

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

*Jorge Luis Estrada, et al., v. Royalty Carpet Mills, Inc.,
Orange County Superior Court Case No. Case No. 30-2013-00692890-CU-OE-CXC*

This Class Action and PAGA Action Settlement Agreement (“Agreement”) is made by and between plaintiffs Jorge Luis Estrada, Paulina Nava Medina, Jose A. Garcia, Martin Garcia, Rigoberto Moreno, Cipriano Perez, Salvador Avila, Martha Lara Leon, Maria Suarez, Cindy Cleaver, and Arlette Ramos, individually and on behalf of all employees similarly situated (collectively, “Plaintiffs”) and defendant Royalty Carpet Mills, LLC, formerly known as Royalty Carpet Mills, Inc., (“Defendant” or “Royalty”). This Agreement refers to Plaintiffs and Defendant collectively as “Parties.”

1. DEFINITIONS.

- 1.1 “Action” means Plaintiffs’ lawsuit alleging wage and hour violations against Defendant captioned *Jorge Luis Estrada, et al. vs. Royalty Carpet Mills, Inc.*, Case No. 30-2013-00692890-CU-OE-CXC, initiated on December 13, 2013, and pending in the Superior Court of California, County of Orange.
- 1.2 “Court” means the Superior Court of California, County of Orange, Civil Complex Center.
- 1.3 “Plaintiffs” means Jorge Luis Estrada, Paulina Nava Medina, Jose A. Garcia, Martin Garcia, Rigoberto Moreno, Cipriano Perez, Salvador Avila, Martha Lara Leon, Maria Suarez, Cindy Cleaver, and Arlette Ramos, the named Plaintiffs in the Action.
- 1.4 “Defendant” or “Royalty” means named Defendant Royalty Carpet Mills, LLC.
- 1.5 “Class Representatives” means the Plaintiffs and class representatives, Jorge Luis Estrada, Paulina Nava Medina, Jose A. Garcia, Martin Garcia, Rigoberto Moreno, Cipriano Perez, Martha Lara Leon, and Cindy Cleaver, and Plaintiffs Salvador Avila, Maria Suarez, and Arlette Ramos who are seeking Court approval to serve as Class Representatives.
- 1.6 “Class Counsel” means Rudy Ginez of Rudolfo Ginez Law Office and Clifton Smith of CE Smith Law Firm.
- 1.7 “Defense Counsel” means Joseph Chairez and Sabrina Shadi of Baker & Hosteler, LLP.
- 1.8 “Class” means all persons employed by Royalty in California as hourly-paid or non-exempt employees who worked at Royalty’s Dyer, Derian and/or Porterville carpet manufacturing and warehouse facilities during the respective Class Periods.

- 1.9 “Class Period” means the period from October 22, 2010, through June 14, 2017, for the Porterville Class Members and October 22, 2010, through November 30, 2013, for the Dyer/ Derian Class Members.
- 1.10 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.11 “Aggrieved Employee” means a person employed by Royalty in California as an hourly-paid or non-exempt employee who worked at Royalty’s Dyer or Derian facilities at any time during the PAGA Period.
- 1.12 “PAGA Period” means the period from November 12, 2012, through November 30, 2013.
- 1.13 “Gross Settlement Amount” means \$2,900,000, which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payments, Administrator’s Expenses, and Defendant’s Employer Taxes.
- 1.14 “Residual Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Representatives Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administration Expenses Payment, and Defendant’s Employer Taxes. The Residual Amount, if any, is to be paid to Participating Class Members as “Additional Individual Class Payments” on a pro rata basis calculated by dividing the aggregate amount of all Individual Class Payments, approximately \$861,626.23, by each Class Member’s Individual Class Payment and multiplying this result by the Residual Amount.
- 1.15 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” means the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action, including pre-filing investigation, filing of the Action, and all litigation and Settlement approval activities.
- 1.16 “Class Representative Service Payments” means the payments to the Class Representatives for initiating the Action and providing services in support of the Action.
- 1.17 “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

