

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Armando Cardenas (“Plaintiff”) and Defendant Hotel Cleaning Services, Inc. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as the “Parties,” or individually as “Party.”

1. DEFINITIONS

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

- 1.1. “Action” means the Plaintiff’s lawsuits alleging wage and hour violations against Defendant captioned *Armando Cardenas v. Hotel Cleaning Services, Inc.* Case No. 24CU002731C, initiated on July 24, 2024, and *Armando Cardenas v. Hotel Cleaning Services, Inc.* Case No. 24CU008688C, initiated on August 30, 2024, both pending in Superior Court of the State of California, County of San Diego.
- 1.2. “Administrator” means ILYM Group, Inc. (“ILYM”), the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval.
- 1.4. “Aggrieved Employees” means all individuals who are or previously were employed by Defendant who were classified as non-exempt in the State of California during the PAGA Period.
- 1.5. “Class” means all individuals who are or previously were employed by Defendant who were classified as non-exempt in the State of California, but who did not sign arbitration agreements, during the Class Period.
- 1.6. “Class Counsel” means Norman B. Blumenthal, Kyle R. Nordrehaug, Aparajit Bhowmik, Christine T. LeVu, Brooke Waldrop and Adolfo Sanchez Contreras of Blumenthal Nordrehaug Bhowmik De Blouw LLP.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts to be paid to Class Counsel for fees and expenses, respectively, as approved by the Court, to compensate Class Counsel for their legal work in connection with the Action, including their pre-filing investigation, their filing of the Action, all

related litigation activities, all Settlement work, all post-Settlement compliance procedures, and related litigation expenses billed in connection with the Action.

- 1.8. “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, email address (if known and available to Defendant), and number of Workweeks and PAGA Pay Periods.
- 1.9. “Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non- Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members by use of available email addresses, phone numbers, social security numbers, credit reports, LinkedIn and Facebook.
- 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English with a Spanish translation, in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12. “Class Notice Packet” means the Class Notice to be provided to the Class Members by the Administrator in the form set forth as Exhibit A to this Agreement (other than formatting changes to facilitate printing by the Administrator).
- 1.13. “Class Period” means the period of time from July 24, 2020 to May 7, 2025.
- 1.14. “Class Representative” means the named Plaintiff in the Operative Complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.15. “Class Representative Service Payment” means the service payment made to the Plaintiff as Class Representative in order to compensate for initiating the Action, performing work in support of the Action, undertaking the risk of liability for Defendant’s expenses, and for the general release of all claims by the Plaintiff.
- 1.16. “Court” means the Superior Court of California, County of San Diego.
- 1.17. “Defendant” means Hotel Cleaning Services, Inc.
- 1.18. “Defense Counsel means Adrienne L. Conrad and Marco A. Garcia of Jackson

Lewis P.C.

- 1.19. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.20. “Final Approval” means the Court’s order granting final approval of the Settlement substantially in the form attached hereto as Exhibit C to this Agreement and incorporated by reference into this Agreement.
- 1.21. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement to determine whether to approve finally and implement the terms of this Agreement and enter the Judgment.
- 1.22. “Gross Settlement Amount” means Eight Hundred Seventy-Eight Thousand Dollars (\$878,000) which is the total amount to be paid by Defendant as provided by this Agreement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment and the Administration Expenses Payment. This Gross Settlement Amount is an all-in amount without any reversion to Defendant, and excludes any employer payroll taxes, if any, due on the portion of the Individual Class Payments allocated to wages which shall not be paid from the Gross Settlement and shall be the separate additional obligation of Defendant.
- 1.23. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.24. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.
- 1.25. “Judgment” means the judgment entered by the Court based upon Final Approval substantially in the form attached hereto as Exhibit C to this Agreement and incorporated by reference into this Agreement.
- 1.26. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

- 1.27. “LWDA PAGA Payment” means the 65% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.28. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The Net Settlement Amount is to be paid to Participating Class Members as Individual Class Payments.
- 1.29. “Non-Participating Class Member” means a Class Member who opts out of the Class Settlement by submitting a valid and timely Request for Exclusion to the Administrator.
- 1.30. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.31. “PAGA Period” means the period of time from May 17, 2023 to May 7, 2025.
- 1.32. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.33. “PAGA Notice” means the Plaintiff’s August 21, 2024 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.34. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 35% to the Aggrieved Employees (\$7,000) and the 65% to LWDA (\$13,000) in settlement of PAGA claims.
- 1.35. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion.
- 1.36. “Plaintiff” means Armando Cardenas, the named plaintiff in the Action.
- 1.37. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement, substantially in the form attached hereto as Exhibit B to this Agreement and incorporated by this reference herein.
- 1.38. “Released Class Claims” means any and all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint, including the failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest thereon; failure to timely pay regular and final wages; the calculation of the regular rate of pay; wages lost from time rounding and timekeeping; noncompliant (e.g., missed, short, late, and/or interrupted) meal periods and rest periods; failure to provide meal periods; failure to authorize and permit rest

periods; the calculation and payment of meal period and rest period premiums; payment for all hours worked, including off-the-clock work and uncompensated work time; failure to provide wage statements and paystubs, including wage statements and paystubs furnished or available in physical, electronic, or other forms; failure to reimburse for all necessary business expenses; unfair business practices; recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; statutory penalties and civil penalties; interest for claims for unpaid wages; and attorneys' fees and costs; claims based on the facts stated in the Operative Complaint under the California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 1174, 1182.12, 1194, 1194.2, 1194.3, 1197, 1197.1, 1198, 2800 and 2802); the Wage Orders of the California Industrial Welfare Commission; and California Business and Professions Code section 17200, et seq. Except as expressly set forth in this Agreement, Participating Class Members do not release any other claims, including claims not permitted by law, including, claims for vested benefits, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period. Upon entry of Judgment, Plaintiff and other Participating Class Members are precluded from filing a wage and hour action under the Fair Labor Standards Act or other federal, state, or local wage and hour laws against the Released Parties for claims and/or causes action encompassed by the Released Class Claims, which are extinguished and precluded pursuant to *Rangel v. PLS Check Cashers of California, Inc.* (2018) 899 F.3d 1106.

- 1.39. "Released PAGA Claims" mean any and all claims for the recovery of civil penalties under the California Private Attorneys General Act, California Labor Code § 2698, et. seq., that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice that occurred during the PAGA Period, including claims for unpaid wages, including failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; non-compliant (e.g., missed, short, late, and/or interrupted) meal periods and rest periods; failure to provide meal periods; failure to authorize and permit rest periods; the calculation and payment of meal period and rest period premiums; failure to reimburse for all necessary business expenses; payment for all hours worked, including off-the-clock work and rounded time; wage statements; failure to timely pay wages; and failure to timely pay final wages. The Released PAGA Claims include claims based on the facts of the Operative Complaint and PAGA Notice that occurred during the PAGA Period for violation of the Wage Orders of the California Industrial Welfare Commission and the following California Labor Code sections: 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 1174, 1182.12, 1194, 1194.2, 1194.3, 1197, 1197.1, 1198, 2800 and 2802). The foregoing release shall apply to all Aggrieved Employees, regardless of whether they exclude themselves from the Released Class Claims. The Released PAGA Claims do not include other PAGA claims, the underlying wage and hour claims, claims for wrongful termination, discrimination, unemployment insurance, disability and worker's compensation, and claims outside of the PAGA Period.

- 1.40. “Released Parties” means: Defendant and each of its past, present and future agents, employees, servants, officers, directors, partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, service providers, joint venturers, joint employers, co-employers, dual employers, alleged joint employers, alleged co-employers, alleged dual employers, affiliates, alter-egos, and affiliated organizations, and all of their respective past, present and future employees, directors, officers, agents, attorneys, stockholders, fiduciaries, parents, subsidiaries, and assigns.
- 1.41. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.42. “Response Deadline” means forty-five (45) calendar days after the Administrator mails Class Notice Packet to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) submit Requests for Exclusion from the Settlement, or (b) submit his or her Objection to the Settlement. Class Members to whom Class Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.43. “Settlement” means the disposition of the Action and all related claims effectuated by this Agreement and the Judgment.
- 1.44. “Workweek” means any week during the Class Period in which a Class Member worked for Defendant as a Class Member for at least one day.

2. RECITALS

- 2.1. On July 24, 2024, Plaintiff commenced this Action by filing a Complaint against Defendant in the Superior Court of the State of California, County of San Diego. Plaintiff’s Complaint asserted claims that Defendant:
- (a) Violated California Business and Professions Code § 17200 et seq.;
 - (b) Failed to pay minimum wages in violation of California Labor Code §§ 1194, 1197 & 1197.1;
 - (c) Failed to pay overtime wages in violation of California Labor Code § 510, et seq.;
 - (d) Failed to provide required meal periods in violation of California Labor Code §§ 226.7 & 512 and the applicable IWC Wage Order;
 - (e) Failed to provide required rest periods in violation of California Labor Code §§ 226.7 & 512 and the applicable IWC Wage Order;
 - (f) Failed to provide accurate itemized wage statements in violation of California Labor Code § 226;

- (g) Failed to reimburse employees for required expenses in violation of California Labor Code § 2802;
- (h) Failed to provide wages when due in violation of California Labor Code §§ 201, 202, 203; and
- (i) Failed to pay sick pay in violation of California Labor Code §§ 201-204, 233 and 246.

2.2. On August 30, 2024, Plaintiff filed a Representative Action Complaint alleging a single cause of action against Defendant for recovery of civil penalties for violation of Private Attorney General Act, Cal. Labor Code §§ 2698, et seq. (“PAGA”) in the Superior Court of the State of California, County of San Diego (“PAGA Action”).

