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Attorneys for Plaintiff,
STEVE PARROTT

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ORANGE

STEVE PARROTT, individually and on
behalf of others similarly situated,

Plaintiff,

vs.

Knorr Systems, Int'l, LLC, F.K.A. KNORR
SYSTEMS, INC., F.K.A. KNORR
SYSTEMS INT'L, LLC, a Delaware limited
liability company; KNORR SYSTEMS, INC.,
a California corporation; KNORR SYSTEMS
INT'L, LLC, a California limited liability
company; Playcore Holdings, Inc., a
Delaware corporation; Playcore Wisconsin,
Inc., a Wisconsin corporation; Playcore
company, a business entity of unknown
nature; and DOES 1 through 50, inclusive,

Defendants.

Case No. 30-2022-01268047-CU-OE-CXC

*Assigned for All Purposes to: Hon. Lon F.
Hurwitz, Dept. CX103*

**JOINT STIPULATION OF CLASS ACTION
AND PAGA SETTLEMENT**

Complaint Filed: July 1, 2022
Trial: None

This Joint Stipulation of Class Action and PAGA Settlement is entered into by and between Plaintiff Steve Parrott, individually and on behalf of the Settlement Class and Defendants Knorr Systems, Int'l, LLC, Knorr Systems, Inc., Playcore Holdings, Inc, and Playcore Wisconsin, Inc.

1. “Agreement” or “Settlement Agreement” means this Joint Stipulation of Class Action and PAGA Settlement.

3. “Class Counsel” means Protection Law Group, LLP.

5. “Class List” means a complete list of all Class Members that Defendants will diligently and in good faith compile from their records and provide to the Settlement Administrator within fourteen (14) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include Class Member’s: (1) full name; (2) last known home address; (3) last known telephone number; (4) social security number; (5) start and end dates of active employment as a non-exempt employee of Defendants in the State of California; (6) total Workweeks during the Class Period; (7) total Workweeks during the PAGA Period; and (8) any other information required by the Settlement Administrator in order to effectuate the terms of the Settlement.

6. “Class” or “Class Members” means all current and former hourly-paid, non-exempt employees of Defendants who performed work for Defendants in the State of California at any time during the Class Period.

7. “Class Period” means the period from July 1, 2018, through May 4, 2023.

8. “Class Representative” means Steve Parrott in his capacity as representative of the Participating Class Members.

9. “Class Representative Enhancement Payment” means the amount that the Court authorizes to be paid to Plaintiff, in addition to his Individual Settlement Payment, in recognition of the efforts and risks he has taken in assisting with the prosecution of the Action and in exchange for the General Release of their claims as provided herein.

10. “Court” means the Superior Court of the State of California for the County of Orange.

11. “Defendants” means Knorr Systems, Int’l, LLC, Knorr Systems, Inc., Playcore Holdings, Inc, and Playcore Wisconsin, Inc.

12. “Effective Date” means the later of: (a) if no timely objections are filed or if all objections are withdrawn, the date upon which the Court enters Final Approval; (b) if an objection is filed and not withdrawn, the date for filing an appeal and no such appeal being filed; and (c) if any timely appeals are filed, the date of the resolution (or withdrawal) of any such appeal in a way that does not alter the terms of the settlement.

13. “Final Approval” means the Court entering an order granting final approval of the Settlement Agreement.

14. “Gross Settlement Amount” means the sum of Three Hundred and Seventy-Five Thousand Dollars (\$375,000). The Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Amount will return to Defendants.

15. “Individual Settlement Payment” means the amount payable from the Net Settlement Amount to each Participating Class Member and any payment a PAGA Member is eligible to receive from the employee portion of the PAGA Payment. Individual Settlement

1 Payments shall be paid by a Settlement Check made payable to Participating Class Members
2 and/or PAGA Members.

3 16. "Net Settlement Amount" means the funds available for payments to the Class,
4 which shall be amount remaining after the following amounts are deducted from the Gross
5 Settlement Amount: (1) Class Counsel's fees, (2) Class Counsel's costs, (3) Settlement
6 Administration Costs, (4) Class Representative Enhancement Payment to Plaintiff; and (5) the
7 PAGA Payment to the LWDA and PAGA Members.

8 17. "Notice" means the Notice of Class Action Settlement in a form substantially
9 similar to the form attached hereto as Exhibit A, that will be mailed to Class Members' last known
10 addresses and which will provide Class Members with information regarding the Action and
11 information regarding the settlement of the Action.

12 18. "Notice Packet" means the Notice, Objection Form, and Request for Exclusion
13 Form attached hereto as Exhibits A-C that shall be sent to the class members in both English and
14 Spanish.

15 19. "PAGA" means the California Labor Code Private Attorneys General Act of 2004
16 (Cal. Lab. Code §§ 2698, *et seq.*, "PAGA").

17 20. "PAGA Payment" means the amount that the Parties have agreed to allocate in
18 order to settle claims arising under PAGA. The Parties have agreed that Thirty Thousand Dollars
19 (\$30,000.00) of the Gross Settlement Amount will be allocated to the resolution of Plaintiff's
20 PAGA Claims. Seventy Five Percent (75%) of this amount (\$22,500.00) will be paid to the
21 California Labor and Workforce Development Agency in accordance with Labor Code §§ 2698 *et*
22 *seq.* Twenty Five Percent (25%) of this amount (\$7,500.00) will be distributed to PAGA Members.
23 PAGA Members will receive payment from the employee portion of the PAGA Payment
24 regardless of their decision to participate in the class action if the PAGA Payment is approved by
25 the Court.

26 21. "PAGA Period" means the period from July 1, 2020, through May 4, 2023.
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22. “PAGA Members” means all current and former non-exempt employees of Defendants who performed work for Defendants in the state of California at any time during the PAGA Period.

23. “Parties” means Plaintiff and Defendants, collectively, and “Party” shall mean either Plaintiff or Defendants, individually.

24. “Participating Class Members” means all Class Members who do not submit valid and timely Requests for Exclusion.

25. “Plaintiff” means Steve Parrott.

26. “Preliminary Approval” means the Court order granting preliminary approval of the Settlement Agreement.

27. “Objection” means a Class Member’s valid and timely written objection to the Settlement Agreement. For an Objection to be valid, it must include: (a) the objector’s full name, address, telephone number, last four digits of the employees social security number or employee ID number; (b) the name of the case and case number; and (c) a written statement of all grounds for the objection accompanied by legal support, if any, for such objection. Class Members will be sent an Objection Form substantially in the form attached hereto as **Exhibit B**.

