

## **CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE**

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Sonya Ocanas (“Plaintiff”) and defendant Catholic Charities of Santa Clara County (“CCSCC”). The Agreement refers to Plaintiff and CCSCC collectively as “Parties,” or individually as “Party.”

### **1. DEFINITIONS.**

- 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against CCSCC captioned *Sonya Ocanas v. Catholic Charities of Santa Clara County* initiated on June 20, 2022 and pending in Superior Court of the State of California, County of Santa Clara.
- 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 Employee” means all individuals currently or formerly employed by CCSCC as a non-exempt employee in the State of California at any time during the PAGA Period.
- 1.5. “Class” means all individuals currently or formerly employed by CCSCC as a non-exempt employee in the State of California at any time during the Class Period.
- 1.6. “Class Counsel” means Kashif Haque, Jessica L. Campbell and Carolyn M. Bell of Aegis Law Firm, PC.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action, which shall be subject to Court approval.
- 1.8. “Class Data” means Class Member identifying information in CCSCC’s possession including the Class Member’s name, last-known mailing address, Social Security number, hire date, and, where applicable, termination date.
- 1.9. “Class Member” or “Settlement 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 current Class Member 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.

- 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, Spanish, Vietnamese, and Chinese in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement. The Class Notice will be translated by The Spanish Group at a cost not to exceed \$1,250.00, which will come from the Gross Settlement Amount. To the extent expenses associated with translating the Class Notice are less than \$1,500.00, the unapproved/unused amount will revert to the Net Settlement Amount.
- 1.12. “Class Period” means the period from June 20, 2018 through the date of Preliminary Approval.
- 1.13. “Class Representative” means Sonya Ocanas, the named Plaintiff in the Action seeking Court approval to serve as a Class Representative.
- 1.14. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action, which shall not exceed \$10,000 and shall be subject to Court approval.
- 1.15. “Court” means the Superior Court of California, County of Santa Clara.
- 1.16. “CCSCC means named Defendant Catholic Charities of Santa Clara County.
- 1.17. “Defense Counsel” means Michael Manoukian and Richard Noack from Hopkins & Carley, ALC.
- 1.18. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. 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.
- 1.21. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

- 1.22. “Gross Settlement Amount” means \$1,200,000.00 which is the total amount CCSCC agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment, fees associated with translating the Class Notice, and the Administrator’s Expenses.
- 1.23. “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.
- 1.24. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods worked during the PAGA Period.
- 1.25. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.26. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under the Labor Code section 2699, subd. (i).
- 1.27. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, fees associated with translating the Class Notice, and the Administration Expenses Payment. The remainder, which shall constitute the Net Settlement Amount, is to be paid to Participating Class Members as Individual Class Payments.
- 1.28. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.29. “PAGA Pay Period” means any pay period in which an Aggrieved Employee performed work for CCSCC at least one day. The Parties agree that, for purposes of determining an Aggrieved Employee’s PAGA Pay Periods under this Agreement, Pay Periods may be calculated as the number of days between a Class Member’s hire date(s) (or June 20, 2021, which ever is later) and termination date(s) (or the date of Settlement Approval in the absence of a subsequent termination date) based on a 360-day year (using Microsoft Excel’s DAYS360 or similar function which returns the number of days between two dates) and dividing the result by 14 and then rounding that number up to the nearest whole number.
- 1.30. “PAGA Period” means the period from June 20, 2021 through the date of Preliminary Approval.

- 1.31. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.32. “PAGA Notice” means Plaintiff’s June 20, 2022 letter to CCSCC and the LWDA and Plaintiff’s March 6, 2023 letter to CCSCC 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, which is \$50,000, allocated 25% to the Aggrieved Employees (\$12,500.00) for Individual PAGA Payments and the 75% to the LWDA (\$37,500.00) for the LWDA PAGA Payment, 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. “Plaintiff” means Sonya Ocanas, the named plaintiff in the Action.
- 1.36. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.37. “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.38. “Released Class Claims” means the claims being released as described in Paragraph 6.2 below.
- 1.39. “Released PAGA Claims” means the claims being released as described in Paragraph 6.3 below.
- 1.40. “Released Parties” means: CCSCC and each of its former and present directors, officers, shareholders, owners, members, board members, attorneys, insurers, predecessors, successors, assigns subsidiaries and affiliates.
- 1.41. “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.
- 1.42. “Response Deadline” means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline to request exclusion or submit an objection.
- 1.43. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

