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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

AHMED IDRIS, individually, and on behalf of  
other members of the general public similarly  
situated, and as an aggrieved employee pursuant  
to the Private Attorneys General Act ("PAGA"),

Plaintiff,

vs.

SPEARHEAD MOBILITY INC, a Texas  
corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No.: 23CV003917

**JOINT STIPULATION OF CLASS AND  
PAGA ACTION SETTLEMENT AND  
RELEASE**

**Complaint filed:**  
**FAC filed:**

**June 29, 2023**  
**November 8, 2023**

## JOINT STIPULATION OF CLASS AND PAGA ACTION SETTLEMENT AND RELEASE

This Joint Stipulation of Class and PAGA Action Settlement and Release (“Settlement”, “Agreement”, or “Settlement Agreement”) is made and entered into by and between Plaintiffs Ahmed Idris (“Idris”) and Rosa de Jesus Hernandez (“Hernandez”) (collectively, “Plaintiffs” or “Class Representatives”), as individuals, on behalf of all others similarly situated, and as aggrieved employees and on behalf of all aggrieved employees, and Defendant Spearhead Mobility Inc. (“Defendant”) (collectively with Plaintiffs, the “Parties”).

### DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

1. “Actions” means Plaintiffs’ three lawsuits alleging wage and hour violations against Defendant captioned: *Idris v. Spearhead Mobility Inc.*, Case No. 23CV003917 (Sacramento County Superior Court), *Hernandez v. Spearhead Mobility, Inc.*, Case No. 23STCV16603 (Los Angeles County Superior Court), and *Hernandez v. Spearhead Mobility, Inc.*, Case No. 23STCV23275 (Los Angeles County Superior Court).

2. “Aggrieved Employee” means a person who actually worked for Defendant as an hourly, non-exempt employee in the State of California at any time during the PAGA Period.

3. “Attorneys’ Fees and Costs” means attorneys’ fees agreed upon by the Parties and approved by the Court for Class Counsel’s litigation and resolution of the Actions, and all out-of-pocket costs incurred and to be incurred by Class Counsel in the Actions, including but not limited to expert/consultant fees, investigation costs, and costs associated with documenting the Settlement, providing any notices required as part of the Settlement or Court order, securing the Court’s approval of the Settlement, administering the Settlement, and obtaining entry of a Judgment approving the Settlement. Class Counsel will request attorneys’ fees not in excess of one-third (1/3) of the Gross Settlement Amount, or One Hundred Thirty Thousand Dollars (\$130,000). The Attorneys’ Fees and Costs will also mean and include the additional reimbursement of any costs and expenses associated with Class Counsel’s litigation and settlement of the Actions, up to Thirty-Five Thousand Dollars (\$35,000), subject to the Court’s approval. Defendant has agreed not to oppose Class Counsel’s request for fees and

reimbursement of costs as set forth above.

4. “Class Counsel” means Capstone Law APC; Lidman Law, APC; Haines Law Group, APC; and Law Offices of Raphael A. Katri.

5. “Class List” means a complete list of all Class Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator and Class Counsel within thirty (30) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in Microsoft Office Excel and will include each Class Member’s full name; most recent mailing address; Social Security number; dates of employment; the respective number of Workweeks that each Class Member worked during the Class Period and PAGA Period; and any other relevant information needed to calculate settlement payments.

6. “Class Member” or “Settlement Class Member” mean a person who worked for Defendant as an hourly, non-exempt employee in the State of California at any time from June 29, 2019 through July 31, 2023.

7. “Class Notice” means the Notice of Class Action Settlement to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A hereto and incorporated by reference into this Agreement.

8. “Class Period” means the period from June 29, 2019 through July 31, 2023.

9. “Class Representative Enhancement Payments” means the amounts to be paid to Plaintiffs in recognition of their effort and work in prosecuting the Actions on behalf of Class Members, and for their general release of claims. Subject to the Court granting final approval of this Settlement Agreement and subject to the exhaustion of any and all appeals, Plaintiffs will request Court approval of Class Representative Enhancement Payments of up to Ten Thousand Dollars (\$10,000) each.

10. “Court” means the Sacramento County Superior Court.

11. “Defendant” means Defendant Spearhead Mobility Inc.

12. “Defense Counsel” means the attorneys of Saber Law Group.

13. “Effective Date” means the later of: (a) if no timely objections are filed, or are withdrawn prior to Final Approval, then the day the Court enters a Final Judgment on its Order Granting Final Approval of the Settlement ; or (b) if a Class Member files an objection to the Settlement, the

Effective Date shall be the sixty-first (61st) calendar day after the date of Final Judgment is entered, provided no appeal is initiated by an objector; or (c) if a timely appeal from the Final Judgment is initiated by an objector, then the Effective Date will be the date of final resolution of that appeal (including any requests for rehearing and/or petitions for certiorari), resulting in final judicial approval of the Settlement.

14. “Final Approval” means the date of the Court’s entry of order granting final approval of the Settlement Agreement.

15. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

16. “Final Judgment” means the Judgment entered by the Court upon Granting Final Approval of the Settlement.

17. “Gross Settlement Amount” means Three Hundred Ninety Thousand Dollars and Zero Cents (\$390,000.00), to be paid by Defendant in full satisfaction of all Released Class Claims and Released PAGA Claims, which includes all Individual Class Payments, Individual PAGA Payments, Attorneys’ Fees and Costs, the Class Representative Enhancement Payments, and Settlement Administration Costs. This Gross Settlement Amount has been agreed to by Plaintiffs and Defendant based on the aggregation of the agreed-upon settlement value of individual claims. In no event will Defendant be liable for more than the Gross Settlement Amount except as otherwise explicitly set forth herein. There will be no reversion of the Gross Settlement Amount to Defendant. Defendant will be separately responsible for any employer payroll taxes required by law, including the employer FICA, FUTA, and SDI contributions, which shall not be paid from the Gross Settlement Amount.

18. “Individual Class Payment” means each Participating Class Member’s pro rata share of the Net Settlement Fund calculated according to the number of Workweeks worked during the Class Period.

19. “Individual PAGA Payment” means each Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods worked during the PAGA Period.

20. “LWDA” means the California Labor and Workforce Development Agency, the agency

entitled, under Labor Code § 2699(i).

21. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code § 2699(i).