- 1.18 “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 the Preliminary Approval of the Settlement. The Administration Expenses Payment shall not exceed \$9,000, except for a showing of good cause and as approved by the Court.
- 1.19 “Employer Taxes” means the employer’s portion of all applicable federal, state, or local payroll taxes and contributions imposed on the portion of any Individual Class Payment that constitutes wages, including FICA, FUTA, UI, ETT, etc.
- 1.20 “Employee Taxes and Withholdings” means the employee’s portion of all applicable federal, state, or local payroll taxes imposed on the portion of any Individual Class Payment that constitutes wages, including FICA, SDI, PIT, etc.
- 1.21 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (\$20,000), allocated 75% to the LWDA (\$15,000) and 25% to the Aggrieved Employees (\$5,000) in settlement of the PAGA claims.
- 1.22 “LWDA” PAGA Payment” means 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.23 “Individual Class Payment” means the amount of premium wages to be paid to a Class Member for meal period violation allegedly suffered during the applicable Class Period, calculated at one hour of pay at the Class Member’s hourly rate of pay for each workday that the time records for a Dyer and/or Derian Class Member reflects a late first meal period and/or a missing second meal period, and a Porterville Class Member was prevented from leaving the premises during a meal period. However, a Class Member whose time records reflect two potential meal period violations in one workday is entitled to only one meal period premium payment.
- 1.24 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the total number of pay periods the Aggrieved Employee allegedly suffered a meal period violation during the PAGA Period based on their time records.
- 1.25 “Class Workweek” means any Workweek during the Class Period in which a Class Member worked for Defendant for at least one day.
- 1.26 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

- 1.27 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698, et seq.).
- 1.28 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled under Labor Code section 2699, subd. (i).
- 1.29 “PAGA Notice” means Plaintiffs’ October 23, 2013, and September 25, 2014, letters to Defendant and the LWDA which provided notice pursuant to Labor Code § 2699.3, subd. (a).
- 1.30 “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 for all Class Members and with a Filipino translation for Class Members who worked at the Porterville facility, without variation, attached as Exhibit A, incorporated by reference into this Agreement.
- 1.31 “Class Data” means Class Member identifying information in Royalty’s possession, including the Class Member’s name, last-known mailing address, Social Security number, employee identification number, and hiring and termination date(s).
- 1.32 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods, and means, including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.33 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.34 “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.35 “Request for Exclusion” means a Class Member’s submission of a signed written request to be excluded from the Class Settlement, including on the form provided with the Class Notice.
- 1.36 “Response Deadline” means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.37 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

- 1.38 “Released Parties” means Defendant and each of its predecessors, successors, assigns, affiliates, and their former and present directors, officers, shareholders, owners, and members.
- 1.39 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.40 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.41 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.42 “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.43 “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.44 “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.45 “Settlement” means the disposition of the Action by this Agreement and the Final Judgment.

2. RECITALS.

- 2.1 On December 13, 2013, Plaintiffs commenced this Action. The operative Third Amended Complaint (“Operative Complaint”) alleges causes of action against Defendant for 1) failure to provide compliant meal periods or pay premium wages (Labor Code §§ 226.7, 512); 2) failure to provide compliant rest periods or pay premium wages (Labor Code § 226.7); 3) failure to provide accurate itemized wage statements (Labor Code § 226); 4) penalties for failure to pay all premium wages due upon termination (Labor Code §§ 201, 201, 202); 5) penalties under Labor Code § 558; 6) PAGA civil penalties based on the alleged labor code violations (Labor Code § 2698 et seq.) 7) unlawful business practice claims based the alleged

labor code violations (Bus. & Prof. Code § 17200 et seq.); and 8) action for declaratory relief, that the releases entered into between Defendant and Class Members are unenforceable. 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.