2.3. On May 7, 2025, the Parties participated in an all-day mediation presided over Jonathan Andrews, a respected mediator of wage and hour representative and class actions. The Parties did not settle the matter at mediation. Subsequently to the mediation, the Parties were able to agree to settle the Action based upon a mediator’s proposal which was memorialized in the form of a Memorandum of Understanding. This Agreement replaces and supersedes the Memorandum of Understanding and any other agreements, understandings, or representations between the Parties.

2.4. On October 22, 2025, Plaintiff filed a First Amended Consolidated Class and Representative Action Complaint in the Action consolidated Action and the PAGA claim and all of the factual allegations and theories of liability from the PAGA Action. The First Amended Consolidated Class and Representative Action Complaint is the operative complaint in the Action (the “Operative Complaint.”) Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged.

2.5. Prior to mediation, Plaintiff obtained sufficient documents and information to sufficiently investigate the claims such that Plaintiff’s 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 (“*Dunk/Kullar*”).

2.6. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant that the claims in the Action of Plaintiff or the Class have merit or that Defendant bears any liability to Plaintiff or the Class on those claims or any other claims, or as an admission by Plaintiff that Defendant’s defenses in the Action have merit. The Parties agree to certification of the Class for purposes of this Settlement only. If for any reason the settlement does not become effective, Defendant reserves the right to contest certification of any class for any reason and reserves all available defenses to the claims in the Action.

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

3. MONETARY TERMS

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay \$878,000 and no more as the Gross Settlement Amount. This amount is all-inclusive of all payments contemplated in this resolution, excluding any employer-side payroll taxes on the portion of the Individual Class Payments allocated to wages which shall be separately paid by Defendant to the Administrator. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

(a) To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$15,000 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

(b) To Class Counsel: A Class Counsel Fees Payment of not more than one-third (1/3) of the Gross Settlement Amount, which is currently estimated to be \$292,666, and a Class Counsel Litigation Expenses Payment of not more than \$23,000. Defendant will not oppose requests for these payments provided that do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released

Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these payments.

- (c) To the Administrator: An Administration Expenses Payment not to exceed \$12,000 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses Payment is less or the Court approves payment less than \$12,000, the Administrator will retain the remainder in the Net Settlement Amount for distribution to Participating Class Members.
- (d) To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$20,000 to be paid from the Gross Settlement Amount, with 65% (\$13,000) allocated to the LWDA PAGA Payment and 35% (\$7,000) allocated to the Individual PAGA Payments.
 - i. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties (\$7,000) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.
 - ii. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.
- (e) To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.
 - i. Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for non-wages, expense reimbursement, interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on

IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

- ii. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.
- (f) The settlement payments made to Plaintiff and Class Members under this settlement, and any other payments made pursuant to this Agreement, will not be utilized to calculate any additional benefits under any benefit plans to which any Class Members may be eligible, including, but not limited to, profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. The Parties' intention that this settlement will not affect any rights, contributions, or amounts to which Plaintiff and Class Members may be entitled under any benefit plans. The payment under this Agreement shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members beyond those specified in this Agreement.

4. SETTLEMENT FUNDING

- 4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on its records, Defendant has represented that the Class consists of 287 Class Members, and 816 Aggrieved Employees who worked a total of 13,532 PAGA Pay Periods. The difference between the number of Class Members and Aggrieved Employees results from the exclusion of employees who signed enforceable arbitration agreements as defined by the Class definition as set forth in section 1.5. Said employees are not Class Members but are included in the settlement solely as Aggrieved Employees for purposes of resolving PAGA claims.
- 4.2. Class Data. Not later than fourteen (14) days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet or Microsoft Word document. 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. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted Class Member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3. Funding of the Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator within thirty (30) days of the Effective Date.

5. PAYMENTS FROM THE GROSS SETTLEMENT AMOUNT

5.1. Within fourteen (14) days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment.

5.2. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the "void date", which is 180 days after the date of mailing, when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Class Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the National Change of Address Database. If a Participating Class Member's or Aggrieved Employee's check is not cashed within 120 days after its last mailing to the affected individual, the Administrator will also send the individual a notice informing him or her that unless the check is cashed by the void date, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced but not cashed.

5.3. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

5.4. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall

transmit the funds represented by such checks to the State Controller Unclaimed Property Fund.

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

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

6.1. Plaintiff's Release. Named Plaintiff and his respective former and present spouses, representatives, agents, attorneys, heirs, insurers, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint in the Action or ascertained during the Action; and (b) any other claims, debts, liabilities, demands, damages, obligations, actions and causes of actions, of any nature whatsoever, whether known or unknown, or suspected or unsuspected, including, but not limited to, those arising out of or in connection with their employment with Defendant, the separation of such employment, or any other act, omission or event occurring between the Parties at any time prior to the date the Named Plaintiff executed this Agreement. This General Release includes, without limitation: (1) all claims for violation of any federal, state or local statute, ordinance or regulation relating to employment benefits, leaves of absence, or discrimination, harassment, retaliation, or whistleblowing in employment, specifically including, without limitation, the California Fair Employment and Housing Act, the California Family Rights Act, Title VII of the Civil Rights Act of 1964, the Family and Medical Leave Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Genetic Information Nondiscrimination Act, the Americans with Disabilities Act, and the Employee Retirement Income Security Act, the Consolidated Omnibus Budget Reconciliation Act, the Securities Act, the Immigration Reform and Control Act the Worker Adjustment and Retraining Notification Act of 1988, the California Worker Adjustment and Retraining Notification Act, the Uniformed Service Employment and Reemployment Rights Act, and any regulation of any administrative agency or governmental authority relating to employment benefits or discrimination or harassment or retaliation in employment; (2) all claims for failure to pay minimum or overtime wages, failure to timely pay wages, failure to provide accurate itemized wage statements, failure to maintain accurate records, failure to reimburse business expenses, failure to provide meal periods or rest breaks, failure to provide paid sick leave, failure to post notice of paydays and time and place of payment, and any claim for violations of the California Labor Code, California's Business and Professions Code § 17200 et seq., and the applicable California Industrial Welfare Commission Wage

Order(s); (3) any non-statutory tort or contractual claim, including all claims for breach of oral, implied or written contract, breach of implied covenant of good faith and fair dealing, negligent or intentional infliction of emotional distress, and conversion; (4) all claims for wrongful termination of employment; (5) all claims for wages, penalties and/or benefits; and (6) all claims for attorneys' fees and costs. Named Plaintiff's General Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time. Named Plaintiff acknowledges that he may discover facts or law different from, or in addition to, the facts or law that he now knows or believes to be true but agree, nonetheless, that Named Plaintiff's General Release shall be and remain effective in all respects, notwithstanding such different or additional facts or his discovery of them.

(a) Plaintiff's Waiver of Rights Under Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

6.2. Release by Participating Class Members. Aside from those who submit a valid and timely request for exclusion from the settlement, Plaintiff and each member of the Class releases the Released Parties, from the Released Class Claims. This release excludes the release of claims not permitted by law, including, claims for vested benefits, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period. Upon entry of Judgment, Plaintiff and other Participating Class Member are precluded from filing a wage and hour action under the Fair Labor Standards Act or other federal, state, or local wage and hour laws against the Released Parties for claims and/or causes action encompassed by the Released Class Claims, which are extinguished and precluded pursuant to *Rangel v. PLS Check Cashers of California, Inc.* (2018) 899 F.3d1106.

6.3. Release of PAGA Claims. Plaintiff, as a representative for the State of California and the LWDA and on behalf of all Aggrieved Employees, completely release and discharge Defendant and Released Parties from the Released PAGA Claims..

7. MOTION FOR PRELIMINARY APPROVAL. The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's procedures and instructions.

7.1. Defendant's Responsibilities. Prior to the filing for preliminary approval, Defendant will prepare and deliver to Class Counsel a signed Declaration under the penalty of perjury

disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator and the Cy Pres Recipient, if any. In the Declaration, Defendant shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement. In this Declaration, Defendant shall also aver as to the number of Class Members and the number of Workweeks for the Class during the Class Period.

- 7.2. Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members and/or the proposed Cy Pres Recipient; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator and/or the proposed Cy Pres Recipient; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); (vi) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (vii) all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator and/or the Cy Pres Recipient, if any. In their Declarations, Plaintiff and Class Counsel Declaration shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement
- 7.3. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.
- 7.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting

in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

8. SETTLEMENT ADMINISTRATION

- 8.1. Selection of Administrator. The Parties have jointly selected ILYM to serve as the Administrator and verified that, as a condition of appointment, ILYM agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Administrator's duties will include preparing, printing, and mailing the Class Notice Packet to all Class Members; conducting a National Change of Address search to update Class Member addresses before mailing the Class Notice Packets; re-mailing Class Notice Packets that are returned to the Class Member's new address; setting up a toll-free telephone number and email and a fax number to receive communications from Class Members; receiving and reviewing for validity completed Requests for Exclusion; providing the Parties with weekly status reports about the delivery of Class Notice Packets and receipt of Requests for Exclusion, objections and disputes; calculating Individual Class Payments and Individual PAGA Payments; issuing the checks to effectuate the payments due under the Settlement; issuing the tax reports required under this Settlement; and otherwise administering the Settlement pursuant to this Agreement. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 8.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 8.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 8.4. Notice to Class Members.
- (a) No later than (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.
 - (b) Using best efforts to perform as soon as possible, and in no event later than fourteen (14) calendar days after the Administrator receives the Class Data following entry of the Court's order preliminarily approving the settlement, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal

Service (“USPS”) mail, the Class Notice with Spanish translation, substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

- (c) Not later than 7 days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- (d) The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the Response Deadline provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- (e) If the Administrator, the Parties, Defense Counsel or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

8.5. Requests for Exclusion (Opt-Outs).

- (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 not later than the Response Deadline (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member’s election to be excluded from the Settlement and includes the Class Member’s name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

- (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 otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- (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 Paragraph 6.2 of the Agreement, regardless whether the Participating Class Member actually 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. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.3 of this Agreement and are eligible for an Individual PAGA Payment. If a Class Member submits both a Request for Exclusion and an objection, only the Request for Exclusion will be accepted and the objection will be void.

