its terms and provisions shall not be offered as evidence in any action or  
15 proceeding to establish any liability or admission on the part of Defendant or to establish the existence  
16 of any condition constituting a violation of, or a non-compliance with state, federal, local, or other  
17 applicable law.

18 58. Captions. The captions and paragraph numbers in this Settlement Agreement are inserted  
19 for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the  
20 provisions of this Settlement Agreement.

21 59. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and  
22 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed  
23 more strictly against one Party than another merely by virtue of the fact that it may have been prepared  
24 by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations  
25 between the Parties, all Parties have contributed equally to the preparation of this Settlement Agreement.

26 60. Extensions of Time. If a Party or the Settlement Administrator cannot reasonably comply  
27 with an obligation under this Settlement Agreement by the deadline applicable to that obligation, the  
28 Parties may stipulate to extension of the time period. Consent to such a request for an extension will not

1 be unreasonably withheld by the other Party.

2 61. Representation by Counsel. The Parties acknowledge that they have been represented by  
3 counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that  
4 this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in  
5 full by the Parties with the assistance of their respective counsel.

6 62. All Terms Subject to Final Court Approval. All amounts and procedures described in  
7 this Settlement Agreement herein will be subject to final Court approval.

8 63. Notices. All notices, demands, and other communications to be provided concerning this  
9 Settlement Agreement shall be in writing and delivered by overnight mail at the addresses set for below,  
10 or such other addresses as either Party may designate in writing from time to time:

11 To Plaintiff and Class Counsel:

12 Arby Aiwazian, Esq.  
13 Joanna Ghosh, Esq.  
14 Yasmin Hosseini, Esq.  
15 Selena Matavosian, Esq.  
16 **LAWYERS for JUSTICE, PC**  
17 450 North Brand Blvd., Suite 900  
18 Glendale, California 91203

19 Jill J. Parker, Esq.  
20 S. Emi Minne, Esq.  
21 **PARKER & MINNE, LLP**  
22 700 S. Flower Street, Suite 1000  
23 Los Angeles, California 90017

24 To Defendant:

25 Daryl S. Landy, Esq.  
26 Alexander L. Grodan, Esq.  
27 **MORGAN, LEWIS & BOCKIUS LLP**  
28 600 Anton Blvd., Suite 1800  
Costa Mesa, California 92626

29 64. Final Approval Order and Judgment. Class Counsel shall provide the Settlement  
30 Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court,  
31 and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for  
32 sixty (60) calendar days, and this shall satisfy California Rules of Court 3.771(b). No individualized  
33 notice of the Final Approval Order and Judgment to the Class will be required.

34 65. Cooperation and Execution of Necessary Documents. All Parties and their counsel will  
35 cooperate with each other in good faith and use their best efforts to implement the Settlement,  
36 including and not limited to, executing all documents to the extent reasonably necessary to effectuate


1 the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or  
2 content of any document needed to implement the Settlement Agreement, or on any supplemental  
3 provisions that may become necessary to effectuate the terms of this Settlement Agreement, the  
4 Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

5 **IN WITNESS WHEREOF**, the Parties hereto knowingly and voluntarily executed this  
6 Stipulation of Class and PAGA Settlement and Release between Plaintiff and Defendant:

7 **IT IS SO AGREED.**

9 **PLAINTIFF EDWARD ANGEL NARVAEZ PONCE**

10  
11 Dated: 10/09/2025, 2025

  
\_\_\_\_\_  
Edward Narvaez Ponce (Oct 9, 2025 21:18:56 PDT)  
Edward Angel Narvaez Ponce, Plaintiff

13 **DEFENDANT FXI, INC.**

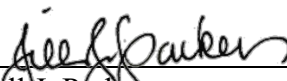
14  
15 Dated: \_\_\_\_\_, 2025

\_\_\_\_\_  
Full Name: Andrew R. Prusky  
Title: Senior Vice President, General Counsel  
On behalf of FXI, Inc.