- 2.2 In 2016, sixty percent of the Royalty employees entered into settlement and release agreements (“Releases”) with Defendant releasing their wage and hour and PAGA claims arising from the occurrences alleged in this Action in exchange for varying monetary payments totaling \$300,410.05. 103 Porterville Class Members signed Releases, and 56 did not. Porterville Class Members who signed Releases will not receive any money from this Settlement from October 22, 2010, through August 23, 2016, but will receive money from August 24, 2016, through June 14, 2017. Also, Porterville Class Members will not receive Individual PAGA Payments from this Settlement. 111 Dyer/Derian Class Members signed Releases, and 85 did not. The 111 Dyer/Derian Class Members who signed Releases will not receive money from this Settlement. Accordingly, 244 Class Members are entitled to receive money from this Settlement.
- 2.3 Pursuant to Labor Code § 2699.3, subd. (a), Plaintiffs gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.4 On December 4, 2024, the Parties participated in an all-day mediation presided over by Robert Coviello, Esq., which led to this Agreement to settle the Action.
- 2.5 Before mediation, Plaintiffs obtained substantial relevant evidence through extensive formal discovery, deposition testimony, and trial. Plaintiffs’ investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801, and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130. (“Dunk/Kullar”).
- 2.6 The Court granted class certification of certain claims and denied certification of others. The Court’s judgment and class certification rulings were the subject of appeals, including to the California Supreme Court. For settlement purposes, the Parties stipulate to certification of the following Class: All former nonexempt employees who worked for Defendant Royalty Carpet Mills, Inc. in California, at its Porterville facility from October 22, 2010, through June 14, 2017, or at its Dyer or Derian facilities from October 22, 2010, through November 30, 2013.
- 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.

2.8 The Excel spreadsheet calculations from Plaintiffs' expert will be used to calculate the Individual Class Payments and Individual PAGA Payments. Plaintiffs' expert examined 100% of the available time and payroll data and other records for the Porterville, Dyer, and Derian Class Members for the applicable Class and PAGA Periods (the "Study") and found that Defendant's records show that (1) 56 Porterville Class Members who did not sign Releases suffered 34,460 on-premises meal period violations, and 103 Porterville Class Members that signed Releases suffered 16,876 on-premises meal period violations, and (2) 85 Dyer/Derian Class Members who did not sign Releases suffered 25,903 late first meal period violations and 1,231 second meal period violations. Thus, 244 Class Members suffered a total of 78,470 meal period violations. There were also 111 Dyer/Derian Class Members that signed Releases and will not receive money from this Settlement. Plaintiffs' expert further found that Defendant's records also show that 61 Dyer/Derian Class Members who are Aggrieved Employees suffered first and/or second meal period violations for 2,081 PAGA Pay Periods during the PAGA Period.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay \$2,900,000, and no more, as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount before 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. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1 To Plaintiffs: Class Representative Service Payments to the Class Representatives of not more than \$5,000 each (for a total of \$55,000), in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as a Participating Class Member. Defendant takes no position on Plaintiffs' request for Class Representative Service Payments provided they do not exceed this amount. This Settlement is not contingent on the approval of the Class Representative Service Payments. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments not later than 16 court days prior to the Final Approving Hearing. If the Court approves of Class Representative Service Payments

less than the amounts requested, the Administrator will retain the remainder in the Residual Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

- 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than \$1,737,686.35 and a Class Counsel Litigation Expenses Payment of not more than \$196,266.88. Class Counsel expects to incur additional expenses of approximately \$1,250.00 for filing and translation fees. Reimbursement for these future litigation expenses shall be paid to Class Counsel from the amount allocated for the Class Counsel Fees Payment (i.e. \$1,737,686.35). Defendant takes no position on these requests provided they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days before the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Residual Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. This Settlement is not contingent on the award of Class Counsel Fees Payment or Class Counsel Litigation Expenses Payment. Nothing in this Section or Agreement limits the rights of Class Counsel to appeal any decision by the Court regarding Class Counsel Fees Payment 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.
- 3.2.3 To the Administrator: The Administrator can pay ILYM Group, Inc., an Administrator Expense Payment not to exceed \$9,000 except for a showing of good cause and as approved by the Court. The Parties agree that the actual Administration Expenses Payment shall not exceed that Court-approved figure unless the Court approves a request for additional Administration Expenses Payment. To the extent, the Administration Expenses are less, or the Court approves payment of less than \$9,000, the Administrator will retain the remainder in the Residual Amount.
- 3.2.4 To the Class and Each Participating Class Member: The Administrator will pay a total of \$861,626.23 to the Class for alleged meal period violations suffered during the applicable Class Periods, to be apportioned \$566,359.54 to the Porterville Class

Members and \$295,266.69 to the Dyer/Derian Class Members. From said Amounts, each Participating Class Member will receive his or her Individual Class Payment that is calculated at one hour of pay at the Class Member's regular hourly rate of pay for each workday during the applicable Class Period that a Dyer/Derian Class Member was allegedly provided a late first meal period and/or not provided with a second meal period, and a Porterville Class Member was allegedly prevented from leaving the premises during a meal period when the workday was more than 6 hours. However, a Class Member who allegedly suffered two meal period violations in one workday is entitled to only one meal period premium payment. Additionally, the Residual Amount, if any, is to be paid to the Participating Class Members as "Additional Individual Class Payments" on a pro rata basis.