22. “Net Settlement Fund” means the portion of the Gross Settlement Amount remaining after deducting the Individual PAGA Payments, the LWDA PAGA Payment, Attorneys’ Fees and Costs, Class Representative Enhancement Payments, and Settlement Administration Costs. The Net Settlement Fund will be distributed to Participating Class Members as Individual Class Payments. There will be no reversion of the Net Settlement Fund to Defendant.

23. “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.

24. “Notice of Objection” means a Class Member’s valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the objector’s full name, signature, address, and telephone number, (b) a written statement of all grounds for the objection accompanied by any legal support for such objection; (c) copies of any papers, briefs, or other documents upon which the objection is based; and (d) a statement whether the objector intends to appear at the final fairness hearing.

25. “PAGA Notices” means Plaintiff Idris’s August 21, 2023 letter to Defendant and the LWDA providing notice pursuant to Labor Code § 2699.3(a) and Plaintiff Hernandez’s July 19, 2023 letter to Defendant and the LWDA for the same.

26. “PAGA Period” means the period from August 21, 2022 through July 31, 2023.

27. “PAGA Penalties” means the amount that the Parties have agreed to pay to the Labor and Workforce Development Agency (“LWDA”) and Aggrieved Employees in connection with Plaintiffs’ claim under the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”). The Parties have agreed that Forty Thousand Dollars (\$40,000) of the Gross Settlement Amount will be allocated to PAGA Penalties. Pursuant to PAGA, Seventy-Five Percent (75%), or Thirty Thousand Dollars (\$30,000), will be paid to the LWDA and Twenty-Five Percent (25%), or Ten Thousand Dollars (\$10,000), will be disbursed to Aggrieved Employees.

28. “Parties” means Plaintiffs and Defendant collectively.

29. “Participating Class Members” means all Class Members who do not submit timely and valid Requests for Exclusion from the Settlement.

30. “Pay Period” means any pay period during which an Aggrieved Employee actually worked for Defendant for at least one day during the PAGA Period, and specifically excludes paid or unpaid time off where the Aggrieved Employee performed no work, including, but not limited to, holidays, PTO, administrative and other leaves of absences. An Aggrieved Employee will be deemed to have worked during at least one Pay Period during the PAGA Period.

31. “Plaintiffs” means Plaintiffs Ahmed Idris and Rosa de Jesus Hernandez.

32. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

33. “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of Class and PAGA Settlement

34. “Released Class Claims” means the claims being released as described in Paragraph 65.

35. “Released PAGA Claims” means the claims being released as described in Paragraph 66.

36. “Released Parties” means Defendant Spearhead Mobility Inc, its past and present officers, directors, shareholders, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and its respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys, if any.

37. “Request for Exclusion” means a timely letter submitted by a Class Member indicating a request to be excluded from the Settlement Class. The Request for Exclusion must: (a) set forth the name, address, telephone number and last four digits of the Social Security Number of the Class Member requesting exclusion; (b) be signed by the Class Member; (c) be returned to the Settlement Administrator; (d) clearly state that the Class Member does not wish to be included in the Settlement; and (e) be faxed or postmarked on or before the Response Deadline.

38. “Response Deadline” means the deadline by which Class Members must postmark or fax to the Settlement Administrator Requests for Exclusion, postmark or fax disputes concerning the calculation of Individual Class Payments, or postmark Notices of Objection to the Settlement

Administrator. The Response Deadline will be forty-five (45) calendar days from the initial mailing of the Class Notice by the Settlement Administrator, unless the forty-fifth (45th) calendar day falls on a Sunday or State holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open.

39. “Settlement Administration Costs” means the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, tax reporting, distributing the Gross Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The Settlement Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s bid submitted to the Court in connection with Preliminary Approval of the Settlement.

40. “Settlement Administrator” means ILYM Group, Inc., or any other neutral entity agreed to by the Parties and approved by the Court for the purposes of administering this Settlement. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

41. “Workweeks” means the number of days of employment for each Class Member during the Class Period, subtracting days on leave of absence (if any), dividing by seven (7), and rounding up to the nearest whole number. All Class Members will be credited with at least one Workweek during the Class Period.

#### TERMS OF AGREEMENT

42. Combining All Claims. As a condition of this global settlement of the Actions, Class Counsel has agreed to file a Second Amended Complaint in this Court to include all claims contained in *Hernandez v. Spearhead Mobility, Inc.*, Case No. 23STCV16603 (Los Angeles County Superior Court) and *Hernandez v. Spearhead Mobility, Inc.*, Case No. 23STCV23275 (Los Angeles County Superior Court). The Parties agree that it is the intent of all parties to resolve completely and finally the Actions with this Settlement. Within five (5) business days after the filing of the Second Amended Complaint, the Parties will stipulate to dismiss the *Hernandez* Actions without prejudice provided that Plaintiff Rosa de Jesus Hernandez agrees to only pursue her individual, Class, or PAGA claims in the *Idris* Action, and

will only do so if and only if this Settlement Agreement is not approved by the Court.

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

44. 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 owed on the Wage Portion of Individual Class Payments, by transmitting the funds to the Settlement Administrator as follows: (a) first payment of One Hundred Ninety-Five Thousand Dollars (\$195,000) within thirty (30) calendar days of the Effective Date (“First Payment”); and (b) second payment of One Hundred Ninety-Five Thousand Dollars (\$195,000) and the employer’s share of payroll taxes within one hundred and twenty (120) calendar days following the date of the First Payment (“Full Funding Date”).

45. Attorneys’ Fees and Costs. Defendant agrees not to oppose or impede any application or motion for attorneys’ fees and costs by Class Counsel for Attorneys’ Fees and Costs of not more than One Hundred Thirty Thousand Dollars (\$130,000), plus the reimbursement of all out-of-pocket costs and expenses associated with Class Counsel’s litigation and settlement of the Actions (including expert/consultant fees, investigations costs, etc.), not to exceed Thirty-Five Thousand Dollars (\$35,000), both of which will be paid from the Gross Settlement Amount. The award of attorneys’ fees will be divided as follows: (a) 50% to Capstone Law APC; and (b) 50% to Lidman Law, APC and Haines Law Group, APC.