- 1.44. “Workweek” means any calendar week (i.e. a week beginning on Sunday and ending on Saturday) in which a Class Member or Aggrieved Employee performed work for CCSCC at least one day. The Parties agree that, for purposes of determining a Class Member’s Workweeks under this Agreement, Workweeks may be calculated as the number of days between a Class Member’s hire date(s) (or June 20, 2018, which ever is later) and termination date(s) (or the date of Settlement Approval in the absence of a subsequent termination date) based on a 360-day year (using Microsoft Excel’s DAYS360 or similar function which returns the number of days between two dates) and dividing the result by 7 and then rounding that number up to the nearest whole number.

## 2. RECITALS.

- 2.1. On June 20, 2022, Plaintiff commenced this Action by filing a Complaint alleging causes of action against CCSCC for (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to permit rest breaks; (5) failure to reimburse business expenses; (6) failure to provide accurate itemized wage statements; (7) failure to pay wages timely during employment; (8) failure to pay all wages due upon separation of employment; and (9) violation of Business and Professions Code §§ 17200, *et seq.* On November 3, 2022, Plaintiff filed a First Amended Complaint alleging causes of action against CCSCC for enforcement of Labor Code § 2698 *et seq.* in addition to the nine causes of action asserted in the original Complaint.
- 2.2. Plaintiff agrees to file a Second Amended Complaint which explicitly alleges additional claims that were investigated by Plaintiff and raised during the settlement negotiations in this matter. including allegations regarding the failure to pay reporting time pay, and for the alleged failure to provide required days of rest in violation of Labor Code sections 551 and/or 552. Once filed, the Second Amended Complaint will be the operative complaint in the Action (the “Operative Complaint”).
- 2.3. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to CCSCC and the LWDA by sending the PAGA Notice.
- 2.4. On January 23, 2023, the Parties participated in an all-day mediation presided over by John Adler which led to this Agreement to settle the Action.
- 2.5. Prior to mediation, Plaintiff obtained through informal discovery, documents and data including timekeeping records, payroll records, wage statements, Plaintiff’s personnel file, and policy documents. Plaintiff’s 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*”).
- 2.6. The Court has not granted class certification.
- 2.7. The Parties, Class Counsel and Defense Counsel represent that they are aware of other pending matters or actions asserting claims that will be extinguished or affected by

the Settlement, specifically including the later-filed cases: 1) *Chelsey Cawley v. Catholic Charities of Santa Clara County (PAGA)*, Superior Court of California, County of Santa Clara, Case No. 22CV404794; and 2) *Chelsey Cawley v. Catholic Charities of Santa Clara County (Class Action)*, Superior Court of California, County of Santa Clara, Case No. 22CV404814.

### 3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, CCSCC promises to pay \$1,200,000 and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. CCSCC has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 6.1 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 CCSCC.
- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
  - 3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$10,000 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). CCSCC will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service payment less than the amount requested, the unapproved amount will revert to the Net Settlement Amount. Any reduction by the Court shall not constitute grounds for revocation or cancellation of this Agreement. The Administrator will pay the Class Representative Service payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment. Any reduction by the Court shall not constitute grounds for revocation or cancellation of this Agreement.
  - 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 33.33% of the Gross Settlement Amount (\$400,000.00) and a Class Counsel Litigation Expenses Payment of not more than \$10,000.00. CCSCC will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 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 less than the amounts requested, the unapproved

amount will revert to the Net Settlement Amount. Any reduction by the Court shall not constitute grounds for revocation or cancellation of this Agreement. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responses and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds CCSCC harmless, and indemnifies CCSCC, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$11,150.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less the \$11,150.00, the unapproved/unused amount will revert to the Net Settlement Amount.

3.2.4. 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.

3.2.4.1. Tax Allocation of Individual Class Payments. 33.33% 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. The 66.67% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for 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.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$50,000.00 to be paid from the Gross Settlement Amount, with 75% (\$37,500.00) allocated to the LWDA PAGA Payment and 25% (\$12,500.00) allocated to the Individual PAGA Payments.

3.2.5.1. 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 Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved

Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

- 3.2.5.2. 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.

