

DOUGLAS HAN (SBN 232858)
SHUNT TATAVOS-GHARAJEH (SBN 272164)
CHRISTOPHER PETERSON (SBN 260631)
HAIG HOGDANIAN (SBN 334699)
JUSTICE LAW CORPORATION
751 N. Fair Oaks Avenue, Suite 101
Pasadena, California 91103
Telephone: (818) 230-7502
Facsimile: (818) 230-7259

Attorneys for Plaintiffs

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

VERONICA JAUREGUI SILVA, individually,
and on behalf of other members of the general
public similarly situated;

Plaintiff,

v.

BEN MYERSON CANDY CO., INC. d/b/a
WINE WAREHOUSE, a California
corporation; and DOES 1 through 100,
inclusive;

Defendants.

FILED
Superior Court of California
County of Los Angeles

07/18/2024

David W. Slayton, Executive Officer / Clerk of Court

By: A. Morales Deputy

Case No.: 20STCV21665

Assigned for All Purposes to:
Honorable Lawrence P. Riff
Department 7

CLASS ACTION

**~~[PROPOSED]~~ AMENDED ORDER
GRANTING PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT, CONDITIONAL
CERTIFICATION, APPROVAL OF
CLASS NOTICE, SETTING OF FINAL
APPROVAL HEARING DATE**

Hearing Date: July 18, 2024
Hearing Time: 10:00 a.m.
Hearing Place: Department 7

Complaint Filed: June 4, 2020
FAC Filed: January 25, 2021
SAC Filed: November 12, 2021
Trial Date: None Set

1 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

2 The Motion for Preliminary Approval of Class Action Settlement came before this Court,
3 the Honorable Lawrence P. Riff presiding, on July 18, 2024 at 10:00 a.m. The Court, having
4 considered the papers submitted in support of the Motion, **ORDERS THE FOLLOWING:**

5 1. The following Class is conditionally certified for purposes of settlement only: (a) all
6 individuals who worked for Defendant Breakthru Beverage California, LLC *fka* Ben Myerson
7 Candy Co., Inc. (“Defendant Ben Myerson”) as hourly-paid or non-exempt employees within the
8 State of California at any time during the period from June 4, 2016, through October 13, 2023; and
9 (b) all individuals who were assigned by Defendant Silicon Valley Technical Staffing, Inc.
10 (“Defendant SVS”) to work for Defendant Ben Myerson as hourly-paid or non-exempt employees
11 within the State of California at any time during the period from June 4, 2016, through October 13,
12 2023 (“Class,” “Class Members,” and Class Period”).

13 2. The Court grants preliminary approval of the settlement based upon the terms set
14 forth in the Amended Class Action and PAGA Settlement Agreement (“Settlement Agreement,”
15 “Settlement,” or “Agreement”). Attached hereto as **Exhibit 1** is a true and correct copy of the
16 Agreement. Capitalized terms shall have the definitions set forth in the Agreement.

17 3. The settlement embodied in the Settlement Agreement appears to be fair, adequate,
18 and reasonable to the Class. The Settlement Agreement falls within the range of reasonableness and
19 appears to be presumptively valid, subject only to any objections that may be raised at the Final
20 Approval Hearing.

21 4. Plaintiffs Veronica Jauregui Silva and Matthew Young (“Plaintiffs”) are
22 conditionally approved to serve as the class representatives.

23 5. Douglas Han, Shunt Tatavos-Gharajeh, and Christopher Peterson of Justice Law
24 Corporation are conditionally approved as Class Counsel for the Class.

25 6. The Court confirms ILYM Group, Inc. as the Administrator.

26 7. The proposed Gross Settlement Amount of \$1,601,920 is conditionally approved.
27 Of this Gross Settlement Amount, Defendant Ben Myerson will contribute \$1,566,180 and
28 Defendant SVS will contribute \$35,740, based on the Parties allocation agreement.

1 8. The proposed payment of the Class Counsel Fees Payment to Class Counsel not to
2 exceed \$560,672 (35% of the Gross Settlement Amount) and Class Counsel Litigation Expenses
3 Payment to Class Counsel for actual litigation costs incurred not to exceed \$25,000 are
4 conditionally approved.

5 9. The proposed Class Representative Service Payments not to exceed \$10,000 to each
6 Plaintiff (totaling \$20,000) for their services as the class representatives are conditionally approved.

7 10. The proposed payment of the Administration Expenses Payment not to exceed
8 \$20,000 to the Administrator for its services is conditionally approved.

9 11. The Court also conditionally approves the Private Attorneys General Act of 2004
10 (“PAGA”) Penalties not to exceed \$125,000 the Parties have allocated for the settlement of the
11 claims for PAGA penalties stemming from the alleged Labor Code violations. Seventy-five percent
12 (75%) of the PAGA Penalties (\$93,750) will be paid to the California Labor and Workforce
13 Development Agency, and the remaining twenty-five percent (25%) of the PAGA Penalties
14 (\$31,250) will be paid to the PAGA Group Members, on a pro rata basis.

15 12. A Final Approval Hearing on the question of whether the Settlement Agreement,
16 Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Class
17 Representative Service Payments should be finally approved as fair, reasonable, and adequate as to
18 all Class Members who do not submit valid and timely Requests for Exclusion from the Settlement
19 is scheduled on the date and time set forth below.

20 13. The Court approves, as to form and content, the Court Approved Notice of Class
21 Action Settlement and Hearing Date for Final Court Approval (“Class Notice”), as attached as
22 **Exhibit A** to the Agreement. The Court also approves the procedure for the Class Members to
23 participate in, to opt out of, and to object to the Settlement as set forth in the Class Notice.

24 14. The Court directs the mailing of the Class Notice to all identified Class Members
25 via first-class United States Postal Service mail in accordance with the implementation schedule set
26 forth below. The Court finds the dates selected for the mailing and distribution of the Class Notice
27 meet the requirements of due process, provide the best notice practicable under the circumstances,
28 and shall constitute due and sufficient notice to all persons entitled.

1 15. To facilitate administration of the Settlement pending final approval, the Court
2 hereby enjoins Plaintiffs and all Class Members from filing or prosecuting any claims, suits, or
3 administrative proceedings (including, but not limited to, filing claims with the Division of Labor
4 Standards Enforcement of the California Department of Industrial Relations) based on claims
5 released by the Settlement unless and until such Class Members have filed valid requests for
6 exclusion with the Administrator and the time for filing valid requests for exclusion with the
7 Administrator has not elapsed.

