

SETTLEMENT AGREEMENT AND RELEASE

Plaintiff John Villalobos (“Plaintiff”), individually and on behalf of all others similarly situated, on the one hand, and defendant Pedego, Inc. (“Defendant”), on the other hand, hereby agree to the following binding settlement of the action designated *John Villalobos v. Pedego, Inc., et al.* (Orange County Superior Court Case No. 30-2019-01102461-CU-OE-CXC) (the “Action”) pursuant to the terms and conditions set forth below. Once approved by the Court, the settlement shall be binding on the Parties, and on the Settlement Class that Plaintiff represents in this Action, under the terms stated herein.

I. DEFINED TERMS

As used herein, the following terms are defined as:

A. “Action”

John Villalobos v. Pedego, Inc., et al. (Orange County Superior Court Case No. 30-2019-01102461-CU-OE-CXC)

B. “Agreement”

This document and all of the exhibits hereto. Each such exhibit is incorporated by reference as though fully set forth herein.

C. “Attorneys’ Fees and Costs”

The amount authorized by the Court to be paid to Class Counsel for the services they have rendered and expenses they have incurred in prosecuting the Action. Class Counsel shall request, and Defendant will not oppose, Attorneys’ Fees of up to \$43,333.33 (one-third of the Gross Settlement Amount) and actual Costs in an amount not to exceed \$10,000. The Attorneys’ Fees and Costs shall be paid from the Gross Settlement Amount.

D. “Claims”

Any and all claims asserted in the Action, as amended, as well as any and all claims based on, arising from or related to the facts or claims asserted in the Action, as amended, or that could have been asserted in the Action based on the facts set forth in the Action.

E. “Class Counsel” and/or “Plaintiff’s Counsel”

Aaron C. Gundzik and Rebecca G. Gundzik of Gundzik Gundzik Heeger LLP, and Daniel M. Holzman of Caskey & Holzman.

F. “Class List”

A list of the names, last known mailing addresses, last known telephone numbers and social security numbers for the Settlement Class Members, as well as the number of Workweeks worked by Settlement Class Members during the Class Period. Defendant will diligently and in good faith compile the Class List from its records and provide it to the Settlement Administrator within ten (10) calendar days after Preliminary Approval of the settlement documented by this Agreement. The Class List shall be provided in a computer-readable format.

G. “Class Period”

The period from October 4, 2015 to the earlier of November 30, 2020 and the date of the Court’s Preliminary Approval Order.

H. “Class Representative Service and Release Award”

The amount to be paid to Plaintiff as consideration for the services he renders to the Settlement Class in this Action. For sake of clarity, if the Court in its discretion awards less than

the amount requested in this Agreement for the Class Representative Service and Release Award, the lower award amount will not reduce or impact the enforceability of this Agreement in any way. Further, if the Court awards less than the amount requested in this Agreement for the Class Representative Service and Release Award, then the difference, if any, between those amounts shall be included in the Net Settlement Amount. The Class Representative Service and Release Award will not exceed \$10,000.

I. “Court”

The Superior Court for the State of California, for the County of Orange – Civil Complex Center.

J. “Defendant”

Defendant Pedego, Inc.

K. “Defendant’s Counsel”

Karla Kraft, Esq. and John Wicker, Esq., Stradling Yocca Carlson & Rauth, A Professional Corporation, 660 Newport Center Drive, Suite 1600, Newport Beach, California, 92660-6422.

L. “Effective Date”

The latest of the following: (a) if no Settlement Class Member makes an objection to the Agreement, twenty-one (21) calendar days after the date the Court grants final approval to the Agreement and makes its Final Judgment; (b) if a Settlement Class Member objects to the Agreement, the later of: (i) dismissal or withdrawal of the objection by the Settlement Class

Member; (ii) the passage of the date for seeking appellate review of the Court's final approval of the settlement without a timely request for review; (iii) the date a Settlement Class Member's appeal from the Court's final approval of the settlement has been voluntarily dismissed; or (iv) the date an appellate court has rendered a final non-appealable judgment on a Settlement Class Member's appeal, with no possibility of subsequent appeal or other judicial review, affirming the Court's final approval of the settlement without material modification. In no event shall the Effective Date occur before the judgment of the Court granting final approval of the settlement documented by this Agreement is final and no longer subject to appeal.

M. “Employer’s Withholding Share”

Defendant's share of employer-side payroll taxes, which are FICA (Social Security and Medicare) and unemployment insurance (FUTA and SUTA/SUI) taxes on the amount allocated as wages to be paid to Participating Settlement Class Members.

N. “Escalation Requirement”

Defendant estimates that the Settlement Class Members worked a total of approximately 4,669 Workweeks from the start of the Class Period through and including July 31, 2020. Should the Class List, upon delivery to the Settlement Administrator, include more than a ten percent (10%) increase in the total number of Workweeks worked by Settlement Class Members from the start of the Class Period through and including July 31, 2020 (e.g., more than 10% greater than 4,669 Workweeks worked by Settlement Class Members as of and including July 31, 2020, for a total of 5,136 or more Workweeks worked by Settlement Class Members as of and including July 31, 2020), then there shall be a pro rata adjustment to the Gross Settlement Amount, which shall automatically increase by the same percentage that the actual Workweeks worked by Settlement Class Members from the start of the Class Period through and including July 31, 2020 exceeds 5,136.

O. “Final Approval Hearing/Settlement Fairness Hearing”

The hearing at which the Court considers whether to finally approve the settlement documented by this Agreement and to enter the Final Judgment.

P. “Final Judgment”

The Judgment entered by the Court upon final approval of the settlement documented by this Agreement.

Q. “Gross Settlement Amount”

The total amount to be paid by Defendant pursuant to the Agreement. Subject to the Escalation Requirement, the Gross Settlement Amount shall equal no more than \$130,000. The Gross Settlement Amount does not include the Employer’s Withholding Share. The Gross Settlement Amount is non-reversionary. The Gross Settlement Amount shall be delivered by Defendant, as required by this Agreement. All payments associated with this Agreement shall be paid to the Settlement Administrator from the Gross Settlement Amount, including all payments to Participating Settlement Class Members, the Named Plaintiff, the Class Representative Service and Release Award, Class Counsel (for Attorneys’ Fees and Costs), the Labor and Workforce Development Agency (“LWDA”) pursuant to Named Plaintiff’s Labor Code Private Attorneys General Act of 2004 claim, including all amendments thereto, California Labor Code § 2698 et seq. (“PAGA”), all taxes (except the Employer’s Withholding Share), and all payments to the Settlement Administrator.

R. “Individual Settlement Payment”

The amount due to each Participating Settlement Class Member from the Net Settlement Amount based on each Participating Settlement Class Member’s share as per calculations herein, prior to any deductions for employee-side payroll and other applicable taxes and fees.

S. “Named Plaintiff”

Plaintiff John Villalobos.

T. “Net Settlement Amount”

The Net Settlement Amount is the amount remaining from the Gross Settlement Amount (from which Individual Settlement Payments are to be made) after payment of all of the following:

1. Attorneys’ Fees and Costs, with Attorneys’ Fees not to exceed \$43,333.33 (one-third of the Gross Settlement Amount); and actual Costs incurred in an amount not to exceed \$10,000.
2. Settlement Administration Costs, not to exceed \$5,500.00. At least ten (10) calendar days prior to the Final Approval Hearing, the Settlement Administrator shall provide to Defendant’s Counsel and Class Counsel a statement detailing the costs of administration of the settlement. A Form 1099 – MISC, Box 7 shall be issued to the Settlement Administrator.
3. The Class Representative Service and Release Award to the Named Plaintiff John Villalobos, not to exceed \$10,000. Named Plaintiff will also be entitled to receive an Individual Settlement Payment pursuant to this Agreement in addition to the Class Representative Service and Release

Award.

4. A payment of \$3,000 to the California Labor and Workforce Development Agency (75% of the \$4,000 allocated to Plaintiff's Private Attorneys General Act claim) made pursuant to the Labor Code Private Attorneys General Act of 2004, including all amendments thereto, California Labor Code § 2698 et seq.'s penalty provisions, as the Labor and Workforce Development Agency's share of the settlement of the Private Attorneys General Act penalties, which the Parties believe in good faith is a fair and reasonable amount.