#### **4. SETTLEMENT FUNDING AND PAYMENTS.**

- 4.1. Class Member Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, CCSCC estimates there are approximately 940 Class Members who collectively worked a total of approximately 83,000 Workweeks.
- 4.2. Class Data. Not later than 15 business days after the Court grants Preliminary Approval of the Settlement, CCSCC will simultaneously 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 under this Agreement. CCSCC has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data to the Administrator as soon as reasonably feasible. Without any extension of the deadline by which CCSCC must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data. Absent express written approval from CCSCC, the Class Data will not be shared with Class Counsel.
- 4.3. Funding of Gross Settlement Amount. CCSCC shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay CCSCC's share of payroll taxes by transmitting the funds to the Administrator no later than 15 business days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Within 14 days after CCSCC funds the Gross Settlement Amount, the Administrator will 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 Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
- 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Participating Class Members and Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of



each check shall prominently state the date (not less than 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 Settlement 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 Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 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 Participating Class Members or Aggrieved Employees whose re-mailed checks are returned as underlived. The Administrator shall promptly send a replacement check to any Participating Class Member or Aggrieved Employee whose original check was lost or misplaced, if requested by the Participating Class Member or Aggrieved Employee prior to the void date.

4.4.3. For any Participating Class Member whose Individual Class Payment check or Individual PAGA Payment check, as to Aggrieved Employees, is uncashed and cancelled after the void date, the Administrator shall transmit the total funds represented by such checks to the Katherine & George Alexander Community Law Center ("Cy Pres Recipient"). The Parties, Class Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended Cy Pres Recipient.

4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate CCSCC 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. RELEASES OF CLAIMS.** Effective on the date when CCSCC fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

6.1. Plaintiff's Release. Plaintiff and her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences whether known or unknown, asserted or that might have been asserted, whether in tort,

contract, or for violation of any state or federal statute, rule, or regulation arising out of, relating to, or in connection with any act or omission by or on the part of any of the Released Parties committed or omitted through the execution of this Agreement, including all claims under Title VII of the Civil Rights Act of 1964, the Equal Pay Act, the Americans with Disabilities Act, the California Fair Employment and Housing Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act, the California Labor Code, California Government Code, and California Business and Professions Code (“Plaintiff’s Release”). Plaintiff’s 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, workers’ compensation benefits. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff’s Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff’s discovery of them.

6.1.1. Plaintiff’s Waiver of Rights Under California Civil Code Section 1542.

For purposes of Plaintiff’s Release, Plaintiff expressly waives and relinquishes 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 to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

6.2. Released Class Claims:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims, charges, complaints, liens, demands, causes of action, obligations, damages and liabilities, whether known or unknown, that were alleged, or reasonably could have been alleged, during the Class Period based on facts stated in the Operative Complaint regardless of whether such claims arise under federal, state and/or local law, statute, ordinance, regulation, or common law, including claims for (a) failure to pay minimum wages; (b) failure to pay overtime wages; (c) failure to provide meal periods; (d) failure to permit rest breaks; (e) failure to reimburse business expenses; (f) failure to provide accurate itemized wage statements; (g) failure to pay wages timely during employment; (h) failure to pay all wages due upon separation of employment; (i) violation of Business and Professions Code §§17200, *et seq.*; (j) failure to pay reporting time pay; and (k) for the alleged failure to provide required days of rest in violation of Labor Code sections 551 and/or 552. The Parties agree that this is a settlement of disputed claims not involving undisputed wages, and that Labor Code Section 206.5 is therefore inapplicable. Except as set forth in Section 6.3 of this Agreement, for those Participating Class Members who are also Aggrieved Employees, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims

based on facts occurring outside the Class Period.

6.3. Released PAGA Claims:

Aggrieved Employees and the State of California, on behalf of the Named Plaintiff and all Aggrieved Employees, release the Released Parties from all claims for civil penalties that were alleged, or reasonably could have been alleged during the PAGA Period, based on the facts stated in the Operative Complaint, and the PAGA Notice, including: (a) any and all claims involving any alleged failure to pay minimum wage; (b) claims involving failure to pay overtime; (c) claims involving failure to provide meal periods; (d) claims involving failure to permit rest breaks; (e) claims involving failure to reimburse business expenses; (f) claims involving failure to provide accurate itemized wage statements; (g) claims involving failure to pay wages timely; (h) claims involving failure to pay all wage due upon separation of employment; (j) failure to pay reporting time pay; and (j) for the alleged failure to provide required days of rest in violation of Labor Code sections 551 and/or 552. The Parties agree that it is their intent that the terms set forth in this Agreement will release any further attempt, by lawsuit, administrative claim or action, arbitration, demand, or other action of any kind, by each and every Aggrieved Employee, as a representative of the State of California, to obtain any recovery based on the released PAGA Claims during the PAGA Period.