8 16. The Court orders the following implementation schedule for further proceedings:

9 a.	Deadline for Defendants to submit Class Data to Administrator	No later than fourteen (14) calendar days after the Court grants Preliminary Approval of the Settlement
10 b.	Deadline for Administrator to mail the Class Notice to the Class Members	No later than fourteen (14) calendar days after receiving the Class Data
11 c.	Deadline for the Class Members to postmark requests for exclusion, written objections, and written disputes to the Administrator	Within forty-five (45) calendar days from the initial mailing of the Class Notice
12 d.	Deadline for the Class Members to postmark requests for exclusion, written objections, and written disputes to the Administrator if the Class Notice was remailed	Within an additional fourteen (14) calendar days beyond the Response Deadline
13 e.	Deadline for Class Counsel to file Motion for Final Approval of Settlement, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Class Representative Service Payments	Within sixteen (16) court days before Final Approval Hearing in conformity with Code of Civil Procedure section 1005
14 f.	Final Approval Hearing	December 6, 2024 at 10:00 a.m. _____ at _____ a.m./p.m. in Department 7

15 Dated: 07/18/2024



IT IS SO ORDERED: 

By: Lawrence P. Riff / Judge

Honorable Lawrence P. Riff

Judge of the Superior Court

EXHIBIT 1

AMENDED CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Amended Class Action and PAGA Settlement Agreement (“Settlement Agreement,” “Settlement,” or “Agreement”) is made by and between Plaintiffs Veronica Jauregui Silva and Matthew Young (“Plaintiffs,” “Plaintiff Silva,” and “Plaintiff Young”) and Defendants Breakthru Beverage California, LLC *aka* Ben Myerson Candy Co., Inc. (“Defendant Ben Myerson”) and Silicon Valley Technical Staffing, Inc. (“Defendant SVS”) (collectively “Defendants”). The Agreement refers to Plaintiffs and Defendants as “Parties,” or individually as “Party.”

A. DEFINITIONS.

1. “Action” means the lawsuit alleging wage and hour violations against Defendants captioned *Silva v. Ben Myerson Candy Co., Inc. d/b/a Wine Warehouse* initiated by Plaintiff Silva on June 4, 2020, as amended, and pending in Superior Court of the State of California, County of Los Angeles (Case No. 20STCV21665).
2. “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
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.
4. “Class” means: (a) all individuals who worked for Defendant Ben Myerson as hourly-paid or non-exempt employees within the State of California at any time during the Class Period; and (b) all individuals who were assigned by Defendant SVS to work for Defendant Ben Myerson as hourly-paid or non-exempt employees within the State of California at any time during the Class Period.
5. “Class Counsel” means Justice Law Corporation.
6. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” means the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
7. “Class Data” means Class Member identifying information in Defendants’ possession including the Class Member’s: (a) full name; (b) last-known mailing address; (c) Social Security Number; and (d) number of Workweeks and PAGA Pay Periods.
8. “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 a PAGA Group Member).
9. “Class Member Address Search” means the Administrator’s investigation and search for current Class Members’ mailing addresses using all reasonably available sources, methods, and means including, but not limited to, the National Change of Address Database (“NCOA”), skip traces, and direct contact by the Administrator with Class Members.

10. “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.
11. “Class Period” means the period from June 4, 2016, through October 13, 2023.
12. “Class Representatives” means the named plaintiffs in the Operative Complaint in the Action seeking Court approval to serve as the Class Representatives.
13. “Class Representative Service Payments” means the payment to the Class Representatives for initiating the Action and providing services in support of the Action.
14. “Court” means the Superior Court of California, County of Los Angeles.
15. “Defendants” means the named defendants Breakthru Beverage California, LLC *fka* Ben Myerson Candy Co., Inc. and Silicon Valley Technical Staffing, Inc.
16. “Defense Counsel” means Fisher & Phillips LLP (for Defendant Ben Myerson) and Gordon Rees Scully Mansukhani, LLP (for Defendant SVS).
17. “Effective Date” means thirty (30) calendar days after 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: (i) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (ii) 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 (iii) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur. It is the Parties’ intent that this Settlement shall not become effective until the Judgment approving this Settlement has become completely final, and there is no timely recourse by any appellant, objector, or intervenor who seeks to contest the Settlement.
18. “Final Approval” means the Court’s order granting final approval of the Settlement.
19. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
20. “Gross Settlement Amount” means \$1,601,920 which is the total and maximum amount Defendants agree to pay, or will pay, under the Settlement (of which Defendant Ben Myerson will contribute \$1,566,180 and Defendant SVS will contribute \$35,740, based on the Parties allocation agreement). The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payments, and Administration Expenses Payment.

21. "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks that Participating Class Member worked during the Class Period.
22. "Individual PAGA Payment" means the PAGA Group Member's pro rata share of twenty-five percent (25%) of the PAGA Penalties calculated according to the number of Pay Periods that PAGA Group Member worked during the PAGA Period.
23. "Judgment" means the judgment entered by the Court based upon the Final Approval.
24. "LWDA" means the California Labor and Workforce Development Agency.
25. "LWDA PAGA Payment" means seventy-five percent (75%) of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
26. "Net Settlement Amount" means the Gross Settlement Amount less the following payments in the amounts approved by the Court: (a) Individual PAGA Payments; (b) LWDA PAGA Payment; (c) Class Representative Service Payments; (d) Class Counsel Fees Payment; (e) Class Counsel Litigation Expenses Payment; and (f) Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
27. "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.
28. "PAGA" means the Private Attorneys General Act of 2004 (Labor Code section 2698 *et seq.*).
29. "PAGA Pay Period" means any Pay Period during which a PAGA Group Member worked for Defendants for at least one (1) day during the PAGA Period.
30. "PAGA Period" means the period from September 24, 2019, through October 13, 2023.
31. "PAGA Group Members" means: (a) all individuals who worked for Defendant Ben Myerson as hourly-paid or non-exempt employees within the State of California at any time during the PAGA Period; and (b) all individuals who were assigned by Defendant SVS to work for Defendant Ben Myerson as hourly-paid or non-exempt employees within the State of California at any time during the PAGA Period. Defendants deny any wrongdoing or violations of the Labor Code or other law.
32. "PAGA Notice" means Plaintiff Young's letter to the LWDA on September 24, 2020 providing notice pursuant to Labor Code section 2699.3, subd. (a).
33. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated seventy-five percent (75%) to the LWDA and twenty-five percent (25%) to the PAGA Group Members in settlement of PAGA claims.

34. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
35. “Plaintiffs” means the named plaintiffs Veronica Jauregui Silva and Matthew Young.
36. “Preliminary Approval” means the Court’s Granting Preliminary Approval of the Settlement.
37. “Released Class Claims” means the claims being released as described in Section E.2. below.
38. “Released PAGA Claims” means the claims being released as described in Section E.3 below.
39. “Released Parties” means Defendants and their past and present parents, subsidiaries, affiliates, predecessors, successors, and assigns, and all their past and present stockholders, owners, officers, directors, managers, employees, attorneys, insurers, agents, and representatives.
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.
41. “Response Deadline” means forty-five (45) calendar days after the Administrator mails the Class Notice to Class Members 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 Class Notices are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.
42. “Settlement” means the disposition of the Action effected by this Settlement Agreement and the Judgment.
43. “Workweek” means any week during which a Class Member worked for Defendants for at least one (1) day during the Class Period.