8.6. Challenges to Calculation of Workweeks. Each Class Member shall have until the Response Deadline (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class 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 Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination as to the challenges

8.7. Objections to Settlement.

- (a) Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.
- (b) Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, or in addition to a written objection, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than the Response Deadline (plus an additional 14 days for Class Members whose Class Notice was re-mailed).
- (c) Non-Participating Class Members have no right to object to any of the class action components of the Settlement. If a Class Member submits both a Request for Exclusion and an objection, only the Request for Exclusion will be accepted and the objection will be void.

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

- (a) Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.
- (b) Request for Exclusion (Opt-Outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 7 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).
- (c) Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The

Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

- (d) Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- (e) Administrator's Declaration. Not later than 7 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.
- (f) Final Report by Administrator. Within 10 days after the Administrator disburses all funds of the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 7 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court. If a second declaration attesting to the distribution of uncashed checks is required, the Administrator shall provide this second declaration at least 7 days before any deadline for a second declaration and Class Counsel shall be responsible for filing the second declaration with the Court.

9. CLASS SIZE MODIFICATION AND ESCALATOR CLAUSE. Based on its records, Defendant provided figures as to the Class size as set forth in section 4.1 above. In regard hereto, Defendant is providing a declaration as set forth in section 7.1 above. Defendant has been given the option, at its discretion, to conduct additional data analysis to determine if the total number of work weeks exceeds by more than 10% of the 33,532 currently agreed as the number of work weeks in the agreed upon Class Period, and then Defendant may, without

consent of the Plaintiff, elect to alter the Class Period to a time period that does not trigger the Escalator Clause, or may otherwise increase the settlement amount pro rata based on a 10% grace margin (e.g., if the number of pay periods increases by 11%, then the settlement amount would increase by 1%). Defendant has elected not to conduct additional analysis for purposes of this settlement and has decided to proceed with the settlement based on the 33,532 workweeks reflected in the defined PAGA Period and Class Period.

10. DEFENDANT’S RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be *void ab initio*, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Administration Expenses incurred as of the date Defendant makes this election to withdraw. Defendant must notify Class Counsel and the Court of its election to withdraw not later than 7 days after the Administrator sends the final Exclusion List to Defense Counsel. Invalid Requests for Exclusion will have no effect on this threshold for an election.

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

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

11.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), 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 a Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

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

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

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

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

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

13. ADDITIONAL PROVISIONS

13.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or Judgment pursuant to this Agreement, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available

defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

- 13.2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 13.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees have not and will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 13.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 13.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

- 13.6. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 13.7. Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 13.8. Tax Advice. Neither Plaintiff, Class Counsel, 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.
- 13.9. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 13.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 13.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 13.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 13.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 13.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final

pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendant.

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

To Plaintiffs and the Class:

Norman B. Blumenthal
Kyle R. Nordrehaug
Blumenthal Nordrehaug Bhowmik De Blouw LLP
2255 Calle Clara
La Jolla, CA 92037
Tel.: (858) 551-1223
Fax: (858) 551-1232
E-Mail: norm@bamlawca.com
kyle@bamlawca.com

To Defendant:

Adrienne L. Conrad
Adrienne.Conrad@jacksonlewis.com
Marco A. Garcia
Marco.Garcia@jacksonlewis.com
JACKSON LEWIS P.C.
225 Broadway, Suite 1800
San Diego, CA 92101
Telephone: 619-881-4480

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

13.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for a period of not less than one (1) year starting from August 5, 2025 until the entry of the Final Approval Order, or if not entered, the date this Agreement shall no longer be of any force or effect.

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

14. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

Dated: 04/21/2026 *Armando Cardenas Vizcaino*
Armando Cardenas Vizcaino (Apr 21, 2026 20:07:31 PDT)
Plaintiff Armando Cardenas

Dated: _____
John Knoepker
For Defendant Hotel Cleaning Services, Inc

Dated: 4/22/26 *Kyle Nordrehaug*
Kyle Nordrehaug
Blumenthal Nordrehaug Bhowmik De Blouw LLP
Attorney for Plaintiff

Dated: _____
Adrienne L. Conrad
Jackson Lewis P.C.
Attorney for Defendant

13.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for a period of not less than one (1) year starting from August 5, 2025 until the entry of the Final Approval Order, or if not entered, the date this Agreement shall no longer be of any force or effect.

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

14. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

Dated: _____

Plaintiff Armando Cardenas

Dated: 04/15/2026



John Knoepker (Apr 15, 2026 17:02:38 PDT)

John Knoepker
For Defendant Hotel Cleaning Services, Inc

Dated: _____

Kyle Nordrehaug
Blumenthal Nordrehaug Bhowmik De Blouw LLP
Attorney for Plaintiff

Dated: 04/27/2026



Adrienne L. Conrad
Jackson Lewis P.C.
Attorney for Defendant

EXHIBIT A

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

EXHIBIT “A”

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

***Cardenas v. Hotel Cleaning Services, Inc., Superior Court of the State of California,
County of San Diego, Case No. 24CU002731C***

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

**YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT
ACT. PLEASE READ THIS NOTICE CAREFULLY.**

You may be eligible to receive money from an employee class action and California Private Attorneys General Act (“PAGA”) lawsuit (“Action”) against Defendant Hotel Cleaning Services, Inc. (“Defendant”), for alleged wage and hour violations. The Action is brought by Plaintiff Armando Cardenas (“Plaintiff”) and seeks payment of (1) wages, statutory penalties, and other relief for a Class of all individuals who are or previously were employed by Defendant who were classified as non-exempt in the State of California during the Class Period (July 24, 2020 through July 16, 2025) (“Class Members”), and (2) civil penalties under the PAGA for all individuals who are or previously were employed by Defendant who were classified as non-exempt in the State of California during the PAGA Period (May 17, 2023 through July 16, 2025) (“Aggrieved Employees”).

The Settlement includes the following: (1) a settlement of class claims (“Class Settlement”) and (2) a settlement of PAGA claims (“PAGA Settlement”). If the Court grants final approval of the Settlement, Defendant will pay a Gross Settlement Amount that will be used to fund, among other things: (1) Individual Class Payments to Class Members with respect to the Class Settlement and (2) payment of alleged PAGA Penalties, which will be allocated to the California Labor and Workforce Development Agency (“LWDA”) and to Aggrieved Employees.

Based on Defendant’s records and the Parties’ current assumptions, your share of the settlement of the class claims (referred to as your “Individual Class Payment”) is estimated to be <<\$_____>> (less withholding) and your share of the PAGA Penalties (“Individual PAGA Payment”) is estimated to <<be \$_____>>. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendant’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work for it in California during the PAGA Period.)

The above estimates are based on Defendant’s records showing that you worked <<_____>> Workweeks during the Class Period and you worked <<_____>> PAGA Pay Periods during the PAGA Period. If you believe that you worked more workweeks and/or pay periods during either period, you can submit a challenge by the deadline date. See Section 5 of this Notice below.

The Court has already preliminarily approved the Settlement and approved this Notice. The Court has not yet decided whether to grant final approval of the Settlement. Your legal rights are affected whether you act or do not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter an order that requires payments under the Settlement and requires Class Members and Aggrieved Employees to release their rights to assert certain claims against Defendant.

If you worked for Defendant during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don’t have to do anything to participate in the Settlement and be eligible to receive an Individual Class Payment and/or an Individual PAGA Payment (if any). As a Participating Class Member, though, you will give up your right to assert Class Period wage and hour claims and PAGA Period civil penalties claims (if any) against Defendant and others as described below in Section 4 below.
- (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, however you will preserve your right to personally pursue wage and hour claims against Defendant. If you are an Aggrieved Employee, opting out of the Class Settlement will have no impact on your status as an Aggrieved Employee. You will still be eligible to receive an Individual PAGA Payment regardless of your participation in the Class Settlement. You cannot opt-out of the PAGA Settlement.

Defendant will not 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. You will also be eligible to receive an Individual PAGA Payment if you are also an Aggrieved Employee. In exchange, you will give up your right to assert the wage and hour claims against Defendant and others that are covered by this Settlement (namely, the Released Class Claims). Additional information is set forth below.
You Can Opt-out of the Class Settlement but not the PAGA Settlement	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. If you request exclusion, you will receive no money as to the Class Settlement (put differently, you will not receive an Individual Class Payment) and you will not be bound by the Class Settlement. Once excluded, you will be a Non-Participating Class

<p>The Opt-out Deadline is _____, 2026</p>	<p>Member. Non-Participating Class Members cannot object to any portion of the Settlement. See Section 7 of this Notice.</p> <p>However, you cannot opt-out of the PAGA Settlement. If you are also an Aggrieved Employee and exclude yourself from the Class Settlement, you will still be paid your Individual PAGA Payment and will remain subject to the release of the Released PAGA Claims regardless of whether you submit a Request for Exclusion.</p>
<p>Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement</p> <p>Written Objections Must be Submitted by _____, 2026</p>	<p>All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the Class 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 Plaintiff who pursued the Action on behalf of the Class and Aggrieved Employees. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable.</p> <p>See Section 8 of this 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 _____, at _____ a.m., at the San Diego County Superior Court, located at 330 West Broadway, San Diego, CA 92101, in Department 70 before Judge Carolyn M. Caietti. This hearing may change as explained below in Section 9.</p> <p>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 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 9 of this Notice</p>
<p>You Can Challenge the Calculation of Your Workweeks / PAGA Pay Periods</p> <p>Written Challenges Must be Submitted by _____</p>	<p>The amount of your Individual Class Payment and your Individual PAGA Payment (if any) depend on how many Workweeks you worked for Defendant in California during the Class Period and how many PAGA Pay Periods you worked for Defendant in California during the PAGA Period, respectively. The number of Workweeks during the Class Period and number of Pay Periods during the PAGA Period you worked according to Defendant’s records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____, 2026. See Section 5 of this Notice</p>

1. Why did I get this Notice?

A proposed class and PAGA action settlement of the above-captioned action pending in the Superior Court of the State of California, in and for the County of San Diego (the “Court”), has been reached between Plaintiff and Defendant and has been granted preliminary approval by the Court. You may be entitled to receive money from this Settlement.