28. “Released Class Claims” means all claims, rights, demands, liabilities, and causes of actions that are alleged, or reasonably could have been alleged, based on the facts alleged in the operative complaint in the Action, including factual claims regarding Defendants’ alleged: (i) failure to pay all regular wages, minimum wages, and overtime wages due; (ii) failure to provide meal periods or compensation in lieu thereof; (iii) failure to provide rest periods or compensation in lieu thereof; (iv) failure to reimburse necessary business expenses; (v) failure to provide complete, accurate wage statements; (vi) failure to pay wages timely at time of termination or resignation; (vii) failure to timely pay wages during employment; and (viii) unfair business practices. This release shall apply to claims arising during the Class Period.

29. “Released PAGA Claims” means all claims under the California Labor Code Private Attorneys General Act of 2004 for civil penalties that could have been premised on the

facts alleged in either the PAGA Letter to the LWDA or the operative complaint, and which arose during the PAGA Period, including but not limited to penalties that could have been awarded pursuant to Labor Code sections 203, 210, 226, 226.3, 558, 1174.5, 1197.1, and those penalties that could have been awarded pursuant to Labor Code section 2699 based on the facts alleged.

30. “Released Parties” means Defendants and their past, present, and/or future officers, directors, members, managers, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

31. “Request for Exclusion” means a valid and timely written statement submitted by a Class Member requesting to be excluded from the Action. To be effective, the Request for Exclusion must contain (a) the Class Member’s name, address, telephone number, and the last four digits of the Class Member’s Social Security number and/or the Employee ID number; and (b) a clear statement requesting to be excluded from the settlement of the class claims. To be effective, the Request for Exclusion must be post-marked by the Response Deadline and received by the Settlement Administrator. The Request for Exclusion shall not be effective as to the release of claims arising under PAGA. Class Members shall be provided a Request for Exclusion form substantially in the format attached hereto as **Exhibit C**.

32. “Response Deadline” means the date sixty (60) days after the Settlement Administrator mails Notice to Class Members and the last date on which Class Members may submit Requests for Exclusion, written objections to the Settlement, or Workweek Disputes. In the event the 60th day falls on a Sunday or Federal holiday, the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline for Requests for Exclusion or objections will be extended fifteen (15) calendar days for any Class Member who is remailed a Notice by the Settlement Administrator, unless the 15th 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 Defendant. Under no circumstances, however, will the Settlement Administrator have the authority to unilaterally extend the Response Deadline.

33. “Settlement” means the disposition of the Action pursuant to this Agreement.

34. “Settlement Administrator” means ILYM Group, Inc. The Parties each represent that 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.

35. “Settlement Administration Costs” mean the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, translating the Notice, packet, and other forms from English to Spanish, printing, distributing, and tracking documents for this Settlement, calculating/confirming the class member Workweeks from the information contained in the Class List, calculating each Participating Class Member’s Individual Settlement Payment, tax reporting, distributing the Gross Settlement Amount, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties. Settlement Administration Costs shall not exceed Six Thousand Five Hundred Dollars (\$6,500.00).

36. “Workweek” shall mean any calendar week (i.e., a week beginning on Sunday and ending on Saturday) in which a Class Member or PAGA Member worked at least one (1) day, as adjusted based on subtracting used paid time off (“PTO”). For example, an employee who worked an entire calendar year and took a total of three weeks of PTO during the year would have worked 49 Workweeks during the year..

TERMS OF AGREEMENT

37. Settlement Consideration: Defendants shall fund the Gross Settlement Amount and all applicable employer-side payroll taxes following Final Approval by the Court and the occurrence of the Effective Date. The following will be paid out of the Gross Settlement Amount: the sum of the Individual Settlement Payments, the Class Representative Enhancement Payments, Class Counsel’s Fees and Costs, the PAGA Payment, and the Settlement Administration Costs, as specified in this Agreement. Except for any employer-side taxes due on the Individual Settlement

1 Payments, or as a result of an increase in the number of workweeks as set forth below, Defendants
2 shall not be required to pay more than the Gross Settlement Amount. The Gross Settlement
3 Amount is non-reversionary; no portion of the Gross Settlement Amount will revert to Defendant.

4 38. Potential Increase to the Gross Settlement Amount: Defendants have represented
5 there are approximately 7,510 Workweeks between July 1, 2018, and December 24, 2022, and
6 approximately 76 class members. Should the actual number of Workweeks within the Class Period
7 increase by more than ten percent (10%) (i.e., by more than 751 Workweeks) Defendants shall
8 have the option to either (a) increase the Gross Settlement Amount on a *pro-rata* basis equal to the
9 percentage increase in the number of Workweeks worked by the Class Members above 10% (e.g.,
10 if the number of Workweeks increases by 11% to 8,337 Workweeks, the Gross Settlement Amount
11 will increase by 1%); or (b) cut off the Class Period on the date the workweeks in the Class Period
12 exceed 8,261.

13 39. Funding of the Gross Settlement Amount: Within fourteen (14) calendar days of
14 the Effective Date of the Settlement, Defendants will deposit the Gross Settlement Amount and all
15 applicable employer side payroll taxes into a Qualified Settlement Fund (“QSF”) to be established
16 by the Settlement Administrator. Defendants shall provide all information necessary for the
17 Settlement Administrator to calculate necessary payroll taxes including its official name, 8-digit
18 state unemployment insurance tax ID number, and other information requested by the Settlement
19 Administrator, no later than seven (7) calendar days of the Effective Date.

20 40. Distribution of the Gross Settlement Amount: Within fourteen (14) calendar days
21 of the funding of the Settlement, the Settlement Administrator will issue payments for: (a)
22 Individual Settlement Payments; (b) the PAGA Payment to the Labor and Workforce Development
23 Agency; (c) the Class Representative Enhancement Payment; (d) Class Counsel’s Fees and Costs
24 and (e) Settlement Administration Costs.

25 41. Attorneys’ Fees and Costs: Defendants agree not to oppose any application or
26 motion by Class Counsel for attorneys’ fees of not more than One Hundred and Twenty-Five
27 Thousand Dollars (\$125,000.00) plus the reimbursement of costs and expenses associated with the
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litigation and settlement of the Action, in an amount not to exceed Fifteen Thousand Dollars (\$15,000.00), both of which will be paid from the Gross Settlement Amount. Any portion of the requested fees or costs that is not awarded to the Class Counsel shall be reallocated to the Net Settlement Amount and distributed to Participating Class Members as provided in this Agreement.

42. Class Representative Enhancement Payment: Defendants agree not to oppose or object to any application or motion by Plaintiff for a Class Representative Enhancement Payment of Five Thousand Dollars (\$5,000.00). The Class Representative Enhancement Payment is in exchange for the General Release of the Plaintiff's individual claims and for his time, effort, and risk in bringing and prosecuting the Action. Any portion of the requested Class Representative Enhancement Payment that is not awarded to Plaintiff shall be reallocated to the Net Settlement Amount and distributed to Participating Class Members as provided in this Agreement.