46. Class Representative Enhancement Payments. In exchange for a general release, and in recognition of their effort and work in prosecuting the Actions on behalf of Class Members, Defendant agrees not to oppose or impede any application or motion for Class Representative Enhancement Payments of up to Ten Thousand Dollars (\$10,000) to each Plaintiff. The Class Representative Enhancement Payments will be paid from the Gross Settlement Amount and will be in addition to Plaintiffs’ Individual Class Payments and Individual PAGA Payments. Plaintiffs will be solely and legally responsible to pay any and all applicable taxes on the Class Representative Enhancement Payments. Plaintiffs understand and agree that this Settlement Agreement shall remain in full force and effect even if the full amount of Class Representative Enhancement Payments sought by Plaintiffs is not



ultimately awarded by the Court.

47. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Gross Settlement Amount, which is currently estimated to be Eight Thousand Five Hundred Dollars (\$8,500). These costs, which will be paid from the Gross Settlement Amount, will include, *inter alia*, the required tax reporting on the Individual Class Payments, the issuing of 1099 and W-2 IRS Forms, distributing Class Notices, calculating and distributing the Gross Settlement Amount, and providing necessary reports and declarations.

48. PAGA Settlement Amount. Subject to Court approval, the Parties agree that the amount of Forty Thousand Dollars (\$40,000) from the Gross Settlement Amount will be designated for satisfaction of Plaintiffs' PAGA claim. Pursuant to PAGA, Seventy-Five Percent (75%), or Thirty Thousand Dollars (\$30,000), of this sum will be paid to the LWDA and Twenty-Five Percent (25%), or Ten Thousand Dollars (\$10,000), will be paid to Aggrieved Employees in proportion to the number of Pay Periods worked during the PAGA Period.

49. No Right to Exclusion or Objections to the PAGA Settlement. Because this settlement resolves claims and actions brought pursuant to PAGA by Plaintiffs acting as proxies and as Private Attorneys General of, and for, the State of California and the LWDA, the Parties agree that no Aggrieved Employee has the right to exclude himself or herself from the release of the Released PAGA Claims, and all Aggrieved Employees will receive their shares of the PAGA. The Parties also agree that no Aggrieved Employee has the right to object to the PAGA Settlement Amount.

50. Net Settlement Fund. The entire Net Settlement Fund will be distributed to Participating Class Members. No portion of the Net Settlement Fund will revert to or be retained by Defendant.

51. PAGA Penalties. The entire PAGA Penalties will be distributed to the LWDA and all Aggrieved Employees. No portion of the PAGA Penalties will revert to or be retained by Defendant.

52. To Each Participating Class Member. An Individual Class Payment calculated by (a) dividing the Net Settlement Fund by the total number of Workweeks worked by all Participating Class Members and (b) multiplying the result by each Participating Class Member's individual Workweeks.

52(a) 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. Of the remainder of each Participating Class Member's Individual Class Payment, 40% will be allocated to settlement of claims for interest and 40% for 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.

52(b) 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 Fund for distribution to Participating Class Members on a pro rata basis.

53. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$40,000.00 to be paid from the Gross Settlement Amount, with 75% (\$30,000.00) allocated to the LWDA PAGA Payment and 25% (\$10,000.00) allocated to the Individual PAGA Payments.

53(a) The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$10,000.00) by the total number of Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

53(b) If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Fund for distribution to Participating Class Members.

1           54.     No Credit Toward Benefit Plans. The Individual Class Payments made to Participating  
2 Class Members under this Settlement, as well as any other payments made pursuant to this Settlement,  
3 will not be utilized to calculate any additional benefits under any benefit plans to which any Class  
4 Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans,  
5 stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is  
6 the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts  
7 to which any Class Members may be entitled under any benefit plans.

8           55.     Administration Process. The Parties agree to cooperate in the administration of the  
9 settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in  
10 administration of the Settlement.

11           56.     Delivery of the Class List. Within thirty (30) calendar days of Preliminary Approval,  
12 Defendant will provide the Class List to the Settlement Administrator and to Class Counsel.

13           57.     Notice by First-Class U.S. Mail. Within ten (10) calendar days after receiving the Class  
14 List from Defendant, the Settlement Administrator will mail a Class Notice to all Class Members via  
15 regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class  
16 List.

17           58.     Confirmation of Updated Contact Information in the Class Lists. Prior to mailing, the  
18 Settlement Administrator will perform a search based on the National Change of Address Database for  
19 information to update and correct for any known or identifiable address changes. Any Class Notices  
20 returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be  
21 sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the  
22 Settlement Administrator will indicate the date of such re-mailing on the Class Notice. If no forwarding  
23 address is provided, the Settlement Administrator will promptly attempt to determine the correct address  
24 using a skip-trace, or other search using the name, address and/or Social Security Number of the Class  
25 Member involved, and will then perform a single re-mailing. Those Class Members who receive a re-  
26 mailed Class Notice, whether by skip-trace or by request, will have either (a) an additional fifteen (15)  
27 calendar days or (b) until the Response Deadline, whichever is later, to submit a Request for Exclusion  
28 or an objection to the Settlement.

1           59.     Class Notices. All Class Members will be mailed a Class Notice. Each Class Notice will  
2 provide: (a) information regarding the nature of the Actions; (b) a summary of the Settlement's principal  
3 terms; (c) the Settlement Class and Aggrieved Employee definitions; (d) the total number of Workweeks  
4 each respective Class Member and the total number of Pay Periods each respective Aggrieved Employee  
5 worked for Defendant during the Class Period and PAGA Period; (e) each Class Member's estimated  
6 Individual Class Payment and each Aggrieved Employee's estimated Individual PAGA Payment and the  
7 formula for calculating each payment; (f) the dates which comprise the Class Period and PAGA Period;  
8 (g) instructions on how to submit Requests for Exclusion or Notices of Objection; (h) the deadlines by  
9 which the Class Member must postmark or fax Request for Exclusions, or postmark Notices of  
10 Objection to the Settlement; and (i) the claims to be released.

11           60.     Disputed Information on Class Notices. Class Members will have an opportunity to  
12 dispute the information provided in their Class Notices. To the extent Class Members dispute their  
13 employment dates or the number of Workweeks on record, Class Members may produce evidence to the  
14 Settlement Administrator showing that such information is inaccurate. Defendant's records will be  
15 presumed correct, but the Settlement Administrator shall contact the Parties regarding the dispute and the  
16 Parties will work in good faith to resolve it. All disputes must be submitted by the Response Deadline,  
17 and will be decided within ten (10) business days after the Response Deadline.

