

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

IT IS HEREBY STIPULATED, by and between the parties in the civil action entitled *Frederick Bernard v. Optima Tax Relief, LLC, et al.*, Orange County Superior Court Case No. 30-2022-01288055-CU-OE-CXC (hereinafter the “*Bernard* Action”), subject to the approval of the Court (as defined below), that the *Bernard* Action (as defined below) is hereby compromised and settled pursuant to the terms and conditions set forth in this Joint Stipulation of Class Action and PAGA Settlement (“Agreement,” “Settlement,” or “Stipulation”) and that the Court shall make and enter judgment, subject to the continuing jurisdiction of the Court as set forth below, and subject to the definitions, recitals, and terms set forth herein which by this reference become an integral part of this Stipulation.

DEFINITIONS

1. “Class Counsel” means Reuben D. Nathan of Nathan & Associates, APC and Matthew Righetti and John Glugoski of Righetti Glugoski, P.C.

2. “Class Counsel Award” means the Court-approved attorneys’ fees for Class Counsel’s litigation and resolution of the *Bernard* Action, not to exceed thirty-three percent (33.3%) of the Gross Settlement Amount (as defined below), and the Court-approved costs incurred by Class Counsel in connection with the *Bernard* Action (in an amount to be determined, but currently not believed to exceed \$50,000).

3. “Class Information” or “Class Lists” means information regarding Class Members (as defined below) and PAGA Members (as defined below) that Defendants shall in good faith compile from its records and shall be authorized by the Court to transmit in a secured manner to the Settlement Administrator (as defined below). Class Information shall be transmitted in Microsoft Excel format and shall include each Class Member’s, and PAGA Member’s: (i) full name; (ii) last known address; (iii) Social Security number; (iv) the dates of employment and/or the number of Workweeks (as defined below) worked for Defendants as a Class Member; and (v) the number of Pay Periods (as defined below) worked for Defendants as a PAGA Member (as defined below).

4. “Class Members” or “Settlement Class” means: All individuals employed in

California by Defendants in hourly, non-exempt positions during the Class Period (as defined below).

5. “Class Period” means January 1, 2020, through the date of entry of the Preliminary Approval Order (as defined below), subject to the Escalator Clause set forth in Paragraph 67, below.

6. “Class Representative Service Award” means the Court-approved amount to be paid to Plaintiff (as defined below) in an amount of up to Twenty Thousand Dollars and No Cents (\$20,000.00), in recognition of Plaintiff’s efforts and risks in prosecuting the *Bernard* Action.

7. “*Bernard* Action” shall mean and refer to the action with case number 30-2022-01288055-CU-OE-CXC.

8. “Court” shall mean the Orange County Superior Court.

9. “Defendants” mean Optima Tax Relief, LLC and Optima Financial Group, LLC, who are named as Defendants.

10. “Defense Counsel” means Dean Rocco and Trevor Wong of Wilson Elser Moskowitz Edelman & Dicker LLP.

11. “Effective Date” means the date on which the Final Order and Judgment (as defined below) entered by the Court becomes final. For purposes of this Section, the Final Order and Judgment “becomes final” only after the Court grants the Motion for Final Approval and upon the latter of: (i) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from, or other challenge to, the Final Order and Judgment (this time period is sixty-one (61) calendar days after the Court’s Order is entered); (ii) the date of affirmance of an appeal of the Final Order and Judgment becomes final under the California Rules of Court; or (iii) the date of final dismissal of any appeal from the Final Order and Judgment or the final dismissal of any proceeding on review of any court of appeal decision relating to the Final Order and Judgment. It is the intention of the Parties that the Settlement shall not become effective until the Court’s Final Approval and Judgment has become completely final, and no timely recourse remains for an appellant or objector to contest the

Settlement.

12. “Employer’s Share of Payroll Taxes” means Defendants’ portion of payroll taxes, including, but not limited to FICA and FUTA, on the portion of each Individual Settlement Award (as defined below) that is designated as wages.

13. “Final Approval Hearing” means the hearing to be conducted by the Court after preliminary approval of the Settlement and following appropriate notice to Class Members giving Class Members an opportunity to request exclusion from the Settlement Class and Settlement and to object to the Settlement, at which time Plaintiff shall request that the Court finally approve the Settlement, enter the Final Order and Judgment (as defined below), and take other appropriate action.

14. “Final Order and Judgment” means the order and judgment to be entered by the Court upon granting final approval of the Settlement and this Stipulation of Settlement as binding upon the Parties and Participating Class Members (as defined below). A proposed Final Order and Judgment shall be mutually agreed upon by the Parties and submitted to the Court concurrently with Plaintiff’s Motion for Final Approval of the Settlement.

15. “Final Report” means the report to be prepared by the Settlement Administrator (after the expiration of the 180-day period in which Participating Class Members must cash/deposit their Individual Settlement Award payment checks) regarding the distribution of the Gross Settlement Amount, including the total amount that was cashed/deposited by Participating Class Members and the total amount of any unpaid residue or unclaimed or abandoned funds pursuant to California Code of Civil Procedure section 384. The Settlement Administrator shall also include in the Final Report information regarding the distribution of the PAGA Payment, including the total amount that was cashed/deposited by PAGA Members and the total amount of any unpaid residue or unclaimed or abandoned funds.

16. “Gross Settlement Amount” or “GSA” means the total amount Defendants shall have to pay in connection with this Settlement, by way of a common fund, which shall be inclusive of all Individual Settlement Awards to Participating Class Members, the Class Counsel Award, the Class Representative Service Awards, PAGA Payment (as defined below),

and Settlement Administration Costs (as defined below). Subject to Court approval and the terms of this Stipulation of Settlement, and subject to the Escalator Clause as set forth in Paragraph 67, below, the GSA shall be One Million Five Hundred Thousand Dollars and No Cents (\$1,500,000.00). The Gross Settlement Amount does not include the Employer's Share of Payroll Taxes for the Individual Settlement Awards (as defined below), which shall be paid by Defendants from separate funds, which is in addition to the GSA.

17. "Individual PAGA Payment" means the amount payable from the PAGA Payment to each PAGA Member.

18. "Individual Settlement Award" means the amount payable from the Net Settlement Amount (as defined below) to each Participating Class Member.

19. "Net Settlement Amount" or "NSA" means the Gross Settlement Amount, less the Class Counsel Award, Class Representative Service Awards, PAGA Payment, and Settlement Administration Costs.