U. "Notice"

The Notice(s) of Class Action Settlement which describe the procedure and time period to opt out of or object to the settlement documented by this Agreement, and the date set for the Final Approval Hearing (substantially in the form attached hereto as Exhibit A). The Notice shall be translated into Spanish, and English and Spanish language versions of the Notice shall be sent to all Settlement Class Members.

V. "Notice Packet"

The documents that will be sent via regular mail to all Settlement Class Members, and which shall include the Notice.

W. "Notice Response Deadline"

The date no later than forty-five (45) calendar days after all Notice Packets are mailed or re-mailed to Settlement Class Members by the Settlement Administrator.

X. "Participating Settlement Class Member"

A Settlement Class Member who does not submit a valid request for exclusion from participating in the settlement documented by this Agreement. Participating Settlement Class Members will release the Released Parties from the Released Claims as of the Effective Date. Settlement Class Members who submit a valid and timely request for exclusion from participating in the settlement documented by this Agreement shall no longer be a member of the Settlement Class, shall be barred from participating in the settlement documented by this Agreement, shall be barred from objecting to the settlement documented by this Agreement, and shall receive no benefit from the settlement documented by this Agreement.

Y. “Parties”

Defendant, the Named Plaintiff, and the Participating Settlement Class Members.

Z. “Plaintiff’s General Release”

The release set forth herein where the Named Plaintiff, in his individual capacity and with respect to his individual claims only, agrees to release the Released Parties from any and all claims, obligations, demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, suspected or unsuspected, asserted or that might have been asserted, whether in tort, contract or for violation of any state or federal statute, rule or regulation based on, arising out of, relating to or in connection with any act or omission by or on the part of any of the Released Parties committed or omitted at any time up to and including the Effective Date, including a waiver of Civil Code §1542.

As of the Effective Date, Plaintiff fully and finally releases and discharges the Released Parties from any and all claims, obligations, demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, suspected or unsuspected, asserted or that might have been asserted, under federal, state and/or local law, statute, ordinance,

regulation, common law, or other source of law, including but not limited to claims arising from or related to his employment, or the termination of his employment, with Released Parties and his compensation while an employee of Released Parties. Plaintiff's General Release includes, but is not limited to, all claims arising from or related to the Action, or that could have been asserted in the Action based on the facts alleged in the Action. Plaintiff's General Release includes all claims for unpaid wages, including, but not limited to, failure to pay minimum wage, straight time compensation, overtime compensation, and interest; missed meal period and rest-period wages; reimbursement for all necessary business expenses; payment for all hours worked, including off-the-clock work; wage statements; failure to keep accurate records; unfair business practices; penalties, including, but not limited to, recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; and attorneys' fees and costs. Plaintiff's General Release includes all claims arising under the California Labor Code (including, but not limited to, sections 201, 201.3, 202, 203, 204, 210, 216, 218.6, 221, 222, 225.5, 223, 224, 225, 225.5, 226, 226.7, 227.3, 450, 510, 511, 512, 558, 1174, 1174.5, 118.12, 1194, 1197, 1197.1, 1197.2, 1198, 2698 et seq., and 2802); the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004 ("PAGA"); California Business and Professions Code section 17200 et seq.; the California Civil Code, to include but not limited to, sections 3336 and 3294; the California common law of contract; the Fair Labor Standards Act, 29 U.S.C. § 201 et seq.; federal common law; and the Employee Retirement Income Security Act, 29 U.S.C. § 1001, et seq. Plaintiff's General Release also includes all claims for lost wages and benefits, emotional distress, retaliation, punitive damages, and attorneys' fees and costs arising under federal, state, or local laws for discrimination, harassment, and wrongful termination, as originally enacted and as amended, such as, by way of example only, 42 U.S.C. section 1981, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Unruh Civil Rights Act, the California Family Rights

Act, the Family Medical Leave Act, the Equal Pay Act, the United States and California Constitutions, and the California Fair Employment and Housing Act; and the law of contact and tort. This release excludes any release of claims not permitted by law.

AA. “Preliminary Approval Order”

The Order issued by the Court preliminarily approving the terms of the settlement set forth in this Agreement.

BB. “Released Claims”

The claims asserted in the Action, as amended, as well as any and all claims, obligations, demands, rights, liabilities, complaints, charges, penalties, fines, wages, liquidated damages, losses, restitutionary amounts, interest and/or causes of action of every nature and description whatsoever, known or unknown, suspected or unsuspected, whether in tort, contract or for violation of any state or federal statute, rule or regulation, based on, arising from or related to the facts or claims asserted in the Action, as amended, or that could have been asserted in the Action based on the facts set forth in the Action, including, but not limited to, (1) failure to provide meal and rest breaks in violation of Labor Code sections 226.7, 512(a) and 1198, *et seq.*, (2) failure to provide accurate itemized wage statements in violation of Labor Code section 226, (3) failure to pay unpaid wages at time of discharge in violation of Labor Code sections 201, 202 and 203, (4) unfair competition in violation of Business and Professions Code section 17200 *et seq.*, and (5) violation of Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.*

Named Plaintiff and Defendant acknowledge and agree that Plaintiff intended to file a Second Amended Complaint asserting claims for (i) failure to provide accurate itemized wage statements in violation of Labor Code section 226, and (ii) failure to pay unpaid wages at time of discharge in violation of Labor Code sections 201, 202 and 203, that such claims were

discussed and considered during the Parties' mediation, that the Gross Settlement Amount reflects the value of such unasserted claims, and that had Named Plaintiff and Defendant not reached the settlement documented by this Agreement following their mediation Plaintiff would have sought leave of Court to file a Second Amended Complaint to add such claims. For this reason, such claims are expressly included within the scope of the Released Claims.

CC. “Released Parties”

Released Parties means defendant Pedego, Inc., and each of its present, former, and future parent, subsidiary, and/or affiliate entities, and each of their predecessors, successors, and assigns, and each of their respective past and present members, shareholders, partners, directors, officers, employees, attorneys, insurers, servants, representatives and agents, and as to any individual their marital community, community property, trustees, executors, heirs, guardians and registered representatives.

DD. “Settlement Administrator”

Phoenix Settlement Administrators (also known as Phoenix Class Action Administration Solutions)

EE. “Settlement Administration Costs”

All costs incurred in administering the Settlement, in an amount not to exceed \$5,500.00.

FF. “Settlement Class” and “Settlement Class Members”

All current and former non-exempt employees of Defendant, who were employed by Defendant in California at any time during the Class Period.

GG. “Workweek”

A week during the Class Period, commencing on Monday at 12:01 a.m. and ending on the following Sunday at 12:00 midnight, in which a Settlement Class Member was employed by Defendant, including periods of leave and furlough. Defendant estimates that the Settlement Class Members worked a total of approximately 4,669 Workweeks from the start of the Class Period (October 4, 2015) through and including July 31, 2020.

II. RECITALS

A. Procedural History. On October 4, 2019, Plaintiff filed his Complaint in the Action. On January 3, 2020, Plaintiff filed the operative First Amended Complaint asserting the following three causes of action: (1) failure to provide meal and rest breaks in violation of Labor Code Sections 226.7, 512(a) and 1198, *et seq.*, (2) unfair competition in violation of Business and Professions Code section 17200 *et seq.*; and (3) violation of Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (collectively, the “Wage/Hour Claims”).