18           61.     Defective Submissions. If a Class Member's Request for Exclusion is defective as to the  
19 requirements listed herein, that Class Member will be given an opportunity to cure the defect(s). The  
20 Settlement Administrator will mail the Class Member a cure letter within three (3) business days of  
21 receiving the defective submission to advise the Class Member that his/her/their submission is defective  
22 and that the defect must be cured to render the Request for Exclusion valid. The Class Member will have  
23 until (a) the Response Deadline or (b) fifteen (15) calendar days from the date of the cure letter,  
24 whichever date is later, to postmark or fax a revised Request for Exclusion. If the revised Request for  
25 Exclusion is not postmarked or received by fax within that period, it will be deemed untimely.

26           62.     Request for Exclusion Procedures. Any Class Member wishing to opt-out from the  
27 Settlement Agreement must sign and fax or postmark a written Request for Exclusion to the Settlement  
28 Administrator within the Response Deadline. In the case of Requests for Exclusion that are mailed to the

Settlement Administrator, the postmark date will be the exclusive means to determine whether a Request for Exclusion has been timely submitted.

63. Escalator. In the event the qualifying Workweeks worked by Class Members during the Class Period is greater than Thirteen Thousand Eight Hundred Ninety (13,890), then Defendant shall have the option to either: (a) increase the Gross Settlement Amount on a pro-rata basis equal to the percentage increase in the number of Workweeks worked by the Class Members above Thirteen Thousand Eight Hundred Ninety (13,890); or (b) advance the end date of the Class Period and PAGA Period to correspond to the last date on which the total number of Workweeks during the Class Period was not in excess of Thirteen Thousand Eight Hundred Ninety (13,890).

64. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member who does not affirmatively opt-out of the Settlement Agreement by submitting a timely and valid Request for Exclusion will be bound by all of its terms, including those pertaining to the Released Class Claims, as well as any Judgment that may be entered by the Court if it grants final approval to the Settlement.

65. Releases by Participating Class Members. After the full funding of the Gross Settlement Amount, all Participating Class Members, on behalf of themselves and on behalf of their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from all claims, transactions, or occurrences that occurred during the Class Period and that were alleged, or reasonably could have been alleged based on the facts contained, in the Second Amended Complaint, including: (a) all claims for unpaid overtime; (b) all claims for meal and rest break violations; (c) all claims for unpaid minimum wages; (d) all claims for the failure to timely pay wages upon termination based on the preceding claims; (e) all claims for the failure to timely pay wages during employment based on the preceding claims; (f) all claims for wage statement violations based on the preceding claims; (g) all claims for the failure to reimburse necessary business expenses; (h) all claims for failure to provide reporting time pay; (i) all claims for failure to pay sick wages at the regular rate of pay; and (j) all claims asserted through California Business & Professions Code §§ 17200, *et seq.* Except as set forth in Paragraph 65 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair

1 Employment and Housing Act, unemployment insurance, disability, social security, workers'  
2 compensation, or claims based on facts occurring outside the Class Period.

3 66. Releases by Aggrieved Employees. After the full funding of the Gross Settlement  
4 Amount, all Aggrieved Employees, on behalf of themselves and on behalf of their respective former and  
5 present representatives, agents, attorneys, heirs, administrators, successors, and assigns, are deemed to  
6 release the Released Parties from all claims, transactions, or occurrences for PAGA civil penalties that  
7 were alleged, or reasonably could have been alleged based on the facts contained in Plaintiffs'  
8 complaints in the Actions and Plaintiffs' PAGA Notices during the PAGA Period.

9 67. Objection Procedures. To object to the Settlement Agreement, a Class Member may  
10 either postmark a valid Notice of Objection to the Settlement Administrator on or before the Response  
11 Deadline, or appear in person at the Final Approval Hearing. Class Members who fail to object either by  
12 submitting a valid Notice of Objection or appearing in person at the Final Approval Hearing will be  
13 deemed to have waived all objections to the Settlement and will be foreclosed from making any  
14 objections, whether by appeal or otherwise, to the Settlement Agreement. At no time will any of the  
15 Parties or their counsel seek to solicit or otherwise encourage Class Members to submit written  
16 objections to the Settlement Agreement or appeal from the final approval order and judgment. Class  
17 Counsel will not represent any Class Members with respect to any such objections to this Settlement. If a  
18 Class Member timely submits both a Notice of Objection and a Request for Exclusion, the Request for  
19 Exclusion will be given effect and considered valid, the Notice of Objection shall be rejected, and the  
20 Class Member shall not participate in or be bound by the Settlement.

21 68. Certification Reports Regarding Individual Class Payment and Individual PAGA  
22 Payment Calculations. The Settlement Administrator will provide Defendant's counsel and Class  
23 Counsel a weekly report that certifies the number of Class Members who have submitted valid Requests  
24 for Exclusion or objections to the Settlement, and whether any Class Member has submitted a challenge  
25 to any information contained in their Class Notice, including those received after the Response Deadline.  
26 Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports  
27 regarding the administration of the Settlement Agreement as needed or requested.

28 69. Distribution Timing of Individual Class Payments and Individual PAGA Payments.

Within ten (10) calendar days of the Full Funding Date, the Settlement Administrator will issue payments to: (a) Participating Class Members and Aggrieved Employees; (b) the Labor and Workforce Development Agency; (c) Plaintiffs; and (d) Class Counsel. The Settlement Administrator will also issue a payment to itself for Court-approved services performed in connection with the Settlement.

70. Un-cashed Settlement Checks. Proceeds represented by Individual Class and PAGA Payment checks returned as undeliverable and Individual Class and PAGA Payment checks remaining un-cashed for more than one hundred and eighty (180) calendar days after issuance will be tendered pursuant to Code of Civil Procedure section 384 to The State of California's Unclaimed Property Fund.

71. Certification of Completion. Upon completion of administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties.

72. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiffs, Participating Class Members, Aggrieved Employees, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes and penalties to the appropriate government authorities.

73. Tax Liability. The Parties make no representation as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiffs, Participating Class Members, and Aggrieved Employees are not relying on any statement, representation, or calculation by Defendant or by the Settlement Administrator in this regard.

74. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES

1 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE  
2 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS  
3 OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX  
4 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS  
5 AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY  
6 ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY  
7 UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO  
8 ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE  
9 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER  
10 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF  
11 ANY SUCH ATTORNEY'S OR ADVISOR'S TAX STRATEGIES (REGARDLESS OF WHETHER  
12 SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE  
13 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY  
14 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS  
15 AGREEMENT.

16 75. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant  
17 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,  
18 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of  
19 action or right herein released and discharged.

20 76. Nullification of Settlement Agreement. In the event that: (a) the Court does not finally  
21 approve the Settlement as provided herein; or (b) the Settlement does not become final for any other  
22 reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null  
23 and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will  
24 likewise be treated as void from the beginning.

25 77. Preliminary Approval Hearing. Plaintiffs will obtain a hearing before the Court to  
26 request the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval  
27 Order for: (a) conditional certification of the Settlement Class for settlement purposes only, (b)  
28 preliminary approval of the proposed Settlement Agreement, (c) setting a date for a final fairness



1 hearing. The Preliminary Approval Order will provide for the Class Notice to be sent to all Class  
2 Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiffs will  
3 submit this Settlement Agreement, which sets forth the terms of this Settlement, and will include the  
4 proposed Notice of Class Action Settlement, attached as Exhibit A. Class Counsel will be responsible for  
5 drafting all documents necessary to obtain preliminary approval.

6 78. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the  
7 deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with the  
8 Court's permission, a final fairness hearing will be conducted to determine the Final Approval of the  
9 Settlement Agreement along with the amounts properly payable for: (a) Attorneys' Fees and Costs; (b)  
10 the Class Representative Enhancement Payments; (c) Individual Class Payments and Individual PAGA  
11 Payments; (d) the Labor and Workforce Development Agency Payment; (e) all Settlement  
12 Administration Costs. Class Counsel will be responsible for drafting all documents necessary to obtain  
13 final approval. Class Counsel will also be responsible for drafting the attorneys' fees and costs  
14 application to be heard at the final approval hearing.

15 79. Judgment and Continued Jurisdiction. Upon Final Approval of the Settlement by the  
16 Court or after the final fairness hearing, the Parties will present the Judgment to the Court for its  
17 approval. After entry of the Final Judgment, the Court will have continuing jurisdiction solely for  
18 purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b)  
19 Settlement administration matters, and (c) such post-Judgment matters as may be appropriate under court  
20 rules or as set forth in this Settlement Agreement. A copy of the Judgment will be posted to the  
21 Settlement Administrator's website.

22 80. Release by Plaintiffs. Effective on the date when Defendant fully funds the entire Gross  
23 Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual  
24 Class Payments, Plaintiffs (and each of them), on their own behalf and on behalf of their respective  
25 former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and  
26 assigns generally, release and discharge the Released Parties from all claims, transactions, or  
27 occurrences, known or unknown, against Defendant including, but not limited to: (a) all claims that were  
28 alleged, or reasonably could have been alleged based on the facts contained, in the Plaintiffs' complaints;

(b) all PAGA claims that were alleged, or reasonably could have been alleged based on facts contained, in the complaints and Plaintiffs' PAGA Notices; and (c) all claims related to or arising from their employment with Defendant ("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, or workers' compensation benefits. 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 agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them. For purposes of Plaintiffs' Release, Plaintiffs (and each of them) 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.

81. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein. Any Exhibits to this Settlement Agreement are an integral part of the Settlement.

82. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil Code Section 1625 and California Code of Civil Procedure Section 1856(a), which provide that a written agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written representations or terms will modify, vary or contradict the terms of this Settlement Agreement.

83. Amendment or Modification. No amendment, change, or modification to this Settlement Agreement will be valid unless in writing and signed, either by the Parties or their counsel, and approved by the Court.

84. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement

1 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant  
2 to this Settlement Agreement to effectuate its terms and to execute any other documents required to  
3 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each  
4 other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to  
5 reach agreement on the form or content of any document needed to implement the Settlement, or on any  
6 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties  
7 may seek the assistance of the Court to resolve such disagreement.

8 85. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,  
9 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

10 86. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto  
11 will be governed by and interpreted according to the laws of the State of California.

12 87. Execution and Counterparts. This Settlement Agreement is subject only to the execution  
13 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All  
14 executed counterparts and each of them, including electronic (e.g., DocuSign), facsimile, and scanned  
15 copies of the signature page, will be deemed to be one and the same instrument.

16 88. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this  
17 Settlement Agreement is a fair, adequate and reasonable settlement of the Actions and have arrived at  
18 this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into  
19 account all relevant factors, present and potential. The Parties further acknowledge that they are each  
20 represented by competent counsel and that they have had an opportunity to consult with their counsel  
21 regarding the fairness and reasonableness of this Settlement.

22 89. Invalidity of Any Provision. Before declaring any provision of this Settlement  
23 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent  
24 possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement  
25 valid and enforceable.

26 90. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class  
27 certification for purposes of this Settlement only; except, however, that Plaintiffs or Class Counsel may  
28 appeal any reduction to the Attorneys' Fees and Costs below the amount they request from the Court,

1 and either party may appeal any court order that materially alters the Settlement Agreement's terms.

2           91.     No Admission of Liability, Class Certification, or Representative Manageability for  
3 Other Purposes. Defendant has contended and continues to contend that the allegations in the Actions,  
4 including Plaintiffs' complaints and PAGA Notices, have no merit and do not give rise to liability.  
5 Defendant denies all of the allegations in Plaintiffs' PAGA complaints, PAGA Notices, and in the  
6 Actions, including specifically that it has violated any federal, state, or local law. Defendant maintains  
7 that it has complied in good faith with California wage and hour law, and dealt fairly and legally with  
8 Plaintiffs and the Class Members and Aggrieved Employees. Nonetheless, Defendant has concluded that  
9 further proceedings in the Actions would be protracted and expensive, and that the Actions should be  
10 fully and finally settled in the manner and upon the terms and conditions set forth in this Settlement  
11 Agreement in order to dispose of burdensome and protracted litigation. This settlement is a compromise  
12 of such highly disputed claims. Defendant has agreed to settle the Actions on the terms and conditions  
13 set forth in this Agreement for the sole purpose of avoiding the burden, expense, and uncertainty of  
14 continuing the Actions. Nothing in this Agreement is intended or should be construed as an admission by  
15 Defendant that any of the allegations in the Actions, including Plaintiffs' complaints and/or PAGA  
16 Notices have merit or that Defendant has any liability for any claims asserted; nor should it be intended  
17 or construed as an admission by Plaintiffs that Defendant's defenses in the Actions have merit. The  
18 Parties agree that class certification and representative treatment is for purposes of this Settlement only.  
19 If, for any reason, the Court does grant Preliminary Approval or Final Approval or enter Final Judgment,  
20 Defendant reserves the right to contest certification of any class for any reasons, Defendant reserves all  
21 available defenses to the claims in the Actions, and Plaintiffs reserve the right to move for class  
22 certification on any grounds available and to contest Defendant's defenses. The Settlement, this  
23 Agreement, and the Parties' willingness to settle the Actions will have no bearing on, and will not be  
24 admissible in connection with, any litigation (except for proceedings to enforce or effectuate the  
25 Settlement and this Agreement). This Settlement Agreement and its terms and provisions shall not be  
26 offered or received as evidence in any action or proceeding to establish any liability or admission on the  
27 part of any Defendant or other Released Party to establish the existence of any condition constituting a  
28 violation of or non-compliance with federal, state, local, or other applicable law.