You have received this Notice because you have been identified as a member of the Class, which is defined as:

All individuals who are or previously were employed by Defendant who were classified as non-exempt in the State of California during the Class Period (July 24, 2020 through July 16, 2025).

So far, the Court has made no determination whether Defendant or Plaintiff are correct on the merits. In the meantime, Plaintiff and Defendant hired an experienced, neutral mediator in an effort 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. By signing a written Class Action and PAGA Settlement Agreement (“Agreement”) and agreeing to ask the Court to enter an order ending the Action and enforcing the Agreement that memorializes the Settlement reached between the Parties, Plaintiff and Defendant have negotiated a resolution that is subject to the Court’s Final Approval. Both sides agree the Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any of Plaintiff’s claims or allegations. Plaintiff and Class Counsel believe the Settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable and adequate amount considering the strength of Plaintiff’s claims and strength of Defendant’s defenses, and the risks and uncertainties of continued litigation; and (2) the Settlement is in the best interests of the Class Members. The Court preliminarily approved the Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine whether to grant final approval of the Settlement.

2. What is this class action lawsuit about?

On July 24, 2024, Plaintiff filed a Complaint against Defendant in the Superior Court of the State of California, County of San Diego (“Action”). The Action asserted class claims for unfair competition, failure to pay minimum wages, failure to pay overtime wages, failure to provide required meal periods, failure to provide required rest breaks, failure to provide accurate itemized wage statements, failure to reimburse employees for required expenses, failure to timely provide wages due during employment, and failure to pay sick wages. On August 30, 2024, Plaintiff filed a separate complaint alleging a single cause of action against Defendant for recovery of civil penalties and other monies pursuant to the PAGA, Cal. Labor Code §§ 2698, *et seq.*, in the Superior Court of the State of California, County of San Diego (“PAGA Action”).

On October 22, 2025, Plaintiff filed a First Amended Class and Representative Action Complaint in the Action which added the claims from the PAGA Action to the Action. This First Amended Class Action and Representative Action Complaint in the Class Action is referred to as the “Operative Complaint”. Thereafter, the PAGA Action was dismissed without prejudice.

Defendant denies that it has done anything wrong and disputes all the claims in the Action. For example, Defendant contends that Plaintiff, the Class Members, and the Aggrieved Employees were, at all times, properly compensated under California law; that Plaintiff, the Class Members, and Aggrieved Employees were provided with meal periods and rest breaks in compliance with California law; Defendant did not fail to pay wages allegedly due during employment and at the time of termination; that Defendant complied with California wage statement and record

requirements; that Defendant did not violate California Business and Professions Code section 17200 *et seq.*; that Defendant is not liable for any of the penalties or monies sought or that could have been sought in the Operative Complaint; or that this Action cannot be maintained as a class or representative action.

The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved Plaintiff to serve as the Class Representative, and the law firm of Blumenthal Nordrehaug Bhowmik De Blouw LLP to serve as Class Counsel.

The Court has not ruled on the merits of Plaintiff's claims. However, to avoid additional expense, inconvenience, and interference with the business operations of Defendant and the risk of litigation, the Parties concluded that it is in their best interests and the interests of the Class, the LWDA, and the Aggrieved Employees to settle the Action now on the terms summarized in this Notice. The Settlement was reached after mediation conducted by a third party neutral and arm's-length negotiations between the Parties. The Plaintiff and Class Counsel think the settlement is in the best interest of the Class Members. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as or amount to an admission of liability on the part of Defendant, who expressly denies all liability.

3. What are the terms of the Settlement?

Gross Settlement Amount. Defendant has agreed to pay an "all in" amount of Eight Hundred Seventy-Eight Thousand Dollars and Zero Cents (\$878,000.00) (the "Gross Settlement Amount") to fund the Settlement. The Gross Settlement Amount will be used to pay the Individual Class Payments to Participating Class Members, the Administration Expenses Payment, the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the PAGA Penalties. Any employer-side payroll taxes on the portion of the Individual Class Payments allocated to wages shall be separately paid by Defendant. Defendant will fund the Gross Settlement Amount and the amount necessary to pay employer-side payroll taxes within thirty (30) days of the Effective Date. The Effective Date is the date the final approval order is entered, unless there are objections or an appeal, in which case the Effective Date is the date the approval order is final and no longer subject to appeal. The Administrator will mail checks for all settlement payments within fourteen (14) days of the funding of the settlement by Defendant.

Court Approved Deductions from Gross Settlement Amount. The proposed payments, subject to Court approval, will be deducted from the Gross Settlement Amount before payments of Individual Class Payments are made to Participating Class Members. At the Final Approval Hearing, Plaintiff 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:

- **Administration Expenses Payment.** Payment to the Administrator, estimated not to exceed \$8,745, for expenses, including expenses of notifying the Class Members of the Settlement, processing requests for exclusions and disputes, and distributing settlement checks and tax forms.

- Attorneys' Fees and Costs. Payment to Class Counsel of reasonable attorneys' fees not to exceed one-third (1/3) of the Gross Settlement Amount, which presently equals \$292,666, and an additional amount to reimburse actual litigation costs incurred by the Plaintiff not to exceed \$23,000. Class Counsel has been prosecuting the Action on behalf of Plaintiff and the Class on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses. The amounts stated are what Class Counsel will be requesting and the final amounts to be paid will be decided at the Final Approval Hearing.
- Class Representative Service Payment. A Class Representative Service Payment in an amount not more than \$15,000 to the named plaintiff as a service payment, or such lesser amount as may be approved by the Court, to compensate her for services on behalf of the Class in initiating and prosecuting the Action, and for the risks she undertook. The amount stated is what Plaintiff will be requesting and the final amount to be paid will be decided at the Final Approval Hearing.
- PAGA Penalties. A payment of \$20,000 relating to Plaintiff's claims under PAGA, 65% (\$13,000) of which will be paid to the State of California's Labor and Workforce Development Agency ("LWDA"). The remaining 35% (\$7,000) will be distributed to the Aggrieved Employees. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' thirty-five percent (35%) share of PAGA Penalties (\$7,000) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. "PAGA Pay Period" means any pay period during which an Aggrieved Employee worked for Defendant for at least one day in California during the PAGA Period. The PAGA Period is May 17, 2023 through July 16, 2025.

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

Calculation of Individual Class Payments to Participating Class Members. After all of the payments of the court-approved Attorneys' Fees and Costs, the Class Representative Service Payment, the PAGA Penalties, and the Administration Expenses Payment are deducted from the Gross Settlement Amount, the remaining portion (the "Net Settlement Amount") shall be distributed as Individual Class Payments to the Participating Class Members. The Net Settlement Amount is estimated to be at least \$518,589.00. The Administrator will pay an Individual Class Payment from the Net Settlement Amount to each Participating Class Member. The Individual Class Payment for each Participating Class Member shall be 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. "Workweek" means any week during the Class Period in which a Class Member worked for Defendant as a Class Member for at least one day in California. The number of Workweeks will be based on Defendant's records, however, Class Members may challenge the number of Workweeks worked as explained below.

If the Settlement is approved by the Court and you do not exclude yourself, you will automatically be mailed a check for your Individual Class Payment to the same address as this Class Notice. You do not have to do anything to receive a payment. If your address has changed, you must contact the Administrator to inform them of your correct address to ensure you receive your payment.

Tax Matters. Twenty Percent (20%) of each Participating Class Member’s Individual Class Payment is in settlement of wage claims (the “Wage Portion”). Accordingly, the Wage Portion is subject to wage withholdings, and shall be reported on an IRS Form W-2. Eighty Percent (80%) of each Participating Class Member’s Individual Class Payment is to settle non-wage claims and requests for interest and penalties allegedly due to employees (collectively the “Non-Wage Portion”). The Non-Wage Portion and any Individual PAGA Payment shall not be subject to wage withholdings and shall be reported on IRS Form 1099. The employee portion of all applicable income and payroll taxes will be the responsibility of the Participating Class Members. Neither Class Counsel nor Defendant’s Counsel intend anything contained in this Class Notice to constitute advice regarding taxes or taxability. The tax issues for each Participating Class Member are unique to him/her, and each Participating Class Member may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

Conditions of Settlement. This Settlement and your receipt of the Individual Class Payment and Individual PAGA Payment are conditioned upon the Court entering a final order granting final approval of the Settlement.

The Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement. It is also possible the Court will enter a final approval order that is reversed on appeal. Plaintiff and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.

Need to Promptly Cash Payment Checks. The front of every check issued will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the individual who failed to cash their check.