43. Settlement Administration Costs: The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Gross Settlement Amount as further set forth in this Agreement. Settlement Administration Costs shall not exceed Six Thousand Five Hundred Dollars (\$6,500.00).

44. PAGA Payment: Thirty Thousand Dollars (\$30,000.00) shall be allocated from the Gross Settlement Amount for settlement of claims for civil penalties under the PAGA. The Settlement Administrator shall pay seventy-five percent (75%) of the PAGA Payment, or Twenty-Two Thousand Five Hundred Dollars (\$22,500.00), to the California Labor and Workforce Development Agency ("LWDA"). Seven Thousand Five Hundred Dollars (\$7,500.00) will be distributed to PAGA Members on a *pro rata* basis based on the total number of Workweeks worked by each PAGA Member during the PAGA Period. PAGA Members shall receive their portion of the PAGA Payment regardless of their decision to opt-out of the class settlement.

45. Net Settlement Amount for Payment of Class Claims: The Net Settlement Amount will be used to satisfy the class portion of Participating Class Members Individual Settlement Payments in accordance with the terms of this Agreement. The estimated Net Settlement Amount is as follows:

Gross Settlement Amount	\$	375,000.00
Enhancement Payments:	\$	5,000.00
Class Counsel's Fees:	\$	125,000.00
Class Counsel's Costs:	\$	15,000.00
PAGA Payment	\$	30,000.00
Settlement Administration Costs:	\$	\$6,500.00
Estimated Net Settlement Amount	\$	193,500.00

46. Individual Settlement Payment Calculations: Individual Settlement Payments will be paid from the Net Settlement Amount and the 25% portion of the PAGA Payment allocated for PAGA Members and shall be paid pursuant to the formula set forth herein:

a) Calculation of Class Portion of Individual Settlement Payments:

The Settlement Administrator will calculate the total Workweeks for all Participating Class Members by adding the number of Workweeks worked by each Participating Class Member during the Class Period. The respective Workweeks for each Participating Class Member will be divided by the total Workweeks for all Participating Class Members, resulting in the Payment Ratio for each Participating Class Member. Each Participating Class Member's Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Settlement Class Member's estimated share of the Net Settlement Amount.

b) Calculation of PAGA Portion of Individual Settlement Payments:

The Settlement Administrator will calculate the total Workweeks for all PAGA Members by adding the number of Workweeks worked by each PAGA Member during the PAGA Period. The respective Workweeks for each PAGA Member will be divided by the total Workweeks for all PAGA Members, resulting in the Payment Ratio for each PAGA Member. Each PAGA Member's Payment Ratio will then be multiplied by the employee portion of the PAGA Payment to calculate each PAGA Member's estimated share of the PAGA Payment. PAGA Members shall receive this

1 portion of their Individual Settlement Payment regardless of whether they opt out of the
2 participation regarding the class claims.

3 c) Allocation of Individual Settlement Payments: The Class Portion of every
4 Individual Settlement Payment will be allocated as follows: twenty percent (20%) of each
5 Individual Settlement Payment will be allocated as wages, forty percent (40%) shall be allocated
6 as interest, and forty percent (40%) shall be allocated as penalties. The portion of the Individual
7 Settlement Payment allocated to wages will be reported by the Settlement Administrator on an IRS
8 Form W-2. The remaining non-wage payments will be reported on an IRS Form-1099 by the
9 Settlement Administrator, if required by law. The PAGA Portion of each Individual Settlement
10 Payment shall be allocated as 100% Penalties and will be reported on an IRS Form-1099, if
11 required by law.

12 48. No Credit Toward Benefit Plans: The Individual Settlement Payments made to
13 Participating Class Members under this Settlement, as well as any other payments made pursuant
14 to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans
15 to which any Class Members may be eligible, including, but not limited to profit-sharing plans,
16 bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and
17 any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not
18 affect any rights, contributions, or amounts to which any Class Members may be entitled under
19 any benefit plans.

20 49. Settlement Administration Process: The Parties agree to cooperate in the
21 administration of the Settlement and to make all reasonable efforts to control and minimize the
22 costs and expenses incurred in administration of the Settlement. The Settlement Administrator will
23 provide the following services:

24 a) Establish and maintain a Qualified Settlement Fund.

25 b) Calculate the Individual Settlement Payment each Participating Class
26 Member is eligible to receive and the portion of the PAGA Payment each
27 PAGA Member shall receive.
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- c) Translate the Notice Packet from English to Spanish.
- d) Print and mail the Notice Packet.
- e) Conduct additional address searches for mailed Notices that are returned as undeliverable.
- f) Process Requests for Exclusion and field inquiries from Class Members.
- g) Print and issue Settlement Payment Checks, prepare IRS W-2 and 1099 Tax Forms and any other filings required by any governmental taxing authority.
- h) Provide declarations and/or other information to this Court as requested by the Parties and/or the Court regarding the settlement administration process.
- i) Provide weekly status reports to counsel for the Parties.
- j) Posting a notice of final judgment online at Settlement Administrator's website for a period of 180 days following entry of Judgment.

50. Delivery of the Class List: Within fourteen (14) calendar days of Preliminary Approval, Defendants will provide the Class List to the Settlement Administrator. This is a material term of the Agreement, and if Defendants fail to comply, Plaintiff shall have the right to void the Agreement.

51. Notice by First-Class U.S. Mail: Within seven (7) calendar days after receiving the Class List from Defendant, the Settlement Administrator will mail the Notice to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

52. Confirmation of Contact Information in the Class List: Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any Notice returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such remailing on the Notice. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine

the correct address using a skip-trace, or other search using the name, address and/or Social Security number of the Class Member involved and will then perform a single remailing. If any notice sent to a Class Member by the Settlement Administrator is returned as undeliverable to a current employee, then Defendants shall make all reasonable efforts to obtain the current address from the Class Member and provide the same within seven (7) calendar days of notice from the Settlement Administrator. Those Class Members who receive a remailed Notice, whether by skip-trace or by request, will have between the later of (a) an additional fifteen (15) calendar days or (b) the Response Deadline to postmark a Request for Exclusion, or object to the Settlement, or submit a dispute regarding the workweeks they have been credited under the Agreement.

53. Notice: All Class Members will be mailed a Notice. Each Notice will provide: (a) information regarding the nature of the Action; (b) a summary of the Settlement's principal terms; (c) the Class definition; (d) the total number of Workweeks each respective Class Member worked for Defendant during the Settlement Class Period; (e) each Class Member's estimated Individual Settlement Payment and the formula for calculating Individual Settlement Payments; (f) the dates which comprise the Class Period; (g) instructions on how to opt-out of and object to the Settlement; (h) the deadlines by which the Class Member must postmark Requests for Exclusion, Objections to the Settlement, or Workweek Disputes; (i) the claims to be released, as set forth herein; and (j) the date for the final approval hearing.

