

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

CARLOS A. VAZQUEZ FIERROS, ET AL. V. RGH ENTERPRISES, LLC
SUPERIOR COURT FOR THE COUNTY OF SAN BERNARDINO
CASE NUMBER CIVSB2320906
CONSOLIDATED WITH CASE No. CIVSB2322845

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiffs Carlos A. Vazquez Fierros (“Plaintiff Fierros”) and Imelda Parra Corona (“Plaintiff Corona”) (together, “Plaintiffs”) and RGH Enterprises, LLC (“Defendant”) and is subject to court approval. The Agreement refers to Plaintiffs and Defendant collectively as the “Parties,” or individually as “Party.”

1. DEFINITIONS

In addition to other terms defined in this Agreement, the terms below have the following meaning in this Agreement:

- 1.1. “Action” means the class and PAGA representative action pending in the Superior Court of the State of California, County of San Bernardino, Case No. CIVSB2320906, previously consolidated with County of San Bernardino, Case No. CIVSB2322845.
- 1.2. “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employees” means all individuals who are or were employed by Defendant in California as non-exempt employees at any time during the PAGA Period.
- 1.5. “Class” means all individuals who are or were employed by Defendant in California as non-exempt employees at any time during the Class Period.
- 1.6. “Class Counsel” means collectively, (1) Michael Nourmand and James A. De Sario of The Nourmand Law Firm, APC; (2) Mehrdad Bokhour of Bokhour Law Group, P.C., and (3) Michelle Eshaghian of Eshaghian Law, P.C.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts to be paid to Class Counsel for reasonable fees and expenses, respectively, as approved by the Court, to compensate Class Counsel for their legal work in connection with the Action, including their pre-filing investigation, their filing of the Action, all related litigation activities, all Settlement-related work, including any appeals, all post-Settlement compliance procedures, and related litigation expenses billed in connection with the Action.
- 1.8. “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security

number, email address (if known and available to Defendant), and number of Workweeks worked during the Class Period and PAGA Pay Periods worked during the PAGA Period, as applicable.

- 1.9. “Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non- Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10. “Class Member Address Search” means the Administrator’s investigation and search for Class Members’ mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members and/or as requested by counsel.
- 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English and Spanish in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement (other than non-material changes to facilitate printing by the Administrator).
- 1.12. “Class Period” means the period of time from December 18, 2020 through April 11, 2025.
- 1.13. “Class Representatives” means the named Plaintiffs in the Operative Complaint in the Action seeking Court approval to serve as Class Representatives.
- 1.14. “Class Representative Service Payments” means the service payments made to the Plaintiffs as Class Representatives in order to compensate them for initiating the Action, performing work in support of the Action, undertaking the risk of liability for Defendant’s expenses, and for the general release of all claims by the Plaintiffs.
- 1.15. “Court” means the Superior Court of California, County of San Bernardino.
- 1.16. “Defendant” means RGH Enterprises, LLC dba HHI Enterprises, LLC.
- 1.17. “Defense Counsel” means Lois M. Kosch, Nicole R. Roysdon, Saba Zafar, and Geoffrey D. La Val of Wilson Turner Kosmo LLP.
- 1.18. “Effective Date” means the date by when all of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; (b) the Judgment is final; and (c) Defense Counsel is served with a copy of the Order Granting Final Approval. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

- 1.19. “Final Approval” means the Court’s Order Granting Final Approval of the Settlement.
- 1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement to determine whether to approve finally and implement the terms of this Agreement and enter the Judgment.
- 1.21. “Gross Settlement Amount” means One Million Three Hundred Thousand Dollars (\$1,300,000) which is the total amount to be paid by Defendant. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payments and the Administration Expenses Payment. This Gross Settlement Amount is an all-in amount without any reversion to Defendant, and excludes any employer payroll taxes, if any, due on the portion of the Individual Class Payments allocated to wages which shall not be paid from the Gross Settlement and shall be the separate additional obligation of Defendant.
- 1.22. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.23. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.
- 1.24. “Judgment” means the judgment entered by the Court based upon Final Approval.
- 1.25. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i), in effect prior to July 1, 2024, to receive the LWDA PAGA Payment.
- 1.26. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i), in effect prior to July 1, 2024.
- 1.27. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, LWDA PAGA Payment, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Administration Expenses Payment. The Net Settlement Amount is to be paid to Participating Class Members as Individual Class Payments.
- 1.28. “Non-Participating Class Member” means a Class Member who opts out of the Class Settlement by submitting a valid and timely Request for Exclusion to the Administrator.
- 1.29. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee received a wage payment for work performed as a non-exempt employee in California for Defendant during the PAGA Period.
- 1.30. “PAGA Period” means the period of time from August 31, 2022 through April 11, 2025.