18  
19 **APPROVED AS TO FORM:**

20 **PARKER & MINNE, LLP**

21 Dated: October 10, 2025, 2025

  
\_\_\_\_\_  
Jill J. Parker  
Attorneys for Plaintiff and Proposed Class Counsel

24 **MORGAN, LEWIS & BOCKIUS LLP**

25 Dated: \_\_\_\_\_, 2025

\_\_\_\_\_  
Daryl S. Landy  
Alexander L. Grodan  
Attorneys for Defendant FXI, Inc.

1 the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or  
2 content of any document needed to implement the Settlement Agreement, or on any supplemental  
3 provisions that may become necessary to effectuate the terms of this Settlement Agreement, the  
4 Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

5 **IN WITNESS WHEREOF**, the Parties hereto knowingly and voluntarily executed this  
6 Stipulation of Class and PAGA Settlement and Release between Plaintiff and Defendant:

7 **IT IS SO AGREED.**

8  
9 **PLAINTIFF EDWARD ANGEL NARVAEZ PONCE**

10  
11 Dated: \_\_\_\_\_, 2025

\_\_\_\_\_  
Edward Angel Narvaez Ponce, Plaintiff

12  
13 **DEFENDANT FXI, INC.**

14  
15 Dated: October 10, 2025

\_\_\_\_\_  


16 Full Name: Andrew R. Prusky  
17 Title: Senior Vice President, General Counsel  
18 On behalf of FXI, Inc.

19 **APPROVED AS TO FORM:**


20 **PARKER & MINNE, LLP**

21 Dated: \_\_\_\_\_, 2025

\_\_\_\_\_  
Jill J. Parker  
*Attorneys for Plaintiff and Proposed Class Counsel*

24 **MORGAN, LEWIS & BOCKIUS LLP**

25 Dated: \_\_\_\_\_ October 14, 2025

\_\_\_\_\_  
  
Daryl S. Landy  
Alexander L. Grodan  
*Attorneys for Defendant FXI, Inc.*

# **EXHIBIT A**

# LAWYERS FOR JUSTICE<sup>®</sup>

March 22, 2023

**BY ONLINE SUBMISSION**

California Labor & Workforce Development Agency  
PAGAfilings@dir.ca.gov

**Re: FXI, INC.**

Dear Representative:

We have been retained to represent Edward Angel Narvaez Ponce against FXI, Inc. (including any and all affiliates, subsidiaries, parents, directors, officers, agents, and executive employees) (collectively referred to as “FXI, Inc.”) for violations of California wage-and-hour laws. Mr. Ponce seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 (“PAGA”) and all other remedies available under PAGA.

Mr. Ponce seeks these remedies on behalf of the State of California and “aggrieved employees,” as defined herein. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

FXI, Inc. employed Mr. Ponce as an hourly-paid, non-exempt employee from approximately August 2022 to approximately October 2022, in the State of California.

The “aggrieved employees” that Mr. Ponce may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California.

Based on the following facts and theories, FXI, Inc. has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Orders 1-2001, and 4-2001.

FXI, Inc. required aggrieved employees to perform work before their scheduled shifts, after their scheduled shifts, during off-the-clock meal breaks, and/or during rest breaks and failed to compensate aggrieved employees for this time. Such work included, but was not limited to, waiting in line to clock-in and/or clock out, arriving to work early to find parking, and responding to work-related inquiries.

California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours

in one day and/or over forty hours in one week without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During the relevant time period, Mr. Ponce and other aggrieved employees worked in excess of 8 hours in a day and 40 hours in a week. Therefore, Mr. Ponce and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each meal or rest period that is not provided. During the relevant time period, FXI, Inc. required Mr. Ponce and other aggrieved employees to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods.