4. What Do I Release Under the Settlement?

Released Class Claims. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, all Participating Class Members release Defendant and the Released Parties from any and all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint, including the failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest thereon; failure to timely pay regular and final wages; the calculation of the regular rate of pay; wages lost from time rounding and timekeeping; non-compliant (e.g., missed, short, late, and/or interrupted) meal periods and rest periods; failure to provide meal periods; failure to authorize

and permit rest periods; the calculation and payment of meal period and rest period premiums; payment for all hours worked, including off-the-clock work and uncompensated work time; failure to provide wage statements and paystubs, including wage statements and paystubs furnished or available in physical, electronic, or other forms; failure to reimburse for all necessary business expenses; unfair business practices; recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; statutory penalties and civil penalties; interest for claims for unpaid wages; and attorneys' fees and costs; claims based on the facts stated in the Operative Complaint under the California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 1174, 1182.12, 1194, 1194.2, 1194.3, 1197, 1197.1, 1198, 2800 and 2802); the Wage Orders of the California Industrial Welfare Commission; and California Business and Professions Code section 17200, et seq. (the "Released Class Claims"). This release excludes the release of claims not permitted by law, including, claims for vested benefits, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

This means that, if you do not timely and formally exclude yourself from the settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant and any other Released Party about the Released Class Claims resolved by this Settlement. It also means that all of the Court's orders in the Action will apply to you and legally bind you.

Released PAGA Claims. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer-side payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, as a representative for the State of California and the LWDA and on behalf of all Aggrieved Employees, completely release and discharge Defendant and Released Parties from any and all claims for the recovery of civil penalties under the California Private Attorneys General Act, California Labor Code § 2698, et. seq., that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice that occurred during the PAGA Period, including claims for unpaid wages, including failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; non-compliant (e.g., missed, short, late, and/or interrupted) meal periods and rest periods; failure to provide meal periods; failure to authorize and permit rest periods; the calculation and payment of meal period and rest period premiums; failure to reimburse for all necessary business expenses; payment for all hours worked, including off-the-clock work and rounded time; wage statements; failure to timely pay wages; and failure to timely pay final wages (the "Released PAGA Claims"). The Released PAGA Claims include claims based on the facts of the Operative Complaint and PAGA Notice that occurred during the PAGA Period for violation of the Wage Orders of the California Industrial Welfare Commission and the following California Labor Code sections: 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 1174, 1182.12, 1194, 1194.2, 1194.3, 1197, 1197.1, 1198, 2800 and 2802). The foregoing release shall apply to all Aggrieved Employees, regardless of whether they exclude themselves from the Released Class Claims. The foregoing release shall not apply outside the PAGA Period.

Released Parties. The "Released Parties" are: Defendant and each of its past, present and future agents, employees, servants, officers, directors, partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, service

providers, joint venturers, joint employers, co-employers, dual employers, alleged joint employers, alleged co-employers, alleged dual employers, affiliates, alter-egos, and affiliated organizations, and all of their respective past, present and future employees, directors, officers, agents, attorneys, stockholders, fiduciaries, parents, subsidiaries, and assigns.

5. How much will my payment be?

Defendant's records reflect that you worked << _____ >> Workweeks during the Class Period (July 24, 2020 through July 16, 2025).

Based on this information, your estimated Individual Class Payment from the Net Settlement Amount is << _____ >>.

[Defendant's records reflect that you worked << _____ >> PAGA Pay Periods during the during the PAGA Period (May 17, 2023 through July 16, 2025). Based on this information your estimated Individual PAGA Payment is << _____ >>.]

If you wish to challenge the information set forth above, then you must submit a written, signed dispute challenging the information along with supporting documents, to the Administrator at the address provided in this Class Notice no later than the Response Deadline, which is _____ [forty-five (45) days after the mailing of the Class Notice or an additional 14 days in the case of re-mailing]. You may also fax the dispute to _____ or email the dispute to _____ by no later than the Response Deadline. Any dispute should include credible written evidence and will be resolved by the Administrator.

6. How can I get a payment?

To receive money from the Settlement, you do not have to do anything. A check for your Individual Class Payment and Individual PAGA Payment (if any) will be mailed automatically to the same address as this Class Notice. If your address is incorrect or has changed, you must notify the Administrator. The Administrator is: ILYM Group, Inc., _____, (800) _____.

The Court will hold a Final Approval Hearing on _____, at _____ a.m. to decide whether to approve the Settlement and fix the amounts to be paid as attorneys' fees and costs to Class Counsel and as a service payment to Plaintiff. If the Court approves the Settlement and there are no objections or appeals, payments will be mailed approximately two months after the hearing. If there are objections or appeals, resolving them can take time and delay the settlement, perhaps more than a year. Please be patient.

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Class Settlement or "opt out." **If you opt out, you will not receive an Individual Class Payment from the Settlement, and you will not be bound by the terms of the Class Settlement, which means you will retain the right to sue Defendant for the Released Class Claims.** However,

Class Members who are also Aggrieved Employees who opt out of the Class Settlement will still be paid their Individual PAGA Payment and will be bound by the release of the Released PAGA Claims regardless of whether they submit a request for exclusion.

To opt out of the class portion of the settlement, you must submit to the Administrator a written, signed and dated request for exclusion (“opt-out”) postmarked no later than the Response Deadline which is _____ [forty-five (45) days after the mailing of the Class Notice or an additional 14 days in the case of re-mailing]. You may also fax your request to opt out to _____ or email to _____ by no later than the Response Deadline. The request to opt-out should state in substance that you wish to be excluded from the class settlement in the *Cardenas v. Hotel Cleaning Services, Inc.* lawsuit. The request to opt-out should state the Class Member’s full name, address, and telephone number or email address. Please include the name and number of the case, which is *Cardenas v. Hotel Cleaning Services, Inc.*, Case No. 24CU002731C. The request to opt-out must be completed and signed by you. No other person may opt-out for a living member of the Class.

The address for the Administrator is _____. Written requests for exclusion that are postmarked after _____, or are incomplete or unsigned will be rejected, and those Class Members will be considered Participating Class Members and be bound by the Settlement and the releases described above.

8. How do I Object to the Settlement?

Only Participating Class Members have the right to object to the Class Settlement. At least sixteen (16) court days before the Final Approval Hearing, scheduled for _____, Class Counsel and Plaintiff will file in Court a Motion for Final Approval that includes, among other things, the reasons why the Settlement is fair, and a request stating (i) the amount Class Counsel is requesting for attorneys’ fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Payment. Upon reasonable request, Class Counsel (whose contact information is below) will send you copies of these documents at no cost to you. You can also view them on Class Counsel’s website at www.bamlawca.com under “Class Notices” for *Cardenas v. Hotel Cleaning Services* or on the Court’s website via the Register of Actions page for the California Superior Court for the County of San Diego (<https://www.sdcourt.ca.gov/sdcourt/generalinformation/accesscourtreports>) and entering the Case No. 24CU002731C.

A Participating Class Member who disagrees with any aspect of the Agreement (aside from the PAGA Settlement), the Motion for Final Approval, or the attorneys’ fees, litigation expenses and service payments may wish to object, for example, that the Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The Response Deadline for sending written objections to the Administrator is _____** [forty-five (45) days after the mailing of the Class Notice or an additional 14 days in the case of re-mailing]. You may also fax the dispute to _____ or email to _____. 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, *Cardenas v. Hotel Cleaning Services, Inc.*, Case No. 24CU002731C, and include your name, current address, telephone number, email address,

and approximate dates of employment for Defendant and sign the objection. The Administrator's contact information is as follows:

Administrator:

Name of Company: ILYM Group, Inc.

Email Address: _____

Mailing Address: _____

Telephone Number: _____

Fax Number: _____

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at his/her 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. If you do wish to appear at the hearing, check the Court's website for the most current information concerning appearances and procedures at the Court - <https://www.sdcourt.ca.gov/virtualhearings>. You may also have the option to appear at the hearing by audio or video. For assistance in making an appearance at the Final Approval Hearing, please contact Class Counsel below. See Section 9 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

The addresses for Parties' counsel are as follows:

CLASS COUNSEL:

Kyle Nordrehaug
Blumenthal Nordrehaug Bhowmik DeBlouw LLP
2255 Calle Clara
La Jolla, CA 92037
Tel.: (858) 551-1223
Fax: (858) 551-1232
E-Mail: kyle@bamlawca.com

COUNSEL FOR DEFENDANT:

Adrienne L. Conrad
Marco A. Garcia
JACKSON LEWIS P.C.
225 Broadway, Suite 1800
San Diego, CA 92101

9. Can I Attend the Final Approval Hearing?

The Court will hold a Final Approval Hearing at _____ a.m. (Pacific Standard Time) on _____, in Department 70 of the Superior Court of California, County of San Diego, located at 330 West Broadway, San Diego, California 92101, before Judge Carolyn M. Caietti. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval of the Settlement and to fix the amounts to be paid as attorneys' fees and costs to Class Counsel and as a service payment to Plaintiff. If there are objections, the Court will consider them. **You are**

not required to attend the Final Approval Hearing, although any Class Member is welcome to attend the hearing. Check the Court’s website for the most current information concerning appearances and procedures at the Court - <https://www.sdcourt.ca.gov/virtualhearings>.

It’s possible the Court will reschedule the Final Approval Hearing. If the hearing is continued, notice will be posted on Class Counsel’s website at www.bamlawca.com under “Class Notices” for *Cardenas v. Hotel Cleaning Services*. In addition, hearing dates are posted on the Internet via the Register of Actions page for the California Superior Court for the County of San Diego (<https://www.sdcourt.ca.gov/sdcourt/generalinformation/accesscourtrecords>) and entering the Case No. 24CU002731C.

10. How Can I Get More Information?

You may call the Administrator at _____ or write to *Cardenas v. Hotel Cleaning Services* Administrator, c/o _____.