- 1.31. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698, et seq.).
- 1.32. “PAGA Notice” collectively means (1) Plaintiff Vazquez Fierros’ August 30, 2023 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a), and (2) Plaintiff Corona’s September 18, 2023 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.33. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (\$50,000), allocated 25% to the Aggrieved Employees (\$12,500) and 75% to the LWDA (\$37,500) in settlement of PAGA claims.
- 1.34. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.35. “Plaintiffs” means Carlos A. Vazquez Fierros and Imelda Parra Corona, the named plaintiffs in the Action.
- 1.36. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.37. “Released Class Claims” means, as set forth in Paragraph 6.2 below, all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint in the Action which occurred during the Class Period, to the full extent allowed by the law.
- 1.38. “Released PAGA Claims” means, as set forth in Paragraph 6.3 below, all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint in the Action and the PAGA Notice to the full extent allowed by law that occurred during the PAGA Period.
- 1.39. “Released Parties” means: Defendant and each of its former and present owners, predecessors, successors, assigns, board members, trustees, members, partners, representatives, heirs, executors, administrators, affiliated and related entities, commonly owned or controlled entities, parents, subsidiaries, affiliates, officers, shareholders, directors, agents, employees, attorneys, insurers, and any individual or entity to whom liability for claims released by Plaintiffs, or the Released Class Claims and Released PAGA Claims, could be assigned pursuant to Labor Code section 558.1 or on a joint-employer, alter-ego, or other vicarious liability theory..
- 1.40. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.41. “Response Deadline” means forty-five (45) calendar days after the Administrator mails the Class Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) submit Requests for Exclusion from the Settlement, (b) submit an Objection to the Settlement, or (c) submit a challenge to their Workweeks or PAGA Pay Periods. Class Members to whom Class Notice is resent after having

been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the expiration of the Response Deadline in which to respond.

- 1.42. “Settlement” means the disposition of the Action and all related claims effectuated by this Agreement and the Judgment.
- 1.43. “Workweek” means any calendar week during the Class Period in which a Class Member received a wage payment for work performed as a non-exempt employee in California for Defendant.

2. RECITALS

- 2.1. On August 31, 2023, Plaintiff Fierros filed a putative wage and hour class action complaint against Defendant in San Bernardino County Superior Court, Case No. CIVSB2320906 (the “Fierros Action”).
- 2.2. On September 19, 2023, Plaintiff Corona filed a putative wage and hour class action and PAGA complaint against Defendant in San Bernardino County Superior Court, Case No. CIVSB2322845 (the “Corona Action”).
- 2.3. On December 20, 2023, Plaintiff Fierros filed a First Amended Class Action Complaint in the Fierros Action, adding a cause of action for Civil Penalties for violations of the California Labor Code, pursuant to PAGA, §§ 2698, *et seq.*
- 2.4. On March 7, 2024, the Parties stipulated to consolidate the Fierros Action and the Corona Action by permitting the filing of a Second Amended Complaint in the Fierros Action to add Plaintiff Corona as a class representative and permit Plaintiff Corona to dismiss the Corona Action without prejudice.
- 2.5. On March 20, 2024, Plaintiffs filed a Second Amended Consolidated Class and PAGA Representative Action in the Fierros Action that alleged the following causes of action against Defendant:
- (1) Failure to Pay All Minimum Wages,
 - (2) Failure to Pay All Overtime Wages,
 - (3) Failure to Provide Rest Periods and Pay Missed Rest Period Premiums,
 - (4) Failure to Provide Meal Periods and Pay Missed Meal Period Premiums,
 - (5) Failure to Maintain Accurate Employment Records,
 - (6) Failure to Pay Wages Timely during Employment,
 - (7) Failure to Pay All Wages Earned and Unpaid at Separation,
 - (8) Failure to Reimburse Business Expenses,
 - (9) Failure to Furnish Accurate Itemized Wage Statements,
 - (10) Unfair Competition Law, and
 - (11) PAGA Penalties.
- 2.6. On April 8, 2025, Plaintiffs filed a stipulation to permit Plaintiffs to file a Third Amended Complaint (TAC), which will add allegations and a new cause of action for failure to pay

all sick pay wages. Upon the Court's entry of an order granting the Parties' stipulation, Plaintiffs will file the Third Amended Complaint, which will become the "Operative Complaint" in the Action.

Mediation and Settlement

- 2.7. On September 26, 2024, the Parties participated in an all-day mediation with Steve Serratore, Esq., a respected mediator of wage and hour representative and class actions. The case did not settle at mediation but several months after the mediation, each side, represented by its respective counsel, was able to agree to settle the Action based upon a mediator's proposal, which was memorialized in the form of a Memorandum of Understanding. This Agreement replaces and supersedes that Memorandum of Understanding and any other agreements, understandings, or representations between the Parties regarding the same.
- 2.8. Prior to mediation, Plaintiffs obtained sufficient documents and information to sufficiently investigate the claims such that Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").
- 2.9. The Parties agree this Settlement is a fair compromise of disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant that the claims in the Action of Plaintiffs, the Class, or the Aggrieved Employees have merit or that Defendant bears any liability to Plaintiffs, the Class, or the Aggrieved Employees on those claims or any other claims, or as an admission by Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree to certification of the Class for purposes of this Settlement only. If for any reason the Settlement does not become effective, this Agreement shall be automatically void and vacated and Defendant reserves the right to contest certification of any class for any reason and reserves all available defenses to the claims in the Action.
- 2.10. The Parties, Class Counsel, and Defense Counsel represent that they are not aware of any other pending class or PAGA action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay \$1,300,000 and no more as the Gross Settlement Amount. This amount is all-inclusive of all payments contemplated in this resolution, excluding any employer-side payroll taxes on the portion of the Individual Class Payments allocated to wages, which shall be separately paid by Defendant. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2. Payments from the Gross Settlement Amount. Subject to the terms and conditions of this Agreement, the Administrator will make the following payments out of the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval.