B. Mediation. On May 27, 2020, Defendant and the Named Plaintiff participated in a mediation with Michelle Reinglass, an experienced employment law and class action mediator, during which Named Plaintiff and Defendant discussed and mediated the claims asserted in Plaintiff’s First Amended Complaint, as well as additional claims for (i) failure to provide accurate itemized wage statements in violation of Labor Code section 226, and (ii) failure to pay unpaid wages at time of discharge in violation of Labor Code sections 201, 202 and 203. During the mediation Defendant and the Named Plaintiff engaged in extensive, arms-length negotiations, but were unable to reach an agreement to resolve the Action. However, with the continued assistance of mediator Michelle Reinglass, Defendant and the Named Plaintiff continued their extensive, arms-length negotiations for approximately two (2) additional months following the mediation, and were thereafter able to

reach an agreement on the terms of a settlement in accordance with the terms set forth in this Agreement. This settlement is the result of an informed and detailed analysis of the risks facing both Defendant and Named Plaintiff in continuing to litigate the Action, including, but not limited to, careful consideration of the legal and factual obstacles to Named Plaintiff's prospects of obtaining class certification and on the merits, and Defendant's defenses, as well as Defendant's potential exposure and the additional costs of litigating the Action. Named Plaintiff and Defendant acknowledge and agree that Plaintiff intended to file a Second Amended Complaint asserting claims for (i) failure to provide accurate itemized wage statements in violation of Labor Code section 226, and (ii) failure to pay unpaid wages at time of discharge in violation of Labor Code sections 201, 202 and 203, that such claims were discussed and considered during the Parties' mediation, that the Gross Settlement Amount reflects the potential value of such additional claims, and that had Named Plaintiff and Defendant not reached the settlement documented by this Agreement following their mediation Plaintiff would have sought leave of Court to file a Second Amended Complaint to add such claims. For this reason, such claims are included within the scope of the Released Claims.

C. Conditional Class Certification. The Parties stipulate and agree to the certification of the Settlement Class for purpose of this Agreement only. In the event the settlement does not become final for whatever reason, the fact that the Parties were willing to stipulate to class certification as part of the settlement shall have no bearing on, and will not be admissible in connection with, the issue of whether any class should be certified in any subsequent proceeding. The Parties and their counsel further agree that they will not offer or make reference to this provisional stipulation to class certification for purposes of settlement in any subsequent proceeding in this action (except for purposes of having this settlement approved by the Court) or any other action.

D. No Admissions. The Parties understand, acknowledge, and intend that this

Agreement and the terms set forth herein represent a compromise of disputed claims, and neither the existence of this Agreement or the conduct of any of the Parties hereto shall constitute or be construed as an admission of any liability or any wrongdoing whatsoever on the part of any of the Parties. Defendant disputes all claims alleged in the Action and does not by this Agreement admit any liability or wrongdoing whatsoever.

E. Settlement in the Interests of the Settlement Class. Defendant has provided Plaintiff with certain information requested by Plaintiff in connection with the mediation and settlement discussions, including, but not limited to, information to evaluate his unasserted claims for (i) failure to provide accurate itemized wage statements in violation of Labor Code section 226, and (ii) failure to pay unpaid wages at time of discharge in violation of Labor Code sections 201, 202 and 203. Specifically, Defendant provided Plaintiff with information regarding the putative Settlement Class Members, including information regarding the total class size, rates of pay and dates of employment of such individuals, as well as daily time punch and payroll records for all Settlement Class Members as of October 4, 2019, with such daily time punch and payroll records covering the entire time period from the start of the Class Period through and including October 3, 2019. Defendant also produced its wage and hour policy and procedure related documents, including its employee handbook. Based on Plaintiff's counsel's own independent investigation and evaluation, Plaintiff's Counsel is of the opinion that the settlement with Defendant for the consideration and on the terms set forth in this Agreement is fair, reasonable, and adequate, and is in the best interest of the Settlement Class Members in light of all known facts and circumstances, including the multiple risks facing Named Plaintiff in continuing to litigate the Action, including, but not limited to, the legal and factual obstacles to Named Plaintiff's prospects of obtaining class certification and on the merits, and Defendant's defenses, as well as the additional costs of litigating the Action and significant delay.

F. Defendant's Reasons for Settlement. Defendant and Defendant's Counsel

concur that this Agreement is fair, adequate and reasonable and in the best interest of the Settlement Class and each Settlement Class Member.

G. Full Investigation. The Named Plaintiff and Class Counsel have investigated the factual and legal bases for the causes of action asserted in the Action, as well as Plaintiff's intended claims for (i) failure to provide accurate itemized wage statements in violation of Labor Code section 226, and (ii) failure to pay unpaid wages at time of discharge in violation of Labor Code sections 201, 202 and 203, as explained above.

NOW, THEREFORE, in consideration of these Recitals, which are incorporated into the Agreement, and the mutual covenants, promises and warranties set forth herein, the Parties agree, subject to the Court's approval, as follows:

III. TERMS OF THE SETTLEMENT

A. Gross Settlement Amount. In consideration for this Agreement and the release of claims of the Settlement Class and each Settlement Class Member thereof, Defendant shall pay to the Settlement Administrator the Gross Settlement Amount and Employer's Withholding Share within fourteen (14) calendar days after the Effective Date. The Gross Settlement Amount includes all applicable federal, state and local income and employment taxes (except the Employer's Withholding Share), including but not limited to Employment Training Tax, State Disability Insurance, and state and federal personal income taxes (collectively, the "Taxes").

B. Net Settlement Amount. The Net Settlement Amount shall be used to make the Individual Settlement Payments.

Defendant shall not oppose any request submitted by Plaintiff's Counsel or Named Plaintiff for payment or reimbursement of the maximum amounts set forth in this Agreement for Class Counsel's Attorney's Fees and Costs, the fees of the Settlement Administrator, the Class Representative Service and Release Award and the payment to the LWDA, as discussed

in the definition of “Net Settlement Amount” in Section I of this Agreement. If the Court in its discretion awards less than the maximum amounts of such payments as set forth in this Agreement, including, but not limited to, for Attorneys’ Fees and Costs and/or the Class Representative Service and Release Award, the lower award amount will not reduce or impact the enforceability of this Agreement in any way and the unawarded portions shall be included in the Net Settlement Amount.

Defendant estimates that the Settlement Class Members worked a total of approximately 4,669 Workweeks from the start of the Class Period through and including July 31, 2020. Should the Class List, upon delivery to the Settlement Administrator, include more than a ten percent (10%) increase in the total number of Workweeks worked by Settlement Class Members from the start of the Class Period through and including July 31, 2020 (e.g., more than 10% greater than 4,669 Workweeks worked by Settlement Class Members as of and including July 31, 2020, for a total of 5,136 or more Workweeks worked by Settlement Class Members as of and including July 31, 2020), then there shall be a pro rata adjustment to the Gross Settlement Amount, which shall automatically increase by the same percentage that the actual Workweeks worked by Settlement Class Members from the start of the Class Period through and including July 31, 2020 exceeds 5,136.

C. Non-Reversionary Settlement. The Gross Settlement Amount of \$130,000 is non-reversionary. To the extent that an Individual Settlement Payment check is (1) undeliverable, or (2) uncashed 180 days after issuance, the Individual Settlement Payment check shall be sent to the California Unclaimed Property Fund for the benefit of the Participating Settlement Class Member to whom the Individual Settlement Payment Check is addressed.

D. Class List. Defendant will diligently and in good faith compile the Class List from its records and provide it to the Settlement Administrator within ten (10) calendar days after Preliminary Approval of the settlement documented by this Agreement.

E. Allocation of the Net Settlement Amount to Settlement Class Members.

The Net Settlement Amount shall be divided among all Participating Settlement Class Members and distributed to Participating Settlement Class Members based on their number of Workweeks worked during the Class Period. Specifically, the Individual Settlement Payment that each Participating Settlement Class Member is entitled to receive under this Agreement will be determined by dividing the Net Settlement Amount by the total number of Workweeks worked by Settlement Class Members during the Class Period to produce the “standard workweek rate.” Each Participating Settlement Class Member shall then receive an Individual Settlement Payment equal to the number of Workweeks that the Participating Settlement Class Member worked during the Class Period multiplied by the standard workweek rate. By way of example, and not limitation, if the Net Settlement Amount is \$100,000.00, and the total number of Workweeks worked by Settlement Class Members during the Class Period is 10,000, the standard workweek rate would be \$10. If a Participating Settlement Class Member worked 100 Workweeks during the Class Period, the Participating Settlement Class Member would receive an Individual Settlement Payment in the gross amount of \$1,000 (100 Workweeks X \$10 per Workweek). Each Participating Settlement Class Member shall be paid the standard workweek rate, subject to any applicable taxes and tax withholdings, for each Workweek worked during the Class Period as reflected in the records of Defendant.