B. RECITALS.

1. On June 4, 2020, Plaintiff Silva filed a wage-and-hour class action lawsuit in the Superior Court of California, County of Los Angeles, against Defendant Ben Myerson. The lawsuit alleged violation of: (a) Labor Code sections 510 and 1198 (unpaid overtime); (b) Labor Code sections 226.7 and 512(a) (unpaid meal period premiums); (c) Labor Code section 226.7 (unpaid rest period premiums); (d) Labor Code sections 1194 and 1197 (unpaid minimum wages); (e) Labor Code sections 201 and 202 (final wages not timely paid); (f) Labor Code section 226(a) (non-compliant wage statements); and (g) Business & Professions Code section 17200, *et seq.*

2. On September 24, 2020, Plaintiff Young provided written notice to the LWDA of the specific provisions of the Labor Code he contends were violated and the theories supporting his contentions.
3. On January 22, 2021, Defendant Ben Myerson filed a cross-complaint against Defendant SVS alleging the following causes of action: (a) breach of contract; (b) breach of the covenant of good faith and fair dealing; (c) contractual indemnification; (d) implied contractual indemnification; (e) equitable indemnification; and (f) unfair business practices.
4. On January 25, 2021, Plaintiff Silva filed a First Amended Complaint that: (a) added Plaintiff Young and Alden Allen as named plaintiffs; and (b) added a cause of action for violation of Labor Code section 2698, *et seq.* (PAGA).
5. On November 12, 2021, Plaintiffs filed a Second Amended Complaint that: (a) removed Alden Allen as a named plaintiff; and (b) added Defendant SVS as a named defendant (“Operative Complaint”).
6. On December 14, 2021, Defendant Ben Myerson filed a First Amended Cross-Complaint against Defendant SVS (the Operative Cross-Complaint) alleging the same causes of action as the original cross-complaint.
7. After engaging in extensive discovery, investigations, and negotiations, the Parties remotely attended mediation with the mediator Jeffrey A. Ross on August 9, 2023, resulting in a settlement via a mediator’s proposal, subject to the Court’s approval.
8. Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint, and deny any and all liability for the causes of action alleged. Defendant SVS denies the allegations in the Operative Cross-Complaint, denies any failure to comply with the laws identified in the Operative Cross-Complaint, and denies any and all liability for the causes of action alleged in the Operative Cross-Complaint.
9. The Parties conducted significant investigation and discovery of the facts and law both before and after the Action was filed. Defendants produced several documents relating to their policies, practices, and procedures regarding reimbursement of business expenses, paying non-exempt employees for all hours worked, and meal and rest break along with payroll, timekeeping, and operational policies. As part of Defendants’ production, Plaintiffs also reviewed time records, pay records, and information relating to the size and scope of the Class, as well as data permitting Plaintiffs to understand the number of Workweeks and PAGA Pay Periods. Plaintiffs also interviewed Class Members who worked for Defendants throughout the Class Period. Plaintiffs’ investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130.
10. The Court has not granted class certification.

11. The Parties, Class Counsel, and Defense Counsel represent they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement Agreement.

C. MONETARY TERMS.

1. Gross Settlement Amount. Defendants promise to pay \$1,601,920, and no more, as the Gross Settlement Amount and to separately pay any and all employer-side payroll taxes owed on the Wage Portions of the Individual Class Payments. Of this Gross Settlement Amount, Defendant Ben Myerson will contribute \$1,566,180 and Defendant SVS will contribute \$35,740, based on the Parties allocation agreement. Defendants have no obligation to pay the Gross Settlement Amount (or any employer payroll taxes) prior to the deadline stated in Section D of this Settlement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or PAGA Group Members to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.
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 Order:
 - a. To Plaintiffs: The Class Representative Service Payments of no more than \$10,000 to each Plaintiff (totaling \$20,000) (in addition to any Individual Class Payments and any Individual PAGA Payments the Class Representatives are entitled to receive as Participating Class Members). Defendants will not oppose Plaintiffs' request for the Class Representative Service Payments that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class 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 the Class Representative Service Payments less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Court's approval of the Class Representative Service Payments in an amount less than requested shall not be grounds for Plaintiffs or Class Counsel to file an appeal. 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, and agree to indemnify Defendants and hold them harmless for any responsibility, liability, claim, complaint, damages, penalties, interest or any other actual or potential damages arising from Plaintiffs' obligations to pay employee taxes owed on the Class Representative Service Payments or any other payments to Plaintiffs, Class Members, or PAGA Group Members (with the exception of employer side payroll taxes that are Defendants' responsibility to pay).
 - b. To Class Counsel: A Class Counsel Fees Payment of no more than \$560,672 (35% of the Gross Settlement Amount) and Class Counsel Litigation Expenses Payment of no more than \$25,000. Defendants will not oppose requests for these payments provided that do not exceed these amounts. Plaintiffs and/or Class Counsel will file

a motion for Class Counsel Fees Payment and Class 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 less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Court's approval of a Class Counsel Fees Payment or Class Counsel Litigation Expenses Payment in an amount less than requested shall not be grounds for Plaintiffs or Class Counsel to file an appeal. The Released Parties shall have no liability to Class Counsel or any other counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator may purchase an annuity to utilize U.S. treasuries and bonds or other attorney fee deferral vehicles for Class Counsel. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS Form 1099. Class Counsel assume full responsibility and liability for taxes owed on the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, hold Defendants harmless, and indemnify Defendants from any dispute or controversy regarding any division, sharing, or any other obligation related to any of these payments.

- c. To the Administrator: An Administration Expenses Payment not to exceed \$20,000 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 than \$20,000, the Administrator will allocate the remainder to the Net Settlement Amount.
- d. 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 during the Class Period.
- i. Tax Allocation of Individual Class Payments. Twenty percent (20%) of each Participating Class Member's Individual Class Payment will be allocated to the settlement of wage claims ("Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on IRS Form W-2. Eighty percent (80%) of each Participating Class Member's Individual Class Payment will be allocated to the settlement of claims for interest and penalties ("Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS Form 1099. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payments.
- 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 allocate amounts equal to their Individual Class Payments to the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

- e. To the LWDA and PAGA Group Members: PAGA Penalties in the sum of \$125,000 to be paid from the Gross Settlement Amount, seventy-five percent (75%) of which (\$93,750) will be allocated to the LWDA as the LWDA PAGA Payment and twenty-five percent (25%) of which (\$31,250) will be allocated to the PAGA Group Members as their Individual PAGA Payments.
 - i. The Administrator will calculate each Individual PAGA Payment by: (a) dividing the amount of the PAGA Group Members' twenty-five percent (25%) share of PAGA Penalties (\$31,250) by the total number of PAGA Pay Periods worked by all PAGA Group Members during the PAGA Period; and (b) multiplying the result by each PAGA Group Member's PAGA Pay Periods during the PAGA Period. PAGA Group Members assume full responsibility and liability for any taxes owed on their Individual PAGA Payment, and agree to indemnify Defendants and hold them harmless for any responsibility, liability, claim, complaint, damages, penalties, interest or any other actual or potential damages arising from Plaintiffs' obligations to pay employee taxes owed on the Individual PAGA Payments or any other payments to Plaintiffs, Class Members, or PAGA Group Members (with the exception of employer-side payroll taxes that are Defendants' responsibility to pay).
 - ii. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. In addition, the Administrator will report the Individual PAGA Payments on IRS Form 1099.