- (1) To Plaintiffs: Class Representative Service Payments to the Class Representatives of not more than \$10,000 each, in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as a Participating Class Member and Aggrieved Employee. Defendant will not oppose Plaintiffs' request for Class Representative Service Payments that do not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves Class Representative Service Payments less than the amounts requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payments.
- (2) To Class Counsel: A Class Counsel Fees Payment of not more than one-third (1/3) of the Gross Settlement Amount, which is currently estimated to be \$433,333.33, and the Class Counsel Litigation Expenses Payment, in an amount not to exceed \$30,000. The Class Counsel Fees Payment shall be allocated among Class Counsel as follows: 50% to Plaintiff Fierros's counsel and 50% to Plaintiff Corona's counsel. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment in amounts less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. With the exception of the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, all Parties shall bear their own fees and costs. Defendant and the Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion of any Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these payments.
- (3) To the Administrator: An Administration Expenses Payment not to exceed \$10,000 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses Payment is less, or the Court approves payment less than \$10,000, the Administrator will retain the remainder in the Net Settlement Amount for distribution to Participating Class Members.

- (4) To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$50,000 to be paid from the Gross Settlement Amount, with 75% (\$37,500) allocated to the LWDA PAGA Payment and 25% (\$12,500) allocated to the Individual PAGA Payments.
- i. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$12,500) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on these payments, except as otherwise required by law.
 - ii. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.
- (5) To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.
- i. Tax Allocation of Individual Class Payments. 10% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. 90% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for non-wages, expense reimbursement, interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.
 - ii. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis. Any Non-Participating Class Member who is also an Aggrieved Employee will still receive their Individual PAGA Payment.

4. SETTLEMENT FUNDING

- 4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on its records and prior to mediation, Defendant represented that the Class consists of approximately 813 Class Members who collectively worked a total of 53,000 Workweeks between December 18, 2020 and September 17, 2024, and 573 Aggrieved Employees who worked a total of 15,686 PAGA Pay Periods between August 31, 2022 and September 17, 2024.
- 4.2. Class Data. Not later than twenty-one (21) calendar days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the

Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform their duties under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if they discover that the Class Data omitted Class Member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their respective counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

- 4.3. Funding of the Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than sixty (60) calendar days after the Effective Date.

5. PAYMENTS FROM THE GROSS SETTLEMENT AMOUNT

- 5.1. Within fourteen (14) calendar days after Defendant funds the Gross Settlement Amount, the Administrator will wire or mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments.
- 5.2. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the "void date", which is one hundred eighty (180) days after the date of mailing, when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Class Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the National Change of Address Database. If a Participating Class Member's or Aggrieved Employee's check is not cashed within one hundred twenty (120) days after its last mailing to the affected individual, the Administrator will also send the individual a notice informing him or her that unless the check is cashed by the void date, it will expire and become non-negotiable and offer to replace the check if it was lost or misplaced but not cashed.
- 5.3. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without a USPS forwarding address. Within seven (7) calendar days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to

deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, if requested by the Class Member prior to the void date.

5.4. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

5.5. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

6. RELEASE OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Participating Class Members, Aggrieved Employees, and the LWDA will release claims against all Released Parties as follows:

6.1 Plaintiffs' General Releases. Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns, fully release and discharge Defendant and the Released Parties from any and all charges, complaints, claims, demands, rights, liabilities, obligations, promises, agreements, controversies, transactions, occurrences, damages, suits, costs, losses, debts, actions, causes of action, or expenses (including back wages, penalties, liquidated damages, and attorney's fees and costs actually incurred), of any form or nature whatsoever, whether known or unknown, foreseen or unforeseen, anticipated or unanticipated, suspected or unsuspected, that Plaintiffs now have or may have against Defendant and the Released Parties arising from or relating to any and all acts, events and omissions occurring prior to the date of execution of this Agreement, whether or not asserted before such date ("Plaintiffs' General Release"). Without limiting the generality of the foregoing, Plaintiffs expressly release all claims which were or could have been raised in the Action and any and all tort claims, contract claims, equitable claims, denial of leave claims, breach of fiduciary duty claims, breach of duty of fair representation claims, promissory estoppel claims, negligence claims, assault and battery claims, violation of public policy claims, ERISA claims, wrongful termination claims, discrimination claims, harassment claims, retaliation claims, constructive discharge claims, failure to provide reasonable accommodation claims, failure to engage in the interactive process claims, failure to prevent discrimination claims, failure to prevent retaliation claims, statutory claims, personal injury claims, emotional distress claims, invasion of privacy claims, defamation claims, fraud claims, quantum meruit claims, any and all claims for monetary damages and any other form of personal relief, any claim for unpaid wages, including those arising under the California Labor Code and/or Fair Labor Standards Act, and any and all claims arising under any federal, state or local governmental statute, law, regulation or ordinance covering discrimination in employment, including but not limited to the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964,

as amended, the Americans with Disabilities Act, the California Private Attorneys General Act, the California Family Rights Act, and the Family and Medical Leave Act of 1993, including discrimination based on race, color, religious creed, national origin, ancestry, physical or mental disability, medical condition, age, marital status, sex, sexual orientation or identity, harassment, and retaliation. Plaintiffs' General Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits, or any other claims which cannot be released by law. Plaintiffs acknowledge they may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' General Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

- (1) Plaintiffs' Waiver of Rights Under Civil Code Section 1542. For purposes of Plaintiffs' General Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect exists 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.