**7. MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s current Guidelines for Motion Relating to Preliminary and Final Approval of Class Actions.

7.1. CCSCC’s Declaration in Support of Preliminary Approval. Within 10 business days of the full execution of this Agreement, CCSCC will prepare and deliver to Class Counsel a signed Declaration from CCSCC and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator and Cy Pres Recipient.

7.2. Plaintiff’s Responsibilities. Plaintiff will prepare and deliver to Defense Counsel at least 3 business days before filing, 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)); (ii) a draft of the Second Amended Complaint which explicitly alleges additional claims that were raised during the settlement negotiations in this matter, including the alleges failure to pay reporting time pay, and for the alleged failure to provide required days of rest in violation of Labor Code sections 551 and/or 552; (iii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (vi) a Class Notice; (v) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members and/or the

proposed Cy Pres; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (vi) a signed declaration from Plaintiff 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 and/or the proposed Cy Pres; (vii) 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 (Labor Code section 2699, subd. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); and (viii) all facts relevant to any actual or potential conflicts of interest with Class Members, the Administrator and/or the Cy Pres Recipient. In their Declarations, Plaintiff 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.

- 7.3. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement. Class Counsel and Defense Counsel have obtained a hearing date for the Motion for Preliminary Approval on May 18, 2023, and Class Counsel and Defense Counsel are jointly responsible 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.
- 7.4. 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.

## **8. SETTLEMENT ADMINISTRATION.**

- 8.1. Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. ("ILYM") 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 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.
- 8.4.1. 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 Employee, Workweeks, and PAGA Pay Periods in the Class Data.
- 8.4.2. Using best efforts to perform as soon as possible, and in no event later than 14 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 with Spanish, Vietnamese, and Chinese translation 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.
- 8.4.3. Not later than 3 business 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.
- 8.4.4. The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise 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.
- 8.4.5. If the Administrator, CCSCC or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on 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 14 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).

8.5.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 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 Class 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.

8.5.2. No Aggrieved Employee will have a right to request exclusion from the PAGA Settlement and release of PAGA Claims.

8.5.3. 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.

8.5.4. 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' Releases under Paragraphs 6.2 and 6.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

8.5.5. 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 class action components of 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 6.4 of this Agreement and are eligible for an Individual PAGA Payment.

8.6. Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 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 as long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges.

8.7. Objections to Settlement.

8.7.1. Only Participating Class Members may object to the class action components of 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 Payment.

8.7.2. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, 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 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

8.7.3. Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

8.8. Administrator 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.

8.8.1. Website, Email Address and Toll-Free Number. The Administrator will establish and 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, 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 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.

8.8.2. Requests 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 5 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; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

- 8.8.3. 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 underlived, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“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.
- 8.8.4. 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 Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- 8.8.5. Administrator’s Declaration. Not later than 14 days before the date by which Plaintiff is 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 the 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.
- 8.8.6. Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in 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 15 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.



- 9. CLASS SIZE ESTIMATES and ESCALATOR CLAUSE** Based on its records, CCSCC estimates that, as of the date of mediation on January 23, 2023, (1) there were approximately 940 Class Members and approximately 83,000 Total Workweeks during the Class Period and (2) there were approximately 675 Aggrieved Employees who worked approximately 17,500 Pay Periods during the PAGA Period.

If the number of workweeks during the Class Period exceeds 83,000 by more than 10%, the Gross Settlement Amount will increase pro rata per additional workweek above the 10% threshold. This escalation clause will only apply to the number of workweeks during the Class Period.

- 10. MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff 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, subd. (1), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

- 10.1. 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 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 10.2. 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), 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 Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 10.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement 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.
- 10.4. Waiver of 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, except as to matters that do not affect the amount of the Net Settlement Amount.

- 10.5. 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), 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 a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment 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.

11. **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.

## 12. ADDITIONAL PROVISIONS.

- 12.1. 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 CCSCC that any of the allegations in the Operative Complaint have merit or that CCSCC has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that CCSCC'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 enter Judgment, CCSCC reserves the right to contest certification of any class for any reasons, and CCSCC reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest CCSCC'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).
- 12.2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, CCSCC 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 or the Court 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. Plaintiff, Class Counsel CCSCC 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, any with 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.