D. SETTLEMENT FUNDING AND PAYMENTS.

1. Workweeks and Pay Periods. Based on a review of its records as of the August 9, 2023 mediation, Defendant Ben Myerson estimates that there were 719 Class Members that Defendant Ben Myerson employed during the Class Period who worked a total of 80,316 Workweeks and 523 PAGA Group Members who worked a total of 42,944 PAGA Pay Periods. Based on a review of its records as of the August 9, 2023 mediation, Defendant SVS estimates there are 240 Class Members that Defendant SVS employed during the Class Period who worked a total of 1,780 Workweeks. Defendant SVS also estimates that there are 7 PAGA Group Members employed by Defendant SVS during the PAGA Period who worked a total of 81 PAGA Pay Periods.
 - a. Collectively, based on a review of their records as of the August 9, 2023 mediation, Defendants estimate there were 959 Class Members that Defendants employed during the Class Period who worked a total of 82,096 Workweeks and 530 PAGA Group Members that Defendants employed during the PAGA Period who worked a total of 43,025 PAGA Pay Periods.
2. Funding of Gross Settlement Amount. Defendants shall fund the Gross Settlement Amount and fund all employer payroll taxes owed on the Wage Portion of the Individual Class Payments by transmitting the funds to the Administrator no later than the Effective Date.

3. Payments from the Gross Settlement Amount. Within fourteen (14) calendar days after Defendants fully funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, Individual PAGA Payments, LWDA PAGA Payment, Administration Expenses Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Class Representative Service Payments. Disbursement of the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Class Representative Service Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
- a. 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 United States Postal Service (“USPS”) mail, postage prepaid. The face of each check shall state checks that are not cashed within one hundred eighty (180) calendar days after the date of mailing 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 Notices were returned undelivered). The Administrator will send checks for Individual PAGA Payments to all PAGA Group Members, including Non-Participating Class Members who qualify as PAGA Group Members (including those for whom Class Notices were 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 NCOA.
 - b. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within seven (7) calendar days of receiving a returned check, the Administrator will remail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator shall 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.
 - c. 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 Code of Civil Procedure section 384, subd. (b).
 - d. The payment of the Class Representative Service Payments, Individual Class Payments, and Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions, bonuses, or any other additional payment) beyond those specified in this Agreement.

E. RELEASES OF CLAIMS. Effective on the date when Defendants fully fund the Gross Settlement Amount and fund all employer payroll taxes owed on the Wage Portion of the Individual Class Payments or the Effective Date, whichever is later, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

1. Plaintiffs' Release. Plaintiffs and their former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally release and discharge Released Parties from all actual or potential and all known or unknown claims, transactions, or occurrences that occurred before or during the Class Period, including, but not limited to the Released Class Claims and the Released PAGA claims ("Plaintiffs' Release"). Plaintiffs' 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 that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge they may discover facts or law different from, or in addition to, the facts or law Plaintiffs now know or believe to be true. But Plaintiffs agree Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.
 - a. Plaintiffs' Waiver of Rights Under Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the 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.

2. Release by Participating Class Members. All Participating Class Members, on behalf of themselves and their former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from the all claims, charges, complaints, liens, demands, causes of action, obligations, damages, and liabilities that each Participating Class Member has against Released Parties and that were alleged in, or arising out of the facts asserted in, the operative Second Amended Complaint. The Released Claims include, but are not limited to, Labor Code sections 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, 203, 204, 205, 205.5, 218.5, 221, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802, related IWC Wage Order No. 1-2001 and Business & Professions Code section 17200, *et seq.* claims based on alleged violations of these Labor Code, and any other applicable Wage Order provisions and all other claims (such as those under the Labor Code, Wage Orders, regulations, and/or other provisions of law) that reasonably could have been pleaded based on the facts asserted in the Action. These claims include: (a) failure to pay minimum wages; (b) failure to pay overtime wages; (c) failure to pay overtime and/or sick pay at the regular rate; (d) failure to provide meal or rest periods of compensation in lieu thereof; (e) failure to timely pay employees upon separation or discharge; (f) failure to pay all wages due and owing for time worked; (g) failure to reimburse necessary business expenditures; (h) failure to provide accurate itemized wage statements; (i) failure to comply with Labor Code section 205; (j) all related violations of the applicable Wage Orders; (k) all related

violations of California's unfair competition law; and (l) interest, fees, and costs. The enumeration of these specific statutes shall neither enlarge or narrow the scope of *res judicata* based on the claims that were asserted in the Action or reasonably could have been asserted in the Action based on the facts and circumstances alleged in any complaints on file in the Action. Except as set forth in Section E.3. of this 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.

3. Release by PAGA Group Members. All Participating and Non-Participating Class Members, who are PAGA Group Members, are deemed to release, on behalf of themselves and their former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and PAGA Notice that occurred during the PAGA Period.

F. MOTION FOR PRELIMINARY APPROVAL. The Parties agree that Plaintiffs will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval"), and that Defendants will review the Motion for Preliminary Approval at least seven (7) calendar days before the Motion for Preliminary Approval is filed or due to be filed.

1. Defendants' Declaration in Support of Preliminary Approval. Defendants will prepare and deliver to Class Counsel a signed declaration from Defendants and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator, if any. In their declarations, Defendants and Defense Counsel will provide information on any pending matters or actions asserting claims that will be extinguished or adversely affected by the Settlement, if any.
2. Plaintiffs' Responsibilities. Plaintiffs will prepare all documents necessary for obtaining Preliminary Approval, including: (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 request for approval of the PAGA Settlement under Labor Code section 2699, subd. (f)(2)); (b) draft proposed of the Order Granting Preliminary Approval and Approval of PAGA Settlement; (c) 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 the nature and extent of any financial relationship with Plaintiffs, Class Counsel, Defendants, or Defense Counsel; (d) signed declaration from Plaintiffs confirming their willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members and Administrator; (e) signed declaration from Class Counsel attesting to their competency to represent the Class Members; their 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. (l)(1)),

this Agreement (Labor Code section 2699, subd. (1)(2)) and Class Notice; and (f) all facts relevant to any actual or potential conflict of interest with the Class and Administrator.

- a. The amounts of Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administration Expenses Payment, and Class Representative Service Payments shall be determined by the Court, and the Court's determination on these amounts shall be final and binding. The Court's approval or denial of any amount requested for these items are not material conditions of this Agreement and are to be considered separate and apart from the fairness, reasonableness, and adequacy of the Agreement. Any order or proceeding relating to an application for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administration Expenses Payment, and Class Representative Service Payments shall not operate to terminate or cancel this Agreement.
 - b. If the Court declines to conditionally certify the Class or to Preliminarily Approve all material aspects of the Agreement with prejudice, the Agreement will be null and void, and the Parties will have no further obligations under the Agreement.
 - c. Defendants agree they will not oppose Plaintiffs' Motion for Preliminary Approval of the Settlement Agreement so long as the motion is consistent with the terms of the Parties' Settlement Agreement.
3. Responsibilities of Counsel. Class Counsel is responsible for: (a) expeditiously finalizing and filing the Motion for Preliminary Approval no later than thirty (30) calendar days after the full execution of this Agreement, allowing Defense Counsel at least seven (7) calendar days to review and provide input on the motion before it is filed; (b) obtaining a prompt hearing date for the Motion for Preliminary Approval; and (c) appearing in Court to advocate in favor of the Motion for Preliminary Approval. Defense Counsel agrees to appear at the hearing on the Motion for Preliminary Approval in support of the motion. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.
 4. Duty to Cooperate. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Settlement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone or email, and in good faith, to modify the Settlement and otherwise satisfy the Court's concerns.