54. Disputed Information on Notice: Class Members will have an opportunity to dispute the information provided in their Notice. To the extent Class Members dispute the number of Workweeks with which they have been credited or the amount of their Individual Settlement Payment, Class Members may produce evidence to the Settlement Administrator showing that such information is inaccurate. Absent evidence rebutting Defendants' records, Defendants' records will be presumed determinative. However, if a Class Member produces evidence to the contrary by the Response Deadline, the Parties will evaluate the evidence submitted by the Class Member and the Parties will make the final decision as to the number of eligible Workweeks that should be applied and/or the Individual Settlement Payment to which the Class Member may be

entitled. If the Parties do not agree, the dispute will be submitted to the Court.

55. Defective Submissions: If a Class Member's Request for Exclusion is defective as to the requirements listed herein, that Class Member will be given an opportunity to cure the defect(s). The Settlement Administrator will mail the Class Member a cure letter within three (3) business days of receiving the defective submission to advise the Class Member that his or her submission is defective and that the defect must be cured to render the Request for Exclusion valid. The Class Member will have until the later of (a) the Response Deadline or (b) fifteen (15) calendar days from the date of the cure letter, whichever date is later, to postmark a revised Request for Exclusion. If a Class Member responds to a cure letter by filing a defective claim, then the Settlement Administrator will have no further obligation to give notice of a need to cure. If the revised Request for Exclusion is not postmarked within that period, it will be deemed untimely.

56. Request for Exclusion Procedures: Any Class Member wishing to opt-out from the Action must sign and postmark the Request for Exclusion Form and mail this form to the Settlement Administrator by the Response Deadline. The Request for Exclusion must include (a) the Class Member's name, address, telephone number, and the last four digits of the Class Member's Social Security number and/or the Employee ID number; and (b) a clear statement requesting to be excluded from the settlement of the class claims. The date of the postmark on the return mailing envelope receipt confirmation will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. All Requests for Exclusion will be submitted to the Settlement Administrator, who will certify jointly to Class Counsel and Defendants' Counsel the Requests for Exclusion that were timely submitted. All Class Members who do not request exclusion from the Action will be bound by all terms of the Settlement Agreement if the Settlement is granted final approval by the Court. The Request for Exclusion shall not be effective as to the release of claims arising under PAGA.

57. Defendants' Right to Rescind: If seven percent (7%) or more of the Class Members (rounded to the next whole number) elect not to participate in the Settlement, Defendants may, at their election, rescind the Settlement Agreement and all actions taken in furtherance of it will be

thereby null and void. Defendants must meet and confer with Class Counsel prior to exercising this right and must make clear their intent to rescind the Agreement within fourteen (14) calendar days of the Settlement Administrator notifying the Parties of these opt-outs. If Defendants exercise their right to rescind the Agreement, Defendants shall be responsible for all Settlement Administration Costs incurred to the date of rescission.

58. Settlement Terms Bind All Class Members Who Do Not Opt-Out: Upon the complete funding of the Gross Settlement Amount, any Class Member who does not affirmatively opt-out of the Settlement by submitting a timely and valid Request for Exclusion will be bound by all of its terms, including those pertaining to the Released Class Claims, as well as any Judgment that may be entered by the Court if it grants final approval to the Settlement. Class Members who opt-out of the Settlement shall not be bound by such Judgment or release. The names of Class Members who have opted-out of the settlement shall be disclosed to the Counsel for both Plaintiff and Defendants and noted in the proposed Judgment submitted to the Court.

59. Objection Procedures: To make a written objection to the Settlement, a Participating Class Member must postmark a valid Objection Form and mail this form to the Settlement Administrator on or before the Response Deadline. The Objection must be signed by the Participating Class Member and contain all information required by this Settlement Agreement including the employee's full name, address, telephone number, the last four digits of their social security number and/or Employee ID number, the name of the case and case number, and the specific reason including any legal grounds for the Participating Class Member's objection. The postmark date will be deemed the exclusive means for determining that the Notice of Objection is timely. Participating Class Members who fail to object in the manner specified above will be foreclosed from making a written objection *but* shall still have a right to appear at the Final Approval Hearing in order to have their objections heard by the Court. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Participating Class Members to submit written objections to the Settlement or appeal from the Order and Judgment. Class Counsel will not represent any Class Members with respect to any objections to this Settlement.

1 60. Certification Reports Regarding Individual Settlement Payment Calculations: The
2 Settlement Administrator will provide Defendants' Counsel and Class Counsel a weekly report
3 which certifies: (a) the number of Class Members who have submitted valid Requests for
4 Exclusion; (b) the number of Notices returned and remailed; and (c) whether any Class Member
5 has submitted a challenge to any information contained in the Notice. Additionally, the Settlement
6 Administrator will provide to counsel for both Parties any updated reports regarding the
7 administration of the Settlement Agreement as needed or requested.

8 61. Uncashed Settlement Checks: Any checks issued by the Settlement Administrator
9 to Participating Class Members and PAGA Members will be negotiable for at least one hundred
10 eighty (180) calendar days. If a Participating Class Member or PAGA Member does not cash his
11 or her Settlement Check or PAGA payment check within 180 days, the uncashed funds, subject to
12 Court approval, shall be distributed to the Controller of the State of California to be held pursuant
13 to the Unclaimed Property Law, California Civil Code §1500, *et. seq.* for the benefit of those
14 Participating Class Members and PAGA Members who did not cash their checks until such time
15 that they claim their property. The Parties agree that this disposition results in no "unpaid residue"
16 under California Civil Procedure Code § 384, as the entire Net Settlement Amount will be paid
17 out to Participating Class Members and PAGA Members, whether or not they all cash their
18 Settlement Checks or PAGA payment checks. Therefore, Defendants will not be required to pay
19 any interest on such amounts. The Individual Settlement Payments provided to Participating Class
20 Members and to PAGA Members shall prominently state the expiration date or a statement that
21 the Settlement Check will expire in one hundred eighty (180) days, or alternatively, such a
22 statement may be made in a letter accompanying the Individual Settlement Payment. Expired
23 Individual Settlement Payments will not be reissued, except for good cause and as mutually agreed
24 by the Parties in writing. The parties agree no unclaimed funds will result from the settlement.

25 62. Administration of Taxes by the Settlement Administrator: The Settlement
26 Administrator will be responsible for issuing to Plaintiff, Participating Class Members, and Class
27 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant
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1 to this Settlement. The Settlement Administrator will also be responsible for forwarding all
2 penalties to the appropriate government authorities.