- 6.2. Release by Participating Class Members. All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, fully release and discharge Defendant and the Released Parties from any and all causes of action, claims, rights, damages, and penalties arising at any time during the Class Period that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint in the Action including, inter alia, all claims arising under California Labor Code §§ 201, 202, 203, 204, 210, 218, 218.5, 226, 226.3, 226.7, 246, 248.5, 510, 512, 558, 1174, 1174.5, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2699, and 2802; the Applicable Wage Orders, California Business and Professions Code §§17200-17208; California Civil Code §§ 3287, 3288, and 3289; California Code of Civil Procedure §1021.5, and any other applicable state or federal law, including the Fair Labor Standards Act, and any other statute, ordinance, rule and/or regulation, including the IWC Wage Orders, imposing liability and/or obligations that could be brought, for any and all of the following claims relating to (1) failure to pay proper minimum and overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the applicable IWC Wage Order(s); (2) failure to pay sick wages at the proper legal rate; (3) failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section 226.7 and the applicable IWC Wage Order(s); (4) failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the applicable IWC Wage Order(s); (5) failure to timely pay wages and failure to pay all wages due and owing during employment and at separation in violation of Labor Code sections 201-204; (6) failure to provide complete and accurate wage statements and maintain accurate records in violation of Labor Code sections 226, 226.3, and 1174; (7) failure to reimburse necessary business expenses; (8) deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California's Unfair

Competition Law (Bus. & Prof. Code, §§ 17200–17210); (9) statutory penalties based on the foregoing pursuant to PAGA (Lab. Code, §§ 2698- 2699.6); and (9) all claims for liquidated damages, penalties, interest, fees, costs based on the foregoing.

6.3. Release by Aggrieved Employees. All Aggrieved Employees and the LWDA are deemed to release and discharge fully, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, Defendant and the Released Parties from any and all rights and claims for civil penalties pursuant to PAGA during the PAGA Period that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint in the Action and the PAGA Notice including, inter alia, all claims arising under California Labor Code §§ 201, 202, 203, 204, 210, 218, 218.5, 226, 226.3, 226.7, 246, 248.5, 510, 512, 558, 1174, 1174.5, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2699, and 2802 and the Applicable Wage Orders for any and all of the following claims relating to (1) failure to pay proper minimum and overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the applicable IWC Wage Order(s); (2) failure to pay sick wages at the proper legal rate; (3) failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section 226.7 and the applicable IWC Wage Order(s); (4) failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the applicable IWC Wage Order(s); (5) failure to timely pay wages and failure to pay all wages due and owing during employment and at separation in violation of Labor Code sections 201-204; (6) failure to provide complete and accurate wage statements and maintain accurate records in violation of Labor Code sections 226, 226.3, and 1174; (7) failure to reimburse necessary business expenses; (8) deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California’s Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); (9) statutory penalties based on the foregoing pursuant to PAGA (Lab. Code, §§ 2698- 2699.6); and (9) all claims for liquidated damages, penalties, interest, fees, costs based on the foregoing.

7. **MOTION FOR PRELIMINARY APPROVAL.** Class Counsel shall prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s procedures and instructions. Class Counsel will provide Defense Counsel with a draft of these documents for review and comment and such drafts will be provided at least five (5) court days prior to the filing of the Motion for Preliminary Approval. In addition, Class Counsel will notify the LWDA of the Settlement as required by Labor Code section 2699, subd. (l) (in effect prior to July 1, 2024).

7.1. Plaintiffs’ Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)) (in effect prior to July 1, 2024); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) signed declarations from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (iv) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its

timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint in the Action (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (v) all facts relevant to any actual or potential conflict of interest with Class Members or the Administrator. In their Declarations, Plaintiffs and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

7.2. Responsibilities of Counsel. Class Counsel is responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than thirty (30) calendar days after execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval Order to the Administrator.

7.3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns. However, no Party shall be obligated to consent to any material change in the Agreement, whether or not such material change is caused or requested by the Court.

8. SETTLEMENT ADMINISTRATION

8.1. Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, ILYM agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Administrator's duties will include preparing, printing, and mailing the Class Notice to all Class Members; conducting a National Change of Address search to update Class Member addresses before mailing the Class Notice; re-mailing Class Notices that are returned to the Class Member's new address; setting up a toll-free telephone number and email and a fax number to receive communications from Class Members; receiving and reviewing for validity completed Requests for Exclusion; providing the Parties with weekly status reports about the delivery of Class Notices and receipt of Requests for Exclusion, objections and disputes; calculating Individual Class Payments and Individual PAGA Payments; issuing the checks to effectuate the payments due under the Settlement; sending reminders to Participating Class Members who have not cashed their checks; issuing the tax reports required under this Settlement; and otherwise administering the Settlement pursuant to this Agreement. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

8.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.