- 12.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees 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.
- 12.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits 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.
- 12.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and CCSCC, 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.
- 12.6. 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 will seek the assistance of a mediator and/or the Court for resolution.
- 12.7. No 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 and portion of any liability, claim, demand,

action, cause of action, or right released and discharged by the Party in this Settlement.

- 12.8. No Tax Advice. Neither Plaintiff, Class Counsel, CCSCC nor Defense Counsel are 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.
- 12.9. 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.
- 12.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.12. 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.
- 12.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14. 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 CCSCC 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 90 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, Plaintiff shall destroy, all paper and electronic versions of Class Data received from CCSCC unless, prior to the Court's discharge of the Administrator's obligation, CCSCC makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.
- 12.15. 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.
- 12.16. 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.

- 12.17. 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 Plaintiff: Aegis Law Firm, PC  
Kashif Haque  
Jessica L. Campbell  
jcampbell@aegislawfirm.com  
Carolyn M. Bell  
cbell@aegislawfirm.com  
9811 Irvine Center Drive, Suite 100  
Irvine, California 92618

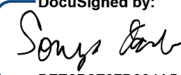
To CCSCC: Hopkins & Carley, ALC  
Richard Noack  
rnoack@hopkinscarley.com  
Michael W. M. Manoukian  
mmanoukian@hopkinscarley.com  
70 S. First Street  
San Jose, CA, 95113

- 12.18. 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 counterparts will be admissible in evidence to prove the existence and contents of this Agreement.

12.19. 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 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Date: 4/25/2023

PLAINTIFF SONYA OCANAS

DocuSigned by:  
  
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Date: \_\_\_\_\_

DEFENDANT CATHOLIC CHARITIES  
OF SANTA CLARA COUNTY

By: \_\_\_\_\_

Date: 4/25/2023

AEGIS LAW FIRM, PC

  
Kashif Haque  
Jessica Campbell  
Carolyn M. Bell  
Attorneys for Plaintiff

Date: \_\_\_\_\_

HOPKINS & CARLEY, ALC

Michael W. M. Manoukian  
Richard M. Noack  
Attorneys for Defendant

12.19. 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 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Date: \_\_\_\_\_

PLAINTIFF SONYA OCANAS

Date: 4/25/2023

DEFENDANT CATHOLIC CHARITIES  
OF SANTA CLARA COUNTY

Gregory Kappeler

By: Gregory Kappeler

Date: \_\_\_\_\_

AEGIS LAW FIRM, PC

Kashif Haque  
Jessica Campbell  
Carolyn M. Bell  
Attorneys for Plaintiff

Date: 04/26/2023

HOPKINS & CARLEY, ALC

Michael W. M. Manoukian

Michael W. M. Manoukian  
Richard M. Noack  
Attorneys for Defendant





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

*(Sonya Ocanas v. Catholic Charities of Santa Clara – Case No. 22CV399353)*

*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 and Private Attorneys General Act (PAGA) lawsuit (“Action”) against Catholic Charities of Santa Clara County (“CCSCC” is used herein as a placeholder) for alleged wage and hour violations. The Action was filed by a former CCSCC employee Sonya Ocanas (“Plaintiff”) and seeks payment of (1) wages, penalties, interest and other relief for a class of hourly employees (“Class Members”) who worked for CCSCC during the Class Period (June 20, 2018 to [REDACTED]); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all hourly employees who worked for CCSCC during the PAGA Period (June 20, 2021 to [REDACTED]) (“Aggrieved Employees”).

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

Based on CCSCC’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ [REDACTED] (less withholdings and deductions) and your Individual PAGA Payment is estimated to be \$ [REDACTED]**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to CCSCC’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 CCSCC’s records showing that **you worked [REDACTED] workweeks** during the Class Period and **you worked [REDACTED] pay periods** during the PAGA Period. If you believe that you worked more workweeks/pay periods during either 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 act. 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 Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires CCSCC to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against CCSCC.

**SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT**

<b>Participate in the Settlement – NO ACTION REQUIRED</b>	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 be bound by the Settlement and the release of Released Class Claims and Released PAGA Claims.
<b>You Can Opt-out of the Class Settlement but not the PAGA Settlement</b>  <b>The Opt-out Deadline is _____</b>	<p>If you don't want to be bound by the Class 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.</p> <p>You cannot opt-out of the PAGA portion of the proposed Settlement. CCSCC 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).</p>
<b>Participating Class Members Can Object to the Settlement</b>  <b>Written Objections Must be Submitted by _____</b>	If you want to object to the Settlement, you must follow the instructions in Section 6. If you object, you will still be bound by the terms of the Settlement, if approved by the Court.
<b>You Can Participate in the _____ Final Approval Hearing</b>	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.
<b>You Can Challenge the Calculation of Your Workweeks/Pay Periods</b>  <b>Written Challenges Must be Submitted by _____</b>	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked during the Class Period and how many Pay Periods you worked during the PAGA Period, respectively. The number of Workweeks and number of PAGA Pay Periods you worked according to CCSCC'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?

Plaintiff is a former CCSCC employee. The Action accuses CCSCC of violation of California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination, reimburse for incurred expenses, failing to provide meal periods, rest breaks and accurate itemized wage statements, failing to pay reporting time pay, and for the alleged failure to provide required days of rest in violation of Labor Code sections 551 and/or 552. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Plaintiff is represented by Kashif Haque, Jessica L. Campbell and Carolyn M. Bell from Aegis Law Firm, PC (“Class Counsel.”)

CCSCC strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws. CCSCC is represented by Michael Manoukian and Richard Noack from Hopkins & Carley, ALC (“Defense Counsel”).

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

So far, the Court has made no determination whether CCSCC or Plaintiff is correct on the merits. In the meantime, Plaintiff and CCSCC hired an experienced, neutral mediator, John Adler, in an effort to resolve the Action by negotiating to end the case by agreement (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 jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and CCSCC 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, CCSCC does not admit any violations or concede the merit of any claims. Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) CCSCC 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. CCSCC Will Pay \$1,200,000.00 as the Gross Settlement Amount (Gross Settlement). If the Court grants Final Approval, and once the Judgement is final, CCSCC has agreed to pay a Gross Settlement of \$1,200,000 to settle the lawsuit.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement:
  - A. Up to \$400,000.00 (33.33% of the Gross Settlement) to Class Counsel for attorneys’ fees and up to \$10,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

- B. Up to \$10,000.00 as a Class Representative Service Payment for filing the Action, working with Class Counsel and representing the Class, and signing a general release of all claims. A Class Representative Service Payment will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
- C. Up to \$11,150.00 to the Administrator for services administering the Settlement.
- D. Up to \$50,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

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

- 3. Net Settlement Amount 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 (i.e. the "Net Settlement Amount") by making Individual Class Payments to Participating Class Members based on their Workweeks.
- 4. Taxes Owed on Payments to Class Members. Plaintiff and CCSCC are asking the Court to approve an allocation of 33.33% of each Individual Class Payment to taxable wages ("Wage Portion") and 66.67 to interest and penalties (10% to interest, and 56.67% to penalties) (the portions allocated to interests and penalties are collectively referred to as the "Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. 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.
- 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 monies will be irrevocably lost to you because they will be paid to the Katherine & George Alexander Community Law Center ("Cy Pres").
- 6. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and CCSCC have agreed that, in either case, the Settlement will be void: CCSCC will not pay any money and Class Members and Aggrieved Employees will not release any claims against CCSCC.
- 7. 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 and Aggrieved Employees challenges of PAGA Pay Periods, 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.

8. Participating Class Members' Release. After the Judgment is final and CCSCC 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 the Released Parties for claims included in the Released Class Claims.

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, release Released Parties from all claims that were alleged, or reasonably could have been alleged, during the Class Period based on facts stated in the Operative Complaint regardless of whether such claims arise under federal, state and/or local law, statute, ordinance, regulation or common law, including claims for (a) failure to pay minimum wages; (b) failure to pay overtime wages; (c) failure to provide meal periods; (d) failure to permit rest breaks; (e) failure to reimburse business expenses; (f) failure to provide accurate itemized wage statements; (g) failure to pay wages timely during employment; (h) failure to pay all wages due upon separation of employment; and (i) violation of Business and Professions Code §§17200, *et seq.*; (j) failure to pay reporting time pay; and (k) for the alleged failure to provide required days of rest in violation of Labor Code sections 551 and/or 552. The Parties agree that this is a settlement of disputed claims not involving undisputed wages, and that Labor Code Section 206.5 is therefore inapplicable. Except as set forth in Section 6.3 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

9. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and CCSCC has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against CCSCC, 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 CCSCC or its related entities for claims included in the Released PAGA Claims.