- 3.2.4.1 Tax Allocation of Individual Settlement Payments. Because the Class Members' Individual Class Payments are for the settlement of claims for alleged unpaid wages, interest, and statutory and civil penalties, 20% of each Participating Class Member's Individual Class Payment will be allocated to the settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholdings and will be reported on an IRS W-2 Form. 80% of each Participating Class Member's Individual Class Payment will be allocated to the settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Any Residual Amount paid to Participating Class Members as an "Additional Individual Class Payment" will be allocated to the Non-Wage Portion. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.
- 3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual 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 Residual Amount for distribution to Participating Class Members on a pro rata basis.
- 3.2.5 To the Federal, State, or Local Taxing Authorities: The Administrator will pay the Defendant's Employer Taxes from the Gross Amount. 20% of each Participating Class Member's Individual Class Payment will be allocated to the Settlement of wage claims and 80% will be allocated to the settlement of claims for interest and penalties. Accordingly, 20% of \$861,626.23 is \$172,325.25. Plaintiffs estimate the Defendant's portion of all applicable federal, state, and local payroll taxes and contributions is approximately \$20,420.54.

3.2.6 To the LWDA and Aggrieved Employees: PAGA Penalties of \$20,000 to be paid from the Gross Settlement Amount, with 75% (\$15,000) allocated to the LWDA PAGA Payment and 25% (\$5,000) allocated to the Individual PAGA Payments. Dyer/Derian Aggrieved Employees will receive a pro rata share of the 25% of the PAGA Penalties (\$5,000).

3.2.6.1 Defendant's records show that 61 Dyer/Derian Class Members collectively suffered violations of first and/or second meal period violations for 2,081 PAGA Pay Periods during the PAGA Period. Plaintiffs' expert calculated the Individual PAGA Payment for each Aggrieved Employee by dividing \$5,000 by 2,081 pay periods which results in a Pay Period Value of \$2.40 and then multiplying \$2.40 by the total number of pay periods the Aggrieved Employee allegedly suffered a meal period violation during the PAGA Period. Under the Settlement, only those Aggrieved Employees who appear to have suffered a meal period violation during the PAGA Period are entitled to receive an Individual PAGA Payment. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.6.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Residual Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Data. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft spreadsheet, and Class Counsel will simultaneously deliver to the Administrator, in the form of a Microsoft Excel spreadsheet, the calculations of Plaintiffs' expert, Kenneth Creal of Creal & Creal, an accountancy corporation, showing the amounts to be paid to Class Members for Individual Class Payments and Individual PAGA Payments, as well as the number of Class Period Workweeks and PAGA Pay Periods. 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 correct, reconstruct, or otherwise resolve any issues related to

missing or omitted Class Data. If the Parties are unable to agree, any dispute will first be submitted to the Administrator, and if unable to be resolved by the Administrator to the agreement of the Parties, the dispute shall be submitted to the Court.

4.2 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 14 days after the Effective Date.

4.3 Payments from the Gross Settlement Amount. Within 14 days after Defendant fully funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, the Defendant's Employer Taxes, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.3.1 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 date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom the Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.3.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without the United States Postal Service ("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, as requested by the Class Member before the void date.

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

4.3.4 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.

5. RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiffs' Release. Plaintiffs and his, her, or their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and, assigns release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class Period, of any kind whatsoever, 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 and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiffs' PAGA Notice, or ascertained during the Action and released under 5.2, below. ("Plaintiffs' Release.") Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

5.1.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the 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.