20. "Notice of Objection" means a Class Member's valid and timely submission of a written objection to the Settlement. The Notice of Objection should include: (a) the objector's full name, signature, address, telephone number, and the last four digits of his/her Social Security number, (b) a written statement of all grounds for the objection accompanied by any legal support for such objection, and (c) copies of any papers, briefs, or other documents upon which the objection is based. At no time shall any of the Parties, Class Counsel, or Defense Counsel seek to solicit or otherwise encourage or discourage Class Members from submitting a Notice of Objection or filing an appeal from the Final Order and Judgment. Non-Participating Class Members (*i.e.*, Class Members who submit valid Requests for Exclusion) may not submit a Notice of Objection to the Settlement. If a Class Member submits both a Request for Exclusion and a Notice of Objection, the Notice of Objection shall be ignored, and the Request for Exclusion will be deemed controlling.

21. "Operative Complaint" means the Second Amended Complaint filed on March 12, 2024, in the *Bernard* Action.

22. "PAGA Members" means: All individuals employed by Defendants in hourly,

non-exempt positions in California at any time during the PAGA Period (as defined below).

23. “PAGA Notice” means, (a) the November 1, 2022, letter that Plaintiff’s attorneys sent to the California Labor Workforce Development Agency (“LWDA”) pursuant to Labor Code §2699.3(a)/(c) seeking to exhaust Plaintiff’s administrative remedies under the Labor Code Private Attorneys General Act of 2004 (“PAGA”), Cal. Lab. Code §§2698, *et seq.*

24. “PAGA Payment” means the amount of Fifty Thousand Dollars and No Cents (\$50,000.00), subject to Court approval, to be paid from the Gross Settlement Amount for satisfaction of claims under the California Private Attorneys’ General Act of 2004, California Labor Code sections 2698, *et seq.* (“PAGA”). Pursuant to the PAGA, seventy five percent (75%) of the PAGA Payment, or Thirty-Seven Thousand Five Hundred Dollars and No Cents (\$37,500.00), will be paid to the LWDA and twenty five percent (25%), or Twelve Thousand Five Hundred Dollars and No Cents (\$12,500.00), will be distributed as the Individual PAGA Payments to PAGA Members.

25. “PAGA Period” means November 1, 2021, through the date of entry of the Preliminary Approval Order, subject to the Escalator Clause as set forth in Paragraph 67, below.

26. “PAGA Release” or “PAGA Released Claims” means the release by all PAGA Members for all claims for penalties under PAGA that arise out of or relate to California Labor Code sections 201-204, 210, 218, 221-224, 225.5, 226, 226.3, 226.7, 500-508, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2698 *et seq.*, 2751, 2800 *et seq.*, 2802, 2810.5, California Code of Regulations, Title 8, Section 11040 and Industrial Welfare Commission Wage Order 4-2001, Sections 3, 11 and 12, as pled in the Operative Complaint and the PAGA Notices, during the PAGA Period. In light of the binding nature of a PAGA judgment on non-party employees pursuant to *Arias v. Superior Ct. (Dairy)*, 46 Cal. 4th 969 (2009), Class Members who exclude themselves from this Settlement shall still receive an Individual PAGA Payment directly from the Settlement Administrator for the amount of each such individual’s estimated share of the PAGA Payment as calculated by the Settlement Administrator, and shall not be able to object to or exclude themselves from releasing the PAGA Released Claims against Defendants.

27. “Participating Class Members” means Plaintiff and all other Class Members who do not submit a valid and timely Request for Exclusion.

28. “Parties” means Plaintiff and Defendants.

29. “Pay Periods” means, as to non-exempt employees, the number of pay periods worked by each Class Member for Defendants during the PAGA Period. For purposes of payment, a Pay Period shall be defined as any pay period in which the PAGA Member worked at least one shift. To the extent Defendants do not have information about pay periods worked readily available due to gaps in its electronic or paper time records, Defendants shall use their best available information, including extrapolations where necessary, to compute actual Pay Periods, and provide that information to the Settlement Administrator.

30. “Pay Period Value” means the value of each compensable Pay Period, as determined by the formula set forth herein.

31. “Plaintiff” means Frederick Bernard.

32. “Preliminary Approval Order” means the order to be issued by the Court approving and authorizing the mailing of the Settlement Notice by the Settlement Administrator, setting the date of the Final Approval Hearing and granting preliminary approval of the Settlement set forth in this Stipulation of Settlement. A proposed Preliminary Approval Order shall be mutually agreed upon by the Parties and submitted to the Court concurrently with Plaintiff’s Motion for Preliminary Approval of the Settlement.

33. “Released Claims” includes all claims under state or local law, whether statutory, common law, or administrative law, whether in law or equity, for all claims other than the PAGA Released Claims that are pled in the Operative Complaint, based on or arising out of the factual allegations therein, during the Class Period, including: (a) all claims for failure to pay overtime and double time under Cal. Labor Code §§ 510, 1194, 1198 and IWC Wage Order 4-2001, §3(A); (b) all claims for improper meal periods under Cal. Labor Code §§ 226.7, 512, 558 and IWC Wage Order 4-2001 § 11(B); (c) all claims for improper rest periods under Cal. Labor Code §§ 226.7, 512, and IWC Wage Order 4-2001 § 12; (d) all claims for improper wage statements under Cal. Labor Code §§ 226 and 226(a); (e) all claims for unlawful deduction of

wages under Cal. Labor Code §§ 204, 221-224, and 2751; (f) all claims for failure to reimburse business expenses under Cal. Labor Code §§ 2800, et seq.; (g) all claims for failure to pay all wages due upon separation under Cal. Labor Code §§201-203 and 218; (h) claims for unlawful or unfair business practices under Business and Professions Code, §17200; (i) claims for liquidated damages; (j) claims for interest; (k) claims for attorneys' fees; (l) claims for attorneys' costs; and (m) claims for declaratory relief.

34. "Released Parties" means Defendants and their respective present and former parents, owners, subsidiaries, and any affiliated or related persons or entities and each of their respective officers, directors, partners, shareholders, attorneys and agents and any other successors, assigns, or legal representatives. The Released Parties include, but are not limited to, Optima Tax Relief, LLC and Optima Financial Group, LLC.

35. "Request for Exclusion" means a written statement submitted by a Class Member indicating a request to be excluded from the Settlement. The Request for Exclusion must be in writing and should: (i) be signed by the Class Member; (ii) contain the name, address, telephone number, and the last four digits of the Social Security number of the Class Member requesting exclusion; (iii) clearly state that the Class Member does not wish to be included in the Settlement; (iv) be returned by e-mail, fax, or mail to the Settlement Administrator at the specific address and/or facsimile number provided by the Settlement Administrator for such return; and (v) be e-mailed, faxed, or postmarked on or before the Response Deadline (as defined below). The date of the e-mail, fax, or postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. A Class Member who does not request exclusion from the Settlement will be deemed a Participating Class Member and will be bound by all terms of the Settlement, if the Settlement is granted final approval by the Court. Any Class Member who validly requests to be excluded from the Settlement will no longer be a member of the Settlement Class and will not have any right to object, appeal, or comment on the Settlement, but will remain as a PAGA Member and will receive an Individual PAGA Payment for the PAGA Released Claims. No later than ten (10) calendar days after the Response Deadline, the Settlement Administrator

shall provide Class Counsel and Defense Counsel with a complete list of all Class Members who submitted a timely and valid Request for Exclusion.