8.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.

8.4. Notice to Class Members.

- (1) No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and PAGA Pay Periods in the Class Data.
- (2) Using best efforts to perform as soon as possible, and in no event later than fourteen (14) calendar days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- (3) Not later than seven (7) days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- (4) The deadlines for Class Members’ written objections, Challenges to Workweeks and/or PAGA Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) calendar days beyond the Response Deadline provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- (5) If the Administrator, the Parties, Defense Counsel or Class Counsel is contacted by or otherwise discovers any persons who believes they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in good faith to determine whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) calendar days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

8.5. Requests for Exclusion (Opt-Outs).

- (1) Class Members who wish to exclude themselves from (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than the Response Deadline (plus an additional fourteen (14) calendar days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
- (2) The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- (3) Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Release under Paragraph 6.2 of the Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- (4) Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.3 of this Agreement and are eligible for an Individual PAGA Payment. If a Class Member submits both a Request for Exclusion and an objection, only the Request for Exclusion will be accepted, and the objection will be void and the Class Member shall be deemed a Participating Class Member.
- (5) All Aggrieved Employees are entitled to all benefits and bound by all terms and conditions of the Settlement as they pertain to PAGA claims, including the Aggrieved Employees' Release under Section 6.3 of this Agreement, regardless of whether the Aggrieved Employee actually receives the Class Notice, an Individual PAGA Payment, opts out of the class portion of the Settlement, or disputes the pay periods set forth in the Class Notice. Aggrieved Employees may not exclude themselves from the PAGA portion of the Settlement and do not have standing to object to any portion of the Settlement.

8.6. Challenges to Calculation of Workweeks. Each Class Member shall have until the Response Deadline (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed) to challenge the number of Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to the calculation of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination as to the challenges.

8.7. Objections to Settlement.

- (1) Only Participating Class Members may object to the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payments.
- (2) Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, or in addition to a written objection, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than the Response Deadline (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).
- (3) Non-Participating Class Members and Aggrieved Employees have no right to object to the Settlement.

8.8. Administrator's Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

- (1) Website, Email Address and Toll-Free Number. The Administrator will establish, maintain, and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval Order, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval Order and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.
- (2) Request for Exclusion (Opt-Outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than seven (7) days after the expiration of the deadline for submitting

Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for Exclusion from the Settlement submitted (whether valid or invalid).

- (3) Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or PAGA Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- (4) Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, and challenges to Workweeks and/or Pay Periods received and/or resolved (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- (5) Administrator’s Declaration. Not later than seven (7) days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections, and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.
- (6) Final Report by Administrator. Within ten (10) days after the Administrator disburses all funds of the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least seven (7) days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator’s declaration in Court. If a second declaration attesting to the distribution of uncashed checks is required, the Administrator shall provide this second declaration at least seven (7) days before any deadline for a second declaration and Class Counsel shall be responsible for filing the second declaration with the Court.

9. CLASS SIZE MODIFICATION AND ESCALATOR CLAUSE. Based on their records, Defendant provided figures as to the Class size through the date of mediation as set forth in

paragraph 4.1 above. Should the actual number of Workweeks increase beyond 10% (i.e., if the number of Workweeks exceeds 58,300), Defendant shall have the option of (a) increasing the Gross Settlement Amount proportionally by the number of Workweeks in excess of 58,300 or (b) rolling back the end date of the Class Period to the date when the number of Workweeks does not exceed 58,300.

10. DEFENDANT’S RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendant may elect to, but is not obligated to, withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void *ab initio*, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Administration Expenses incurred as of the date Defendant makes this election to withdraw. Defendant must notify Class Counsel and the Court of its election to withdraw not later than seven (7) calendar days after the Administrator sends the final Exclusion List to Defense Counsel. Invalid Requests for Exclusion will have no effect on this threshold for an election.

11. MOTION FOR FINAL APPROVAL. Unless otherwise ordered by the Court, not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699(l) (in effect prior to July 1, 2024), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”). Class Counsel will also file a motion for approval of the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Class Representative Service Payments. Plaintiffs shall provide drafts of these documents to Defense Counsel not later than seven (7) calendar days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

11.1. Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

11.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members and/or Aggrieved Employees), the Parties will expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final Approval. The Court’s decision to award less than the amounts requested for the Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph. If for any reason the Court does not grant final approval of the Settlement, this Agreement shall be automatically void and vacated.

11.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, the Action, and the Settlement under C.C.P. section 664.6 solely for purposes of (i) enforcing this Agreement and/or Judgment,

(ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

11.4. Waiver of the Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final.

11.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members and/or Aggrieved Employees), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on an equal basis, any additional Administration Expenses reasonably incurred at the time of remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payments or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

12. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

13. ADDITIONAL PROVISIONS

13.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint in this Action have merit or that Defendant has any liability for any claims asserted; nor may this Agreement be used to establish any liability or serve as an admission of Defendant or any Released Party to establish the existence of any condition constituting a violation of, or noncompliance with, federal, state, local or other applicable law; nor should this Agreement be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or Judgment pursuant to this Agreement, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to

settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

13.2. Confidentiality Prior to and After Preliminary Approval. Plaintiffs, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with a third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members. Even after approval of the settlement, Plaintiffs and Class Counsel agree not to make any public statements, issue any press releases, place information regarding this settlement on their web site, or make any other announcements publicizing this settlement. However, for the limited purpose of allowing Class Counsel to prove adequacy as counsel in other actions, or for purposes of seeking court approval of other class and PAGA settlements, Class Counsel may disclose information available in the public record about the Action and Settlement.