G. SETTLEMENT ADMINISTRATION.

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, the Administrator 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 Payment. The Parties and their counsel represent they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

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.
3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund under US Treasury Regulation section 468B-1.
4. Notice to Class Members.
 - a. Class Data. No later than fourteen (14) calendar days after the Court grants Preliminary Approval of the Settlement, Defendants 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 under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if it discovers the Class Data omitted Class Members' identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use their best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
 - b. 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, PAGA Group Members, Workweeks, and PAGA Pay Periods in the Class Data.
 - c. Before mailing Class Notices, the Administrator shall update Class Member addresses using the NCOA. 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 the Class Notice substantially in the form attached to this Agreement as **Exhibit A** via first-class USPS mail. 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.
 - d. No later than three (3) business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall remain 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 remain the Class Notice to the most current address obtained.

- e. 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 forty-five (45) calendar days otherwise provided in the Class Notice for all Class Members whose notice is remailed. The Administrator will inform the Class Member of the extended deadline with the remailed Class Notice.
 - f. If the Administrator, Defendants, 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 or email, and in good faith 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 no later than fourteen (14) calendar days after receipt of Class Notice or the deadline dates in the Class Notice, whichever is later.
5. Requests for Exclusion (Opt-Outs).
- a. 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 no later than forty-five (45) calendar days after the Administrator mails the Class Notice (plus an additional 14 calendar days for Class Members whose Class Notices are remailed). 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: (i) full name; (ii) present address; (iii) email address or telephone number; and (iv) simple statement electing to be excluded from the Settlement. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
 - b. 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 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 susceptible to challenge.
 - c. 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 Section E.2. and Section E.3. of this Agreement, regardless of whether the Participating Class Member receives the Class Notice or objects to the Settlement.

- d. 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.
 - e. PAGA Group Members have no right to opt out of the PAGA portion of the Settlement and shall be bound by the release of claims identified in Section E.3 of this Agreement.
6. Challenges to Calculation of Workweeks and PAGA Periods. Each Class Member shall have forty-five (45) calendar days after the Administrator mails the Class Notice (plus an additional 14 calendar days for Class Members whose Class Notices are remailed) 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 susceptible to challenge. The Administrator shall promptly provide copies of all challenges to the calculation of Workweeks and/or PAGA Pay Periods to Class Counsel and Defense Counsel along with the Administrator's determination of the challenges.
7. Objections to Settlement.
- a. Only Participating Class Members may object to the class action components of the Settlement and/or this Settlement Agreement, including contesting the fairness of the Settlement Agreement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Class Representative Service Payments. Non-Participating Class Members have no right to object to any of the class action components of the Settlement.
 - b. Participating Class Members may send signed written objections to the Administrator by fax, email, or mail. The written objection must: (i) indicate what the Class Member is objecting to; (ii) why the Class Member is objecting; (iii) any fact that support the objection; and (iv) include the Class Member's full name, present address, and email address or telephone number.
 - c. Alternatively, 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 no later than forty-five (45) calendar days after the Administrator's mailing of the Class Notice (plus an additional 14 calendar days for Class Members whose Class Notices are remailed).

- d. PAGA Group Members have no right to object to the PAGA portion of the Settlement and shall be bound by the release of claims identified in Section E.3 of this Agreement.
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.
- a. Website, Email Address, and Toll-Free Number. The Administrator will establish and maintain and use a website to post information of interest to Class Members. This information includes the date, time, and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, Preliminary Approval, Class Notice, Motion for Final Approval, Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Class Representative Service Payments, Final Approval, and Judgment. The Administrator will also maintain and monitor an email address and toll-free telephone number to receive Class Members' calls, faxes, and emails.
 - b. Requests for Exclusion (Opt-Outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. No later than five (5) calendar days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Defense Counsel containing: (i) names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion; (ii) names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; and (iii) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid) ("Exclusion List"). The Administrator shall also provide a list to Class Counsel of the total number of valid and invalid Requests for Exclusion (with no Class Member names or personally identifying information).
 - c. 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: (i) Class Notices mailed or remailed; (ii) Class Notices returned undelivered; (iii) Requests for Exclusion (whether valid or invalid) received; (iv) objections received; (v) challenges to Workweeks and/or PAGA Pay Periods received and/or resolved; and (vi) 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.
 - d. Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Settlement 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.

- e. Administrator's Declaration. No later than sixteen (16) court 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: (i) mailing of Class Notice; (ii) Class Notices returned as undelivered; (iii) remailing of Class Notices; (iv) attempts to locate Class Members; (v) total number of Requests for Exclusion received (both valid or invalid); and (vi) total number of written objections received. 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.
- f. Final Report by Administrator. Within ten (10) calendar 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 fifteen (15) calendar 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.
- g. Employer Taxes. The Administrator shall calculate Defendants' share of employer payroll taxes due on the Wage Portion of Individual Class Payments and provide this information to the Parties and the Court for purposes of Final Approval. The Administrator shall remit employer taxes and required forms to the appropriate taxing authorities within the deadlines set by law.

H. CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE. Based on a review of its records as of the August 9, 2023 mediation, Defendant Ben Myerson estimates that there were 719 Class Members that Defendant Ben Myerson employed during the Class Period who worked a total of 80,316 Workweeks and 523 PAGA Group Members who worked a total of 42,944 PAGA Pay Periods. Based on a review of its records as of the August 9, 2023 mediation, Defendant SVS estimates there are 240 Class Members that Defendant SVS employed during the Class Period who worked a total of 1,780 Workweeks. Defendant SVS also estimates that there are 7 PAGA Group Members employed by Defendant SVS during the PAGA Period who worked a total of approximately 81 PAGA Pay Periods. If it is determined the collective number of Workweeks through the Class Period exceeds five percent (5%) or more of 82,096 (*i.e.*, more than 86,201 Workweeks), then the Gross Settlement Amount will increase proportionally over the five percent (5%) increase, with any resulting increase being borne proportionally by the Defendant whose employees' Workweeks led to the excess over 5%. For example, if the number of Workweeks increases by six percent (6%), the Gross Settlement Amount will increase by one percent (1%), with the Defendants proportionally contributing any additional required payment(s) to the Gross Settlement Amount based on the amount of previously underreported Workweeks per Defendant.

I. MOTION FOR FINAL APPROVAL. No 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, subd. (l), Proposed Final Approval Order, and proposed Judgment.

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) calendar court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
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 Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Administration Expenses Payment shall not constitute a material modification to the Settlement within the meaning of this section. If the Court does not grant Final Approval of the Agreement, or if the Court's Final Approval is reversed or materially modified on appellate review, then the Parties will make a good faith effort to revise the terms of the Agreement. If that process fails, the Settlement will be null and void. In such event, the Parties reserve their rights with respect to the prosecution and defense of the Action. Any disputes arising out of or relating to this Agreement will be submitted to the mediator for resolution. The Parties will split the costs of the mediator for any such time incurred by the mediator in reaching such resolution, and the Parties will bear their own attorneys' fees and other costs incurred.
3. Continuing Jurisdiction of the Court. The Parties agree after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and Settlement solely for purposes of: (a) enforcing this Agreement and/or Judgment; (b) addressing settlement administration matters; and (c) addressing such post-Judgment matters as are permitted by law.
4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, the Parties, their counsel, and all Participating Class Members who did not object to the Settlement as provided in this Settlement, 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 Settlement 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.
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

expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing any additional settlement administration costs reasonably incurred after remittitur on a 50-50 basis. 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 section if the Gross Settlement Amount remains unchanged.