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. During the relevant time period, FXI, Inc. failed to pay Mr. Ponce and other aggrieved employees all wages due to them within any time period specified by California Labor Code sections 201 and 202, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, FXI, Inc. failed to pay Mr. Ponce and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, FXI, Inc. did not provide Mr. Ponce and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from FXI, Inc. were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Mr. Ponce and other aggrieved employees, including time spent working off-the-clock and during meal and rest periods as discussed above.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day's rest in a seven-day workweek, that no employer of labor shall cause

his employees to work more than six days in a workweek, and that an employer shall pay a civil penalty in the amounts of fifty dollars (\$50) for each aggrieved employee per pay period for the initial violation and one hundred dollars (\$100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Mr. Ponce and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Mr. Ponce and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Mr. Ponce and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Mr. Ponce and the aggrieved employees accumulated days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

California Labor Code sections 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case shall be kept on file for not less than two years. During the relevant time period, FXI, Inc. failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages earned by Mr. Ponce and other aggrieved employees, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 2810.5 requires an employer to provide written notice to an employee, at the time of hiring, containing the following information:

The rate or rates of pay and basis thereof, whether paid by the hour, shift, day, week, salary, piece, commission, or otherwise, including any rates for overtime, as applicable. Allowances, if any, claimed as part of the minimum wage, including meal or lodging allowances. The regular payday designated by the employer in accordance with the requirements of this code. The name of the employer, including any "doing business as" names used by the employer. The physical address of the employer's main office or principal place of business, and a mailing address, if different. The telephone number of the employer. The name, address, and telephone number of the employer's workers' compensation insurance carrier. That an employee: may accrue and use sick leave; has a right to request and use accrued paid sick leave; may not be terminated or retaliated against for using or requesting the use of accrued paid sick leave; and has the right to file a complaint against an employer who retaliates. Any other information the Labor Commissioner deems material and necessary.

FXI, Inc. failed to accurately provide aggrieved employees with the requisite notice in violation of California Labor Code section 2810.5.

California Labor Code sections 1194, 1197, and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, FXI, Inc. did not provide Mr. Ponce and other aggrieved employees with the minimum wages to which they were entitled for work performed “off-the-clock.”

California Labor Code section 1198 provides that “The employment of any employee ... under conditions of labor prohibited by the [Industrial Wage Orders] is unlawful.” The applicable Industrial Wage Orders, including *inter alia*, Wage Orders 1-2001, and 4-2001, require that for each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee’s usual or scheduled day’s work, the employee shall be paid for half the usual or scheduled day’s work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee’s regular rate of pay. Further, if an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, said employee shall be paid for two (2) hours at the employee’s regular rate of pay. During the relevant time period, FXI, Inc. failed to pay Mr. Ponce and other aggrieved employees half the usual or scheduled day’s work in an amount no less than two (2) hours nor more than four (4) hours at the employee’s regular rate of pay for workdays in which Mr. Ponce and the other aggrieved employees reported to work and were furnished less than half the usual or scheduled day’s work. During the relevant time period, FXI, Inc. failed to pay Mr. Ponce and other aggrieved employees for two (2) hours at the employee’s regular rate of pay on days in which Mr. Ponce and the other aggrieved employees were required to report for work a second time in one workday and were furnished less than two (2) hours of work upon the second reporting.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant time period, Mr. Ponce and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by FXI, Inc. These costs include, but are not limited to, the use of a personal phone for work-related tasks.

Therefore, on behalf of all aggrieved employees, Mr. Ponce seeks all applicable penalties arising out of the above-referenced wage, hour, and payroll practices, or which could be assessed and collected by the Labor and Workforce Development Agency, for violation of the California Labor Code pursuant to PAGA, including civil penalties pursuant to Labor Code section 558.

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If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

With kind regards,



Gabriella Sole, Esq.