36. “Response Deadline” means the deadline by which Class Members must e-mail, fax, or mail to the Settlement Administrator a valid Request for Exclusion, objection or Workweek Dispute (as defined below). The Response Deadline will be forty-five (45) calendar days from the initial mailing of the Settlement Notices by the Settlement Administrator unless the 45th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline may also be extended by express agreement between Class Counsel and Defense Counsel. Under no circumstances, however, will the Settlement Administrator have the unilateral authority to extend the deadline for Class Members to submit a Request for Exclusion, objection, or Workweek Dispute to the Settlement.

37. “Settlement Administrator” or “Administrator” means IYLM Group, Inc., the third-party settlement administrator agreed to by the Parties, to be approved by the Court, for purposes of administering this Settlement. The Parties each represent that they will not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

38. “Settlement Administration Costs” means the reasonable costs and fees of administering the Settlement to be paid from the Gross Settlement Amount, not to exceed Fifty Thousand Dollars and No Cents (\$50,000.00) including, but not limited to: (i) maintaining a website with information about the Settlement and relevant documents (including, but not limited to, the Settlement Agreement, the Operative Complaint, and the Court’s Preliminary Approval Order); (ii) printing, mailing and re-mailing (if necessary) of the Settlement Notice (as defined below) to Class Members; (iii) preparing and submitting to Class Members, PAGA Members, , and government entities all appropriate tax filings and forms; (iv) computing the amount of and distributing Individual Settlement Awards, Individual PAGA Payments, the Class Representative Service Awards, and the Class Counsel Award; (v) processing and validating Requests for Exclusion; (vi) establishing a Qualified Settlement Fund, as defined by

the Internal Revenue Code; (vii) calculating and remitting to the appropriate government agencies all employer and employee payroll tax obligations arising from the Settlement and preparing and submitting filings required by law in connection with the payments required by the Settlement; and (viii) transmitting uncashed Individual Settlement Award and/or Individual PAGA Payment checks to the California State Controller's Office Unclaimed Property Fund, as described further herein.

39. "Settlement Notice" means the Notice of Class Action Settlement, substantially in the form attached as **Exhibit 1**, which shall be subject to Court approval and which the Settlement Administrator shall mail to each Class Member containing: (i) information regarding the nature of the *Bernard* Action; (ii) a summary of the Settlement's principal terms; (iii) the Class definitions; (iv) the total number of Workweeks the respective Class Member worked for Defendants (according to Defendants' best available records, and as further set forth in the definition of "Workweeks" herein); (v) the Class Member's estimated Individual Settlement Award and the formula for calculating Individual Settlement Awards; (vi) the dates which comprise the Class Period; (vii) instructions on how to submit disputes regarding Workweeks, Requests for Exclusion, and/or Notices of Objection; (viii) the Response Deadline; and (ix) the claims to be released pursuant to the Settlement of the *Bernard* Action.

40. "Workweeks" means the number of Workweeks worked by each Class Member for Defendants as a non-exempt employee during the Class Period. For purposes of payment, a Workweek shall be defined as any workweek in which the Class Member worked at least one shift. To the extent Defendants do not have information about weeks worked readily available due to gaps in their electronic or paper time records, Defendants shall use their best available information, including extrapolations where necessary, to compute actual Workweeks, and provide that information to the Settlement Administrator. Plaintiffs understand the number of workweeks to be 121,330.

41. "Workweek Dispute" means a written statement that a Class Member disputes the number of Workweeks, as defined herein, listed on his/her Settlement Notice. Any such Workweek Dispute must be e-mailed, faxed, or mailed to the Settlement Administrator by the

Response Deadline. The date of the e-mail, fax, or postmark on the mailing envelope will be the exclusive means to determine whether a Workweek Dispute has been timely submitted. A valid Workweek Dispute must be in writing and should contain: (i) the Class Member's full name, signature, address, telephone number, and the last four digits of his/her Social Security number; (ii) the number of Workweeks the Class Member contends is correct; and (iii) any evidence supporting his/her contention. The dates of employment identified for each Class Member in the applicable Class Lists and the number of Workweeks for each Class Member as defined herein will be presumed to be correct, unless a particular Class Member proves otherwise to the Settlement Administrator by credible evidence. All Workweek Disputes will be resolved and decided by the Settlement Administrator, with consultation with Defense Counsel and/or Class Counsel as appropriate. If the Workweek Dispute cannot be resolved by the Settlement Administrator, then it shall be resolved by the Court.

42. "Workweek Value" means the value of each compensable Workweek, as determined by the formula set forth herein.

RECITALS

43. Procedural History.

a. On October 25, 2022, Plaintiff, through his attorneys, filed the class action Complaint. The Complaint alleged causes of action for: (1) Failure to Pay Overtime and Double Time; (2) Improper Meal Periods; (3) Improper Rest Periods; (4) Improper Wage Statements; (5) Unlawful Deductions (6) Failure to Reimburse, (7) Unfair Business Practices, (8) Harassment on the Basis of Marital Status in violation of FEHA, (9) Discrimination on the Basis of Marital Status in Violation of FEHA; and (10) representative claims under a private attorneys general action.

b. On December 29, 2022, Defendants filed their respective Answers to Plaintiff's Complaint.

c. On February 17, 2023, Plaintiff filed the First Amended Complaint, alleging causes of action for: (1) Failure to Pay Overtime and Double Time; (2) Improper Meal Periods; (3) Improper Rest Periods; (4) Improper Wage Statements; (5) Unlawful Deductions

(6) Failure to Reimburse, (7) Unfair Business Practices, (8) Harassment on the Basis of Marital Status in violation of FEHA, (9) Discrimination on the Basis of Marital Status in Violation of FEHA, and (10) Violation of Labor Code § 2698 et seq.

d. On March 27, 2023, Defendants filed their respective Answers to Plaintiff's First Amended Complaint.

e. On June 26, 2023, Plaintiff filed a Request for Dismissal of Plaintiff's individual Causes of Action nos. Eight (8) and Nine (9) only.

f. On March 12, 2024, Plaintiff filed the Second Amended Complaint alleging causes of action for: (1) Failure to Pay Overtime and Double Time; (2) Improper Meal Periods; (3) Improper Rest Periods; (4) Improper Wage Statements; (5) Unlawful Deductions; (6) Failure to Reimburse; (7) Wages not paid on Separation; (8) Unlawful Business Practices; and (9) Violation of Labor Code § 2698 et seq.

g. On April 9, 2024, Defendants filed their respective Answers to Plaintiff's Second Amended Complaint.

h. On September 10, 2024, the Parties participated in a full-day mediation with Anthony F. Patoni, Esq. The Parties did not resolve the case at mediation.

i. Following mediation, the Parties continued to litigate the case while entertaining settlement discussions. The Parties agreed on the terms of settlement herein.