All Aggrieved Employees are releasing the following:

Aggrieved Employees and the State of California, on behalf of the Named Plaintiff and all Aggrieved Employees, release the Released Parties, from all claims for civil penalties that were alleged, or reasonably could have been alleged, during the PAGA Period, based on facts stated in the Operative Complaint, and the PAGA Notice and ascertained in the course of the Action including: (a) any and all claims involving any alleged failure to pay minimum wage; (b) claims involving failure to pay overtime; (c) claims involving failure to provide meal periods; (d) claims involving failure to permit rest breaks; (e) claims involving failure to reimburse business expenses; (f) claims involving failure to provide accurate itemized wage statements; (g) claims involving failure to pay wages timely; (h) claims involving failure to pay all wage due upon separation of employment; (i) claims involving failure to provide at least one day of rest in seven; and (j) claims involving failure to pay reporting time pay; (j) failure to pay reporting time pay; and (k) for the alleged failure to provide required days of rest in violation of Labor Code sections 551 and/or 552. The Parties agree that it is their intent that the terms set forth in this Agreement will release any further attempt, by lawsuit, administrative claim or action, arbitration, demand, or other action of any kind, by each and every Aggrieved Employee, as a representative of the State of California, to obtain any recovery based on the Released PAGA Claims.

#### **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 \$12,500.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period 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 PAGA Pay Periods you worked during the PAGA Period, as recorded in CCSCC's records, are stated in the first page of this Notice. You have until [REDACTED] 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 CCSCC's calculation of Workweeks and/or Pay Periods based on CCSCC'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 CCSCC's Counsel.

## 5. HOW WILL I GET PAID?

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 you opt out of the Class Settlement, but are an Aggrieved Employee, the Administrator will send you, by U.S. mail, a single Individual PAGA Payment.

**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.**

**Checks will not be mailed until after the Settlement has been finally approved, and Judgment has been entered, and the time for any appeal has lapsed or been resolved.**

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

Submit a written and signed letter with your name, present address, 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 *Sonya Ocanas v. Catholic Charities of Santa Clara* – Case No. 22CV399353, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number or employee ID for verification purposes). 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 [REDACTED], or it will be invalid.** 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 Plaintiff and CCSCC are asking the Court to approve. At least 16 business days before the Final Approval Hearing, Class Counsel and/or Plaintiff 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 Award stating (i) the amount Class Counsel is requesting as a Class Representative Service Award. 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 Administrator's Website \_\_\_\_\_(url)\_\_\_\_\_ or the Court's website <https://portal.scscourt.org/search>

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 Award may wish



to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is [REDACTED]**. 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 *Sonya Ocanas v. Catholic Charities of Santa Clara* – Case No. 22CV399353 and include your name, current address, telephone number, and approximate dates of employment for CCSCC 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 [REDACTED] at (time) in Department 1 of the Santa Clara Superior Court, located at 191 N. First St. San Jose, CA 95113. 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, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making any decisions. You can attend (or hire a lawyer to attend at your expense) either personally or virtually. Check the Court’s website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator’s website [REDACTED] beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

## 9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything CCSCC and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, or any other Settlement documents is to go to (specify entity)’s website at (url). You can also telephone or send an email to Class Counsel, Counsel for CCSCC, or the Administrator using the contact information listed below, or consult the Superior Court website by going to <https://portal.scsccourt.org/search> and entering the Case Number for the Action, Case No. 22CV399353.

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

Class Counsel:

Name of Attorney: Kashif Haque, Jessica L. Campbell, and Carolyn M. Bell

Email Address: cbell@aegislawfirm.com

Name of Firm: Aegis Law Firm, PC

Mailing Address: 9811 Irvine Center Drive, Suite 100

Telephone: (949) 379-6250

Counsel for CCSCC:

Name of Attorney: Richard Noack and Michael Manoukian

Email Address: rnoack@hopkinscarley.com and mmanoukian@hopkinscarley.com

Name of Firm: Hopkins & Carley, ALC

Mailing Address: The Letitia Building; 70 S First Street; San Jose, CA 95113-2406

Telephone: (408) 299-1375

Settlement Administrator:

Name of Company:

Email Address:

Mailing Address:

Telephone:

Fax Number:

**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 will have no way to recover the money.

**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.