J. 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.

K. ADDITIONAL PROVISIONS.

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 either or both Defendants that any of the allegations in the Operative Complaint, PAGA Notice, or Operative Cross-Complaint have merit or that Defendants or Cross-Defendant have any liability for any claims asserted. Moreover, nothing in this Agreement should it be intended or construed as an admission by Plaintiffs that Defendants' defenses in the Action have merit. The Parties agree class certification and representative treatment is for purposes of this Agreement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval, or enter Judgment, Defendants reserve the right to contest certification of any class for any reasons, Defendants and Cross-Defendant reserve 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 Defendants' defenses. This Agreement and the Parties' willingness to settle will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate this Agreement).
2. Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendants, and Defense Counsel separately agree, 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: (a) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (b) to counsel in a related matter; (c) to the extent necessary to report income to appropriate taxing authorities; (d) in response to a court order or subpoena; or (e) 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, Defendants, 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. Plaintiffs, Class Counsel,

Defendants, and Defense Counsel separately agree not to publish the fact and/or terms of this Agreement or any related information on their website(s), for advertising purposes, and/or in publication materials generally available to the public. This section does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

3. No Solicitation. The Parties separately agree that they and their 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 section 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.
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 Agreement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent they are authorized by Plaintiffs and Defendants 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.
6. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement Agreement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence, and supplementing points and authorities as requested by the Court. If the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement Agreement, or on any modification of the Settlement Agreement that may become necessary to implement the Settlement Agreement, the Parties will seek the assistance of the mediator and/or the Court for resolution.
7. No Prior Assignments. The Parties separately represent and warrant 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.
8. No Tax Advice. Neither Plaintiffs, Class Counsel, Defendants, Cross-Defendant, 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.
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.
10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

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.
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 the Party was the drafter or participated in the drafting.
13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered into during the Action and in this Agreement relating to the confidentiality of information, shall survive the execution of this Agreement.
14. Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants 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. No 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 destroy all paper and electronic versions of Class Data received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants make a written request to Class Counsel for the return, rather than the destruction, of Class Data.
15. Headings. The descriptive heading of any section of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
16. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. If 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.
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 U.S. mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

Douglas Han
Shunt Tatavos-Gharajeh
Christopher Peterson
Justice Law Corporation
751 North Fair Oaks Avenue, Suite 101
Pasadena, California 91103
(Tel) (818) 230-7502
(Fax) (818) 230-7259
dhan@JusticeLawCorp.com
statavos@JusticeLawCorp.com
cpeterson@JusticeLawCorp.com

To Defendants: William O. Stein
Shaun Voigt
Fisher & Phillips LLP
444 South Flower Street, Suite 1500
Los Angeles, California 90071
(Tel) (310) 556-8861
(Fax) (310) 553-2165
wstein@fisherphillips.com
svoigt@fisherphillips.com

Fletcher C. Alford
Seth A. Weisburst
Kevin Liu
Gordon Rees Scully Mansukhani, LLP
275 Battery Street, Suite 2000
San Francisco, California 94111
(Tel) (415) 875-3115
(Fax) (415) 986-8054
falford@grsm.com
sweisburst@grsm.com
kliu@grsm.com

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.
19. Stay of Litigation. The Parties agree 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 Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

Dated: 05/24/2024

Veronica Jauregui Silva

By: Veronica JS

Dated: 05/24/2024

Matthew Young

By: Matthew Young

Dated: 5/23/24

Justice Law Corporation [Approving as to Form Only]

By: D. Han

Douglas Han, Esq.

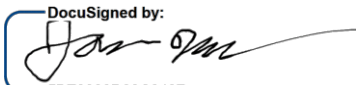
Shunt Tatavos-Gharajeh, Esq.

Christopher Peterson, Esq.

Attorneys for Plaintiffs

Dated: 6/12/2024

Breakthru Beverage California, LLC *fka* Ben Myerson Candy Co., Inc.

DocuSigned by:

5BE2809D02C2487...

By: _____

On behalf of Breakthru Beverage California, LLC *fka* Ben Myerson Candy Co., Inc.

Dated: _____

Silicon Valley Technical Staffing, Inc.

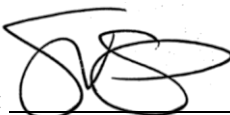
By: _____

Eugene Lupario, Co-Founder and President of SVS Group

On behalf of Silicon Valley Technical Staffing, Inc.

Dated: 6/12/2024

Fisher & Phillips LLP [Approving as to Form Only]



By: _____

William O. Stein, Esq.

Shaun Voigt, Esq.

Attorneys for Defendant Ben Myerson Candy Co., Inc. d/b/a Wine Warehouse

Dated: _____

Gordon Rees Scully Mansukhani, LLP [Approving as to Form Only]

By: _____

Fletcher C. Alford, Esq.

Seth A. Weisburst, Esq.

Kevin Liu, Esq.

Attorneys for Defendant Silicon Valley Technical Staffing, Inc.

Dated: _____

Breakthru Beverage California, LLC fka Ben Myerson Candy Co., Inc.

By: _____

On behalf of Breakthru Beverage California, LLC fka Ben Myerson Candy Co., Inc.

Dated: May 27, 2024

Silicon Valley Technical Staffing, Inc.

By: Eugene Lupario

Eugene Lupario, Co-Founder and President of SVS Group
On behalf of Silicon Valley Technical Staffing, Inc.

Dated: _____

Fisher & Phillips LLP [Approving as to Form Only]

By: _____

William O. Stein, Esq.

Shaun Voigt, Esq.

Attorneys for Defendant Ben Myerson Candy Co., Inc. d/b/a Wine Warehouse

Dated: May 28, 2024

Gordon Rees Scully Mansukhani, LLP [Approving as to Form Only]

By: Seth Weisburst

Fletcher C. Alford, Esq.

Seth A. Weisburst, Esq.

Kevin Liu, Esq.

Attorneys for Defendant Silicon Valley Technical Staffing, Inc.

EXHIBIT A

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

Silva v. Ben Myerson Candy Co., Inc. d/b/a Wine Warehouse (Case No. 20STCV21665)

The Superior Court for the State of California authorized this Class 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 Defendants Breakthru Beverage California, LLC *fka* Ben Myerson Candy Co., Inc. and Silicon Valley Technical Staffing, Inc. ("Defendants," "Defendant Ben Myerson," and "Defendant SVS") for alleged wage and hour violations. The Action was filed by Plaintiffs Veronica Jauregui Silva and Matthew Young ("Plaintiffs"), former employees of Defendants.