3 63. Tax Liability: Defendants make no representation as to the tax treatment or legal
4 effect of the payments called for hereunder, and Plaintiff and Participating Class Members are not
5 relying on any statement, representation, or calculation by Defendants or by the Settlement
6 Administrator in this regard. Plaintiff and Participating Class Members understand and agree that
7 they will be solely responsible for the payment of any taxes and penalties assessed on the payments
8 described herein. Defendants' share of any employer payroll taxes and other required employer
9 withholdings due on the Individual Settlement Payments, including, but not limited to, Defendants'
10 FICA and FUTA contributions, shall be paid separate and apart from the Gross Settlement
11 Amount.

12 64. Circular 230 Disclaimer: Each Party to this Agreement (for purposes of this section,
13 the "acknowledging party," and each Party to this Agreement other than the acknowledging party,
14 an "other party") acknowledges and agrees that: (1) no provision of this Agreement, and no written
15 communication or disclosure between or among the Parties or their attorneys and other advisers,
16 is or was intended to be, nor shall any such communication or disclosure constitute or be construed
17 or be relied upon as, tax advice within the meaning of United States Treasury Department circular
18 230 (31 CFR part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon
19 his, her, or its own independent legal and tax counsel for advice (including tax advice) in
20 connection with this Agreement, (b) has not entered into this Agreement based upon the
21 recommendation of any other Party or any attorney or advisor to any other Party, and (c) is not
22 entitled to rely upon any communication or disclosure by any attorney or adviser to any other party
23 to avoid any tax penalty that may be imposed on the acknowledging party; and (3) no attorney or
24 adviser to any other Party has imposed any limitation that protects the confidentiality of any such
25 attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon
26 disclosure by the acknowledging party of the tax treatment or tax structure of any transaction,
27 including any transaction contemplated by this Agreement.

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

66. Release by Participating Class Members: Upon the complete funding of the Gross Settlement Amount and all applicable employer-side payroll taxes by Defendants, Participating Class Members shall fully release and discharge the Released Parties from the Released Class Claims that arose during the Class Period. This release shall be binding on all Participating Class Members.

67. Release by the State of California and LWDA: Upon the complete funding of the Gross Settlement Amount and all applicable employer-side payroll taxes by Defendants the LWDA and the State of California, through Plaintiff as its agent and/or proxy, shall release and discharge the Released Parties from the Released PAGA Claims that arose during the PAGA Period. The Parties intend for this PAGA settlement to have claim preclusion, issue preclusion, or otherwise bar a representative action if an aggrieved employee were to bring a subsequent claim on behalf of the LWDA based on the same factual predicate as this Action and covering the same PAGA Period.

68. Release of Additional Claims & Rights by Plaintiff: Upon the funding of the Gross Settlement Amount, Plaintiff agrees—on behalf of himself only—to the additional following General Release: In consideration of Defendants’ promises and agreements as set forth herein, Plaintiff hereby fully releases the Released Parties from any and all Released Class Claims and Released PAGA Claims and also generally releases and discharges the Released Parties from any and all claims, demands, obligations, causes of action, rights, or liabilities of any kind which have been or could have been asserted against the Released Parties arising out of or relating to his employment by Defendants or termination thereof, including but not limited to claims for wages, restitution, penalties, retaliation, defamation, discrimination, harassment or wrongful termination of employment. This release specifically includes any and all claims, demands, obligations, and/or

causes of action for damages, restitution, penalties, interest, and attorneys' fees and costs (except provided by the Settlement Agreement) relating to or in any way connected with the matters referred to herein, whether or not known or suspected to exist, and whether or not specifically or particularly described herein. Specifically, Plaintiff waives all rights and benefits afforded by California Civil Code Section 1542, which provides:

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

This release specifically excludes claims for unemployment insurance, disability, social security, and workers compensation (with the exception of claims arising pursuant to California Labor Code Sections 132(a) and 4553).

69. Neutral Employment Reference: Defendants agree that they will adopt a neutral reporting policy regarding any future employment references related to Plaintiff. In the event that any potential or future employers of Plaintiff request a reference regarding Defendants' employment of Plaintiff, Defendants shall only provide Plaintiff's dates of employment, job title during employment, and final rate of pay. Defendants shall not refer to the Action or this Settlement.

70. Nullification of Settlement Agreement: In the event that: (a) the Court does not finally approve the Settlement as provided herein; (b) the Court strikes or does not approve any material term of this Settlement Agreement; or (c) the Settlement does not become final as written and agreed to by the Parties for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void, all amounts deposited into the QSF will be returned to Defendant, and the Parties shall be returned to their original respective positions. Any order or judgment entered by the Court in furtherance of this Settlement Agreement

will likewise be treated as void from the beginning. Should the Court fail to approve this settlement for any reason, the Parties agree that they will return to and attend mediation with Honorable Ronald Prager (Ret.) in an effort to reach a settlement that may be approved by the Court.

71. Preliminary Approval Hearing: Plaintiff will obtain a hearing before the Court to request Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval Order for: (a) conditional certification of the Settlement Class for settlement purposes only; (b) Preliminary Approval of the proposed Settlement Agreement; and (c) setting a date for a Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for the Notice to be sent to all Class Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will submit this Agreement, which sets forth the terms of the Settlement, and will include the proposed Notice Packet attached as Exhibits A-C. Defendants agree that they will not oppose Plaintiff's motion for Preliminary Approval. Plaintiff's Counsel will provide the Motion for Preliminary Approval to Defendant's Counsel seven (7) days before filing for their comments and feedback, which Plaintiff shall consider in good faith but shall not be required to accept. Any failure by the Court to fully and completely approve the Agreement as to the Action will result in this Settlement Agreement and the Memorandum of Understanding entered into by the Parties, and all obligations under this Settlement Agreement and the Memorandum of Understanding, being nullified and voided.

72. Final Settlement Approval Hearing and Entry of Judgment: Upon expiration of the deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with the Court's permission, a Final Approval/Settlement Fairness Hearing will be conducted to determine the Final Approval of the Settlement Agreement along with the amounts properly payable for: (a) Individual Settlement Payments; (b) the Attorneys' Fees and Costs; (c) the Class Representative Enhancement Payments; and (d) the Settlement Administration Costs. Class Counsel will be responsible for drafting all documents necessary to obtain Final Approval. Any failure by the Court to fully and completely approve the Settlement Agreement as to all of the Action, or the entry of any Order by another Court with regard to any of the Action which has the

effect of modifying material terms of this Agreement or preventing the full and complete approval of the Settlement Agreement as written and agreed to by the Parties, will result in this Agreement and all obligations under this Agreement being null and void. Defendants agree they shall not oppose the granting of the Motion for Final Approval, provided Defendants have not exercised their right to rescind pursuant to the terms of this Agreement.