It is the intent of the Parties that the Net Settlement Amount shall be sufficient to pay all Individual Settlement Payments to Participating Settlement Class Members in accordance with the formula set forth above. In the event that the aggregate amount to be paid to Participating Settlement Class Members exceeds the Net Settlement Amount for any reason, each

Participating Settlement Class Member's Individual Settlement Payment shall be reduced on a pro rata basis pursuant to the formula discussed immediately above so that the total amount to be paid to Participating Settlement Class Members does not exceed the Net Settlement Amount. In the event that the aggregate amount to be paid to Participating Settlement Class Members is less than 100% of the Net Settlement Amount, then the remaining residual balance shall be distributed to the Participating Settlement Class Members on a pro-rata basis pursuant to the formula discussed immediately above.

F. Allocation of Settlement Payments between Wages and Non-Wages.

The Parties have agreed that all Individual Settlement Payments to Participating Settlement Class Members will be allocated thirty-three point four percent (33.4%) to penalties, thirty-three point three percent (33.3%) to wages, and thirty-three point three percent (33.3%) to interest. Forms W-2 and Forms 1099 and 1099 INT will be issued to each Participating Settlement Class Member with respect to such payments appropriately reported on each of those forms. Specifically, Form W-2 will be issued for wages, Form 1099 will be issued for penalty payments, and Form 1099 INT will be issued for interest. In addition, a form 1099 will be issued to the Named Plaintiff for the court-approved amount of the Class Representative Service and Release Award. The Settlement Administrator shall be responsible for calculating, withholding, and reporting all required state and federal taxes and remitting such amounts to the appropriate taxing authorities. However, each Participating Settlement Class Member, including Named Plaintiff, may have unique tax considerations, and the Settlement Administrator may not be required to withhold any taxes on certain portions of the settlement payments, such as amounts paid as interest and reported on a Form 1099 INT. As such, each Participating Settlement Class Member, including Named Plaintiff, shall be responsible for remitting to state and/or federal tax authorities all applicable taxes that may be owed on the Individual Settlement Payment he or she receives. Each Participating Settlement Class Member, including Named Plaintiff, expressly agrees to indemnify, defend, and hold

harmless the Defendant and Released Parties, and each of them, against any claims, payments, fees, penalties, or other consequences that may result from the Participating Settlement Class Member's, including the Named Plaintiff's, failure to pay the proper amount of taxes owed on the settlement payment received.

G. Time and Manner of Disbursements from Gross Settlement Amount. As set forth above, Defendant shall furnish the Gross Settlement Amount to the Settlement Administrator within fourteen (14) calendar days after the Effective Date. The Settlement Administrator shall make any payment approved by the Court for Class Counsels' Attorneys' Fees and Costs, any payment approved by the Court for the Class Representative Service and Release Award, the payment to the Labor and Workforce Development Agency ("LWDA") in connection with Plaintiff's PAGA claim, and all Individual Settlement Payments to Participating Settlement Class Members, within ten (10) calendar days of receiving the Gross Settlement Amount and Employer's Withholding Share from Defendant.

Any checks issued to Participating Settlement Class Members shall remain valid and negotiable for one hundred and eighty (180) days from the date of their issuance. Within 60 days after Individual Settlement Payment checks are mailed, the third-party Settlement Administrator shall mail postcards to all Participating Settlement Class Members who have not yet cashed their Individual Settlement Payment checks. The postcards shall inform such individuals of the upcoming void date for Individual Settlement Payment checks and offer to replace any checks that have been lost or were not received. If a Participating Settlement Class Member's Individual Settlement Payment check is undeliverable, or if a Participating Settlement Class Member does not cash his or her Individual Settlement Payment check within 180 days, the Individual Settlement Payment check shall be sent to the California Unclaimed Property Fund for the benefit of the Participating Settlement Class Member to whom the Individual Settlement Payment check is addressed. The Parties agree that this disposition results in no "unpaid residue" under California Civil Procedure Code § 384, because the entire Net Settlement Amount will be

paid out to Participating Settlement Class Members, whether or not they all cash their Individual Settlement Payment checks. Therefore, unless the Court requires otherwise, Defendant will not be required to pay any interest on funds distributed to the Settlement Administrator.

Within fourteen (14) calendar days after the expiration of the one hundred and eighty (180) day period that checks remain negotiable, the Settlement Administrator shall provide Class Counsel and Defendant's Counsel with a declaration, to be filed with the Court detailing the distribution of the Gross Settlement Amount and stating exactly the total amount of Participating Class Members' uncashed Individual Settlement Payment checks. The Parties agree that this can be done by the Court, without a hearing.

H. No Further Consideration Required. Defendant shall have no obligation to pay or provide any further consideration to any Settlement Class Member by reason of this Agreement or the foregoing payments, including but not limited to contributions to any 401(k) or other retirement or employee benefit plan, vacation or sick pay, or any tax contributions or payments. Any and all amounts owed pursuant to or in relation to this Agreement shall be included in the Gross Settlement Amount and Employer's Withholding Share.

I. Release by Participating Settlement Class Members. As of the Effective Date, regardless of whether they actually receive notice of the settlement documented by this Agreement, and regardless of whether they receive any payment pursuant to this Agreement, Plaintiff and all Participating Settlement Class Members agree to forever release and discharge the Released Parties from the Released Claims from the beginning of time up to and including the date of the Court's Preliminary Approval Order. Plaintiff and Participating Settlement Class Members may hereafter discover facts or legal arguments in addition to or different from those they now know or currently believe to be true with respect to the claims, causes of action and legal theories of recovery in this case which are the subject matter of the Released Claims. Regardless, the discovery of new facts or legal arguments shall in no way limit the scope or

definition of the Released Claims, and by virtue of this Agreement, Plaintiff and the Participating Settlement Class Members shall be deemed to have, and by operation of the final judgment approved by the Court, shall have fully, finally, and forever settled and released all of the Released Parties from all of the Released Claims as defined in this Agreement as of the Effective Date.

J. Plaintiff's General Release. As of the Effective Date, in exchange for the consideration set forth in this Agreement, Plaintiff, on behalf of himself and his heirs, successors and assigns, agrees to release the Released Parties from any and all claims, obligations, demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, suspected or unsuspected, asserted or that might have been asserted, whether in tort, contract or for violation of any state or federal statute, rule or regulation based on, arising out of, relating to or in connection with any act or omission by or on the part of any of the Released Parties committed or omitted at any time up to and including the Effective Date, including a waiver of Civil Code §1542.

As of the Effective Date, Plaintiff fully and finally releases and discharges the Released Parties from any and all claims, obligations, demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, suspected or unsuspected, asserted or that might have been asserted, under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, including but not limited to claims arising from or related to his employment, or the termination of his employment, with Released Parties and his compensation while an employee of Released Parties. Plaintiff's General Release includes, but is not limited to, all claims arising from or related to the Action, or that could have been asserted in the Action based on the facts alleged in the Action (including, but not limited to, Plaintiff's unasserted claims for (i) failure to provide accurate itemized wage statements in violation of Labor Code section 226, and (ii) failure to pay unpaid wages at time of discharge in violation of Labor Code sections 201, 202 and 203). Plaintiff's General Release includes all

claims for unpaid wages, including, but not limited to, failure to pay minimum wage, straight time compensation, overtime compensation, and interest; missed meal period and rest-period wages; reimbursement for all necessary business expenses; payment for all hours worked, including off-the-clock work; wage statements; failure to keep accurate records; unfair business practices; penalties, including, but not limited to, recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; and attorneys' fees and costs. Plaintiff's General Release includes all claims arising under the California Labor Code (including, but not limited to, sections 201, 201.3, 202, 203, 204, 210, 216, 218.6, 221, 222, 225.5, 223, 224, 225, 225.5, 226, 226.7, 227.3, 450, 510, 511, 512, 558, 1174, 1174.5, 118.12, 1194, 1197, 1197.1, 1197.2, 1198, 2698 et seq., and 2802); the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004 ("PAGA"); California Business and Professions Code section 17200 et seq.; the California Civil Code, to include but not limited to, sections 3336 and 3294; the California common law of contract; the Fair Labor Standards Act, 29 U.S.C. § 201 et seq.; federal common law; and the Employee Retirement Income Security Act, 29 U.S.C. § 1001, et seq. Plaintiff's General Release also includes all tort claims, all claims for lost wages and benefits, emotional distress, retaliation, punitive damages, and attorneys' fees and costs arising under federal, state, or local laws for discrimination, harassment, and wrongful termination, as originally enacted and as amended, such as, by way of example only, 42 U.S.C. section 1981, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Unruh Civil Rights Act, the California Family Rights Act, the Family Medical Leave Act, the Equal Pay Act, the United States and California Constitutions, and the California Fair Employment and Housing Act; and the law of contract and tort. This release excludes any release of claims not permitted by law.