- 5.2 Release by Participating Class Members Who Are Aggrieved Employees: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action, including claims for (1) failure to provide meal periods or pay meal period premiums (Labor Code §§ 226.7, 512); (2) failure to provide rest periods or pay rest period premiums (Labor Code § 226.7); (3) failure to provide accurate itemized wage statements (Labor Code § 226); (4) failure to pay all wages due upon termination of employment (Labor Code §§ 201, 202, 203); (5) penalties under Labor Code § 558; (6) for PAGA penalties based on the alleged labor code violations; (7) unlawful business practice claims under Bus. & Prof. Code § 17200 based on the alleged labor code violations; and (8) action for declaratory relief, that the releases entered into between Defendant and Class Members are unenforceable.
- 5.3 Release by Non-Participating Class Members Who Are Aggrieved Employees: All Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice and ascertained in the course of the Action, including, for (1) failure to provide meal periods or pay meal period premiums (Labor Code §§ 226.7, 515) ; (2) failure to provide rest periods or pay rest period premiums (Labor Code § 226.7); (3) failure to provide accurate itemized wage statements (Labor Code § 226 (a)); and (4) failure to pay all wages due upon termination of employment (Labor Code §§ 201, 202, 203).
- 5.4 Aggrieved Employees cannot opt out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all eligible Aggrieved Employees who will be bound by the release even if they do not cash their settlement checks.
- 6. MOTION FOR PRELIMINARY APPROVAL.** Plaintiffs agree to prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”).
- 6.1 Defendant’s Declaration in Support of Preliminary Approval. Within 7 days of the full execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed Declaration from Defendant and Defense Counsel disclosing all facts relevant to any actual

or potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and 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.

- 6.2 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice and memorandum in support of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code section 2699, subdivision (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 the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or]the Administrator; (vi) 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 (Lab. Code, § 2699.3, subd. (a))), Operative Complaint (Lab. Code, § 2699, subd. (l)(1)), this Agreement (Lab. Code, § 2699, subd. (l)(2)); and (vii) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator. In their Declarations, Plaintiffs 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.
- 6.3 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.
- 6.4 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.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have selected ILYM Group, Inc., to serve as Administrator and verified that, as a condition of appointment, ILYM Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number to calculate the Employer Taxes, the Employee Taxes and Withholdings, and to provide reports to state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under the US Treasury Regulation section 468B1-1
- 7.4 Notice to Class Members.
- 7.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.
- 7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice with Spanish translation to all Class Members, and a Filipino translation to all Porterville Class Members, 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 Class Member's average hourly rate of pay and number of meal period violations allegedly suffered during the applicable Class Period, and the number of PAGA Pay Periods the Dyer/Derian Aggrieved Employees allegedly suffered meal period violations. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

- 7.4.3 Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 7.4.4 The deadlines for Class Members' written objections, Challenges to the Class Member's average hourly rate of pay and the number of meal period violations suffered during the applicable Class Period, and the number of PAGA Pay Periods the Dyer/Derian Aggrieved Employees allegedly suffered a meal period violation will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 7.4.5 If the Administrator, Defendant, 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, whichever are later.

7.5 Requests for Exclusion (Opt-Outs).

- 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement, and includes the Class Member's name, address, and email address or telephone number. To be valid, a Request for Exclusion must be faxed, emailed, or postmarked by the Response Deadline.

- 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 7.5.3 Every Class Member who does not submit a valid and timely Request for Exclusion is deemed to be a Participating Class Member and under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating Class Member actually received the Class Notice or objects to the Settlement.
- 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the 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 5.3 of this Agreement and are eligible for an Individual PAGA Payment.
- 7.6 Challenges to Calculation of the number of alleged meal period violations during the Class and PAGA Periods and rate of pay. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the Class Member's average hourly rate of pay, the number of meal period violations allegedly suffered during the applicable Class Periods and the number PAGA Pay Periods with an alleged meal period violation (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. To the extent a Class Member disputes the information listed on his or her Class Notice form, the Class Member may produce evidence to the Administrator showing such different hourly rates of pay or more meal period violations suffered during the applicable Class and PAGA Period he or she contends should be shown on the Class Notice form. The Parties agree to meet and confer to evaluate the evidence submitted by the Class Member. If the Parties cannot agree, the dispute will be submitted to the Administrator for input, and if the Parties still do not

agree, the matter will be submitted to the Court for resolution at the time of the final approval hearing. The Administrator shall promptly provide copies of all such challenges to Defense Counsel and Class Counsel (without identifying markers) and the Administrator's determination regarding the challenges.