This Class Notice summarizes the proposed settlement. More details are in the Agreement. You may receive a copy of the Agreement, the Final Approval Order, the motion for final approval and for attorneys’ fees and costs or other Settlement documents by going to Class Counsel’s website at www.bamlawca.com under “Class Notices” for *Cardenas v. Hotel Cleaning Services*, where these documents will be posted as they become available. You may also get more details by examining the Court’s file on the Internet via the Register of Actions for the San Diego County Superior Court (<https://www.sdcourt.ca.gov/sdcourt/generalinformation/accesscourtrecords>) and entering the Case No. 24CU002731C. If you wish to view the Court files in person, you must go to the Clerk’s Office at the Hall of Justice, 330 West Broadway, San Diego, CA 92101.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- **What if Your Address Changes** - To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.
- **What if You Fail To Cash a Check** - Settlement checks will be null and void 180 days after issuance if not deposited or cashed, and this expiration date will be printed on the check. If you fail to cash your check by the expiration date, the Administrator shall direct the unclaimed funds to be paid to the California Controller's Unclaimed Property Fund in your name. The funds may be claimed at https://www.sco.ca.gov/upd_msg.html.
- **What if You Lose Your Check** - If your check is lost or misplaced, you should contact the Administrator immediately to request a replacement.
-

EXHIBIT B

[ORDER GRANTING PRELIMINARY APPROVAL]

EXHIBIT "B"

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

ARMANDO CARDENAS, an individual, on behalf of himself and on behalf of all persons similarly situated, and on behalf of the State of California, as a private attorney general,

Plaintiff,

vs.

HOTEL CLEANING SERVICES, INC., a corporation; and DOES 1 through 50, inclusive,

Defendants.

CASE NO.: **24CU002731C**

[PROPOSED] PRELIMINARY APPROVAL ORDER

Hearing Date:
Hearing Time:

Judge: Hon. Carolyn M. Caietti
Dept.: 70

Date Action Filed: July 24, 2024
Trial Date: Not set

1 This matter has come before the Honorable Carolyn M. Caietti of the Superior Court of the
2 State of California, in and for the County San Diego, on _____[DATE], for the motion by
3 Plaintiff Armando Cardenas (“Plaintiff”) for preliminary approval of the class and PAGA
4 settlement with Defendant Hotel Cleaning Services, Inc. (“Defendant”). The Court, having
5 considered the briefs, argument of counsel and all matters presented to the Court and good cause
6 appearing, hereby GRANTS Plaintiff’s Motion for Preliminary Approval of Class Action and
7 PAGA Settlement.

8 **IT IS HEREBY ORDERED:**

9 1. The Court preliminarily approves the Class Action and PAGA Settlement
10 Agreement (“Agreement”) attached as Exhibit ___ to the Declaration of Kyle Nordrehaug in
11 Support of Plaintiff’s Motion for Preliminary Approval of Class and PAGA Action Settlement.
12 This is based on the Court’s determination that the Settlement set forth in the Agreement is within
13 the range of possible final approval, pursuant to the provisions of Section 382 of the California
14 Code of Civil Procedure and California Rules of Court, rule 3.769.

15 2. This Order incorporates by reference the definitions in the Agreement, and all
16 terms in this Order shall have the same meaning as set forth in the Agreement.

17 3. The Gross Settlement Amount is Eight Hundred Seventy-Eight Thousand Dollars
18 and Zero Cents (\$878,000.00). It appears to the Court on a preliminary basis that the settlement
19 amount and terms are fair, adequate and reasonable as to all potential Class Members when
20 balanced against the probable outcome of further litigation and the significant risks relating to
21 certification, liability and damages issues. It further appears that investigation and research have
22 been conducted such that counsel for the Parties are able to reasonably evaluate their respective
23 positions. It further appears to the Court that settlement at this time will avoid substantial
24 additional costs by all Parties, as well as avoid the delay and risks that would be presented by the
25 further prosecution of the Action. It further appears that the Settlement has been reached as the
26 result of serious and non-collusive, arms-length negotiations. The Court therefore preliminarily
27 finds that the Settlement is fair, adequate, and reasonable when balanced against the probable
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1 outcome of further litigation and the significant risks relating to certification, liability, and
2 damages issues.

3 4. The Agreement specifies an attorneys' fees request not to exceed one-third of the
4 Gross Settlement Amount, an award of litigation expenses incurred, not to exceed \$23,000, and
5 proposed Class Representative Service Payment to Plaintiff in an amount not to exceed \$15,000.
6 The Court will not approve the amount of attorneys' fees and costs, nor the amount of any service
7 payment, until the Final Approval Hearing.

8 5. The Court recognizes that Plaintiff and Defendant stipulate and agree to
9 certification of a class for settlement purposes only. This stipulation will not be deemed
10 admissible in this or any other proceeding should this Settlement not become final. For settlement
11 purposes only, the Court conditionally certifies the following Class: "all individuals who are or
12 previously were employed by Defendant who were classified as non-exempt in the State of
13 California during the Class Period." The Class Period is July 24, 2020 through July 16, 2025.

14 6. The Court concludes that, for settlement purposes only, the Class meets the
15 requirements for certification under section 382 of the California Code of Civil Procedure in that:
16 (a) the Class is ascertainable and so numerous that joinder of all members of the Class is
17 impracticable; (b) common questions of law and fact predominate, and there is a well-defined
18 community of interest amongst the members of the Class with respect to the subject matter of the
19 litigation; (c) the claims of Plaintiff are typical of the claims of the members of the Class; (d)
20 Plaintiff can fairly and adequately protect the interests of the members of the Class; (e) a class
21 action is superior to other available methods for the efficient resolution of this controversy; and (f)
22 counsel for the Class is qualified to act as counsel for the Class and Plaintiff is an adequate
23 representative of the Class.

24 7. The Court recognizes that Plaintiff and Defendant stipulate and agree that the group
25 of Aggrieved Employees subject to the Settlement is manageable for settlement purposes only.
26 The group of Aggrieved Employees subject to the Settlement is defined as: "all individuals who
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1 are or previously were employed by Defendant who were classified as non-exempt in the State of
2 California during the PAGA Period (May 17, 2023 through July 16, 2025).”

3 8. The Court provisionally appoints Plaintiff as the representative of the Class. The
4 Court provisionally appoints Blumenthal Nordrehaug Bhowmik De Blouw LLP as Class Counsel
5 for the Class.

6 9. The Court hereby approves, as to form and content, the Court Approved Notice of
7 Proposed Settlement of Class and PAGA Action and Hearing Date for Final Court Approval
8 (“Class Notice”) attached to the Agreement as Exhibit A. The Court finds that the Class Notice
9 appears to fully and accurately inform the Class of all material elements of the proposed
10 Settlement, of the Class Members’ right to be excluded from the Class by submitting a written opt-
11 out request, and of each Class Member’s right and opportunity to object to the Settlement. The
12 Court further finds that the distribution of the Class Notice substantially in the manner and form
13 set forth in the Agreement and this Order meets the requirements of due process, is the best notice
14 practicable under the circumstances, and shall constitute due and sufficient notice to all persons
15 entitled thereto. The Court orders the mailing of the Class Notice by first class mail, pursuant to
16 the terms set forth in the Agreement.

17 10. The Court hereby appoints ILYM Group, Inc. as the Administrator. No later than
18 fourteen (14) days after preliminary approval of the Settlement by the Court, Defendant shall
19 provide to the Administrator an electronic spreadsheet with the Class Data. The Administrator
20 will perform address updates and verifications as necessary prior to the mailing of the Class
21 Notice. Using best efforts to mail it as soon as possible, and in no event later than 14 days after
22 receiving the Class Data, the Administrator will mail the Class Notice Packets to all Class
23 Members (and Aggrieved Employees) via first-class U.S. Mail. Before mailing Class Notices, the
24 Administrator shall update Class Member addresses using the National Change of Address
25 database.

26 11. The Court hereby preliminarily approves the proposed procedure for exclusion
27 from the Settlement. Any Class Member may individually choose to opt out of and be excluded
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1 from the Class as provided in the Class Notice by following the instructions for requesting
2 exclusion from the Class that are set forth in the Class Notice. All Requests for Exclusion must be
3 postmarked by no later than the Response Deadline, which is forty-five (45) calendar days after
4 the date of the mailing of the Class Notice and be received by the Administrator. If the Class
5 Notice Packet is re-mailed, the Response Deadline will be extended an additional 14 days. Any
6 such person who chooses to opt out of and be excluded from the Class will not be entitled to any
7 recovery under the Class Action aspect of the Settlement and will not be bound by the class
8 portion of the Settlement or have any right to object, appeal or comment thereon. Class Members
9 who have not requested exclusion shall be bound by all determinations of the Court, the
10 Agreement, and the Final Approval Order. A Request for Exclusion may only opt out that
11 particular individual, and any attempt to effect an opt out of a group, class, or subclass of
12 individuals is not permitted and will be deemed invalid. Subject to the Court's final approval of
13 the Settlement, each Aggrieved Employee will be paid his/her allocation of the PAGA Penalties
14 and will remain bound by the release of the Released PAGA Claims, even if also deemed to be a
15 Class Member who opts out of the class aspect of the Settlement.

16 12. Any Class Member who has not opted out ("Participating Class Member") may
17 appear at the final approval hearing and may object or express their views regarding the
18 Settlement and may present evidence and file briefs or other papers that may be proper and
19 relevant to the issues to be heard and determined by the Court as provided in the Notice.
20 Participating Class Members will have until the Response Deadline, which is forty-five (45)
21 calendar days from the date of the mailing of the Class Notice to submit their written objections to
22 the Administrator in accordance with the instructions in the Class Notice. If the Class Notice
23 Packet is re-mailed, the Response Deadline for written objections will be extended an additional
24 14 days. Alternatively, Participating Class Members may appear at the Final Approval Hearing to
25 make an oral objection.