Plaintiff hereby expressly waives and relinquishes any and all claims, rights or benefits that he may have under California Civil Code § 1542, which provides as follows:

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.

Plaintiff may hereafter discover claims or facts in addition to, or different from, those which he knows or believes to exist, but Plaintiff expressly agrees to fully, finally and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, which exist or may exist, including, but not limited to, any and all claims relating to or arising from Plaintiff's employment with Defendant. The Parties further acknowledge, understand and agree that this Agreement would not have been entered into were it not for this representation and commitment.

K. Participating Settlement Class Members' Civil Code Section 1542

Waiver. Participating Settlement Class Members understand that this Agreement extends to all claims of every nature and kind, known or unknown, suspected or unsuspected, as to the Released Claims only. Participating Settlement Class Members hereby expressly waive and relinquish any and all claims, rights or benefits that they may have under California Civil Code § 1542 as to the Released Claims only, which provides as follows:

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.

Participating Settlement Class Members may hereafter discover claims or facts in addition to, or different from, those which they know or believe to exist, but Participating Settlement Class Members expressly agree to fully, finally and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, which exist or may exist, as to the

Released Claims only. Participating Settlement Class Members further acknowledge, understand and agree that this Agreement would not have been entered into were it not for this representation and commitment.

L. Continuing Jurisdiction. The Parties agree that once the Court grants final approval to the Agreement and makes its Final Judgment, the settlement documented by this Agreement shall be enforceable by the Court pursuant to Code of Civil Procedure § 664.6, and the Court shall retain exclusive and continuing jurisdiction of this action over all Parties and Settlement Class Members to interpret and enforce the terms, conditions, and obligations of this Agreement.

M. 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 SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY

THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

N. LWDA/PAGA Payment. Parties agree to allocate Four Thousand Dollars and Zero Cents (\$4,000.00), subject to Court approval, as penalties payable pursuant to the PAGA claims asserted in the Action. A payment in the amount of Three Thousand Dollars and Zero Cents (\$3,000.00) will be paid directly to the LWDA from the Gross Settlement Amount. The remaining One Thousand Dollars and Zero Cents (\$1,000.00) shall be included within the Net Settlement Amount.

IV. SETTLEMENT ADMINISTRATION

A. Appointment of Administrator and Duties. The Parties agree to the appointment of Phoenix Settlement Administrators (the "Settlement Administrator") to perform the duties of a Settlement Administrator for the purpose of mailing the Notice Packets, which shall include verifying the Workweeks of Settlement Class Members and amounts due to them as set forth in this Agreement.

The Settlement Administrator is responsible for printing and mailing the Notice Packets, receiving and reporting the opt-out and objections submitted by Settlement Class Members; the distributions pursuant to this Agreement and final order(s) of the Court of Individual Settlement Payments, W-2 forms, and 1099 forms to Participating Settlement Class Members receiving a settlement payment; issuing the PAGA payment to the LWDA; calculating and withholding all required state and federal taxes; calculating the Employer's Withholding Share; reporting and filing all tax-related information and the sums withheld

with state and federal agencies; and informing the Parties and the Court of its fulfillment of the duties imposed by this Agreement. Upon completion of its review, the Settlement Administrator shall provide the Parties with a report stating the amount of all payments made to each Participating Settlement Class Member. The Settlement Administrator shall establish a settlement payment center address, telephone number, facsimile number, and email address to receive Settlement Class Members' inquiries about the Notice Packet, requests to be excluded from the settlement documented by this Agreement and Individual Settlement Payments. In addition, the Settlement Administrator shall establish a static website and post this Agreement, the Preliminary Approval Order and the Final Judgment. Posting of the Final Judgment on such website shall constitute notice of judgment to the Settlement Class Members, as required by California Rule of Court 3.771(b). The Settlement Administrator shall also be responsible for any other tasks that the Parties mutually agree or the Court orders the Settlement Administrator to perform.

The Parties 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.

B. Notices to Class Members. Notice of the Agreement shall be provided to all Settlement Class Members using the following procedures: Within ten (10) calendar days of the receipt of the Class List, the Settlement Administrator shall mail, by first-class mail, to each Settlement Class Member at his or her last known postal address a Notice Packet, in both English and Spanish. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database to update and correct for any known or identifiable address changes. If a new address is obtained by way of a returned Notice Packet, then the Settlement Administrator shall promptly forward the original Notice Packet to the updated address via first-class regular U.S. Mail. The Notice Packet upon which the Parties' agree is attached hereto as Exhibit A.

For any Settlement Class Members for whom the mailing is returned as undeliverable, the Settlement Administrator shall seek to locate the Settlement Class Member(s) through reasonable and customary efforts used in the administration of such settlements. This will require the Settlement Administrator to perform a standard skip trace effort to attempt to obtain a current mailing address for that Settlement Class Member and to re-mail any returned mail to a current postal address. Consistent with the California Code of Civil Procedure, it will be conclusively established that if an envelope has not been returned within forty-five (45) days of the mailing, that the Settlement Class Member received the Notice Packet. In the event that the procedures in this section are followed and the intended recipient of the Notice Packet still does not receive the Notice Packet, the Settlement Class Member shall be bound by all terms of the Agreement and any Final Judgment entered and approved by the Court.

The Settlement Administrator also will supply counsel for Defendant with an updated address list for the Settlement Class Members, reflecting any corrections or updates made by the Settlement Administrator in the course of administering Notice to Settlement Class Members.

C. Objection, Dispute and Exclusion Process.

1. Any Settlement Class Member, except Named Plaintiff, may object to the settlement documented by this Agreement or dispute the data used to calculate their Individual Settlement Payment. Any such dispute or objection must be written and must be mailed or faxed to the Settlement Administrator no later than the Notice Response Deadline. The date of the postmark on the return envelope or date of facsimile transmission, as applicable, shall be the exclusive means used to determine whether a Settlement Class Member's objection or dispute as to the calculation or application of the formula for determining their Individual Settlement Payment is "timely."

Any written objection to the settlement must state each specific objection with legal and factual support for each objection, and must state the Settlement Class

Member's full name, address , last four digits of their Social Security Number and the dates of their employment by Defendant. Objecting Settlement Class Members must also make themselves available for reasonable discovery by Plaintiff's and/or Defendant's Counsel between the time the objections are filed and the date of the Final Approval Hearing. Any objections received prior to the filing of Plaintiff's motion for final approval of the settlement will be filed by Plaintiff along with such motion and Plaintiff's motion may include any responses to such objections. Any objections received on or after the filing of the motion for final approval will be filed with the Court by Plaintiff, along with the parties' response(s) thereto, at least ten calendar days prior to the Final Approval Hearing.

To the extent that there is a dispute as to the data used to calculate a Settlement Class Member's Individual Settlement Payment, the Settlement Administrator shall resolve the disagreement with the Settlement Class Member using the employee records provided by Defendant and the Settlement Class Member. Any such written dispute by a Settlement Class Member must specifically explain the Settlement Class Member's disagreement, and must include the Settlement Class Member's full name, address, telephone number, last four digits of their Social Security Number and dates of employment by Defendant, and shall be signed and dated by the Settlement Class Member. In the event of a dispute or discrepancy between a Settlement Class Member's records and the information reflected in Defendant's records, the records of Defendant will control. The Settlement Administrator's decisions as to dates of employment and claim amounts will be final.