7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Class Representative Service Payments.

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

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

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

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish, maintain, and use an internet website to post information of interest to Class Members including the date, time, and location for the Final Approval Hearing and copies of the operative complaint, PAGA notice(s) letter(s), Settlement Agreement and any Amendments, the Class Notice and any included forms, Motion for Preliminary Approval, the Order Granting Preliminary Approval, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payments, the Order Granting Final Approval and the Judgment. The Administrator will post copies of these documents on its website for 180 days. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes, and emails.

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their

validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

- 7.8.3 Weekly Reports. The Administrator must, weekly, 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 number of alleged meal period violations and/or PAGA 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 objections received.
- 7.8.4 Rate of Pay, Number of Meal Period Violations, and/or PAGA Pay Period Challenges. The Administrator has the authority to address and make decisions consistent with the terms of this Agreement on all Class Member challenges to the Class Member’s hourly rate of pay, the alleged number of meal period violations during the applicable Class Period, and/or the number of PAGA Pay Periods showing alleged meal period violations. However, if the Parties are unable to resolve any challenges with the assistance of the Administrator, the Court can make the final decision, which is not appealable.
- 7.8.5 Administrator’s Declaration. Not later than 14 days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the objections. 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.
- 7.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator

disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

- 8. DEFENDANT’S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendant may, 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 Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than seven court days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.
- 9. MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subdivision (l), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiffs 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 in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.
- 9.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 9.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final Approval. The Court’s decision to award less than the amounts requested for the Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

- 9.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
- 9.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected 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 the appeal is finally resolved and the Judgment becomes final.
- 9.5 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. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payments or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

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

11. ADDITIONAL PROVISIONS.

- 11.1 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 Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If for any reason, the Court does not grant Preliminary Approval, Final Approval, or enter Judgment,

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

- 11.2 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 11.3 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibit shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 11.4 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 11.5 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence, and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 11.6 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 11.7 No Tax Advice. Neither Plaintiffs, 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.

- 11.8 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.
- 11.9 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 11.10 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.
- 11.11 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.
- 11.12 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.
- 11.13 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 payout of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.
- 11.14 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.
- 11.15 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event, that 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.

- 11.16 Notice. All notices, demands, or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Rudy Ginez, Jr. (Bar No. 84978)
RUDOLFO GINEZ LAW OFFICE
926 North Flower Street
Santa Ana, CA 92703
Tel: (714) 541-2251
Email: ginez@sbcglobal.net

Clifton E. Smith (Bar No. 134062)
CE SMITH LAW FIRM
1117 Village Drive
Oceanside, CA 92057
Tel: (760) 754-5472
Email: CESmithEsq@cox.net

To Defendant:

Sabrina L. Shadi (Bar No.205405)
BAKER & HOSTETLER LLP
1900 Avenue of the Stars, Suite 2700
Los Angeles, California 90067
sshadi@bakerlaw.com

Joseph L. Chairez (Bar No. 98698)
BAKER & HOSTETLER LLP
600 Anton Boulevard, Suite 900
Costa Mesa, CA 92626-7221
Tel: (714) 754-6600
Fax: (714) 754-6611
jchairez@bakerlaw.com

11.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or by 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.

11.18 Stay of Litigation. The Parties agree that upon the execution of this Agreement, the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Dated: _____
Jorge Luis Estrada, Plaintiff