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. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement; (b) Settlement administration matters; and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement.

74. Exhibits Incorporated by Reference: The terms of this Settlement include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein. Any Exhibits to this Settlement are an integral part of the Settlement.

75. Entire Agreement: This Settlement Agreement and any attached Exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

76. Amendment or Modification: This Settlement Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest and approved by the Court.

77. Authorization to Enter Into Settlement Agreement: Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to affect the implementation of the Settlement. If 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, any such dispute shall be submitted to Hon. Ronald S. Prager (Ret.) for binding resolution.

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

79. California Law Governs: All terms of this Settlement Agreement and Exhibits hereto will be governed by and interpreted according to the laws of the State of California.

80. Execution and Counterparts: This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument, provided that counsel for the Parties will exchange among themselves original signed counterparts.

81. Acknowledgement that the Settlement is Fair and Reasonable: The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

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

83. Waiver of Certain Appeals: The Parties agree to waive appeals and to stipulate to class certification for purposes of this Settlement only; except, however, that either party may appeal any court order that materially alters the Settlement Agreement's terms.

1 84. Class Action Certification for Settlement Purposes Only: The Parties agree to
2 stipulate to class-action certification only for purposes of the Settlement. If, for any reason, the
3 Settlement is not approved, the stipulation to certification will be void. The Parties further agree
4 that certification for purposes of the Settlement is not an admission that class-action certification
5 is proper under the standards applied to contested certification motions and that this Agreement
6 will not be admissible in this or any other proceeding as evidence that either: (a) a class action
7 should be certified; or (b) Defendants are liable to Plaintiff or any Class Member, other than
8 according to the Settlement's terms.

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

23 86. Captions: The captions and section numbers in this Agreement are inserted for the
24 reader's convenience, and in no way define, limit, construe, or describe the scope or intent of the
25 provisions of this Agreement.

26 87. Waiver: No waiver of any condition or covenant contained in this Settlement
27 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered
28

to imply or constitute a further waiver by such party of the same or any other condition, covenant, right, or remedy.

88. Enforcement Action: In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

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

90. Representation By Counsel: The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Agreement, and that this Agreement has been executed with the consent and advice of counsel and reviewed in full. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Agreement.

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

92. Cooperation and Execution of Necessary Documents: The Parties agree to cooperate to promote participation in the Settlement, and in seeking Court approval of the Settlement. The Parties and their counsel agree not to take any action to encourage any Class Members to opt out of and/or object to the Settlement. Defendants agree not to obtain any settlement agreement waivers, Pick Up Stix agreements or arbitration agreements from any Class Member prior to the funding of the Gross Settlement Amount concerning claims released via this Agreement, or enter into any arbitration agreement with any Class Member that covers the claims released via this Agreement during the Settlement approval process prior to the funding of the

Gross Settlement Amount, and that the Parties will work in good faith to reach an agreement approved by the Court.

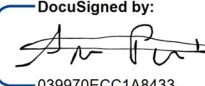
93. Confidentiality: The Parties and their counsel agree to keep the terms of the Settlement confidential until the filing of Plaintiff's Motion for Preliminary Approval. The Parties and their respective counsel shall not at any time issue any press release or media release or have any communication with the press or media regarding this Settlement. The Parties and their respective counsel shall not at any time engage in any advertising or distribute any marketing materials that mention Defendants by name or reference this Action by either case name or case number. The Parties and their respective Counsel shall not at any time post or reference Defendants by name or reference this Action by either case name or case number on any websites, except in connection with settlement approval and administration of the proposed settlement. Nothing in this provision is intended to or shall limit Class Counsel's ability to communicate with and respond to any inquiries from Class Members regarding the Settlement.

94. Binding Agreement: The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any settlement confidentiality provisions that otherwise might apply under federal or state law.

Dated: 8/3/2023

PLAINTIFF

By:

DocuSigned by:

039970ECC1A8433...

Steve Parrott

1 Dated: 8-7-2023

DEFENDANT

KNORR SYSTEMS, INT'L, LLC

By: [Signature]

Name: Richard Robert

Title: President

7 Dated: 8-7-2023

DEFENDANT

KNORR SYSTEMS, INC.

By: [Signature]

Name: Richard Robert

Title: President

14 Dated: _____

DEFENDANT

PLAYCORE HOLDINGS, INC.

By: _____

Name: _____

Title: _____

20 Dated: _____

DEFENDANT

PLAYCORE WISCONSIN INC.

By: _____

Name: _____

Title: _____

1 Dated: _____

DEFENDANT

KNORR SYSTEMS, INT'L, LLC

3 By: _____

4 Name: _____

5 Title: _____

7 Dated: _____

DEFENDANT

KNORR SYSTEMS, INC.

10 By: _____

11 Name: _____

12 Title: _____

13
14 Dated: August 4, 2023

DEFENDANT

PLAYCORE HOLDINGS, INC.

16 By: Brenda Grant

17 Name: Brenda Grant

18 Title: General Counsel

20 Dated: August 4, 2023

DEFENDANT

PLAYCORE WISCONSIN INC.

23 By: Brenda Grant

24 Name: Brenda Grant

25 Title: General Counsel

1 **APPROVED AS TO FORM ONLY**

2
3 Dated: 8/9/23

MILLER & MARTIN

4 By: Bradford G. Harvey (SES w/ permission)

5 Bradford G. Harvey

6 Attorneys for Defendant

7
8 Dated: August 4, 2023

PROTECTION LAW GROUP, LLP

9
10 By: Heather Davis

11 Heather Davis, Esq.

12 Attorneys for Plaintiff

Exhibit A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Parrott v. Knorr Systems, Int'l, LLC et al

Orange County Superior Court Case No. 30-2022-01268047

**THIS IS A COURT-AUTHORIZED NOTICE. IT IS NOT A SOLICITATION.
PLEASE READ THIS NOTICE CAREFULLY.
YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT.**

To: All individuals employed in an hourly or non-exempt position by Knorr Systems, Int'l, LLC, Knorr Systems, Inc., PlayCore Holdings, Inc, and PlayCore Wisconsin, Inc. in the State of California at any time between July 1, 2018, and **May 4, 2023** (the "Class").

BASIC INFORMATION

1. What is this settlement about?

A lawsuit has been commenced by Steve Parrott ("Plaintiff") against Defendants Knorr Systems, Int'l, LLC, Knorr Systems, Inc., PlayCore Holdings, Inc, and PlayCore Wisconsin, Inc ("Defendants"). The case is currently pending in the Orange County Superior Court, Case No. 3030-2022-01268047.