2. Settlement Class Members, except Named Plaintiff, may opt out of the settlement documented by this Agreement by mailing or faxing a completed written request for exclusion from participating in the settlement documented by this Agreement to the Settlement Administrator no later than the Notice Response Deadline indicating they have received the Notice, decided not to participate in the Settlement documented by this Agreement, and desire to

be excluded from the Settlement documented by this Agreement, as set forth in the Notice. The request for exclusion from participating in the settlement documented by this Agreement must be postmarked or, if sent by fax, received, no later than the Notice Response Deadline, and must also set forth the particular Settlement Class Member's name, address, telephone number and last four digits of their Social Security Number, and also be signed and dated by the Settlement Class Member. Any Settlement Class Member, except Named Plaintiff, who submits a valid and timely request for exclusion from participating in the settlement documented by this Agreement shall no longer be a member of the Settlement Class, shall be barred from participating in the settlement documented by this Agreement, shall be barred from objecting to the settlement documented by this Agreement, shall be barred from receiving an Individual Settlement Payment, and shall receive no benefit from the settlement documented by this Agreement. However, Settlement Class Members shall be permitted to rescind their request for exclusion from participating in the settlement documented by this Agreement in writing by submitting a written rescission statement to the Settlement Administrator no later than one (1) business day before the Final Approval Hearing by either fax or U.S. Mail, orally at the Final Approval Hearing, or as otherwise ordered by the Court, as set forth in the Notice. If the rescission statement is in writing, it must include the particular Settlement Class Member's name, address, telephone number and last four digits of their Social Security Number and be signed and dated by the Settlement Class Member, as provided in the Notice. Any Settlement Class Member who does not timely and validly submit a request for exclusion from participating in the settlement documented by this Agreement will automatically become a Participating Settlement Class Member and be bound by all terms and conditions of this Agreement, including its release of claims, if the Agreement is approved by the Court, and be bound by the Final Judgment, regardless of whether he or she has objected to this

Agreement.

3. Named Plaintiff agrees to sign this Agreement and, by signing this Agreement, agrees: (1) to be bound by the terms of this Agreement, (2) not to request to be excluded from the Settlement Class or to opt-out of the Settlement documented by this Agreement, and (3) represents that he has no objection to any of the terms of this Agreement. Non-compliance by Named Plaintiff with this paragraph shall be void and of no force or effect. Any such request for exclusion, to opt-out, or objection shall therefore be void and of no force or effect.

4. Named Plaintiff and Defendant agree that neither they nor their counsel shall solicit or otherwise encourage, directly or indirectly, Settlement Class Members to request exclusion from the Settlement Class, object to this Agreement, dispute this Agreement, challenge this Agreement, or appeal the Final Judgment.

5. A Settlement Class Member who properly and timely submits a request for exclusion from participating in the settlement documented by this Agreement will not become a Participating Settlement Class Member, will not be bound by this Agreement, and is not entitled to any Individual Settlement Payment.

6. The Settlement Administrator shall provide weekly reports to Class Counsel and Defendant's Counsel documenting opt-outs, objections, challenges, mailing and re-mailing of Notice Packets to Settlement Class Members, and efforts to locate Settlement Class Members whose Notice Packets are returned as undeliverable. The Settlement Administrator shall provide copies of all requests for exclusion from participating in the settlement documented by this Agreement, as well as all objections to the settlement documented by this Agreement, to Class Counsel and Defendant's Counsel within five calendar days after receipt.

D. Taxes. It shall be the responsibility of the Settlement Administrator to timely and properly calculate, withhold, and pay from Individual Settlement Payments and the

Employer's Withholding Share all taxes that must be deducted and paid to taxing authorities for the wage portions of all Individual Settlement Payments. The Settlement Administrator shall prepare and deliver the necessary tax documentation for signature by all necessary Parties and, thereafter, cause the appropriate deposits of withholding and the Employer's Withholding Share, including Taxes, and filing of any and all necessary informational and other tax documents, including but not limited to reports of wage portions of payments to Settlement Class Members. It also shall be the responsibility of the Settlement Administrator to pursue tax refunds on any uncashed checks and to remit any such refunds in accordance with this Agreement. Defendant does not intend anything contained herein to constitute legal advice regarding the taxability of any amount paid hereunder, and Plaintiff and the Settlement Class Members agree that they are not relying upon Defendant, the Released Parties, or any of them, for tax advice. The tax issues for each Settlement Class Member may be unique, and each Settlement Class Member is advised to obtain tax advice from his or her own tax advisor with respect to any payment made pursuant to this Agreement.

E. Final Approval Hearing or Voiding of Agreement.

After the Court issues its Preliminary Approval Order, notice to the Settlement Class Members, and Settlement Class Members have had an opportunity for objection and/or opting-out of the Settlement documented by this Agreement, a Final Approval Hearing shall be held on a date set by the Court. At the Final Approval Hearing the Court will be asked to give final approval to the settlement documented by this Agreement and to enter the Final Judgment and to rule on Class Counsel's request for Attorney's Fees and Costs, Named Plaintiff's request for a Service and Release Award, the settlement of the PAGA claims asserted in the Action and to approve the requested fee of the Settlement Administrator. Plaintiff's Counsel shall file a motion for final approval on or before the deadline specified by the Court, to include, among other things, proof of the mailing and distribution of the Notice Packets to Settlement Class Members. Prior to the Final Approval Hearing, Plaintiff's Counsel will prepare and, after review and approval by Defendant's

Counsel, submit to the Court a proposed final approval order and judgment: (i) approving the settlement documented by this Agreement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions; (ii) approving Plaintiff's Counsel's application for Attorneys' Fees and Costs, including the Settlement Administration Costs; (iii) approving the Class Representative Service and Release Award to Named Plaintiff; and (iv) permanently barring and enjoining all Participating Settlement Class Members from prosecuting against the Released Parties any Released Claims, upon satisfaction of all payments and obligations in this Agreement. Upon the completion of all distributions in accordance with the terms of the judgment, Plaintiff's Counsel shall prepare, file and serve on Defendant's Counsel an Acknowledgement of Satisfaction of the judgment in full.

If the Court disapproves or refuses to enforce sections III(A), III(C), III(E), III(F), III(G), III(H), III(I), III(J), III(K), and/or III(N) of this Agreement, this Agreement shall be voidable at the option of Named Plaintiff or Defendant. If a Party exercises its option to void this Agreement it shall be of no further force and effect, and shall not be used or admissible in any subsequent proceeding for any purpose or with respect to any issue, substantive or procedural. Additionally, Defendant, in its sole discretion, may rescind this Agreement if 3 or more Settlement Class Members opt out of the Settlement Class by submitting a valid and timely request for exclusion from participating in the settlement documented by this Agreement. Defendant may exercise its option to void or rescind this Agreement pursuant to this section by giving notice, in writing, to Plaintiff's Counsel and the Court before the later of fourteen (14) calendar days of the Court's order disapproving or refusing to enforce any portion of the aforementioned sections (III(A), III(C), III(E), III(F), III(G), III(H), III(I), III(J), III(K), and/or III(N)) or twenty-one (21) calendar days following the last day in which a Settlement Class Member may timely request to opt out of the settlement documented by this Agreement. Named Plaintiff may exercise his option to void this Agreement pursuant to this section by giving notice, in writing, to Defendant's Counsel and the Court before fourteen (14) calendar

days of the Court's order disapproving or refusing to enforce any portion of the aforementioned sections (III(A), III(C), III(E), III(F), III(G), III(H), III(I), III(J), III(K), and/or III(N)). If Defendant exercise its option to void or rescind this Agreement, and/or Named Plaintiff exercises his option to void this Agreement, the Parties and any funds to be awarded under this Agreement shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Agreement, and the Parties shall proceed in all respects as if this Agreement had not been executed. Any fees and/or costs already incurred by the Settlement Administrator shall be paid by the Party that has elected to void and/or rescind this Agreement.

However, in the event the Court disapproves or refuses to enforce sections III(A), III(C), III(E), III(F), III(G), III(H), III(I), III(J), III(K), and/or III(N) of this Agreement, prior to exercising its option to void the Agreement, a Party shall be required to negotiate with the other in good faith in an effort to resolve the issue by amending this Agreement or otherwise.