The Action seeks payment of:

- (1) Unpaid wages for a class of: (a) individuals who worked for Defendant Ben Myerson as hourly-paid or non-exempt employees within the State of California at any time during the period from June 4, 2016, through October 13, 2023; and (b) all individuals who were assigned by Defendant SVS to work for Defendant Ben Myerson as hourly-paid or non-exempt employees within the State of California at any time during the period from June 4, 2016, through October 13, 2023 ("Class," "Class Members," "Class Period"); and
- (2) Penalties under the Private Attorneys General Act of 2004 ("PAGA") for: (a) all individuals who worked for Defendant Ben Myerson as hourly-paid or non-exempt employees within the State of California at any time during the period from September 24, 2019, through October 13, 2023; and (b) all individuals who were assigned by Defendant SVS to work for Defendant Ben Myerson as hourly-paid or non-exempt employees within the State of California at any time during the period from September 24, 2019, through October 13, 2023 ("PAGA Group Members" and "PAGA Period").

The settlement has two main parts: (1) Class Settlement requiring Defendants to fund Individual Class Payments; and (2) PAGA Settlement requiring Defendants to fund Individual PAGA Payments.

Based on Defendants' records, and the Parties' current assumptions, your Individual Class Payment is estimated to be \$ [REDACTED] (less withholding) and your Individual PAGA Payment is estimated to be \$ [REDACTED]. The actual amount you may receive likely will be different and will depend on several factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendants' 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 Defendants' records showing you worked [REDACTED] Workweeks during the Class Period and worked [REDACTED] Pay Periods during the PAGA Period. If you believe you worked more Workweeks or Pay Periods during either period, you can submit a challenge by the deadline date. See Section 4 of this Class Notice.

The Court has already preliminarily approved the settlement and approved this Class 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 Class 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 and Plaintiffs' attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the settlement and requires Class Members and PAGA Group Members to give up their rights to assert certain claims against Defendants.




If you worked for Defendants during the Class Period and/or PAGA Period, you have two (2) basic options under the settlement:

1. **Do Nothing.** You don't have to do anything to participate in the settlement and be eligible for an Individual Class Payment and/or 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 Defendants.
2. **Opt Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt out) by submitting the 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 but will preserve your right to personally pursue Class Period wage claims against Defendants. Moreover, if you are a PAGA Group Member, you remain eligible for an Individual PAGA Payment. You cannot opt out of the PAGA portion of the settlement.

Defendants won't retaliate against you for any actions you take with respect to the 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 Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendants covered by this settlement (Released Claims).
You Can Opt Out of the Class Settlement but not the PAGA Settlement The Opt Out Deadline is <div style="background-color: yellow; height: 15px; width: 100px;"></div>	<p>If you don't want to fully participate in the 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 settlement. See Section 6 of this Class Notice.</p> <p>You cannot opt out of the PAGA portion of the settlement. Defendants must pay Individual PAGA Payments to all PAGA Group Members and the PAGA Group Members must give up their rights to pursue Released Claims (defined below).</p>

<p>Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement</p> <p>Written Objections Must be Submitted by </p>	<p>All Class Members who do not opt out (“Participating Class Members”) can object to any aspect of the 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 Class Notice.</p>
<p>You Can Participate in the Final Approval Hearing</p>	<p>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 Class Notice.</p>
<p>You Can Challenge the Calculation of Your Workweeks / Pay Periods</p> <p>Written Challenges Must be Submitted by </p>	<p>The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many Workweeks you worked at least one (1) day during the Class Period and how many Pay Periods you worked at least one (1) day during the PAGA Period, respectively. The number of Workweeks and number of PAGA Pay Periods you worked according to Defendants’ records is stated on the first page of this Class Notice. See Section 4 of this Class Notice.</p>

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former employees of Defendants. The Action accuses Defendants of violating the labor laws by failing to: (1) pay overtime wages; (2) provide meal period premiums; (3) provide rest period premiums; (4) pay minimum wages; (5) timely pay final wages; (6) provide compliant wage statements; and (7) comply with the requirements of Business & Professions Code section 17200, *et seq.* Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under Labor Code section 2698, *et seq.* (PAGA). Plaintiffs are represented by attorneys Douglas Han, Shunt Tatavos-Gharajeh, and Chris Peterson of Justice Law Corporation.

Defendants strongly deny violating any laws or failing to pay any wages and contend they complied with all applicable laws.

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

The Court has made no determination whether Plaintiffs or Defendants are correct on the merits. In the meantime, the Parties hired an experienced, neutral mediator to resolve the Action by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful following a full day of mediation. By signing the Amended Class Action and PAGA Settlement Agreement (“Settlement Agreement,” “Settlement,” or “Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Settlement Agreement, the Parties have negotiated a settlement that is subject to the Court’s Final Approval. Both sides agree the settlement is a

compromise of disputed claims. By agreeing to settle, Defendants do 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: (1) Defendants agreed to pay a fair, reasonable, and adequate amount considering the strength of the claims and risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and PAGA Group Members. The Court preliminarily approved the Settlement as fair, reasonable, and adequate, authorized this Class Notice, and scheduled a hearing to determine Final Approval.

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

1. Defendants Will Pay \$1,601,920 as the Gross Settlement Amount. Defendants agreed to deposit the Gross Settlement Amount into an account controlled by the Administrator of the Settlement. Of this Gross Settlement Amount, Defendant Ben Myerson will contribute \$1,566,180 and Defendant SVS will contribute \$35,740, based on the total number of workweeks for each of Defendant's employees. The Administrator will use the Gross Settlement Amount to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administration Expenses Payment, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA").
 - a. Assuming the Court grants Final Approval, Defendants shall fund the Gross Settlement Amount and fund all employer payroll taxes owed on the Wage Portion of the Individual Class Payments by transmitting the funds to the Administrator no later than the Effective Date.
 - b. "Effective Date" means thirty (30) calendar days after both of the following have occurred: (i) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (i) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (1) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (2) 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 (3) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
2. Court Approved Deductions from Gross Settlement Amount. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement Amount, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - a. Up to \$560,672 (35% of the Gross Settlement Amount) to Class Counsel as their Class Counsel Fees Payment and up to \$25,000 as their Class Counsel Litigation Expenses Payment. To date, Class Counsel have worked and incurred expenses on the Action without payment.

- b. Up to \$10,000 to each Plaintiff as their Class Representative Service Payments (totaling \$20,000) for filing the Action, working with Class Counsel, and effectively representing the Class. The Class Representative Service Payments will be the only monies Plaintiffs will receive other than their Individual Class Payments and any Individual PAGA Payments.
 - c. Up to \$20,000 to the Administrator as the Administration Expenses Payment for services administering the Settlement.
 - d. Up to \$125,000 for PAGA Penalties, seventy-five percent (75%) of which (\$93,750) will be paid to the LWDA as the LWDA PAGA Payment and twenty-five percent (25%) of which (\$31,250) will be paid to the PAGA Group Members as their Individual PAGA Payments based on their PAGA Pay Periods.
- 3. Right to Object. Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.
- 4. 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 Amount (“Net Settlement Amount”) by making Individual Class Payments to Participating Class Members based on their Workweeks.
- 5. Taxes Owed on Payments to Class Members. The Parties are asking the Court to approve an allocation of twenty percent (20%) of each Individual Class Payment to taxable wages (“Wage Portion”) and eighty percent (80%) to interest and penalties (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS Form W-2. Defendants 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 Non-Wage Portions of the Individual Class Payments on IRS Form 1099.
 - a. While the Parties 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 Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the settlement.
- 6. Need to Promptly Cash Payment Checks. The face of each check shall state checks that are not cashed within one hundred eighty (180) calendar days after the date of mailing will be voided. The Administrator will cancel all checks not cashed by the void date. 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. If the monies represented by your check is sent to the California Controller’s Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.