The lawsuit claims that Defendants violated sections of the California Labor Code and California Business and Professions Code. Specifically, Plaintiff alleges that Defendants failed to provide compliant meal and rest periods and associated premium pay, did not properly pay employees all wages owed for time worked, including overtime, did not reimburse business expenses, did not provide accurate wage statements, did not timely pay all wages during employment and all wages owed at termination of employment, and maintained unfair business practices. The settlement also seeks to recover penalties pursuant to the California Private Attorneys General Act ("PAGA"). The lawsuit claims that the Defendants violated the California Labor Code and the California Business and Professions Code, entitling Class Members are entitled to, *inter alia*, damages, penalties, and restitution.

Defendants deny all alleged violations and deny that they owe the Class Members any remedies. Defendants maintain that they complied with all applicable laws, orders, and regulations at issue in the lawsuit. The Court has not made a ruling on the merits of the case. Plaintiff and Defendants engaged in contested litigation, including exchanging key information, documents, and data, and participated in extensive settlement negotiations, including a mediation before a neutral mediator whom Plaintiff proposed and to whom Defendants agreed. Those negotiations led to a settlement.

2. Why is this a class action?

In a class action, one or more people, called the Class Representative(s), sue on behalf of people who appear to have similar claims. All these people are referred to as Class Members. In a class action, one court resolves the issues for all Class Members in one lawsuit, except for those who exclude themselves from the Class. The Orange County Superior Court is in charge of this class action. Plaintiff and Defendants have agreed to the certification of this lawsuit as a class action for settlement purposes only.

3. Why is there a settlement?

The Court has not decided in favor of the Plaintiff or Defendants. Instead, both sides agreed to a settlement which is memorialized in the Joint Stipulation of Class Action and PAGA Settlement ("Agreement" or "Settlement"). On **[DATE OF PRELIMINARY APPROVAL]** the Court granted preliminary approval of the Settlement, appointed Steve Parrott as the Class Representative, and appointed his attorneys at Protection Law Group as counsel for the Class

(“Class Counsel”). The Court has not made a final determination regarding whether the settlement is fair or should be approved. Instead, the Court has only determined that there is sufficient evidence that the Settlement might be fair. A final determination will be made at the hearing on final approval of the settlement on [REDACTED].

WHO IS IN THE SETTLEMENT?

4. How do I know if I am part of the settlement?

You are part of the Settlement, and a Class Member, if you were employed by Defendants as an hourly-paid or non-exempt employee in the State of California at any time between July 1, 2018, and May 4, 2023.

THE SETTLEMENT BENEFITS—WHAT YOU GET

5. What does the settlement provide?

Plaintiff and Defendants disagreed as to whether the lawsuit was appropriate for a class action, whether there is any liability, and the amount of damages, if any. Defendants raised numerous defenses that could significantly reduce or eliminate any liability or damages to the Class. Accordingly, there were significant risks to the Class associated with continuing the lawsuit and significant benefits to settling the lawsuit short of trial. Having considered the benefits and risks associated with further litigation, Plaintiff and Class Counsel determined that settlement under the terms described in this Notice is a fair and reasonable compromise in the best interests of the Class. The Class has reviewed the terms of the Settlement and preliminarily approved it as fair and reasonable to the Class.

The Settlement provides that Defendants will pay a maximum of Three Hundred and Seventy-Five Thousand Dollars (\$375,000.00) (“Gross Settlement Amount”). This includes all costs and attorneys’ fees for Class Counsel.

The “Net Settlement Amount” is the portion of the Gross Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion in exchange for the release of their class claims. The Net Settlement Amount is the Gross Settlement Amount less the following amounts (which are subject to Court approval):

- A. **Attorneys’ Fees to Class Counsel** not to exceed one-third of the Gross Settlement Amount, i.e. One Hundred and Twenty-Five Thousand Dollars (\$125,000.00);
- B. **Litigation Costs/Expenses to Class Counsel** not to exceed Fifteen Thousand Dollars (\$15,000.00);
- C. **Enhancement Payment to the Class Representatives** in an amount not to exceed Five Thousand Dollars (\$5,000.00) for Plaintiff Steve Parrott;
- D. **Settlement Administration Costs** which are currently estimated to be Six Thousand Five Hundred Dollars (\$6,500.00); and
- E. **PAGA Payment** in the amount of Thirty Thousand Dollars (\$30,000.00) for the settlement of claims arising under the Private Attorney’s General Act of 2004 (PAGA). Seventy-Five percent (75%) of this amount, (\$22,500.00) shall be paid to the California Labor & Workforce Development Agency (“LWDA”). The remaining twenty-five percent (25%) (\$7,500.00) will be distributed to hourly-paid or non-exempt employees who worked for Defendants in the State of California at any time between July 1, 2020, and May 4, 2023, for the release of their claims arising under PAGA.

The amount you are eligible to receive from the settlement, your “Individual Settlement Payment,” will be determined on a *pro rata* basis, based on the number of weeks you worked in California as an hourly-paid, non-exempt employee

of Defendants from July 1, 2018, and May 4, 2023 (“Workweeks”). Your Individual Settlement Payment includes both your estimated share of the Net Settlement Amount and, if eligible, your share of the PAGA Payment.

The Class Portion of your Individual Settlement Payment will be apportioned as twenty percent (20%) wages, forty percent (40%) penalties, and forty percent (40%) interest. The PAGA Portion of your Individual Settlement Payment, if any, will be allocated as 100% penalties. The wage portion of the Individual Settlement Payment will be subject to withholding for the employee taxes and will be reported on a W-2 Form. Employer-side payroll taxes shall be paid separately from and in addition to the Gross Settlement Amount. The penalties and interest portions of each settlement payment will not be subject to any withholdings and will be reported on an IRS Form 1099.

You worked XXX workweeks during the Class Period. The Class Portion of Your Individual Settlement Payment is \$XXX.XX. This amount is an estimate and is subject to change depending on the payments approved by the Court and other potential factors.

You worked XXX workweeks during the PAGA Period. The PAGA Portion of Your Individual Settlement Payment is \$XXX.XX.

This amount was determined based on Defendants’ record of your employment and is presumed correct. If you dispute the accuracy of Defendants’ records as to the number of weeks worked during the Class or PAGA Period, provide any documentation you have supporting such dispute to the Settlement Administrator at the address below by [Response Deadline]. All disputes regarding your workweeks will be resolved and decided by the Parties, or if the Parties cannot agree, the Court, after you submit evidence to the Settlement Administrator. The Settlement Administrator’s contact information is listed below:

[Settlement Administrator]
[Address]
[Telephone No].

HOW TO GET A PAYMENT FROM THE SETTLEMENT

6. How can I get a payment?

You do not have to do anything to qualify for a payment of your portion of the Settlement.

7. What am I giving up if I do not request to be excluded from the Settlement?

Upon the funding of the Gross Settlement Amount by Defendants, in exchange for the consideration set forth by the Settlement, Class Members who do not submit a timely request for exclusion will release the “Released Parties” from the “Released Class Claims” that arose during the “Class Period.”