V. MISCELLANEOUS PROVISIONS

A. Settlement Documents It shall be the responsibility of Plaintiff's Counsel, at Named Plaintiff's and Plaintiff's counsel's expense, to prepare and seek preliminary and final approval of the settlement documented by this Agreement by the Court. The motion for preliminary approval and motion for final approval shall be subject to approval by Defendant's Counsel. Defendant's Counsel shall have a minimum of three (3) business days to review the motion for preliminary approval and all supporting documents, and a minimum of three (3) business days to review the motion for final approval and all supporting documents, before Plaintiff's Counsel files either such motion with the Court. Plaintiff's Counsel shall provide Defendant's Counsel the motion for preliminary approval and all supporting documents, in a form substantially ready to be filed, no later than 14 calendar days of this Agreement being fully executed. Defendant's Counsel explicitly agrees to waive statutory notice of the preliminary and final approval motions, and agrees to accept service electronically of the preliminary and final

approval papers on the day papers are filed with the Court. The motion for final approval shall, among other things, request that the Court enter judgment approving the class settlement presented by this Agreement. Pursuant to Labor Code section 2698, *et seq.*, Plaintiff's Counsel shall also cause this Agreement to be filed with the LWDA before or at the same time this Agreement is submitted to the Court, and to take any and all other actions necessary to cause the PAGA claim asserted in the Action to be dismissed in its entirety with prejudice to the fullest extent permitted by law. The Parties, Defendant's Counsel, Class Counsel and the Settlement Class Members agree not to, and expressly waive any right they may have to, appeal a judgment entered in conformance with this Agreement.

B. Integration. Subject to final approval by the Court, this Agreement constitutes the final and complete agreement of the Parties with respect to the subject matter hereof and all Released Claims, and supersedes all prior or contemporaneous negotiations, promises, covenants, agreements or representations concerning any matters directly, indirectly or collaterally related to the subject matter of this Agreement. The Parties have expressly and intentionally included in this Agreement all collateral or additional agreements which may, in any manner, touch or relate to any of the subject matter of this Agreement and, therefore, all promises, covenants and agreements, collateral or otherwise, are included herein. The Parties acknowledge that, except as specifically stated in this Agreement, no party has relied on any statement, promise, representation or warranty whatsoever, which is not expressly contained herein in entering into this Agreement.

The Parties intend this Agreement to constitute an integration of all their agreements, and each party understands that in the event of any subsequent litigation, controversy or dispute concerning any of its terms, conditions or provisions, no party hereto shall be permitted to offer or introduce any oral or extrinsic evidence concerning any other alleged collateral or oral agreement between the Parties not included herein.

C. Interpretation. In the event that any language in this Agreement is held to be

uncertain, any such language shall not be interpreted against any party based on authorship of such language. Each of the Parties and their counsel have reviewed and revised this Agreement, and the normal rule of construction to the effect of any ambiguities in an agreement are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement. Each of the Parties represents and warrants that the attorney approving this Agreement as to form on his, her, or its behalf is the attorney employed to represent him, her, or it with respect to this Agreement, and all matters covered by and related to it; and he, she, or it has been fully advised by those attorneys with respect to his, her, or its rights and obligations as to this Agreement. The Parties declare that they know and understand the contents of this Agreement, and they have executed it voluntarily.

D. Attorneys' Fees. If any court action is taken by a party to enforce or interpret this Agreement, the prevailing Party shall be entitled to recover attorneys' fees and costs, including attorneys' fees and costs on appeal.

E. Authority. The Parties, and each of them, represent and warrant that they have taken all actions and obtained all authorizations, consents and approvals that are conditions precedent to their authority to execute this Agreement.

F. No Assignment. The Parties each represent and warrant that they have not assigned, transferred or encumbered any liability or claim released by this Agreement. Each Party shall defend and indemnify the other Parties from and against any breach of the representation in this section.

G. Cooperation. The Parties shall fully cooperate with each other to accomplish the terms of this Agreement and to dismiss the Action and all claims asserted therein with prejudice to the fullest extent permitted by law, including execution of such documents and taking of other action as may be reasonably necessary to implement the terms of this Agreement. The Parties shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by order of the Court to effectuate this Agreement and

the terms set forth herein. As soon as practicable after execution of this Agreement, Plaintiff's Counsel shall take all necessary steps to secure the Court's preliminary and final approval of this Agreement.

H. Counterparts/Faxed or PDF Signatures. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures sent by fax or as an electronic image are agreed to be binding as if they were originals.

I. No Unintended Waivers. No waiver by any party of any provision hereof shall be deemed to be a waiver of any other provision hereof or of any subsequent breach of the same or any other provision hereof.

J. Severability. If any provision of this Agreement is found to be illegal or unenforceable, then to the maximum extent permitted by law, any such provision shall be deemed stricken and the remaining provisions thereof shall remain in full force and effect unless the effect of the striking of any such provision(s) adversely and materially affects the overall purpose of the Agreement, to wit: a full and final resolution of the dispute between the Parties to the Agreement and the Action. In the event of a breach, this Agreement may be specifically enforced.

K. Modifications to this Agreement. Other than as specified above, this Agreement cannot be amended or modified except by a writing executed by all of the Parties or their counsel which expresses, by its terms, an intention to modify this Agreement, and which is approved by the Court.

L. Successors. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the Parties and their respective administrators, trustees, heirs, executors, personal representatives, successors and assigns.

M. Choice of Law. This Agreement shall be governed by the substantive law of the State of California applicable to contracts entered into and to be fully performed within the

State of California.

N. Survival. This Agreement and the mutual releases granted herein will survive the entry of judgment and/or dismissal with prejudice of the Action referenced herein.

O. Settlement is Fair, Adequate, and Reasonable. The Parties believe the settlement documented by this Agreement is a fair, adequate, and reasonable settlement of the Action (including Plaintiff's intended claims for (i) failure to provide accurate itemized wage statements in violation of Labor Code section 226, and (ii) failure to pay unpaid wages at time of discharge in violation of Labor Code sections 201, 202 and 203), and have arrived at the settlement documented by this Agreement in arm's length negotiations, taking into account all relevant factors, present and potential. The settlement documented by this Agreement was reached after extensive negotiations, including an arms'-length negotiation at mediation before respected mediator Michelle Reinglass on May 27, 2020, as discussed herein above. The Parties hereby agree that this Agreement is admissible or subject to disclosure and waive any confidentiality protections for this Agreement under California Evidence Code Section 1123.

P. Interim Stay of Proceedings. The Parties agree to the Court staying and holding all proceedings in the Action, except such proceedings necessary to implement and complete the settlement documented by this Agreement, in abeyance pending the Final Approval Hearing to be conducted by the Court.

Q. Exhibits and Headings. The terms of this Agreement include the terms as set forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

R. No Retaliation. Defendant shall not take any adverse action against any Settlement Class Member because of the Action or because of the existence of, and/or their participation in, the Agreement, or because they choose to benefit from the Agreement or to object to the Agreement. Defendant shall not take action to discourage Settlement Class

complete the settlement documented by this Agreement, in abeyance pending the Final Approval Hearing to be conducted by the Court.


Q. Exhibits and Headings. The terms of this Agreement include the terms as set forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

R. No Retaliation. Defendant shall not take any adverse action against any Settlement Class Member because of the Action or because of the existence of, and/or their participation in, the Agreement, or because they choose to benefit from the Agreement or to object to the Agreement. Defendant shall not take action to discourage Settlement Class Members from participating in the settlement documented by this Agreement.

THE ABOVE TERMS AND CONDITIONS ARE HEREBY AGREED TO BY THE UNDERSIGNED PARTIES.

JOHN VILLALOBOS, on behalf of himself and
as the Named Plaintiff

Date: 10/08/2020

By:  (Oct 8, 2020 10:44 PDT)

PEDEGO, INC.

Date: 10/12/2020

By: 
Its: CEO

Exhibit A

John Villalobos v. Pedego, Inc., et al.
Orange County Superior Court, Case No. 30-2019-01102461-CU-OE-CXC
NOTICE OF CLASS ACTION SETTLEMENT

I. WHY IT IS IMPORTANT TO READ THIS NOTICE

PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS MAY BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS ACTION. YOU MAY BE ENTITLED TO MONETARY COMPENSATION FROM THIS SETTLEMENT.