13.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees have not and will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

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

13.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

- 13.6. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties first will seek the assistance of the mediator and then the Court for resolution.
- 13.7. Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 13.8. Tax Advice. Plaintiffs, Class Counsel, Defendant, and Defense Counsel are not providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 13.9. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 13.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 13.11. Applicable Law. All terms and conditions of this Agreement and its exhibit will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 13.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 13.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during this Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 13.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than ninety (90) calendar days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall delete and destroy all paper and electronic versions of Class Data received from Defendant and provide confirmation that such destruction was completed.

- 13.15. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 13.16. Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 13.17. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs and the Class:

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James A. De Sario, Esq. (SBN 262552)
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nroysdon@wilsonturnerkosmo.com
szafar@wilsonturnerkosmo.com
glaval@wilsonturnerkosmo.com

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

13.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 the date to bring the Action to trial under CCP section 583.310 shall be extended for the entire period of this settlement process, and for not less than one (1) year, from the execution of this Agreement until the earlier of the Effective Date or the date this Agreement shall no longer be of any force or effect.

13.20. Fair Settlement. The Parties, Class Counsel and Defense Counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, both current and potential.

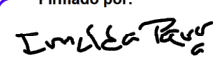
13.21. Severability. In the event that any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, or not approved, such invalidity, illegality, unenforceability, or non-approval shall in no way affect any other provision if the Court and counsel, on behalf of the Parties and the Class Members, mutually elect in writing to proceed as if such invalid, illegal, unenforceable, or unapproved provision had never been included in this Agreement. If the Parties do not elect to proceed, the Parties shall be restored to their respective positions in the Action, as of the date of the hearing on the motion for preliminary approval.

13.22. Plaintiffs shall obtain dismissal without prejudice of the Corona Action, i.e., San Bernardino County Superior Court Case No. CIVSB2322845, to the extent the dismissal has not yet been entered.

14. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

5/7/2025
Dated: _____

Firmado por:

77198B69D6FC421...

Plaintiff IMELDA PARRA CORONA

Dated: _____

Plaintiff CARLOS A. VAZQUEZ FIERROS

nroysdon@wilsonturnerkosmo.com
szafar@wilsonturnerkosmo.com
glaval@wilsonturnerkosmo.com

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

13.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 the date to bring the Action to trial under CCP section 583.310 shall be extended for the entire period of this settlement process, and for not less than one (1) year, from the execution of this Agreement until the earlier of the Effective Date or the date this Agreement shall no longer be of any force or effect.

13.20. Fair Settlement. The Parties, Class Counsel and Defense Counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, both current and potential.

13.21. Severability. In the event that any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, or not approved, such invalidity, illegality, unenforceability, or non-approval shall in no way affect any other provision if the Court and counsel, on behalf of the Parties and the Class Members, mutually elect in writing to proceed as if such invalid, illegal, unenforceable, or unapproved provision had never been included in this Agreement. If the Parties do not elect to proceed, the Parties shall be restored to their respective positions in the Action, as of the date of the hearing on the motion for preliminary approval.

13.22. Plaintiffs shall obtain dismissal without prejudice of the Corona Action, i.e., San Bernardino County Superior Court Case No. CIVSB2322845, to the extent the dismissal has not yet been entered.

14. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

Dated: _____

Plaintiff IMELDA PARRA CORONA

Dated: 05/07/2025

CARLOS
VAZQUEZ

Plaintiff CARLOS A. VAZQUEZ FIERROS

Dated: May 7, 2025

Michael Nourmand

Michael Nourmand, Esq.
The Nourmand Law Firm
Attorneys for Plaintiffs

Dated: _____

Mehrdad Bokhour
Bokhour Law Group, P.C.
Attorneys for Plaintiffs

Dated: _____

Michelle Eshaghian
Eshaghian Law, P.C.
Attorneys for Plaintiffs

Dated: 5/12/2025

Signed by:

Christina Pate

Defendant RGH Enterprises, LLC

By: Christina Pate

Title: Assistant General Counsel, Labor and Employment

Dated: May 13, 2025

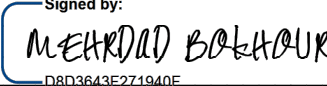
Lois M. Kosch

Lois M. Kosch
Wilson Turner Kosmo LLP
Attorney for Defendant

Dated: _____

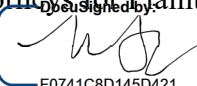
Michael Nourmand, Esq.
The Nourmand Law Firm
Attorneys for Plaintiffs

Dated: 5/7/2025

Signed by:

D8D3643E271940E...

Mehrdad Bokhour
Bokhour Law Group, P.C.
Attorneys for Plaintiffs

Dated: 5/7/2025

Signed by:

F0741C8D145D421...