44. Benefits of Settlement to Plaintiff and the Class Members. Plaintiff and Class Counsel recognize the expense and length of continued proceedings necessary to litigate Plaintiff's disputes in the *Bernard* Action through trial and through any possible appeals. Plaintiff has considered the uncertainty and risks of the outcome of further litigation, and the difficulties and delays inherent in such litigation. Plaintiff and Class Counsel are also aware of the burdens of proof necessary to establish liability for the claims asserted in the *Bernard* Action, both generally and in response to Defendants' defenses thereto, and the difficulties in establishing damages, penalties, restitution, and other relief sought in the *Bernard* Action. Plaintiff and Class Counsel also have considered Defendants' agreement to enter into a settlement that confers substantial benefits upon the Class Members. Based on the foregoing,

Plaintiff and Class Counsel have determined that the Settlement set forth in this Stipulation is fair, adequate, and reasonable and is in the best interests of all Class Members.

45. Defendants' Reasons for Settlement. Defendants have concluded that further defense of the *Bernard* Action would be protracted and expensive. Substantial amounts of Defendants' time, energy, and resources have been, and unless this Settlement is completed, shall continue to be, devoted to the defense of the claims asserted by Plaintiff. Defendants have also considered the risks of further litigation in reaching its decision to enter into this Settlement. Defendants contend they are not liable for any of the claims alleged by Plaintiff in the *Bernard* Action and deny any liability whatsoever. Defendants, nonetheless, have agreed to settle in the manner and upon the terms set forth in this Stipulation and to put fully and finally to rest the claims alleged in the *Bernard* Action. Defendants have asserted and continue to assert that the claims alleged by Plaintiff have no merit and do not give rise to any liability, damages, restitution, penalties or other payments. This Stipulation is a compromise of disputed claims. Nothing contained in this Stipulation, no documents referred to herein, and no action taken to carry out this Stipulation, shall be construed or used as an admission by or against Defendants as to the merits or lack thereof of the claims asserted in the *Bernard* Action. Defendants contend that they have complied with all applicable state, federal and local laws. In the event this Settlement does not obtain final approval, Defendants retain all rights to defend themselves in this matter and to take any actions in defense of itself that are available to it.

CLASS CERTIFICATION

46. Solely for purposes of settling the *Bernard* Action, and not for purposes of class certification should the Settlement not be approved or for any other reason, the Parties stipulate and agree that the requisites for establishing class certification with respect to the Settlement Class have been met and are met. More specifically, for purposes of settlement only, the Parties stipulate and agree that:

- a. The Settlement Class is ascertainable and so numerous as to make it impracticable to join all Class Members;
- b. There are common questions of law and fact;

- c. Plaintiff's claims are typical of the claims of the Class Members;
- d. Plaintiff and Class Counsel will fairly and adequately protect the interests of the Class Members;
- e. The prosecution of separate actions by individual Class Members would create the risk of inconsistent or varying adjudications, which would establish incompatible standards of conduct; and
- f. Questions of law and fact common to the Class Members predominate over any questions affecting any individual Class Member, and a class action is superior to other available means for the fair and efficient adjudication of the controversy.

47. Should this Settlement not be approved or be terminated, all stipulations set forth in the immediately preceding Paragraph shall be null and void and shall not be admissible for any purpose whatsoever.

TERMS OF SETTLEMENT

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

48. **Binding Settlement.** This Settlement shall bind the Parties and all Participating Class Members and PAGA Members, subject to the terms and conditions hereof and the Court's approval.

52. **Tax Liability.** The Parties make no representations as to the tax treatment or legal effect of the payments specified herein, and Participating Class Members and PAGA Members, and are not relying on any statement or representation by the Parties, Class Counsel or Defense Counsel in this regard. Participating Class Members, and PAGA Members, as well as Class Counsel, understand and agree that they shall be solely and legally responsible for the payment of all applicable taxes and penalties assessed on the payments specified herein.

53. **Circular 230 Disclaimer.** THE PARTIES ACKNOWLEDGE AND AGREE THAT (I) NO PROVISION OF THIS STIPULATION OF SETTLEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES, CLASS COUNSEL OR DEFENSE COUNSEL AND OTHER ADVISERS, IS OR

WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (II) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS STIPULATION OF SETTLEMENT, (B) HAS NOT ENTERED INTO THIS STIPULATION OF SETTLEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS STIPULATION OF SETTLEMENT.

54. Preliminary Approval of Settlement. Class Counsel will reserve a date for a hearing on Plaintiff's motion for preliminary approval to take place at a time mutually agreed to by the Parties so that the Parties may request provisional certification of the Settlement Class for settlement purposes only and the setting of a Final Approval Hearing date. The Parties agree to work diligently and cooperatively to have this Settlement presented to the Court for preliminary approval. Plaintiff shall provide Defense Counsel with a reasonable opportunity to review and provide comments on the moving papers prior to Plaintiff submitting the motion for preliminary approval to the Court.

55. Release by All Participating Class Members. All Participating Class Members,

including Plaintiff, shall be deemed to have released their respective Released Claims against the Released Parties upon the date on which the payment of the Gross Settlement Amount and all employer-side payroll taxes is made by Defendants. All Participating Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged with respect to all of the Released Parties for any and all Released Claims that accrued during the Class Period. Each Participating Class Member fully releases and discharges the Released Parties as to all Released Claims during the Class Period.

56. PAGA Release by Plaintiff, PAGA Members, and State of California. Plaintiff, PAGA Members, and the State of California shall be deemed to have released their respective PAGA Released Claims against the Released Parties upon the date on which the payment of the Gross Settlement Amount and all employer side payroll taxes is made by Defendants. It is understood that PAGA Members, will not have the opportunity to opt out of, or object to, the PAGA Release. Further, all PAGA Members are bound by the PAGA Release regardless of whether they cash and/or otherwise negotiate their Individual PAGA Payment.