Cc: (By U.S. Certified Mail / Return Receipt Requested)

FXI, Inc.  
c/o C T Corporation System  
Agent for Service of Process  
330 N. Brand Blvd.,  
Glendale, CA 91203

# **EXHIBIT B**

**NOTICE OF CLASS ACTION SETTLEMENT**

***Ponce v. FXI, Inc.***

**Superior Court of the State of California for the County of San Bernardino  
Case Nos. CIVSB2311714 & CIVSB2311716**

**You are not being sued. This is a Court-approved notice that affects your rights. Please read it carefully.**

The purpose of this notice is to let you know of a proposed settlement (the “Settlement”) that has been reached in two lawsuits that are pending in the Superior Court for the County of San Bernardino. The lawsuits were filed by a former employee, Edward Angel Narvaez Ponce (“Plaintiff”) against FXI, Inc. (“Defendant”) (collectively, Plaintiff and Defendant are referred to as the “Parties”), entitled *Ponce v. FXI, Inc.*, San Bernardino Superior Court Case No. CIVSB2311714 (the “PAGA Action”) and *Ponce v. FXI, Inc.*, San Bernardino Superior Court Case No. CIVSB2311716 (the “Class Action”) (collectively, the PAGA Action and the Class Action are referred to as the “Litigation”).

In the Litigation, Plaintiff seeks to represent: (1) all current or former non-exempt, hourly-paid employees who were employed by Defendant in California at any time during the period from May 26, 2019 through April 21, 2025 (“Class Members”); and (2) all current and former non-exempt, hourly-paid employees who were employed by Defendant in California at any time during the period March 22, 2022 through April 21, 2025 (“PAGA Employees”).

The proposed Settlement has two main parts: (1) a “Class Settlement” requiring Defendant to fund Individual Settlement Payments, and (2) a “PAGA Settlement” requiring Defendant to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

The Court granted preliminary approval of the Parties’ settlement on [Date], and has scheduled a hearing on [Date] at [Time] (the “Final Approval Hearing”) to determine whether or not to grant final approval of the Settlement. **Your legal rights may be affected, and you have a choice to make now.**

<b>1. WHAT ARE MY OPTIONS?</b>	
<b>DO NOTHING</b>	<b>Receive an Individual Settlement Payment and an Individual PAGA Payment (if eligible).</b>  By doing nothing, you will receive an Individual Settlement Payment, and, if eligible, an Individual PAGA Payment. However, you will release the right to assert all of the Released Class Claims (see Section 8 below) against Defendant and the other Released Parties.
<b>EXCLUDE YOURSELF FROM THE CLASS SETTLEMENT</b>	<b>Exclude Yourself from the Class Settlement and Receive No Individual Settlement Payment. If eligible, you will still receive an Individual PAGA Payment because you cannot exclude yourself from the PAGA Settlement.</b>  You may opt-out of the Class Settlement by submitting a signed Request for Exclusion (see Section 9(B) below) that must be postmarked no later than [Response Deadline]. If you submit a valid and timely Request for Exclusion, you will not receive any payment from the Class Settlement and you will not be bound by the release of class claims provided under the Settlement. You cannot opt-out of the PAGA Settlement. Defendant must pay Individual PAGA Payments to all PAGA Employees and who must give up their rights to pursue Released PAGA Claims (see Section 8 below).
<b>OBJECT TO THE CLASS SETTLEMENT</b>	<b>Object to the Class Settlement. You cannot object to the PAGA Settlement.</b>  If you choose to participate in the Class Settlement, you may submit an objection to the Class Settlement. To object, you can submit an objection (see Section 9(C) below) to the Settlement Administrator no later than [Response Deadline], or you can

	appear at the Final Approval Hearing and state any objections to the Class Settlement. If the Court overrules your objection, you will receive an Individual Settlement Payment, and you will release the right to assert all of the Released Class Claims (see Section 8 below) against Defendant and the other Released Parties.
<b>CHALLENGE THE CALCULATION OF YOUR WORKWEEKS</b>	<b>You may Challenge the Calculation of Your Workweeks.</b> The amount of your Individual Settlement Payment and Individual PAGA Payment (if any) depends on how many Workweeks (as defined below) you worked during the Class Period and the PAGA Period, respectively. The number of Class Period Workweeks and PAGA Period Workweeks that you worked according to Defendant’s records is stated in Section 6. If you wish to dispute the Workweeks credited to you in this Notice, you must submit a challenge to the Settlement Administrator no later than [Response Deadline] as described in Section 6.