92. No Public Comment: Prior to Preliminary Approval, the Parties and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry, or have any communication with the press about the fact, amount or terms of the Settlement.

93. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

94. Enforcement Actions. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

95. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arms'-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

96. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel. Further, Plaintiffs and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

97. All Terms Subject to Final Court Approval. All amounts and procedures described in this Settlement Agreement herein will be subject to final Court approval.

98. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

99. Binding and Binding on Successors. The Parties warrant that they understand and have full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully enforceable and binding on all parties, and agree that it will be admissible and subject to

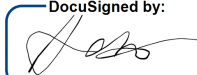
disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law. Furthermore, this Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

**THIS SECTION LEFT BLANK**

1 **IT IS SO AGREED AND UNDERSTOOD BY:**

2 **PLAINTIFF AND CLASS REPRESENTATIVE**

3  
4 Dated: 11/4/2024

DocuSigned by:  
  
1250AE40644E402...  
Ahmed Idris


6 **PLAINTIFF AND CLASS REPRESENTATIVE**

8 Dated: \_\_\_\_\_

Rosa de Jesus Hernandez

10 **DEFENDANT**

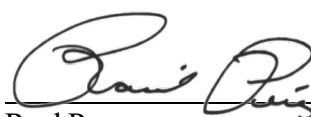
11 Dated: \_\_\_\_\_

  
Chris Percy  
Former CEO of Spearhead Mobility Inc.

14 **APPROVED AS TO FORM BY:**

15 **CAPSTONE LAW APC**

16 11/4/2024  
17 Dated: \_\_\_\_\_

By:   
Raul Perez  
Attorney for Plaintiff Ahmed Idris

20 **LIDMAN LAW, APC**

21 Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Scott M. Lidman  
Attorney for Plaintiff Rosa de Jesus Hernandez

24 **HAINES LAW GROUP, APC**

26 Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Paul K. Haines  
Attorney for Plaintiff Rosa de Jesus Hernandez

1 **IT IS SO AGREED AND UNDERSTOOD BY:**

2 **PLAINTIFF AND CLASS REPRESENTATIVE**

3  
4 Dated: \_\_\_\_\_

\_\_\_\_\_  
Ahmed Idris

6 **PLAINTIFF AND CLASS REPRESENTATIVE**

7  
8 Dated: Nov 6, 2024

Rosa De Jesus Hernandez  
Rosa De Jesus Hernandez (Nov 6, 2024 20:09 PST)

\_\_\_\_\_  
Rosa de Jesus Hernandez

10 **DEFENDANT**

11 Dated: \_\_\_\_\_



\_\_\_\_\_  
Chris Percy  
Former CEO of Spearhead Mobility Inc.

14 **APPROVED AS TO FORM BY:**

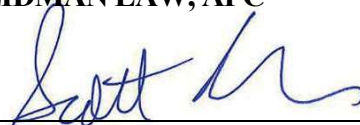
15 **CAPSTONE LAW APC**

16  
17 Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Raul Perez  
Attorney for Plaintiff Ahmed Idris


20 **LIDMAN LAW, APC**

21 Dated: November 4, 2024

By:  \_\_\_\_\_  
Scott M. Lidman  
Attorney for Plaintiff Rosa de Jesus Hernandez

25 **HAINES LAW GROUP, APC**

26 Dated: November 4, 2024


By:  \_\_\_\_\_  
Paul K. Haines  
Attorney for Plaintiff Rosa de Jesus Hernandez



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**LAW OFFICES OF RAPHAEL A. KATRI**

Dated: 11/4/2024

By:   
Raphael A. Katri  
Attorney for Plaintiff Rosa de Jesus Hernandez

**SABER LAW GROUP**

Dated: 11/20/24

By:   
Shirley C. Wang  
Attorney for Defendant Spearhead Mobility Inc.

# Exhibit A

*Idris and Hernandez v. Spearhead Mobility Inc.*, No. 23CV003917  
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF SACRAMENTO  
NOTICE OF CLASS ACTION SETTLEMENT

*You are not being sued. This notice affects your rights. Please read it carefully*

To: All persons who worked for Defendant Spearhead Mobility Inc. (“Defendant”) as non-exempt, hourly employees in the State of California at any time from June 29, 2019 through July 31, 2023 (“Class Members”).

All persons who worked for Defendant as non-exempt, hourly employees in the State of California at any time from August 21, 2022 through July 31, 2023 (“Aggrieved Employees”).

On \_\_\_\_\_, the Honorable Lauri A. Damrell of the Sacramento County Superior Court granted preliminary approval of this class and PAGA action settlement and ordered the litigants to notify all Class Members of the settlement. **You have received this notice because Defendant’s records indicate that you are a Class Member, and therefore may be entitled to a payment from the settlement.**

**Unless you choose to opt out of the settlement by following the procedures described below, you will be deemed a Class Member and, if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement fund.** The Final Fairness Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at \_ :00 \_m. on \_\_\_\_\_, 2024 in Department 22 of the Sacramento County Superior Court located at 720 9th Street, Sacramento, California 95814.

Please also note that the Final Fairness Hearing may be rescheduled by the Court to another date and/or time. Please visit [\[settlement website\]](#) for any scheduling changes.