7. 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 that you wish to opt out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by [REDACTED]. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's: (a) full name; (b) present address; (c) email address or telephone number; and (d) simple statement electing to be excluded from the Settlement. Non-Participating Class Members will not receive Individual Class Payments but will preserve their rights to personally pursue wage and hour claims against Defendants.
 - a. You cannot opt out of the PAGA portion of the Settlement. In other words, Non-Participating Class Members remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendants based on the PAGA Period facts alleged in the Action.
8. 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. The Parties agreed, in either case, the Settlement will be void: (a) Defendants will not pay any money; and (b) Class Members will not release any claims against Defendants.
9. Administrator. The Court has appointed a neutral company ILYM Group, Inc. ("Administrator") to send this Class Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member challenges over Workweeks, mail and remail 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 Class Notice.
10. Participating Class Members' Release. After Defendants have fully funded the Gross Settlement Amount and separately paid all employer payroll taxes on the Effective Date, whichever is later, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement Agreement. This means 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 Defendants or their 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 the Settlement Agreement. The Participating Class Members will be bound by the following release:
 - a. All Participating Class Members, on behalf of themselves and their former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from the all claims, charges, complaints, liens, demands, causes of action, obligations, damages, and liabilities that each Participating Class Member has against Released Parties and that were alleged in, or arising out of the facts asserted in, the operative Second Amended Complaint. The Released Claims include, but are not limited to, Labor Code sections 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, 203, 204, 205, 205.5, 218.5, 221, 226, 226.3,

226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802, related IWC Wage Order No. 1-2001 and Business & Professions Code section 17200, *et seq.* claims based on alleged violations of these Labor Code, and any other applicable Wage Order provisions and all other claims (such as those under the Labor Code, Wage Orders, regulations, and/or other provisions of law) that reasonably could have been pleaded based on the facts asserted in the Action. These claims include: (i) failure to pay minimum wages; (ii) failure to pay overtime wages; (iii) failure to pay overtime and/or sick pay at the regular rate; (iv) failure to provide meal or rest periods of compensation in lieu thereof; (v) failure to timely pay employees upon separation or discharge; (vi) failure to pay all wages due and owing for time worked; (vii) failure to reimburse necessary business expenditures; (viii) failure to provide accurate itemized wage statements; (ix) failure to comply with Labor Code section 205; (x) all related violations of the applicable Wage Orders; (xi) all related violations of California's unfair competition law; and (xii) interest, fees, and costs. The enumeration of these specific statutes shall neither enlarge or narrow the scope of *res judicata* based on the claims that were asserted in the Action or reasonably could have been asserted in the Action based on the facts and circumstances alleged in any complaints on file in the Action. Except as set forth in Section E.3. of the 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.

11. PAGA Group Members' PAGA Release. After Defendants have fully funded the Gross Settlement Amount and separately paid all employer payroll taxes on the Effective Date, whichever is later, all PAGA Group Members will be barred from asserting PAGA claims against Defendants, whether or not they exclude themselves from the Settlement. This means that all PAGA Group Members, including those who are Participating Class Members and those who are Non-Participating Class Members, cannot sue, continue to sue, or participate in any other PAGA claim against Defendants or their related entities based on the PAGA Period facts alleged in the Action and resolved by the Settlement Agreement. The PAGA Group Members will be bound by the following release:

- a. All Participating and Non-Participating Class Members, who are PAGA Group Members, are deemed to release, on behalf of themselves and their former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and PAGA Notice that occurred during the PAGA Period.

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 during the Class Period; and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member during the Class Period.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by: (a) dividing \$31,250 by the total number of PAGA Pay Periods worked by all PAGA Group Members during the PAGA Period; and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual PAGA Group Member during the PAGA Period.
3. Workweek/Pay Period Challenges. The number of Workweeks you worked during the Class Period and the number of Pay Periods you worked during the PAGA Period, as recorded in Defendants' records, are stated on the first page of this Class Notice. You have until [REDACTED] to challenge the number of Workweeks and/or PAGA 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 Class Notice has the Administrator's contact information.
 - a. You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendants' calculation of Workweeks and/or PAGA Pay Periods based on Defendants' 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 PAGA Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defense Counsel. The Administrator's decision is final. You cannot appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, via first-class United States Postal Service ("USPS") mail, postage prepaid, a single check to every Participating Class Member, including those who also qualify as PAGA Group Members. The single check will combine the Individual Class Payment and Individual PAGA Payment.
2. Non-Participating Class Members. The Administrator will send, via first-class USPS mail, postage prepaid, a single Individual PAGA Payment check to every PAGA Group Member who is a Non-Participating Class Member.
3. **Your check will be sent to the same address as this Class Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Class 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 full name, present address, email address or telephone number, and 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 *Silva v. Ben Myerson Candy Co., Inc. d/b/a Wine Warehouse* (Case No. 20STCV21665), and include your identifying information (full name, present 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 [REDACTED], or it will be invalid. Section 9 of the Class 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 the Parties are asking the Court to approve. At least sixteen (16) court days before the [REDACTED] 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 Settlement is fair; and (2) a Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Class Representative Service Payments stating: (a) the amount Class Counsel is requesting as the Class Counsel Fees Payment and Class Counsel Litigation Expenses; and (b) the amount Plaintiffs are requesting as the Class Representative Service Payments. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Class Notice) will send you copies of these documents at no cost to you. You can also view these documents on the Administrator's website [REDACTED] or the Court's website <http://www.lacourt.org/casesummary/ui/index.aspx>.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Class Representative Service Payments may wish to object. 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 as *Silva v. Ben Myerson Candy Co., Inc. d/b/a Wine Warehouse* (Case No. 20STCV21665) and include your full name, present address, email address or telephone number, and signature. Section 9 of this Class 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 Class Notice 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 [REDACTED] in Department 7 of the Superior Court of California, County of Los Angeles (Spring Street Courthouse), located at 312 North Spring Street, Los Angeles, California 90012. At the Final Approval Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement Amount will be paid to Class Counsel, Plaintiffs, and Administrator. The Court will invite comments from objectors, Class Counsel, and Defense

Counsel before deciding. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). 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 Settlement Agreement sets forth everything the Parties have promised to do under the Settlement Agreement. The easiest way to read the Settlement Agreement, Judgment, or any other Settlement documents is to go to Administrator's website at [REDACTED]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below or consult the Court's website by going to <http://www.lacourt.org/casesummary/ui/index.aspx> and entering Case No. 20STCV21665. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

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

Class Counsel:

Douglas Han
Shunt Tatavos-Gharajeh
Chris Peterson
Justice Law Corporation
751 North Fair Oaks Ave., Suite 101
Pasadena, California 91103
(Tel) (818) 230-7502
(Fax) (818) 230-7259
ghan@JusticeLawCorp.com
statavos@JusticeLawCorp.com
cpeterson@JusticeLawCorp.com

Administrator:

[ADMINISTRATOR]
[MAILING ADDRESS]
[TELEPHONE NUMBER]
[FAX NUMBER]
[EMAIL]

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it if 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 California Controller's Unclaimed Property Fund at 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.