57. Additional Release and Waiver of Claims by Plaintiff. In addition to the releases of Released Claims and PAGA Released Claims against the Released Parties, as set forth above, Plaintiff, in his individual capacity, agrees to release the Released Parties from any and all claims, known and unknown, under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, arising as of the date of execution of this Agreement including but not limited to claims arising from or related to his employment with Defendants and his compensation while an employee of Defendants (“Plaintiff’s Released Claims”). In exchange for the release, Plaintiff shall receive Twenty-Five Thousand Dollars and No Cents (\$25,000.00) from Defendants, paid out of the Gross Settlement Amount. On October 25, 2022, Plaintiff filed a complaint that included causes of action for Harassment and Discrimination in addition to the class claims that are the subject of this Agreement. On June 26, 2023, Plaintiff dismissed his individual claims for Harassment and Discrimination with the intent to re-file the claims, but the Parties attended mediation and continued to discuss resolution of the class claims and Plaintiff’s individual claims that resulted in the within

settlement. Plaintiff enters into this general release of any and all claims against Defendants and the Released Parties. Plaintiff's Released Claims include all claims, whether known or unknown. Even if Plaintiff discovers facts in addition to or different from those that he now knows or believes to be true with respect to the subject matter of Plaintiff's Released Claims, those claims will remain released and forever barred. To affect a full and complete general release as described above, Plaintiff expressly waives and relinquishes all rights and benefits of section 1542 of the Civil Code of the State of California and do so understanding and acknowledging the significance and consequence of specifically waiving section 1542. Section 1542 of the Civil Code of the State of California states as follows:

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

Thus, notwithstanding the provisions of section 1542, and to implement a full and complete release and discharge of the Released Parties, Plaintiff expressly acknowledges this Stipulation is intended to include in its effect, without limitation, all claims Plaintiff does not know or suspect to exist in Plaintiff's favor at the time of signing this Stipulation, and that this Stipulation contemplates the extinguishment of any such claims. Plaintiff warrants that he has read this Stipulation, including this waiver of California Civil Code section 1542, and that Plaintiff has consulted with or had the opportunity to consult with counsel of Plaintiff's choosing about this Stipulation and specifically about the waiver of section 1542, and that Plaintiff understands this Stipulation and the section 1542 waiver, and so Plaintiff freely and knowingly enters into this Stipulation. Plaintiff further acknowledges that Plaintiff later may discover facts different from or in addition to those Plaintiff now knows or believes to be true regarding the matters released or described in this Stipulation, and even so Plaintiff agrees that the releases and agreements contained in this Stipulation shall remain effective in all respects

notwithstanding any later discovery of any different or additional facts. Plaintiff expressly assumes all risk of any mistake in connection with the true facts involved in the matters, disputes, or controversies released or described in this Stipulation or with regard to any facts now unknown to Plaintiff relating thereto.

58. Settlement Administration.

a. Within twenty-one (21) calendar days of entry of the Preliminary Approval Order, Defendants shall provide the Settlement Administrator with the Class List for purposes of mailing the Settlement Notices to Class Members. The Settlement Administrator shall not be permitted to share any Class Information included in the Class List with Plaintiff or Class Counsel absent express approval by Defense Counsel.

i. Notice by First Class U.S. Mail. Upon receipt of the Class List, the Settlement Administrator shall perform a search based on the National Change of Address Database maintained by the United States Postal Service to update and correct any known or identifiable address changes. Within seven (7) calendar days after receiving the Class List from Defendants as provided herein, the Settlement Administrator shall mail copies of the Settlement Notice to all Class Members via regular First-Class U.S. Mail. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Class Member, and PAGA Member. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the most current mailing address for each Class Member and PAGA Member. The Parties agree that this procedure for notice provides the best notice practicable to Class Members, PAGA Members, and fully complies with due process.

ii. Undeliverable Settlement Notices. Any Settlement Notice returned to the Settlement Administrator as non-deliverable on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto within five (5) calendar days of receipt of the returned Settlement Notice by the Settlement Administrator. If no forwarding address is provided, the Settlement Administrator shall attempt to determine a correct address by the use of skip-tracing, or other type of automated search, using the name, address and/or Social Security number of the Class Member involved, and shall then perform a re-mailing to

the Class Member whose Settlement Notice was returned as non-deliverable within five (5) calendar days of receipt of the returned Settlement Notice by the Settlement Administrator, assuming another mailing address is identified by the Settlement Administrator. Class Members who are sent a re-mailed Settlement Notice shall have their Response Deadline extended by ten (10) calendar days from the date the Settlement Administrator re-mails the Settlement Notice. If these procedures are followed, notice to Class Members shall be deemed to have been fully satisfied, and if the intended recipient of the Settlement Notice does not receive the Settlement Notice, the intended recipient shall nevertheless remain a Class Member and shall be bound by all terms of the Settlement and the Final Order and Judgment.

iii. Determination of Individual Settlement Awards and Individual PAGA Payments. The Settlement Administrator shall determine the eligibility for, and the amounts of, each Individual Settlement Award and Individual PAGA Payment under the terms of this Stipulation of Settlement, based on the Workweek and Pay Period information as provided by Defendants and defined above. The Settlement Administrator's determination of the eligibility for and amount of each Individual Settlement Award and Individual PAGA Payment shall be binding upon the Class Members and the Parties; however, it is subject to Court review as appropriate.

iv. Disputes Regarding Administration of Settlement. Any dispute not resolved by the Settlement Administrator concerning the administration of the Settlement, in consultation with Class Counsel and Defense Counsel, shall be resolved by the Court.

b. Monitoring and Reviewing Settlement Administration. The Parties have the right to monitor and review the administration of the Settlement to verify that the monies allocated under the Settlement are distributed in the correct amount, as provided for in this Stipulation of Settlement.

c. Certification Reports Regarding Individual Settlement Award Calculations. The Settlement Administrator will provide Defense counsel and Class Counsel a weekly status report which reports: (i) the number of Class Members who have submitted valid Requests for Exclusion or objections; and (ii) whether any Class Member has submitted a

challenge to any information contained in their Settlement Notice, including but not limited to the number of Class Members from the Settlement Class who have submitted a dispute of Workweeks. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested.

d. Best Efforts. The Parties agree to use their best efforts to carry out the terms of this Settlement.

59. Funding and Allocation of Gross Settlement Amount. The Gross Settlement Amount and the Employer's Share of Payroll Taxes shall be paid by Defendants in one lump sum payment within thirty (30) calendar days of the Effective Date. Defendants shall provide the Gross Settlement Amount to the Settlement Administrator in any feasible manner, including, but not limited to, by way of a wire transfer. If this Settlement is not finally approved by the Court in full, or is terminated, rescinded, canceled, or fails to become effective for any reason, or if the Effective Date does not occur, then no portion of the Gross Settlement Amount shall be paid.

a. Payments to the Class Members. Class Members shall not be required to submit a claim to receive a share of the Net Settlement Amount, and no portion of the Gross Settlement Amount shall revert to Defendants or result in an unpaid residue. The Settlement Administrator shall first compute the Net Settlement Amount by deducting from the Gross Settlement Amount approved by the Court for the Class Counsel Award, Class Representative Service Awards, PAGA Payment, and Settlement Administration Costs. To the extent the Court does not approve the full requested attorneys' fees, litigation costs, enhancement payments or settlement administration costs, the Net Settlement Amount will increase accordingly, by the difference between the requested amount and the amount awarded by the Court.

i. Individual Settlement Award: From the Net Settlement Amount, the Settlement Administrator will calculate each Individual Settlement Award by dividing the Net Settlement Amount by the total number of Workweeks, resulting in the Workweek Value; and then multiplying the Workweek Value by the number of Workweeks worked by each Class