26 13. A Final Approval Hearing shall be held before this Court on _____
27 _____, at _____ a.m. in Department 70 at the San Diego County Superior Court to

1 determine all necessary matters concerning the Settlement, including: whether the proposed
2 settlement of the Action on the terms and conditions provided for in the Agreement is fair,
3 adequate and reasonable and should be finally approved by the Court; whether the Final Approval
4 Order should be entered herein; whether the plan of allocation contained in the Agreement should
5 be approved as fair, adequate and reasonable to the Class Members and to finally approve
6 attorneys' fees and costs, the service payment, and the expenses of the Administrator. All papers
7 in support of the motion for final approval and for attorneys' fees, costs and service payments, to
8 be heard at the Final Approval Hearing, shall be filed with the Court and served on all counsel no
9 later than sixteen (16) court days before the hearing.

10 14. Neither the Settlement nor any exhibit, document, or instrument delivered
11 thereunder shall be construed as a concession or admission by Defendant in any way that the
12 claims asserted have any merit or that this Action was properly brought as a class or representative
13 action, and shall not be used as evidence of, or used against Defendant as, an admission or
14 indication in any way, including with respect to any claim of any liability, wrongdoing, fault or
15 omission by Defendant or with respect to the truth of any allegation asserted by any person.
16 Defendant has denied that it has done anything wrong and disputes all the claims in this Action.
17 Whether or not the Settlement is finally approved, neither the Settlement, nor any exhibit,
18 document, statement, proceeding or conduct related to the Settlement, nor any reports or accounts
19 thereof, shall in any event be construed as, offered or admitted in evidence as, received as or
20 deemed to be evidence for any purpose adverse to the Defendant, including, but not limited to,
21 evidence of a presumption, concession, indication or admission by Defendant of any liability,
22 fault, wrongdoing, omission, concession or damage.

23 15. In the event the Settlement does not become effective in accordance with the terms
24 of the Agreement, or the Settlement is not finally approved, or is terminated, canceled or fails to
25 become effective for any reason, this Order shall be rendered null and void and shall be vacated,
26 and the Parties shall revert to their respective positions as of before entering into the Agreement,
27 and expressly reserve their respective rights regarding the prosecution and defense of this Action,

1 including all available defenses and affirmative defenses, and arguments that any claim in the
2 Action could not be certified as a class action and/or managed as a representative action. In such
3 an event, the Court's orders regarding the Settlement, including this Order, shall not be used or
4 referred to in litigation for any purpose.

5 16. The Court reserves the right to adjourn or continue the date of the final approval
6 hearing and all dates provided for in the Agreement without further notice to Class Members and
7 retains jurisdiction to consider all further applications arising out of or connected with the
8 proposed Settlement.

9 17. The Action is otherwise stayed and all trial and related pre-trial dates, if any, are
10 vacated, subject to further orders of the Court at the Final Approval Hearing.

11 **IT IS SO ORDERED.**

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13 Dated: _____

HON. CAROLYN M. CAIETTI
JUDGE, SUPERIOR COURT OF CALIFORNIA

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EXHIBIT C

[FINAL APPROVAL ORDER AND JUDGMENT]

EXHIBIT "C"

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

ARMANDO CARDENAS, an individual, on behalf of himself and on behalf of all persons similarly situated, and on behalf of the State of California, as a private attorney general,

Plaintiff,

vs.

HOTEL CLEANING SERVICES, INC., a corporation; and DOES 1 through 50, inclusive,

Defendants.

CASE NO.: **24CU002731C**

[PROPOSED] FINAL APPROVAL ORDER

Hearing Date:
Hearing Time:

Judge: Hon. Carolyn M. Caietti
Dept.: 70

Date Action Filed: July 24, 2024
Trial Date: Not set

1 The motion of Plaintiff Armando Cardenas (“Plaintiff”) for an order finally approving the
2 Class Action and PAGA Settlement Agreement (“Agreement”) that memorializes the settlement
3 (“Settlement”) between Plaintiff and Defendant Hotel Cleaning Services, Inc. (“Defendant”) and
4 for payment of attorneys’ fees and costs, service payment, and the fees of the Administrator, duly
5 came on for hearing on _____ before the Honorable Carolyn M. Caietti.

6 **I.**

7 **FINDINGS**

8 Based on the oral and written argument and evidence presented in connection with the
9 motion, the Court makes the following findings:

- 10 1. All terms used herein shall have the same meaning as defined in the Agreement.
- 11 2. This Court has jurisdiction over the subject matter of this litigation pending before
12 the California Superior Court for the County of San Diego, and over all Parties to this litigation,
13 including the Class and the Aggrieved Employees.
- 14 3. Based on a review of the papers submitted by Plaintiff and a review of the
15 applicable law, the Court finds that the Gross Settlement Amount of Eight Hundred Seventy-Eight
16 Thousand Dollars and Zero Cents (\$878,000.00) and the terms set forth in the Agreement are fair,
17 reasonable, and adequate.
- 18 4. The Court further finds that the Settlement was the result of arm’s length
19 negotiations conducted after Class Counsel had adequately investigated the claims and became
20 familiar with the strengths and weaknesses of those claims. In particular, the amount of the
21 Settlement, the significant risks relating to certification, liability, and damages issues, and the
22 assistance of an experienced mediator in the settlement process, among other factors, support the
23 Court’s conclusion that the Settlement is fair, reasonable, and adequate.

24 **Preliminary Approval of the Settlement**

- 25 5. On _____, the Court granted preliminary approval of the Settlement. At
26 this same time, the Court approved conditional certification of the Class for settlement purposes
27 only. The Court also determined the group of Aggrieved Employees was manageable for
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1 settlement purposes only.

2 **Notice to the Class**

3 6. In compliance with the Preliminary Approval Order, the Class Notice was mailed
4 by first class mail to members of the Class at their last known addresses on or about
5 _____. Mailing of the Class Notice to their last known addresses was the best notice
6 option under the circumstances and was reasonably calculated to communicate actual notice of the
7 litigation and the Settlement to the Class. The Class Notice given to the Class Members fully and
8 accurately informed the Class Members of all material elements of the Settlement and of their
9 opportunity to object to or comment thereon or to seek exclusion from the Settlement; constituted
10 valid, due, and sufficient notice to all Class Members; and complied fully with the laws of the
11 State of California, the United States Constitution, due process and other applicable law. The
12 Class Notice fairly and adequately described the Settlement and provided Class Members adequate
13 instructions and a variety of means to obtain additional information.

14 7. The Response Deadline for opting out of the Class or submitting written objections
15 to the Settlement was _____, which was extended by 14 days for re-mailed Class
16 Notices. There was an adequate interval between mailing of the Class Notice and the response
17 deadline to permit Class Members to choose what to do and act on their decision. A full
18 opportunity has been afforded to the Participating Class Members to participate in this hearing,
19 and all Participating Class Members and other persons wishing to be heard have been heard. Class
20 Members also have had a full and fair opportunity to exclude themselves from the Settlement and
21 Class. Accordingly, the Court determines that all Class Members who did not timely and properly
22 submit a request for exclusion are bound by the Settlement and this Final Approval Order.

23 **Fairness Of Settlement**

24 8. The Agreement is entitled to a presumption of fairness. *Dunk v. Ford Motor Co.*
25 48 Cal.App.4th 1794, 1801 (1996).

26 a. The settlement was reached through arm's-length bargaining between the
27 parties during an all-day mediation before Jonathan Andrews, an experienced mediator of wage
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1 and hour class and representative actions. There has been no collusion between the parties in
2 reaching the Settlement.

3 b. Plaintiff's investigation and discovery have been sufficient to allow the
4 Court and counsel to act intelligently.

5 c. Counsel for both parties are experienced in similar employment class and
6 representative action litigation. All counsel recommended approval of the Agreement.

7 d. The percentage of objectors and requests for exclusion is small. ____
8 objections were received. _____ requests for exclusion were received.

9 e. The participation rate is high. _____ Participating Class Members will
10 be mailed a settlement payment, representing ____% of the overall Class.

11 9. The consideration to be given to the Class Members under the terms of the
12 Agreement is fair, reasonable and adequate considering the strengths and weaknesses of the claims
13 asserted in this action and is fair, reasonable and adequate compensation for the release of Class
14 Members' claims and those related to the Aggrieved Employees, given the uncertainties and
15 significant risks of the litigation and the delays that would ensue from continued prosecution of
16 the action. The Agreement is approved as fair, adequate and reasonable and in the best interests of
17 the Class Members.

18 **Attorneys' Fees and Costs**

19 10. A payment of \$292,666 for attorneys' fees, representing one-third of the Gross
20 Settlement Amount, and \$ _____ for litigation costs and expenses, is reasonable, in
21 light of the contingent nature of Class Counsel's fee, the hours worked by Class Counsel, and the
22 results achieved by Class Counsel. The requested fees and expenses have been supported by Class
23 Counsel's lodestar and billing statement.

24 **Class Representative Service Payment**

25 11. The Agreement provides for a Class Representative Service Payment of not more
26 than \$15,000 to Plaintiff, subject to the Court's approval. The Court finds that a Class
27 Representative Service Payment in the amount of \$ _____ to Plaintiff is reasonable in light of
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1 the risks and burdens undertaken by Plaintiff in the litigation and for his time and effort in
2 bringing and prosecuting this matter on behalf of the Class.

3 **Administration Expenses Payment**

4 12. The Administrator shall calculate and administer the payment to be made to the
5 Participating Class Members in the manner set forth in the Agreement, transmit payment for
6 attorneys' fees and costs to Class Counsel, transmit the Class Representative Service Payment to
7 Plaintiff, distribute the PAGA Penalties, issue any required tax reporting forms, calculate
8 withholdings and perform the other remaining duties set forth in the Agreement. The
9 Administrator has documented \$ _____ in fees and expenses, and this amount is reasonable in
10 light of the work performed by the Administrator.