Michelle Eshaghian
Eshaghian Law, P.C.
Attorneys for Plaintiffs

Dated: _____

Defendant RGH Enterprises, LLC
By: Christina Pate
Title: Assistant General Counsel, Labor and Employment

Dated: _____

Lois M. Kosch
Wilson Turner Kosmo LLP
Attorney for Defendant

EXHIBIT A

**COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING
DATE FOR FINAL COURT APPROVAL**

Carlos A. Vazquez Fierros, et al. v. RGH Enterprises, LLC
San Bernardino County Superior Court, Case No. CIVSB2320906
The Superior Court for the State of California authorized this Notice.

Read it carefully!

It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from an employee class action lawsuit (“Action”) against RGH Enterprises, LLC (“RGH”) for alleged wage and hour violations. The Action was filed by former RGH employees Carlos Vazquez Fierros and Imelda Parra Corona (“Plaintiffs”) and seeks payment of (1) back wages, premiums, penalties, and other relief for a class of all individuals employed by RGH as non-exempt employees in California (“Class Members”) during the Class Period (December 18, 2020 to April 11, 2025); and (2) penalties under the California Private Attorneys General Act (“PAGA”) for all individuals employed by RGH as non-exempt employees in California during the PAGA Period (August 31, 2022 to April 11, 2025) (“Aggrieved Employees”).

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

Based on RGH’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$_____ (less withholding) and your Individual PAGA Payment is estimated to be \$_____**. The actual amount you receive may be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to RGH’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on RGH’s records showing that **you worked _____ workweeks** during the Class Period and **you worked _____ pay periods** during the PAGA Period. If you believe that you worked more workweeks during the Class Period or more pay periods during the PAGA Period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs as a Service Payment and Plaintiffs’ attorneys (“Class Counsel”) for attorneys’ fees and costs. The Court will also decide whether to enter a judgment that requires RGH to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against RGH.

If you worked for RGH during the Class Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against RGH.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting a written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against RGH, and, if you are an Aggrieved Employee you will remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

RGH will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against RGH that are covered by this Settlement (Released Class Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. RGH must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released PAGA Claims (defined below).

Participating Class Members Can Object to the Settlement Written Objections Must be Submitted by 	All Class Members who do not opt-out (“Participating Class Members”) can object to the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the _____ Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on _____. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by 	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you received a wage payment for work performed during the Class Period and how many pay periods you received a wage payment for work performed during the PAGA Period, respectively. The number of workweeks and number of pay periods you worked according to RGH’s records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former RGH employees who accused RGH of violating California labor laws by failing to pay all wages including, among other things, overtime wages and minimum wages, to provide and/or pay premiums for meal and rest breaks, to reimburse business expenses, and to pay all wages due upon termination. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Plaintiffs are represented by attorneys in the Action: Michael Nourmand and James A. De Sario of The Nourmand Law Firm, APC; Mehrdad Bokhour of Bokhour Law Group, P.C., and Michelle Eshaghian Bokhour of Eshaghian Law, P.C. (collectively, “Class Counsel.”).

RGH strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether RGH or Plaintiffs is correct on the merits. In the meantime, Plaintiffs and RGH hired a private mediator, Steve Serratore, Esq., in an effort to resolve the Action by negotiating an end to the case by agreement (i.e. settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and RGH have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, RGH does not admit any violations or concede the merit of any claims.

Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) RGH has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. RGH Will Pay \$1,300,000 as the Gross Settlement Amount (Gross Settlement). RGH has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, RGH will fund the Gross Settlement not more than sixty (60) calendar days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, however it may be a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$433,333.33 (33 and 1/3 % of the Gross Settlement] to Class Counsel for attorneys’ fees and up to \$30,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$10,000 to Plaintiff Fierros and up to \$10,000 to Plaintiff Corona as Class Representative Service Payments for filing the Action, working with Class Counsel and representing the Class. A Class Representative Service Payment will be the only money Plaintiffs will receive other than Plaintiffs’ Individual Class Payment and any Individual PAGA Payment.

C. Up to \$10,000 to the Administrator for services administering the Settlement.

D. Up to \$50,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiffs and RGH are asking the Court to approve an allocation of 10% of each Individual Class Payment to taxable wages (“Wage Portion”) and 90% to interest and penalties (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. RGH will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiffs and RGH have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the money will be deposited with the California Controller's Unclaimed Property Fund in your name.

If the money represented by your check is sent to the Controller’s Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [request for exclusion deadline], that you wish to opt-out. The easiest way to notify the Administrator that you want to opt-out is to send a written and signed Request for Exclusion by the [request for exclusion deadline]. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a