Member, as defined above. As necessary, and to the extent not already provided by Defendants, the Settlement Administrator will calculate the number of Workweeks worked by the Class Members during the Class Period. The Settlement Administrator will also calculate the amount to be paid per Workweek, and the Individual Settlement Awards to eligible Class Members. All Workweek Disputes will be resolved and decided by the Settlement Administrator, in consultation with Class Counsel and/or Defense Counsel, as appropriate, and subject to review by the Court as needed.

ii. Individual PAGA Payment: The Settlement Administrator will calculate each PAGA Member's Individual PAGA Payment by dividing the 25% of the PAGA Payment to be distributed to PAGA Members by the total number of Pay Periods for all PAGA Members, resulting in the Pay Period Value; and then multiplying the Pay Period Value by the number of Pay Periods worked by each PAGA Members, as defined above. As necessary, and to the extent not already provided by Defendants, the Settlement Administrator will calculate the number of Pay Periods worked by the PAGA Members during the PAGA Period.

iii. Individual Settlement Award and Individual PAGA Payments shall be mailed by the Settlement Administrator by regular First-Class U.S. Mail to each Participating Class Member and PAGA Member's last known mailing address within ten (10) calendar days after Defendants provide the Settlement Administrator with the Gross Settlement Amount.

iv. Should any of the following occur, the Settlement Administrator will proportionately increase the estimated Individual Settlement Award of each Participating Class Member to ensure that the entire Net Settlement Amount is distributed to Participating Class Members: (i) any Class Members submit timely and valid, or otherwise accepted, Requests for Exclusion following the provision of Settlement Notices and expiration of the Response Deadline; (ii) the Court approves the Class Representative Service Award in amounts less than those requested by Plaintiff, as detailed herein; (iii) the Court approves a Class Counsel Award in an amount less than that requested by Plaintiff, as detailed herein; and/or (iv) the Court approves Settlement Administration Costs in an amount less than that requested by

Plaintiff, as detailed herein.

v. Individual Settlement Award payments and Individual PAGA Payments shall be made by check and shall be made payable to each Participating Class Member, PAGA Member, as set forth in this Stipulation of Settlement.

vi. Individual Settlement Awards shall be allocated as follows: twenty percent (20%) as alleged unpaid wages subject to all applicable tax withholdings; forty percent (40%) as alleged unpaid interest; and forty percent (40%) as alleged unpaid penalties. The Settlement Administrator shall issue an IRS Form W-2 to each Participating Class Member for the portion of each Individual Settlement Award payment allocated as alleged unpaid wages and subject to all applicable tax withholdings. The Settlement Administrator shall issue an IRS Form 1099 to each Participating Class Member and PAGA Member for the portion of each Individual Settlement Award and for the Individual PAGA Payment allocated as alleged unpaid non-wage penalties and interest and not subject to payroll tax withholdings. The Settlement Administrator shall calculate the amount of the Employer's Share of Payroll Taxes and shall remit and report the applicable portions of the payroll tax payment to the appropriate taxing authorities in a timely manner.

vii. After the expiration of the 180-day period to cash/deposit the Individual Settlement Award checks, the Settlement Administrator will prepare the Final Report regarding the distribution of the Gross Settlement Amount as detailed above. The total amount of any uncashed settlement checks will be transmitted to the California State Controller's Office Unclaimed Property Fund, in the name of the individual.

viii. In the event a Participating Class Member and/or PAGA Member fails to cash/deposit his or her Individual Settlement Award check and/or Individual PAGA Payment check, the Participating Class Member and PAGA Member, shall nevertheless remain bound by the Settlement.

ix. All monies received by Class Members under the Settlement which are attributable to wages shall constitute income to such Class Members solely in the year in which such monies are received by the Class Members. It is expressly understood and

agreed that the receipt of Individual Settlement Awards shall not entitle any Class Member to additional compensation or benefits under any collective bargaining agreement or under any bonus, contest or other compensation or benefit plan or agreement in place during the periods covered by the Settlement, nor shall it entitle any Class Member to any increased pension and/or retirement, or other deferred compensation benefits. It is the intent of the Parties that the Individual Settlement Awards and Individual PAGA Payments provided for in this Stipulation of Settlement are the sole payments to be made by Defendants to Class Members in connection with this Settlement, with the exception of Plaintiff, and that the Class Members are not entitled to any new or additional compensation or benefits as a result of having received the Individual Settlement Awards and/or and Individual PAGA Payments.

60. Non-Monetary Relief. As part of the Settlement of the *Bernard* Action, and as additional, non-monetary consideration therefor, Defendants have agreed to undertake, with the assistance and direction of their counsel, a review of their wage and hour practices and policies, and to make any appropriate revisions of those practices and policies.

61. Settlement Administration Costs. The Settlement Administration fees and expenses, which are estimated not to exceed Thirty Thousand Dollars and No Cents (\$30,000.00), shall be paid from the Gross Settlement Amount. Prior to Plaintiff filing a Motion for Final Approval of the Settlement, the Settlement Administrator shall provide the Parties with a statement detailing the Settlement Administration Costs to date. The Parties agree to cooperate in the Settlement Administration process and to make all reasonable efforts to control and minimize Settlement Administration Costs.

i. The Parties each represent they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

ii. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities required by the Settlement. The Settlement Administrator shall be authorized to establish a Qualified Settlement Fund pursuant to IRS rules and regulations in which the Gross Settlement Amount

shall be placed and from which payments required by the Settlement shall be made.

62. Payroll Taxes. In accordance with this Settlement and to the fullest extent possible, the Gross Settlement Amount shall resolve, satisfy and completely extinguish all of Defendants' liability with respect to the Class Members and PAGA Members, except that Defendants shall solely be responsible for the Employer's Share of Payroll Taxes and these taxes shall be paid by Defendants in addition to the Gross Settlement Amount. Upon the transfer of the Gross Settlement Amount and the employer portion of payroll taxes on the portion of the Individual Settlement Awards that constitutes wages, Defendants shall have no further payment or defense obligation whatsoever with respect to any claims covered by this Settlement made or asserted by any person or entity anywhere in the world in connection with the Class Members.

63. Final Settlement Approval Hearing and Entry of Final Order and Judgment. Following expiration of the Response Deadline, a Final Approval Hearing shall be conducted by the Court for the Court to determine whether to grant final approval of the Settlement, including determining the amounts properly payable for: (i) the Class Counsel Award; and (ii) the Class Representative Service Award. Prior to the Final Approval Hearing, the Settlement Administrator shall provide a written report or declaration to the Parties describing the process and results of the administration of the Settlement to date, which report, or declaration shall be filed by Plaintiff with the Court prior to the Final Approval Hearing. The Parties agree to work diligently and cooperatively to have this Settlement presented to the Court for final approval.