Dated: _____
Cindy Cleaver, Plaintiff

Dated: _____
Paulina Nava Medina, Plaintiff

Dated: _____
Jose A. Garcia, Plaintiff

Dated: _____
Martin Garcia, Plaintiff

Dated: _____
Rigoberto Moreno, Plaintiff

Dated: _____
Cipriano Perez, Plaintiff

Dated: _____
Salvador Avila, Plaintiff

Dated: _____
Martha Lara Leon, Plaintiff

Dated: _____
Maria Suarez, Plaintiff

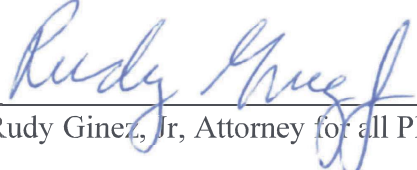
Dated: _____
Arlette Ramos, Plaintiff

Dated: _____
Andrea Greenleaf
Royalty Carpet Mills, LLC

APPROVED AS TO FORM BY COUNSEL

RUDOLFO GINEZ LAW OFFICE

Dated: 6/26/2025



Rudy Ginez, Jr, Attorney for all Plaintiffs

CE SMITH LAW FIRM

Dated: 6/26/2025

/s/ Clifton E. Smith

Clifton E. Smith, Attorney for all Plaintiffs

BAKER & HOSTETLER LLP

Dated: 7/2/25

Sabrina L. Shadi

Joseph L. Chairez
Sabrina L. Shadi
Attorneys for Defendant,
Royalty Carpet Mills, LLC

- 11.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or by 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.
- 11.18 Stay of Litigation. The Parties agree that upon the execution of this Agreement, the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Dated: 6-8-25 

 Jorge Luis Estrada, Plaintiff

Dated: _____
 Cindy Cleaver, Plaintiff

Dated: _____
 Paulina Nava Medina, Plaintiff

Dated: _____
 Jose A. Garcia, Plaintiff

Dated: _____
 Martin Garcia, Plaintiff

Dated: 6/20/2025 


 Rigoberto Moreno, Plaintiff

- 11.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or by 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.
- 11.18 Stay of Litigation. The Parties agree that upon the execution of this Agreement, the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Dated:

Jorge Luis Estrada, Plaintiff

Dated: 4.4.2025



Cindy Cleaver, Plaintiff

Dated:

Paulina Nava Medina, Plaintiff

Dated:

Jose A. Garcia, Plaintiff

Dated:

Martin Garcia, Plaintiff

Dated:

Rigoberto Moreno, Plaintiff

11.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or by 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.

11.18 Stay of Litigation. The Parties agree that upon the execution of this Agreement, the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Dated:

Jorge Luis Estrada, Plaintiff

Dated:

Cindy Cleaver, Plaintiff

Dated:

6-25-25

Paulina Nava
Paulina Nava Medina, Plaintiff

Dated:

Jose A. Garcia, Plaintiff

Dated:

Martin Garcia, Plaintiff

Dated:

Rigoberto Moreno, Plaintiff

- 11.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or by 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.
- 11.18 Stay of Litigation. The Parties agree that upon the execution of this Agreement, the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Dated: _____
Jorge Luis Estrada, Plaintiff

Dated: _____
Cindy Cleaver, Plaintiff

Dated: _____
Paulina Nava Medina, Plaintiff

Dated: 6/18/2025 _____
Jose A. Garcia, Plaintiff

Dated: _____
Martin Garcia, Plaintiff

Dated: _____
Rigoberto Moreno, Plaintiff

- 11.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or by 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.
- 11.18 Stay of Litigation. The Parties agree that upon the execution of this Agreement, the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Dated:

Jorge Luis Estrada, Plaintiff

Dated:

Cindy Cleaver, Plaintiff

Dated:

Paulina Nava Medina, Plaintiff

Dated:

Jose A. Garcia, Plaintiff

Dated:

6-16-25

Martin Garcia
Martin Garcia, Plaintiff

Dated:

Rigoberto Moreno, Plaintiff

Dated: 6/18/2025

Cipriano Perez
Cipriano Perez, Plaintiff

Dated: 6/20/2025

Salvador Avila
Salvador Avila, Plaintiff

Dated: 6/20/2025

Martha Lara Leon
Martha Lara Leon, Plaintiff

Dated: 6/19/2025

Maria Suarez
Maria Suarez, Plaintiff

Dated: 6/18/2025

Arlette Ramos
Arlette Ramos, Plaintiff

Dated: 6/26/2025

Andrea Greenleaf
Andrea Greenleaf
Royalty Carpet Mills, LLC

APPROVED AS TO FORM BY COUNSEL

RUDOLFO GINEZ LAW OFFICE

Dated:

Rudy Ginez, Jr, Attorney for all Plaintiffs

CE SMITH LAW FIRM

Dated:

Clifton E. Smith, Attorney for all Plaintiffs