**2. WHY DID I GET THIS NOTICE?**

Defendant’s records show that you were employed by Defendant in California at some point during the period from May 26, 2019 through April 21, 2025 (the “Class Period”). The Court has authorized this notice because you have the right to know about the Settlement and your options before the Court decides whether to approve it. This notice explains what the Litigation is about, the terms of the Settlement, and your rights.

**3. WHAT IS THIS LAWSUIT ABOUT?**

On March 22, 2023, Plaintiff provided written notice to the LWDA and Defendant of the specific provisions of the California Labor Code that he contends were violated (“PAGA Notice”). On May 26, 2023, Plaintiff filed a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, et seq (the “PAGA Complaint”) in the Superior Court for the County of San Bernardino. That same day, Plaintiff filed a Class Action Complaint for Damages (the “Class Action Complaint”) in the Superior Court for the County of San Bernardino.

On [redacted], Plaintiff filed a Consolidated First Amended Class Action Complaint for Damages and Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. (the “Operative Complaint”) in the PAGA Action, thereby consolidating the claims in the Class Action Complaint and PAGA Complaint. In the Operative Complaint, Plaintiff alleged that Defendant failed to pay all wages due, including overtime wages, meal period premiums, rest period premiums, and minimum wages; failed to timely pay wages during employment and upon termination; failed to issue compliant wage statements; failed to maintain accurate payroll records; failed to reimburse all necessary business expenses; engaged in unfair business practices; and owed penalties pursuant to the California Labor Code Private Attorneys’ General Act of 2004, California Labor Code §§ 2698, et seq. (“PAGA”). Plaintiff sought to represent a class of all current and former non-exempt and/or hourly-paid employees who worked for Defendant in the State of California at any time during the period from May 26, 2019 to final judgment.

Defendant denies all of the material allegations in the Operative Complaint and has asserted numerous affirmative defenses.

**4. WHY IS THERE A SETTLEMENT?**

The Court has not made any decision about the merits of Plaintiff’s Litigation. There has been no trial. However, to avoid additional expense and the risks of continued litigation, Plaintiff and Defendant have concluded that it is in their respective best interests and the interest of the Class Members and PAGA Employees to settle the Litigation on the terms summarized in this Notice.

The Settlement was reached after an exchange of extensive information about the facts and legal arguments in support of, and against, all of the claims raised in the Litigation. Plaintiff, Class Counsel, and Defendant all support this Settlement due to, among other things, Defendant’s potential defenses to liability, the inherent risk associated with a trial on the merits, the delays and uncertainties associated with litigation, and the benefits provided to Class Members and PAGA Employees under the Settlement.

## 5. SUMMARY OF THE SETTLEMENT

Defendant has agreed to pay a settlement amount of One Million Two Hundred Thousand Dollars (\$1,200,000.00) (the “Total Settlement Amount”). The portion of the Total Settlement Amount that is available for payment to the Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Total Settlement Amount less the following payments which are subject to approval by the Court: (1) Enhancement Payment in an amount not to exceed Seven Thousand Five Hundred Dollars (\$7,500.00), (2) PAGA Amount in a sum not to exceed Ninety Thousand Dollars (\$90,000.00), (3) Attorneys’ Fees in an amount not to exceed thirty-five percent (35%) of the Total Settlement Amount (i.e., \$420,000.00.00), (4) litigation Costs in an amount not to exceed Twenty-Five Thousand Dollars (\$25,000.00), and (5) Settlement Administration Costs in an amount not to exceed Ten Thousand Dollars (\$10,000.00).