If you move, you must send the Settlement Administrator your new address; otherwise, you may never receive your settlement payment. It is your responsibility to keep a current address on file with the Settlement Administrator.

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

<b>You Don’t Have to Do Anything to Participate in the Settlement</b>	If you do nothing, you will be deemed a “Participating Class Member” and will be eligible for a payment from the Net Settlement Fund. If you are also an Aggrieved Employee, then you will be eligible for your Individual PAGA Payment.. In exchange, you will be bound by the terms of the proposed Settlement and give up your right to assert wage and hour claims against Defendant based on the same facts alleged in the Action during the Class Period (June 29, 2019 through July 31, 2023).
<b>You Can Opt-out of the Class Settlement but not the PAGA Settlement</b>	If you don’t want to participate in the proposed class settlement, you can opt-out of the class settlement by sending the Settlement Administrator a written Request for Exclusion. Once excluded, you will no longer be eligible for a payment from the Net Settlement Fund and will not be bound by the terms of the proposed class settlement.
<b>The Opt-out Deadline is [DATE]</b>	You cannot opt-out of the PAGA portion of the proposed Settlement. Aggrieved Employees remain eligible to receive their Individual PAGA Payments and must give up their rights to pursue PAGA penalty claims against Defendant based on the facts alleged in the Action during the PAGA Period (August 21, 2022 through July 31, 2023).

<b>Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement</b>  <b>Written Objections Must be Submitted by [DATE]</b>	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed class settlement, but not the PAGA settlement.
<b>You Can Participate in the [DATE] Final Approval Hearing</b>	<p>The Court’s Final Approval Hearing is scheduled to take place on [DATE] in Department 22 of the Sacramento County Superior Court located at 720 9th Street, Sacramento, California 95814. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing.</p> <p>If the Court grants final approval of the Settlement despite your objection, you will receive a payment from the Net Settlement Fund and you will be bound by the terms of the Settlement and Release.</p>

### **Summary of the Litigation**

Plaintiffs Ahmed Idris and Rosa de Jesus Hernandez, individually, and on behalf of other members of the general public similarly situated, and as Aggrieved Employees, allege that Defendant violated California state labor laws as a result of its alleged failure to, among other things: (1) pay minimum and overtime wages to employees for all hours worked; (2) provide employees with meal and rest breaks; (3) timely pay all wages owed to employees during each pay period and upon termination of their employment; (4) reimburse employees for necessary business expenses; (5) provide employees with accurate, itemized wage statements; (6) provide reporting time pay; and (7) pay sick pay wages at the regular rate of pay.

After the exchange of relevant information and evidence, the parties agreed to enter into settlement negotiations in an attempt to informally resolve the claims in the case. On May 20, 2024, the parties participated in a mediation with Daniel Turner, Esq., an experienced and well-respected class action mediator. With Mr. Turner’s guidance, the parties were able to negotiate a complete settlement of Plaintiffs’ claims.

Counsel for Plaintiffs, and the attorneys appointed by the Court to represent the class, Capstone Law APC; Lidman Law, APC; Haines Law Group, APC; and Law Offices of Raphael A. Katri (“Class Counsel”), have investigated and researched the facts and circumstances underlying the issues raised in the case and the applicable law. While Class Counsel believe that the claims alleged in this lawsuit have merit, Class Counsel also recognize that the risk and expense of continued litigation justify settlement. Based on the foregoing, Class Counsel believe the proposed settlement is fair, adequate, reasonable, and in the best interests of Class Members.

Defendant has denied, and continues to deny, the factual and legal allegations in the case and believes that it has valid defenses to Plaintiffs’ claims. By agreeing to settle, Defendant is not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class and PAGA action. Defendant has agreed to settle the case as part of a compromise with Plaintiffs to avoid protracted and expensive litigation.

### **Summary of The Proposed Settlement Terms**

Plaintiffs and Defendant have agreed to settle the underlying class claims in exchange for a Gross Settlement Amount of \$390,000. This amount is inclusive of: (1) Class Representative Enhancement Payments of \$10,000, each, to Ahmed Idris and Rosa de Jesus Hernandez for their services on behalf of the class, and for a release of all claims arising out of their employment with Defendant; (2) \$130,000 in attorneys’ fees and up to \$35,000 in litigation costs and expenses; (3) a \$40,000 settlement of claims under the Labor Code Private Attorneys General Act of 2004 (“PAGA”), inclusive of a

**Questions? Contact the Settlement Administrator toll free at 1-\*\*\*-\*\*\*-\*\*\*\***

\$30,000 payment to the California Labor and Workforce Development Agency (the “LWDA PAGA Payment”) and a \$10,000 payment to all Aggrieved Employees (“Individual PAGA Payments”); and (4) reasonable Settlement Administrator’s fees and expenses currently estimated at \$8,500. After deducting the above payments from the Gross Settlement Amount, a total of approximately \$165,000 will be allocated to Class Members who do not opt out of the Settlement Class (“Net Settlement Fund”).

Again, Aggrieved Employees will receive a proportional share of the \$10,000 Individual PAGA Payments regardless whether they opt out of the Settlement Class.

**Payments from Net Settlement Fund.** Defendant will calculate the total number of Workweeks worked by each Class Member from June 29, 2019 through July 31, 2023 (“Class Period”) and the aggregate total number of Workweeks worked by all Class Members during the Class Period. To determine each Class Member’s estimated share of the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks during the Class Period, resulting in the “Workweek Value.” Each Class Member’s share of the Net Settlement Fund will be calculated by multiplying each individual Class Member’s total number of Workweeks by the Workweek Value. The Individual Class Payment will be reduced by any required deductions for each Class Members as specifically set forth herein, including employee-side tax withholdings or deductions. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase each Participating Class Member’s share of the Net Settlement Fund according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Fund.

According to Defendant’s records, you worked during the Class Period in a non-exempt position for a total of \_\_\_\_ Workweeks. Accordingly, your estimated payment from the Net Settlement Fund is approximately \$ \_\_\_\_.