11 **PAGA Penalties**

12 13. The Agreement provides for PAGA Penalties out of the Gross Settlement Amount
13 of \$20,000, which shall be allocated as follows: 65% (\$17,000) to the LWDA PAGA Payment and
14 35% (\$7,000) to the Individual PAGA Payments to be distributed to the Aggrieved Employees.
15 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of
16 the Aggrieved Employees' 35% share of PAGA Penalties (\$5,000) by the total number of PAGA
17 Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the
18 result by each Aggrieved Employee's PAGA Pay Periods. "Aggrieved Employees" are all
19 individuals who are or previously were employed by Defendant who were classified as non-
20 exempt in the State of California during the PAGA Period (May 17, 2023 through July 16, 2025).
21 The Court finds the PAGA Penalties to be reasonable. All Aggrieved Employees will be sent their
22 share of the PAGA Penalties and will be subject to the release of the Released PAGA Claims as
23 set forth below, whether or not they opt out of the Settlement.

24 **II.**

25 **ORDERS**

26 Based on the foregoing findings, and good cause appearing, IT IS HEREBY ORDERED:
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1 15. The certification of the Class for the purposes of settlement is confirmed. The
2 Class is defined as follows:

3 All individuals who are or previously were employed by Defendant who were
4 classified as non-exempt in the State of California during the Class Period (July 24,
2020 through July 16, 2025).

5 16. All persons who meet the foregoing definition are members of the Class, except for
6 those individuals who filed a valid request for exclusion (“opt out”) from the Class. [INSERT
7 REFERENCE TO IDENTIFY ANY OPT OUTS].

8 17. The Agreement is hereby finally approved as fair, reasonable, adequate, and in the
9 best interest of the Class. Defendant shall fund the Gross Settlement Amount and the amount
10 necessary to pay Defendant’s share of payroll taxes thereon within thirty (30) days of the Effective
11 Date.

12 18. Class Counsel are to be paid attorneys' fees in the amount of \$292,666 and costs in
13 the amount of \$ _____. Class Counsel shall not seek or obtain any other compensation or
14 reimbursement from Defendant, Plaintiff or members of the Class.

15 19. The payment of the Class Representative Service Payment in the amount of
16 \$ _____ to Plaintiff is approved.

17 20. The payment of \$ _____ to the Administrator for their fees and expenses
18 is approved.

19 21. The PAGA Penalties in the amount of \$20,000 are approved and shall be allocated
20 in accordance with the Agreement.

21 22. The Agreement and this Settlement are not an admission by Defendant, nor is this
22 Final Approval Order a finding, of the validity of any claims in the Action or of any wrongdoing
23 by Defendant or that this Action is appropriate for class treatment (other than for settlement
24 purposes). Neither this Final Approval Order, the Agreement, nor any document referred to
25 herein, nor any action taken to carry out the Agreement is, may be construed as, or may be used as
26 an admission by or against Defendant of any fault, wrongdoing or liability whatsoever. Defendant
27 has denied that it has done anything wrong and disputes all the claims in this Action. The entering
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1 into or carrying out of the Agreement, and any negotiations or proceedings related thereto, shall
2 not in any event be construed as, or deemed to be evidence of, an admission or concession with
3 regard to the denials or defenses by Defendant. Notwithstanding these restrictions, Defendant
4 may file in the Action or in any other proceeding this Final Approval Order, the Agreement, or
5 any other papers and records on file in the Action as evidence of the Settlement to support a
6 defense of res judicata, collateral estoppel, release, or other theory of claim or issue preclusion or
7 similar defense as to the Released Class Claims and/or the Released PAGA Claims.

8 23. Notice of entry of this Final Approval Order shall be given to all Parties by Class
9 Counsel on behalf of Plaintiff and all Class Members. The Final Approval Order shall be posted
10 on Class Counsel's website as set forth in the Class Notice to the Class. It shall not be necessary
11 to send notice of entry of this Final Approval Order to individual Class Members. In accordance
12 with California Code of Civil Procedure § 2699, Plaintiff shall serve this Final Approval Order on
13 the LWDA.

14 24. If the Agreement does not become final and effective in accordance with the terms
15 of the Agreement, then this Final Approval Order, and all orders entered in connection herewith,
16 shall be rendered null and void and shall be vacated, and the Parties shall revert to their respective
17 positions as of before entering into the Agreement, and expressly reserve their respective rights
18 regarding the prosecution and defense of this Action, including all available defenses and
19 affirmative defenses, and arguments that any claim in the Action could not be certified as a class
20 action and/or managed as a representative action.

21 **IT IS HEREBY ORDERED, ADJUDICATED AND DECREED THAT:**

22 25. Except as set forth in the Agreement and this Final Approval Order, Plaintiff, and
23 all members of the Class, shall take nothing in the Action.

24 26. Pursuant to California Code of Civil Procedure section 664.6, the Court shall retain
25 jurisdiction to construe, interpret, implement and enforce the Agreement, to hear and resolve any
26 contested challenge to a claim for settlement benefits, and to supervise and adjudicate any dispute
27 arising from or in connection with the distribution of settlement benefits.

1 27. The Parties are authorized to agree to and to adopt such amendments, modifications
2 and expansions of the Agreement and all exhibits attached thereto which are consistent with this
3 Final Approval Order and as approved by the Court.

4 28. Each party shall bear its own attorneys' fees and costs, except as otherwise
5 provided in the Agreement and in this Final Approval Order.

6 29. Effective on the date when Defendant fully funds the entire Gross Settlement
7 Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class
8 Payments, all Participating Class Members release Defendant and the Released Parties from any
9 and all claims that were alleged, or reasonably could have been alleged, based on the facts stated
10 in the Operative Complaint, including the failure to pay minimum wages, straight time
11 compensation, overtime compensation, double-time compensation, and interest thereon; failure to
12 timely pay regular and final wages; the calculation of the regular rate of pay; wages lost from time
13 rounding and timekeeping; non-compliant (e.g., missed, short, late, and/or interrupted) meal
14 periods and rest periods; failure to provide meal periods; failure to authorize and permit rest
15 periods; the calculation and payment of meal period and rest period premiums; payment for all
16 hours worked, including off-the-clock work and uncompensated work time; failure to provide
17 wage statements and paystubs, including wage statements and paystubs furnished or available in
18 physical, electronic, or other forms; failure to reimburse for all necessary business expenses;
19 unfair business practices; recordkeeping penalties, wage statement penalties, minimum-wage
20 penalties, and waiting-time penalties; statutory penalties and civil penalties; interest for claims for
21 unpaid wages; and attorneys' fees and costs; claims based on the facts stated in the Operative
22 Complaint under the California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7,
23 510, 512, 1174, 1182.12, 1194, 1194.2, 1194.3, 1197, 1197.1, 1198, 2800 and 2802); the Wage
24 Orders of the California Industrial Welfare Commission; and California Business and Professions
25 Code section 17200, et seq. (the "Released Class Claims"). This release excludes the release of
26 claims not permitted by law, including, claims for vested benefits, unemployment insurance,
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1 disability, social security, workers' compensation, or claims based on facts occurring outside the
2 Class Period.

3 30. "Released Parties" are defined as: Defendant and each of its past, present and future
4 agents, employees, servants, officers, directors, partners, trustees, representatives, shareholders,
5 stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations
6 and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, service
7 providers, joint venturers, joint employers, co-employers, dual employers, alleged joint employers,
8 alleged co-employers, alleged dual employers, affiliates, alter-egos, and affiliated organizations,
9 and all of their respective past, present and future employees, directors, officers, agents, attorneys,
10 stockholders, fiduciaries, parents, subsidiaries, and assigns.

11 31. Effective on the date when Defendant fully funds the entire Gross Settlement
12 Amount and funds all employer-side payroll taxes owed on the Wage Portion of the Individual
13 Class Payments, Plaintiff, as a representative for the State of California and the LWDA and on
14 behalf of all Aggrieved Employees, completely release and discharge Defendant and Released
15 Parties from any and all claims for the recovery of civil penalties under the California Private
16 Attorneys General Act, California Labor Code § 2698, et. seq., that were alleged, or reasonably
17 could have been alleged, based on the facts stated in the Operative Complaint and the PAGA
18 Notice that occurred during the PAGA Period, including claims for unpaid wages, including
19 failure to pay minimum wages, straight time compensation, overtime compensation, double-time
20 compensation, and interest; the calculation of the regular rate of pay; non-compliant (e.g., missed,
21 short, late, and/or interrupted) meal periods and rest periods; failure to provide meal periods;
22 failure to authorize and permit rest periods; the calculation and payment of meal period and rest
23 period premiums; failure to reimburse for all necessary business expenses; payment for all hours
24 worked, including off-the-clock work and rounded time; wage statements; failure to timely pay
25 wages; and failure to timely pay final wages (the "Released PAGA Claims"). The Released PAGA
26 Claims include claims based on the facts of the Operative Complaint and PAGA Notice that
27 occurred during the PAGA Period for violation of the Wage Orders of the California Industrial
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1 Welfare Commission and the following California Labor Code sections: 201, 202, 203, 204, 210,
2 226, 226.3, 226.7, 510, 512, 1174, 1182.12, 1194, 1194.2, 1194.3, 1197, 1197.1, 1198, 2800 and
3 2802). The foregoing release shall apply to all Aggrieved Employees, regardless of whether they
4 exclude themselves from the Released Class Claims. The foregoing release shall not apply outside
5 the PAGA Period.

6 32. As of the Effective Date and upon full funding of the Gross Settlement Amount by
7 Defendant, Plaintiff releases and discharges the Defendant and the Released Parties as to
8 Plaintiff's General Release, as set forth fully in paragraph 6.1 of the Agreement.

9 **IT IS SO ORDERED.**

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11 Dated: _____

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HON. CAROLYN M. CAIETTI
JUDGE, SUPERIOR COURT OF CALIFORNIA

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