Ninety Thousand Dollars (\$90,000.00) of the Total Settlement Amount has been allocated towards penalties under the PAGA (“PAGA Amount”), of which 75% will be allocated to the LWDA (“LWDA Payment”), and the remaining 25% will be allocated to the PAGA Employees (“Employee PAGA Amount”).

Class Members are eligible to receive payment of their pro rata share of the Net Settlement Amount (“Individual Settlement Payment”) based on the number of weeks that each Class Member was credited to have worked for Defendant as an hourly-paid or non-exempt employee in the State of California at any time during the Class Period (“Workweeks”).

The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek Value” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek Value to yield his or her estimated Individual Settlement Payment that he or she may be eligible to receive under the Settlement. If the Court grants final approval of the Settlement, the Settlement Administrator shall divide the final Net Settlement Amount by the Workweeks of all Class Members who did not submit a valid and timely Request for Exclusion (“Settlement Class Members”) to yield his or her Individual Settlement Payment, which shall be paid from the Net Settlement Amount, less applicable employee-side tax withholdings.

Each Individual Settlement Payment will be allocated fifty percent (50%) to wages, which will be reported on an IRS Form W2, and fifty percent (50%) to penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099 (if applicable). The Settlement Administrator will withhold the employee’s share of taxes and withholdings with respect to the wage portion of the Individual Settlement Payments, and issue checks to Settlement Class Members for their Individual Settlement Payments (i.e., payment of their Individual Settlement Payment net of these taxes and withholdings). The employer’s share of taxes on the wage portion of Individual Settlement Payments will be paid by Defendant separately and in addition to the Total Settlement Amount. The Individual PAGA Payments are characterized as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

## 6. YOUR WORKWEEKS BASED ON DEFENDANT’S RECORDS

According to Defendant’s records, during the period from **May 26, 2019 through April 21, 2025 (i.e., the Class Period)** you worked for Defendant as an hourly-paid or non-exempt employee in California for approximately [ ] Workweeks.

According to Defendant’s records, during the period from **March 22, 2022 through April 21, 2025 (i.e., the PAGA Period)** you worked for Defendant as an hourly-paid or non-exempt employee in California for approximately [ ] Workweeks.

If you wish to dispute the Workweeks credited to you in this Notice, you must submit a written, signed challenge (“Workweeks Dispute”) to the Settlement Administrator. The Workweeks Dispute must contain: (1) the case name and numbers of the Litigation (*Ponce v. FXI*, Case Nos. CIVSB2311714 & CIVSB2311716); (2) your full name, signature, address, and telephone number; and (3) a statement setting forth the number of Workweeks during the Class Period and/or PAGA Period that you contend is correct and any relevant documentation in support thereof. The Workweeks Dispute must be submitted to the Settlement Administrator by mail, postmarked no later than [Response Deadline].

## 7. WHAT IS MY ESTIMATED INDIVIDUAL SETTLEMENT PAYMENT?

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

**Under the terms of the Settlement, your Individual Settlement Payment is estimated to be \$ [REDACTED]. The Individual Settlement Payment is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Payment.**

**Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED].**

Your Individual Settlement Payment and Individual PAGA Payment (if applicable) reflected in this Notice is only an estimate. Your actual Individual Settlement Payment and Individual PAGA Payment (if applicable) may be higher or lower.

The settlement approval process may take multiple months. Payments will be distributed only after the Court grants final approval of the Settlement, and after the Settlement goes into effect.

## **8. WHAT RIGHTS AM I RELEASING IF I PARTICIPATE IN THE SETTLEMENT?**

If the Court approves the Settlement, the Court will enter a judgment and the Settlement Agreement will bind all Settlement Class Members (i.e., Class Members who have not submitted a timely and valid Request for Exclusion) as well as all PAGA Employees. This will bar all Settlement Class Members and PAGA Employees from bringing certain claims against Defendant.