**Payments from PAGA Penalties** Defendant will calculate the total number of Pay Periods worked by each Aggrieved Employee from August 21, 2022 through July 31, 2023 (“PAGA Period”) and the aggregate total number of Pay Periods worked by all Aggrieved Employees during the PAGA Period. To determine each Aggrieved Employee’s Individual PAGA Payment, the Settlement Administrator will use the following formula: \$10,000 will be divided by the aggregate total number of Pay Periods during the PAGA Period, resulting in the “PAGA Pay Period Value.” Each Aggrieved Employee’s share of the Individual PAGA Payment will be calculated by multiplying each Aggrieved Employee’s total number of Pay Periods by the PAGA Pay Period Value. A Request for Exclusion does not exclude an Aggrieved Employee from the release of claims under California Labor Code §§ 2698, *et seq.* and the Aggrieved Employee will receive their portion of the \$10,000 even if the Aggrieved Employee submits a valid Request for Exclusion.

According to Defendant’s records, you worked during the PAGA Period in a non-exempt position for a total of \_\_\_\_ Pay Periods. Accordingly, your estimated payment from the Individual PAGA Payment is approximately \$ \_\_\_\_.

**Your Estimated Payment:** Based on the above, your estimated payment from the settlement is approximately \$ \_\_\_\_\_. If you believe the Workweek and Pay Period information provided above is incorrect, please contact the Settlement Administrator to dispute the calculation. You must attach all documentation in support of your dispute (such as check stubs, W2s, or letters from HR). All disputes must be postmarked or faxed on or before [insert date of Response Deadline] and must be sent to:

Settlement Administrator  
c/o \_\_\_\_\_  
Fax No. \_\_\_\_\_

If you dispute the information stated above, Defendant’s records will control unless you are able to provide documentation that establishes otherwise.

**Questions? Contact the Settlement Administrator toll free at 1-\*\*\*-\*\*\*-\*\*\*\***

**Taxes on Individual Class and PAGA Payments.** IRS Forms W-2 and 1099 will be distributed to participating Class Members and the appropriate taxing authorities reflecting the payments they receive under the settlement. Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this settlement, 20% of each settlement payment will be allocated as wages for which IRS Forms W-2 will be issued, and 80% will be allocated as non-wages for which IRS Forms 1099-MISC will be issued.

### **Your Options Under the Settlement**

#### **Option 1 – *Automatically Receive a Payment from the Settlement***

If you want to receive your payment from the settlement, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1**, and if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement funds. In addition, you will be deemed to have released or waived the Released Class Claims, and if you are also an Aggrieved Employee, the Released PAGA Claims:

**Released Class Claims:** All claims, transactions, or occurrences that occurred during the Class Period and that were alleged, or reasonably could have been alleged based on the facts contained, in the Second Amended Complaint, including: (a) all claims for unpaid overtime; (b) all claims for meal and rest break violations; (c) all claims for unpaid minimum wages; (d) all claims for the failure to timely pay wages upon termination based on the preceding claims; (e) all claims for the failure to timely pay wages during employment based on the preceding claims; (f) all claims for wage statement violations based on the preceding claims; (g) all claims for the failure to reimburse necessary business expenses; (h) all claims for failure to provide reporting time pay; (i) all claims for failure to pay sick wages at the regular rate of pay; and (j) all claims asserted through California Business & Professions Code §§ 17200, *et seq.*

**Released PAGA Claims:** All claims, transactions, or occurrences for PAGA civil penalties that were alleged, or reasonably could have been alleged based on the facts contained in Plaintiffs' complaints in the Actions and Plaintiffs' PAGA Notices during the PAGA Period.

#### **Option 2 – *Opt Out of the Settlement***

If you do not wish to participate in the settlement, you may exclude yourself from participating by submitting a written request to the Settlement Administrator expressly and clearly indicating that you have received this Notice of Class Action Settlement, decided not to participate in the settlement, and desire to be excluded from the settlement. The written request for exclusion must include your name, signature, address, telephone number, and last four digits of your Social Security Number. Sign, date, and mail the request for exclusion by First Class U.S. Mail or equivalent, to the address below.

Settlement Administrator

c/o \_\_\_\_\_

\_\_\_\_\_

The Request for Exclusion must be postmarked or faxed not later than \_\_\_\_\_, 2024. If you submit a Request for Exclusion which is not postmarked or faxed by \_\_\_\_\_, 2024, your Request for Exclusion will be rejected, and you will be included in the settlement class.

If you choose **Option 2**, you will no longer be a Class Member, and you will:

- Not Receive a Payment from the Net Settlement Fund.

**Questions? Contact the Settlement Administrator toll free at 1-\*\*\*-\*\*\*-\*\*\*\***

- Not release the Released Class Claims.
- If you are an Aggrieved Employee, you will still release the Released PAGA Claims, and will receive your Individual PAGA Payment.

### **Option 3 – Object to the Settlement**

If you decide to object to the settlement because you find it unfair or unreasonable, you may submit a written objection stating why you object to the settlement, or you may instead appear at the Final Fairness Hearing to object to the Settlement. Written objections must provide: (1) your full name, signature, address, and telephone number, (2) a written statement of all grounds for the objection accompanied by any legal support for such objection; (3) copies of any papers, briefs, or other documents upon which the objection is based; and (4) a statement about whether you intend to appear at the Fairness Hearing. The objection must be mailed to the administrator at [administrator’s address].

All written objections must be received by the administrator by not later than \_\_\_\_\_ 2024. By submitting an objection, you are not excluding yourself from the settlement. To exclude yourself from the settlement, you must follow the directions described above. Please note that you cannot both object to the settlement and exclude yourself. You must choose one option only.

You may also, if you wish, appear at the Final Fairness Hearing set for \_\_\_\_\_ at \_\_\_\_\_ a.m./p.m. in the Superior Court of the State of California, for the County of Sacramento and discuss your objection with the Court and the Parties at your own expense. You may also retain an attorney to represent you at the hearing.

If you choose **Option 3**, you will still be entitled to the money from the settlement. If the Court overrules your objection, you will be deemed to have released the Released Class Claims and Released PAGA Claims.

### **Additional Information**

This Notice of Class Action Settlement is only a summary of the case and the settlement. For a more detailed statement of the matters involved in the case and the settlement, you may refer to the pleadings, the settlement agreement, and other papers filed in the case. All inquiries by Class Members regarding this Class Notice and/or the settlement should be directed to the Settlement Administrator or Class Counsel.

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PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, AND/OR DEFENDANT’S ATTORNEYS WITH INQUIRIES.

**Questions? Contact the Settlement Administrator toll free at 1-\*\*\*-\*\*\*-\*\*\*\***