The “Released Parties” include Defendants and their past, present, and/or future officers, directors, members, managers, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

The “Released Class Claims” means all claims, rights, demands, liabilities, and causes of actions that are alleged, or reasonably could have been alleged, based on the facts alleged in the operative complaint in the Action, including factual claims regarding Defendants’ alleged: (i) failure to pay all regular wages, minimum wages, and overtime wages due; (ii) failure to provide meal periods or compensation in lieu thereof; (iii) failure to provide rest periods or compensation in lieu thereof; (iv) failure to reimburse necessary business expenses; (v) failure to provide complete, accurate wage statements; (vi) failure to pay wages timely at time of termination or resignation; (vii) failure to timely pay wages during employment; and (viii) unfair business practices.

The “Class Period” during which the release of Released Class Claims pertains is from July 1, 2018, to May 4, 2023.

Additionally, all current and former non-exempt employees of Defendants who were employed by Defendants in the state of California between July 1, 2020, and May 4, 2023, shall release the Released PAGA Claims that arose during the PAGA Period. You cannot opt-out of the release of the claims alleged under PAGA.

The “Released PAGA Claims” include all claims under the California Labor Code Private Attorneys General Act of 2004 for civil penalties that could have been premised on the facts alleged in either the PAGA Letter to the LWDA or the operative complaint, and which arose during the PAGA Period, including but not limited to penalties that could have been awarded pursuant to Labor Code sections 203, 210, 226, 226.3, 558, 1174.5, 1197.1, and those penalties that could have been awarded pursuant to Labor Code 2699 based on the facts alleged.

The “PAGA Period” during which the release of the Released PAGA Claims pertains is from July 1, 2020, to May 4, 2023.

EXCLUDING YOURSELF FROM THE RELEASE OF NON-PAGA CLAIMS

If you want to keep the right to sue or continue to sue Defendants with respect to the Released Class Claims, then you must submit a request for exclusion in conformity with the requirements set forth herein. If you exclude yourself, you will not receive payment from Net Settlement Amount. However, if eligible, you will still receive a payment in an amount equal to your estimated *pro rata* share of the PAGA Payment because the Request for Exclusion does not apply to this claim.

8. How can I not participate in the Settlement?

To exclude yourself from the release of Released Class Claims you must submit a written request for exclusion. A Request for Exclusion Form has been sent to you along with this Notice. You must complete all information on this form or submit a separate written request for exclusion that includes your name, address, telephone number and the last four digits of your social security number and/or employee ID number.

Your Request for Exclusion Form or separate written request for exclusion must be mailed to the Settlement Administrator at the address listed below, post-marked by [DATE]. You cannot exclude yourself by phone or any means other than those described in this Notice.

[Settlement Administrator]
[Address]

If you ask to be excluded, you will not receive payment of any portion of the Net Settlement Amount and you cannot object to the Settlement. You will not be legally bound by the release of Released Class Claims.

You may be able to sue Defendants and/or the Released Parties or continue any suit you have pending against Defendants or the Released Parties, regarding the Released Class Claims.

9. If I don’t exclude myself, can I sue Defendants for the same thing later?

No. Unless you submit a request for exclusion, you give up the right to sue Defendants and Released Parties for the Released Class Claims. If you have a pending lawsuit involving the Released Class Claims, speak to your lawyer in that lawsuit immediately.

10. If I exclude myself, can I get money from this settlement?

You will not receive money for the class claims. You will still receive your portion of the PAGA Payment if eligible because the request for exclusion does not apply to this claim.

THE LAWYERS REPRESENTING YOU

11. Do I have a lawyer in this case?

The Court has approved Protection Law Group, LLP as Class Counsel. This firm's contact information is set forth below:

PROTECTION LAW GROUP LLP

Heather Davis, Esq.
Amir Nayebdadash, Esq.
237 California Street
El Segundo, California 90245
Telephone: (424) 290-3095

Class Counsel will ask the Court for attorneys' fees of up to \$125,000.00 and reimbursement of litigation cost/expenses of up to \$15,000.00. These amounts are subject to Court approval and the Court may award less than these amounts.

OBJECTING TO THE SETTLEMENT

You can object to the Settlement or some part of it.

12. How do I tell the Court I want to object to the settlement?

If you are a Class Member, you can object to the Settlement and you can give reasons for why you think the Court should not approve it. The Court will consider your views. An Objection Form has been included with this Notice. To object, you must mail your objection to the Settlement Administrator no later than **[Response Deadline]**. Your objection must include your full name, address, telephone number, and the specific reason for your objection. You may come to the Final Approval Hearing on **[Response Deadline]** and make an objection at that time, regardless of whether you submitted a written objection.

13. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to grant final approval of the Settlement ("Final Approval Hearing"). You may attend, but you do not have to attend.

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

The Court will hold the Final Approval Hearing at [redacted] a.m./p.m. on [redacted], 2023], at the Orange County Superior Court located at 751 W Santa Ana Blvd, Santa Ana, CA 92701 in Department CX103.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, and determine whether to grant final approval of the Settlement. If there are objections, the Court will consider them.

15. Do I have to come to the hearing?

No. If you agree to the Settlement, you do not have to come to Court to talk about it. However, you may attend. You may also retain your own lawyer at your expense to attend on your behalf.

16. How will I learn if the settlement was approved

A notice of final judgment will be posted on the Settlement Administrator website located at www._____.com. The Notice will be posted on the Settlement Administrators website for a period of 180 days following entry of Judgment.

IF YOU DO NOTHING

17. What happens if I do nothing at all?

If you do nothing, you will receive your share of the Settlement, and you will release the Released Class Claims. You will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants or Released Parties about the Released Class Claims, ever again. Your Individual Settlement Payment will be mailed to you and remain valid and negotiable for 180 days. If you do not cash your settlement check within 180 days from the date on the check, these funds will be transferred to the Controller of the State of California's Unclaimed Property Fund. You may then claim these funds from there.

If you lose your check or it is damaged in the mail, contact the Settlement Administrator.

GETTING MORE INFORMATION

18. How do I get more information?

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by viewing the settlement located on the Settlement Administrator's website at _____ or by contacting the Settlement Administrator or Class Counsel. You may also review the documents that have been filed in this matter with the Court (for a fee) on the Court's website: <https://www.occourts.org/online-services/case-access>

WHAT IF MY INFORMATION CHANGES?

19. What if my contact information changes ?

It is your responsibility to inform the Settlement Administrator of your updated information to ensure receipt of settlement payments or communications regarding this matter. You can change or update your contact information by contacting the Settlement Administrator.

DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE CLERK OF THE COURT OR THE JUDGE