Upon the Effective Date and the full funding of the Total Settlement Amount, Plaintiff and all Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of and from all Released Class Claims. "Released Class Claims" means all claims under state, federal, or local law, arising out of the claims expressly pleaded in the Actions and all other claims, such as those under the California Labor Code, Wage Orders, regulations, and/or other provisions of law, that could have been asserted based on the facts or allegations pleaded in the Operative Complaint in the Actions for: (1) failure to pay overtime wages under Labor Code Sec. 510, 1198; (2) failure to provide meal periods and/or pay meal period premiums under Labor Code Sec. 226.7, 512; (3) failure to provide rest periods and/or pay rest period premiums under Labor Code Sec. 226.7; (4) failure to pay minimum wages under Labor Code Sec. 1194, *et seq.*; (5) failure to timely pay wages upon termination under Labor Code Sec. 203; (6) failure to timely pay wages during employment under Labor Code Sec. 204, 210; (7) failure to provide accurate, itemized wage statements under Labor Code Sec. 226; (8) failure to keep requisite payroll records under Labor Code Sec. 1174(d); (9) failure to reimburse business expenses under Labor Code Sec. 2800, 2802; and (10) violation of California's unfair competition law under Business and Professions Code Sec. 17200.

Upon the Effective Date and the full funding of the Total Settlement Amount, Plaintiff, the State of California with respect to PAGA Employees, and PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of and from all Released PAGA Claims pertaining to Plaintiff and the PAGA Employees. "Released PAGA Claims" means all claims for civil penalties under the Private Attorneys General Act, California Labor Code sections 2698, *et seq.* that were alleged in the PAGA Notice and Operative Complaint in the Actions or that reasonably could have been alleged based on the facts or allegations in the PAGA Notice and Operative Complaint in the Actions, arising during the PAGA Period, against any of the Released Parties, for violations of the California Labor Code, including *inter alia* sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and 2810.5, and IWC Wage Orders including *inter alia*, Wage Orders 1-2001 and 4-2001 for failure to pay all and overtime wages due; failure to provide compliant meal periods and associated premiums; failure to provide compliant rest periods and associated premiums; failure to pay all minimum wages due; failure to pay all wages timely during employment, failure to pay all wages timely at the time of termination; failure to provide complete, accurate, or properly formatted wage statements; failure to maintain requisite payroll records; and failure to reimburse business expenses.

"Released Parties" means FXI, Inc. and any of its former and/or current parents, subsidiaries, affiliates, and any other entities that could be considered to have jointly employed the Class Members or PAGA Employees as well as each of

their officers, directors, managers, owners, executives, partners, executive-level employees, shareholders, agents, attorneys, and any other predecessors, successors, assigns or legal representatives.

The information provided in this Notice is only a summary. The terms of the Settlement Agreement are the binding terms of this settlement, and all of these terms, including the releases that will bind you as a class member if you do not submit a Request for Exclusion, are set forth fully in the Settlement Agreement that is on file with the Court and which can also be found at [www. \[REDACTED\]](http://www. [REDACTED]). If the Court does not approve the Settlement, or the Settlement does not become final for some other reason, the litigation against Defendant will continue.

## **9. WHAT ARE MY RIGHTS AND OPTIONS AS A CLASS MEMBER?**

### **A. PARTICIPATE IN THE SETTLEMENT**

**If you wish to participate in the Settlement and receive money from the Settlement, you do not have to do anything.** You will automatically be included in the Settlement and will be issued your Individual Settlement Payment and Individual PAGA Payment (if eligible). If you participate in the Settlement, you will be bound by its terms and any judgment that may be entered by the Court based thereon, and you will release all of the claims described in Section 8 above. As a Settlement Class Member, you will not be separately responsible for the payment of attorneys' fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorneys' fees and expenses.