Class Member's name, present address, email address or telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against RGH.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against RGH based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and RGH have agreed that, in either case, the Settlement will be void: RGH will not pay any money and Class Members will not release any claims against RGH.
8. Administrator. The Court has appointed a neutral company, ILYM Group, Inc. (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.
9. Participating Class Members' Release. After the Judgment is final and RGH has fully funded the Gross Settlement (and separately paid all employer payroll taxes), Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against RGH or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, fully release and discharge Defendant and the Released Parties from any and all causes of action, claims, rights, damages, and penalties arising at any time during the Class Period that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint in the Action including, inter alia, all claims arising under California Labor Code §§ 201, 202, 203, 204, 210, 218, 218.5, 226, 226.3, 226.7, 246, 248.5, 510, 512, 558, 1174, 1174.5, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2699, and 2802; the Applicable Wage Orders, California Business and Professions Code §§ 17200-17208; California Civil Code §§ 3287, 3288, and 3289; California Code of Civil Procedure § 1021.5, and any other applicable state or federal law,

including the Fair Labor Standards Act, and any other statute, ordinance, rule and/or regulation, including the IWC Wage Orders, imposing liability and/or obligations that could be brought, for any and all of the following claims relating to (1) failure to pay proper minimum and overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the applicable IWC Wage Order(s); (2) failure to pay sick wages at the proper legal rate; (3) failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section 226.7 and the applicable IWC Wage Order(s); (4) failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the applicable IWC Wage Order(s); (5) failure to timely pay wages and failure to pay all wages due and owing during employment and at separation in violation of Labor Code sections 201-204; (6) failure to provide complete and accurate wage statements and maintain accurate records in violation of Labor Code sections 226, 226.3, and 1174; (7) failure to reimburse necessary business expenses; (8) deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); (9) statutory penalties based on the foregoing pursuant to PAGA (Lab. Code, §§ 2698-2699.6); and (9) all claims for liquidated damages, penalties, interest, fees, costs based on the foregoing.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and RGH has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against RGH, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against RGH or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees will be bound by the following release:

All Aggrieved Employees and the LWDA are deemed to release and discharge fully, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, Defendant and the Released Parties from any and all rights and claims for civil penalties pursuant to PAGA during the PAGA Period that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint in the Action and the PAGA Notice including, inter alia, all claims arising under California Labor Code §§ 201, 202, 203, 204, 210, 218, 218.5, 226, 226.3, 226.7, 246, 248.5, 510, 512, 558, 1174, 1174.5, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2699, and 2802 and the Applicable Wage Orders for any and all of the following claims relating to (1) failure to pay proper minimum and overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the applicable IWC Wage Order(s); (2) failure to pay sick wages at the proper

legal rate; (3) failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section 226.7 and the applicable IWC Wage Order(s); (4) failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the applicable IWC Wage Order(s); (5) failure to timely pay wages and failure to pay all wages due and owing during employment and at separation in violation of Labor Code sections 201-204; (6) failure to provide complete and accurate wage statements and maintain accurate records in violation of Labor Code sections 226, 226.3, and 1174; (7) failure to reimburse necessary business expenses; (8) deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); (9) statutory penalties based on the foregoing pursuant to PAGA (Lab. Code, §§ 2698- 2699.6); and (9) all claims for liquidated damages, penalties, interest, fees, costs based on the foregoing.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$12,500 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of Pay Periods you worked during the PAGA Period, as recorded in RGH's records, are stated in the first page of this Notice. You have until **[challenge deadline]** to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept RGH's calculation of Workweeks and/or Pay Periods based on RGH's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and RGH's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment, if applicable.
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, email address or telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Vazquez Fierros, et al. v. RGH Enterprises, LLC*, and include your identifying information (full name, address, and email address or telephone number). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by _____, or it will be invalid.** You can send your request to be excluded via mail, email or fax. Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and RGH are asking the Court to approve. At least sixteen (16) court days before the Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Payments stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as Class Representative Service Payments. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Court's website by going to <https://sb-court.org> and entering the Case Number for the Action, Case No. CIVSB2320906.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Payments may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The deadline for sending written**

objections to the Administrator is [objection deadline]. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action as *Vazquez Fierros, et al. v. RGH Enterprises, LLC* and include your name, current address, telephone number or email address, and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at _____ in Department S-14 of the San Bernardino County Superior Court, located at 247 West Third Street San Bernardino, CA 92415-0240. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually (information may be found on <https://www.sb-court.org>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should contact Class Counsel or the Court's website to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything RGH and Plaintiffs have promised to do under the proposed Settlement. You can telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://sb-court.org>) and entering the Case Number for the Action, No. CIVSB2320906. You can also go to the Settlement Administrator's website at [insert].

**DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN
INFORMATION ABOUT THE SETTLEMENT.**

SETTLEMENT ADMINISTRATOR
[contact info]

CLASS COUNSEL
Mehrdad Bokhour, Esq. mehrdad@bokhourlaw.com BOKHOUR LAW GROUP, P.C. 1901 Avenue of the Stars, Suite 920 Los Angeles, California 90067 Tel: (310) 975-1493; Fax: (310) 675-0861
Michelle Eshaghian, Esq. michelle@eshlegal.com ESHAGHIAN LAW, PC 1901 Avenue of the Stars, Suite 920 Los Angeles, California 90067 Tel: (310) 531-8090; Fax: (310) 531-8070
Michael Nourmand, Esq. James A. De Sario, Esq. THE NOURMAND LAW FIRM, APC 8822 West Olympic Blvd. Beverly Hills, California 90211 Tel: (310) 553-3600 Fax: (310) 553-3603

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the State of California's Unclaimed Property Fund (https://www.sco.ca.gov/search_upd.html) for instructions on how to retrieve the funds

11. WHAT IF I CHANGE MY ADDRESS?

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