64. Duties of the Parties Prior to Court Approval. The Parties shall promptly submit this Settlement to the Court in support of Plaintiff's motion for preliminary approval of the Settlement and determination by the Court as to its fairness, adequacy, and reasonableness. As part of Plaintiff's motion for preliminary approval, Plaintiff shall also apply to the Court for the entry of an Order as follows:

- a. Certifying the Settlement Class for settlement purposes only;
- b. Approving, as to form and content, the proposed Settlement Notice;
- c. Approving the manner and method for Class Members to object or request exclusion from the Settlement, as contained herein and within the Settlement Notice;

- d. Directing the mailing of the Settlement Notices to Class Members, by first class mail;
- e. Preliminarily approving the Settlement subject only to the objections of Class Members and final review by the Court; and
- f. Setting a Final Approval Hearing.

65. Duties of the Parties Following Final Approval. Following final approval by the Court of the Settlement provided for in this Settlement Agreement, Class Counsel will submit a proposed Final Order of Approval and Judgment:

- a. Approving the Settlement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions;
- b. Approving Class Counsel's application for an award of attorneys' fees and costs;
- c. Approving the Class Representative Service Awards payments to Plaintiff;
- d. Setting a date when the Parties shall submit the Final Report regarding the distribution of the Gross Settlement Amount pursuant to California Code of Civil Procedure section 384, and, if necessary, a date for a final accounting hearing following its receipt of the Final Report;
- e. Entering judgment in this Action barring and enjoining all members of the Settlement Class from prosecuting against any of the Released Parties, any individual or class, or representative claims released herein pursuant to the Settlement Agreement, upon satisfaction of all payments and obligations hereunder.

66. Revocation of Settlement by Defendants. If more than five percent (5%) of Class Members opt-out of the Settlement, then Defendants shall have the sole and absolute discretion to rescind/void the Settlement Agreement within twenty (20) days after receiving from the Settlement Administrator the final list of opt-outs. Defendants agree to meet and confer in good faith with Class Counsel before rescinding or voiding the Settlement Agreement. In the event that Defendants elect to rescind/void the Settlement Agreement, they shall provide

written notice of such rescission to Class Counsel. Such rescission shall have the same effect as a termination of this Settlement Agreement for failure to satisfy a condition of settlement, and the Settlement Agreement shall become null and void and have no further force or effect, and the Settlement Class certified pursuant to this Settlement Agreement will be decertified for all purposes. If Defendants choose to terminate this Settlement Agreement under this provision, they shall be responsible to pay the Settlement Administrator's fees and costs incurred to that point.

67. Escalator Clause. For purposes of this Settlement, Defendants estimate that there are 1343 employees and 121,330 Workweeks between the start of the Class Period and September 8, 2025W. If it is determined that the number of Workweeks during the Class Period exceeds that number by more than ten percent (10%), *i.e.*, exceeds 133,463 Workweeks, then Defendants may elect to either (a) end the Class Period on the date on which the number of Workweeks reached 133,463, or (b) increase the GSA on a *pro rata* basis by any increase after that trigger threshold (*i.e.*, a 14% increase in Workweeks would result in a 4% increase in the GSA, and so forth).

68. Nullification of Settlement. In the event: (i) the Court does not enter the Preliminary Approval Order; (ii) the Court does not grant final approval of the Settlement; (iii) the Court does not enter the Final Order and Judgment; or (iv) the Settlement does not become final for any other reason, this Stipulation of Settlement shall be rendered null and void, any order or judgment entered by the Court in furtherance of this Settlement shall be treated as void from the beginning and this Stipulation of Settlement and any documents related to it shall not be used by any Class Member or Class Counsel to support any claim or request for class certification in the *Bernard* Action, and shall not be used in any other civil, criminal or administrative action against Defendants or any of the other Released Parties. Additionally, should the Settlement not become final for any reason, the Parties will request that the Court reopen proceedings within thirty (30) calendar days, and any Settlement Administration Costs already incurred by the Settlement Administrator shall be split evenly between the Parties. The Parties and any monies required to be paid under this Settlement shall be returned to their

respective statuses as of the date and time immediately prior to the execution of this Stipulation, and the Parties shall proceed in all respects as if this Stipulation had not been executed. In the event an appeal is filed from the Court's Final Order and Judgment, or any other appellate review is sought, administration of the Settlement shall be stayed pending final resolution of the appeal or other appellate review, and the stay shall only be lifted if the result of the appeal or other proceeding is that the terms of this settlement agreement are upheld.

69. Plaintiff's Waiver of Right to Be Excluded. Plaintiff agrees that by signing this Agreement, he will be bound by the terms herein. Plaintiff further agrees that, upon signing this Settlement Agreement, he will not request to be excluded from this Settlement and that any such request for exclusion by Plaintiff will be void and of no force or effect.

70. Waiver of Certain Appeals. Either party may appeal any Court order that materially alters the Agreement's terms. Additionally, nothing in this Settlement shall prevent Plaintiff from appealing a Court order denying or failing to grant his requests for the Class Counsel Award or the Class Representative Service Award.

71. No Admission by Defendants. Defendants deny all claims alleged in the *Bernard* Action and deny all wrongdoing whatsoever by Defendants. Neither this Stipulation of Settlement, nor any of its terms and conditions, nor any of the negotiations connected with it, is a concession or admission, and none shall be used against Defendants as an admission or indication with respect to any claim of any fault, concession, or omission by Defendants or that class certification is proper under the standard applied to contested certification motions. Defendants further contend that the *Bernard* Class Action, and the Operative Complaint, cannot be maintained as a class action lawsuit because all Class Members have signed binding arbitration agreements with class action waivers. Thus, the Parties stipulate and agree to the certification of the proposed classes for settlement purposes only. The Parties further agree that this Stipulation of Settlement will not be admissible in this or any other proceeding as evidence that either (i) a class action should be certified or (ii) Defendants are liable to Plaintiff or any Class Member, other than according to the terms of this Stipulation.

72. Waiver. No waiver of any condition or covenant contained in this Settlement

Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

73. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the Judgment to the Court for its approval, pursuant to Rule 3.770 of the California Rules of Court. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) Settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Agreement.

74. Exhibit and Headings. The terms of this Stipulation of Settlement include the terms set forth in any attached Exhibit, which are incorporated by this reference as though fully set forth herein. The Exhibit to this Stipulation of Settlement is an integral part of the Settlement. The descriptive headings of any paragraphs or sections of this Stipulation of Settlement are inserted for convenience of reference only.

75. Amendment or Modification. This Stipulation of Settlement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.

76. Entire Agreement. This Stipulation of Settlement and any attached Exhibit constitute the entire agreement between the Parties, and no oral or written representations, warranties, or inducements have been made to Plaintiff or Defendants concerning this Stipulation or its Exhibit other than the representations, warranties, and covenants contained and memorialized in this Stipulation and its Exhibit. No other prior or contemporaneous written or oral agreements, including but not limited to the previously executed term sheet, may be deemed binding on the Parties.