### **B. EXCLUDE YOURSELF FROM THE CLASS SETTLEMENT**

**If you wish to exclude yourself from the Class Settlement because you wish to pursue a separate lawsuit against Defendant for the claims asserted in this Litigation, or if you do not wish to participate in the Settlement for other reasons, you must submit a signed Request for Exclusion to the Settlement Administrator asking to exclude yourself from the Settlement.** The Request for Exclusion must: (1) include the case name and numbers of the Litigation (*Ponce v. FXI*, Case Nos. CIVSB2311714 & CIVSB2311716); (2) provide your full name, signature, address, telephone number, and last four digits of your Social Security number; (3) contain a clear statement that you request to be excluded from the Class Settlement; and (4) be mailed to the Settlement Administrator, postmarked no later than **[Response Deadline]** to the following address:

[Name of Settlement Administrator]  
[Mailing Address]

Requests for Exclusion that are postmarked after **[Response Deadline]** will not be valid. Requests for Exclusion that do not include all of the required information will be deemed null, void, and ineffective.

If the Court grants final approval of the Settlement, any Class Member who submits a valid and timely Request for Exclusion will not be entitled to receive any payment from the Settlement, will not be bound by the Settlement (and the release of claims described in Section 8 above), and will not have any right to object to, appeal, or comment on the Settlement. Any Class Members who do not submit a valid and timely request for exclusion will be deemed Settlement Class Members and will be bound by all terms of the Settlement, including those pertaining to the release of claims described in Section 8 above, as well as any judgment that may be entered by the Court based thereon.

Class Members will receive their share of the PAGA payment, regardless of whether they opt out of being a Class Member.

### **C. OBJECT TO THE CLASS SETTLEMENT**

If you do not think the Class Settlement is fair, you can object to the Class Settlement and tell the Court you do not agree with the Class Settlement or some part of it if you have not submitted a Request for Exclusion from the Class Settlement. The Court will consider your views. To object, you must submit a written objection to the Settlement Administrator or appear at the final settlement hearing to explain your objection. To be valid, a written objection must: (1) include the case name and numbers of the Litigation (*Ponce v. FXI*, Case Nos. CIVSB2311714 & CIVSB2311716); (2) provide your

full name, signature, address, and telephone number; (3) include a written statement of all grounds for the objection accompanied by any legal and factual support for such objection; and (4) be mailed to the Settlement Administrator, postmarked no later than [Response Deadline] to the address listed in Section 9(B).

## 10. WHEN AND WHERE IS THE FINAL APPROVAL HEARING?

The Court will hold a Final Approval Hearing on [Date] at [Time] in Department S26 of the San Bernardino County Superior Court, located at San Bernardino Justice Center, 247 West Third Street, San Bernardino, California 92415 to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve and award Attorneys' Fees and Costs to Class Counsel, the Enhancement Payment to Plaintiff, and Settlement Administration Costs to the Settlement Administrator. The hearing may be postponed without further notice to Class Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

## 11. WHAT IF I HAVE QUESTIONS?

A complete copy of the Settlement Agreement and this Notice are available at [www.](http://www.) [redacted]. This website may be updated periodically to update the Class Members on any developments in the case.

You may also view the Settlement Agreement and documents filed in the Litigation for a fee by visiting the civil clerk's office, located at 247 West Third Street, San Bernardino, California 92415, during business hours, or online by visiting the following website: <https://cap.sb-court.org/search> and typing in the Case Number "CIVSB2311714" in the field marked "Case Number Search" to view documents filed in the PAGA Action, or typing in the Case Number "CIVSB2311716" in the field marked "Case Number Search" to view documents filed in the Class Action.

For further information about this case, you may contact Class Counsel, Counsel for FXI, or the Settlement Administrator. Class Counsel's contact information is as follows:

Edwin Aiwazian, Esq.  
Arby Aiwazian, Esq.  
Joanna Ghosh, Esq.  
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450 North Brand Blvd., Suite 900  
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Counsel for FXI's contact information is:

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Telephone: (949) 399-7191

The contact information for the Settlement Administrator is as follows:

[Name of Settlement Administrator]

[Mailing Address]

[Telephone Number]

**DO NOT CONTACT THE COURT OR DEFENDANT ABOUT THIS NOTICE.**