77. Authorization to Enter into Settlement Agreement. Class Counsel and Defense Counsel warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Stipulation and to take all appropriate actions required or permitted to be taken

by such Parties pursuant to this Stipulation to effectuate its terms, and to execute any other documents required to effectuate the terms of this Stipulation. The Parties, Class Counsel and Defense Counsel shall cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement. The persons signing this Stipulation on behalf of the Defendants represent and warrant that they are authorized to sign this Stipulation on behalf of Defendants. Plaintiff represents and warrants that he is authorized to sign this Stipulation and that he has not assigned any claim, or part of a claim, covered by this Settlement to a third party. The Parties have cooperated in the drafting and preparation of this Stipulation. Hence, in any construction made of this Stipulation, the same shall not be construed against any of the Parties.

78. Confidentiality. The Parties and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry, or have any communication with the press about the fact, amount, or terms of the Settlement. In addition, the Parties and their counsel agree that they will not engage in any advertising or distribute any marketing materials relating to the Settlement, including but not limited to any postings on any websites maintained by Class Counsel. Nothing set forth herein, however, shall prohibit the Parties from providing this Stipulation to the Court in connection with the Parties' efforts to seek Court approval of this Settlement.

79. Binding on Successors and Assigns. This Stipulation of Settlement shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties.

80. California Law Governs. All terms of this Stipulation of Settlement and the Exhibit hereto shall be governed by and interpreted according to the laws of the State of California, without giving effect to any law that would cause the laws of any jurisdiction other than the State of California to be applied.

81. Counterparts. This Stipulation of Settlement may be executed in one or more

counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument.

82. This Settlement is Fair, Adequate, and Reasonable. Plaintiff represents that this Settlement is a fair, adequate, and reasonable settlement of the *Bernard* Action and Plaintiff has arrived at this Settlement after extensive arm's-length negotiations, taking into account all relevant factors, present and potential.

83. Jurisdiction of the Court. Following entry of the Final Order and Judgment, the Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Stipulation of Settlement and all orders and judgments entered in connection therewith, and the Parties, Class Counsel and Defense Counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Stipulation of Settlement and all orders and judgments entered in connection therewith.

84. Invalidity of Any Provision. Before declaring any term or provision of this Stipulation of Settlement invalid, the Parties request that the Court first attempt to fully construe the terms or provisions valid possible consistent with applicable precedents so as to define all provisions of this Stipulation of Settlement as valid and enforceable. In the event the Court declares any material provision of this Stipulation of Settlement invalid, the Stipulation of Settlement will be void and its terms will be of no force and effect, except as otherwise agreed to by the Parties in writing.

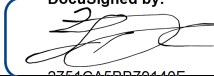
85. Continuing Validity of Arbitration Agreements. The Parties have agreed to settle the *Bernard* Action in Court, including Released Claims, for the mutual benefit of the Parties and Class Members. This Agreement, the settlement process (including, but not limited to, motions, correspondence, communications, and filings) and proceedings and anything related to them shall have no impact on any individual arbitration agreements between Defendants and any of Defendants' employees, regardless of whether they are Class Members, or PAGA Members. The submission of Released Claims to the Court is solely for the purposes of settlement and shall not be deemed as an invalidation, waiver, or voidance of the arbitration

agreements, and shall have no negative impact on their continued validity. By failing to request exclusion by serving a valid and timely Request for Exclusion, each Class Member will be deemed to have agreed to the provisions of this Paragraph.

86. Binding Nature of Notice of Class Action Settlement. It is agreed that, because the Class Members are so numerous, it is impossible or impractical to have each Class Member execute the Stipulation of Settlement. The Class Notice shall advise all Class Members of the binding nature of the Settlement, and the release of Released Claims and shall have the same force and effect as if this Stipulation of Settlement were executed by each Participating Class Member.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiff, on the one hand, and Defendants, on the other hand, as of the date(s) set forth below.

Dated: 10/30/2025

DocuSigned by:

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Plaintiff Frederick Bernard

OPTIMA TAX RELIEF, LLC

Dated: _____

By:

Its:

OPTIMA FINANCIAL GROUP, LLC

Dated: _____

By:

Its:

agreements, and shall have no negative impact on their continued validity. By failing to request exclusion by serving a valid and timely Request for Exclusion, each Class Member will be deemed to have agreed to the provisions of this Paragraph.

86. Binding Nature of Notice of Class Action Settlement. It is agreed that, because the Class Members are so numerous, it is impossible or impractical to have each Class Member execute the Stipulation of Settlement. The Class Notice shall advise all Class Members of the binding nature of the Settlement, and the release of Released Claims and shall have the same force and effect as if this Stipulation of Settlement were executed by each Participating Class Member.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiff, on the one hand, and Defendants, on the other hand, as of the date(s) set forth below.

Dated: _____

Plaintiff Frederick Bernard

OPTIMA TAX RELIEF, LLC

Dated: 11 / 04 / 2025



By: Jesse E. Stockwell

Its: Managing Member

OPTIMA FINANCIAL GROUP, LLC

Dated: 11 / 04 / 2025



By: Jesse E. Stockwell

Its: Managing Member

APPROVED AS TO FORM ONLY

Dated: 11/4/2025

NATHAN & ASSOCIATES, APC

DocuSigned by:

Reuben D. Nathan

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Reuben D. Nathan
Attorneys for Plaintiff Frederick Bernard

Dated: 10/31/2025

DocuSigned by:

Matthew Righetti

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Matthew Righetti
John Glugoski
Attorneys for Plaintiff Frederick Bernard

**WILSON ELSER MOSKOWITZ EDELMAN
& DICKER, LLP**

Dated: _____

Dean Rocco
Trevor Wong
Attorneys for Defendants Optima Tax Relief,
LLC and Optima Financial Group, LLC

APPROVED AS TO FORM ONLY

NATHAN & ASSOCIATES, APC

Dated: _____

Reuben D. Nathan
Attorneys for Plaintiff Frederick Bernard

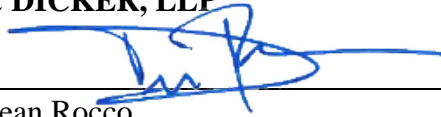
RIGHETTI GLUGOSKI, P.C.

Dated: _____

Matthew Righetti
John Glugoski
Attorneys for Plaintiff Frederick Bernard

**WILSON ELSER MOSKOWITZ EDELMAN
& DICKER, LLP**

Dated: 11/5/25 _____



Dean Rocco
Trevor Wong
Attorneys for Defendants Optima Tax Relief,
LLC and Optima Financial Group, LLC