You are being sent this Notice of Class Action Settlement (“Notice”) because records indicate that you were employed by Pedego, Inc. (“Pedego” or “Defendant”) as a non-exempt employee in the State of California at any time from October 4, 2015 to [earlier of date of Court’s Preliminary Approval Order or November 30, 2020] (“Class Members”). This Notice relates to a proposed settlement of putative class action litigation (“Settlement”) brought against Defendant by plaintiff John Villalobos (“Plaintiff”) in the California State Court for the County of Orange, titled *John Villalobos, individually and on behalf of all others similarly situated, vs. Pedego, Inc., a California Corporation, and DOES 1 through 25*, Case No. 30-2019-01102461-CU-OE-CXC (the “Action”). Where appropriate, Plaintiff and Defendant will hereafter be collectively referred to as the “Parties.”

If you are a Class Member, this Notice contains important information about your right to a settlement payment or to be excluded from the Settlement according to the procedures described below.

Pursuant to the Order Granting Preliminary Approval of Class Action Settlement, which the California State Court for the County of Orange, with the Honorable Peter Wilson presiding (hereafter, the “Court”), entered on [preliminary approval date order], you are hereby notified as follows:

A proposed Settlement has been reached between the Parties in the Action. The proposed Settlement is on behalf of all current and former non-exempt employees employed by Defendant in the State of California at any time from October 4, 2015 to [earlier of date of Court’s Preliminary Approval Order or November 30, 2020].

The Court, with the Honorable Peter Wilson presiding, will hold a hearing at the Orange County Superior Court – Civil Complex Center, Department CX 102, located at 751 W. Santa Ana Boulevard, Santa Ana, California 92701 on [date and time], or such other, later date that the Court may authorize, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate (hereafter, the “Final Approval Hearing,” defined as the hearing at which the Court enters a judgment or other order approving the Settlement). The Court will also be asked to approve counsel for the Class Members’ (“Class Counsel”) request for attorneys’ fees, litigation expenses, administrative costs, and the class representative service and release award. The hearing may be continued without further notice to the Class Members. It is not necessary for you to appear at this hearing.

II. WHAT THIS LITIGATION IS ABOUT

On or about October 4, 2019, Plaintiff filed his putative class action Complaint in the Action against Defendant. On or about January 3, 2020, Plaintiff filed the operative First Amended Complaint in the Action, alleging claims for: (1) failure to provide meal and rest breaks in violation of Labor Code Sections 226.7, 512(a) and 1198, *et seq.*, (2) unfair competition in violation of Business and Professions Code section 17200 *et seq.*; and (3) violation of Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (the “PAGA”). Further, Plaintiff has indicated an intention to amend his First Amended Complaint in the Action to add additional claims for (i) failure to provide accurate itemized wage statements in violation of Labor Code section 226, and (ii) failure to pay unpaid wages at time of discharge in violation of Labor Code sections 201, 202 and 203, and the Gross Settlement Amount (defined below) reflects the potential value of these unasserted claims.

Questions? Contact the Settlement Administrator toll-free at 1-*-***-**** or [EMAIL]. Page 1 of 8**

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Defendant vigorously denies the allegations in the Action and contends that it has acted in compliance with the law at all times. There has been no finding of any wrongdoing or liability by Defendant. Defendant wishes to settle the Action to avoid costly, disruptive, and time-consuming litigation.

Plaintiff and Defendant have now reached a class-wide Settlement. Accordingly, the Parties have entered into a Settlement Agreement and Release to settle the Action, which the Court preliminarily approved on [Insert date of preliminary approval order].

The Parties and their respective counsel recognize the inherent risk and expense of continued proceedings necessary to continue litigation of the Action. The Parties and their counsel have also taken into account the extensive settlement negotiations that have been conducted, including participating in a mediation with Michelle Reinglass, an experienced employment law and class action mediator, as well as the two months of extensive arms-length negotiations the Parties continued to have with the assistance of Michelle Reinglass following the mediation. Based on the foregoing, the Parties believe the Settlement confers substantial benefits to all Class Members, is a fair, adequate, and reasonable settlement, and is in the best interest of all Class Members.

III. SUMMARY OF THE SETTLEMENT TERMS

The Parties have agreed to settle the Action in exchange for the total amount of no more than One Hundred and Thirty Thousand Dollars (\$130,000.00) (“Gross Settlement Amount”).

The Gross Settlement Amount includes: (a) all Individual Settlement Payments (each Participating Class Member’s share of the Net Settlement Amount, as determined based on the calculations discussed below, minus applicable withholdings) to the Participating Class Members (as defined below), including their portion of PAGA penalties; (b) the attorneys' fees award to Class Counsel in a total amount not to exceed Forty Three Thousand Three Hundred and Thirty Three Dollars and Thirty Three Cents (\$43,333.33) (one-third of the Gross Settlement Amount); (c) reimbursement of costs incurred by Class Counsel in a total amount not to exceed Ten Thousand Dollars (\$10,000.00); (d) the service and release award to the named Plaintiff and class representative, John Villalobos, in a total amount not to exceed Ten Thousand Dollars (\$10,000.00); (e) settlement administration fees and expenses, in a total amount not to exceed Five Thousand Five Hundred Dollars (\$5,500.00); (f) all applicable federal, state and local taxes, including income and employment taxes, including, but not limited to, Employment Training Taxes, State Disability Insurance, and state and federal personal income taxes (except the Gross Settlement Amount does not include Defendant’s share of employer-side payroll taxes, which are defined as FICA (Social Security and Medicare), and unemployment insurance (FUTA and SUTA/SUI) on the amount that is allocated from the Net Settlement Amount (as defined below) as wages to be paid to Participating Class Members (as defined below)); and (g) payment to the California Labor and Workforce Development Agency (“LWDA”) in the total amount of Three Thousand Dollars (\$3,000.00) as the LWDA's share of the settlement of the PAGA penalties.

The balance that remains after deductions for the service and release award to the named Plaintiff, attorneys' fees and costs to Class Counsel, all applicable taxes (except employer-side payroll taxes, as discussed above), settlement administration fees and expenses, and payment to the LWDA (“Net Settlement Amount”) will be paid to Class Members, provided they do not opt out of the Settlement (a Class Member who does not opt out of the Settlement shall be referred to herein as a “Participating Class Member”). The Individual Settlement Payments to the Participating Class Members are subject to applicable employee tax withholdings. Phoenix Settlement Administrators (also known as Phoenix Class Action Administration Solutions) (the “Settlement Administrator”) will mail Individual Settlement Payments to each Participating Class Member.

Distribution and Calculation of Individual Settlement Payments. The Net Settlement Amount shall be divided among all Participating Class Members and distributed to Participating Class Members based on their number of

Questions? Contact the Settlement Administrator toll-free at 1-*-***-**** or [EMAIL]. Page 2 of 8**

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Workweeks worked during the Class Period (the time period from October 4, 2015 to [earlier of date of Court's Preliminary Approval Order or November 30, 2020] shall be referred to herein as the "Class Period"). A "Workweek" shall be defined as a week during the Class Period, commencing on Monday at 12:01 a.m. and ending the following Sunday at 12:00 midnight, in which a Class Member was employed by Defendant, including periods of leave and furlough.

The maximum Individual Settlement Payment that each Participating Class Member is entitled to receive is determined by dividing the Net Settlement Amount by the total number of Workweeks worked by all Class Members during the Class Period to produce the "standard workweek rate." Each Participating Class Member shall then receive an Individual Settlement Payment equal to the number of Workweeks that the Participating Class Member worked during the Class Period multiplied by the standard workweek rate. By way of example, and not limitation, if the Net Settlement Amount is \$100,000.00, and the total number of Workweeks worked by all Class Members during the Class Period is 10,000, the standard workweek rate would be \$10.00 (\$100,000.00/10,000 Workweeks). If a Participating Class Member worked 100 Workweeks during the Class Period, the Participating Class Member would receive an Individual Settlement Payment in the gross amount of \$1,000.00 (100 Workweeks X \$10.00 per Workweek).

Each Participating Class Member shall be paid the designated amount, subject to any applicable taxes and withholdings, for each Workweek worked during the Class Period, as reflected in the records of Defendant.

Your Potential Estimated Individual Settlement Payment. According to Defendant's records, you have worked a total of [REDACTED] Workweeks for Defendant during the Class Period. Based on your number of Workweeks and applying the formula above, it is estimated that you may receive an Individual Settlement Payment of approximately \$ [REDACTED], less applicable taxes and withholdings, as a Participating Class Member.

It is the intent of the Parties that the Net Settlement Amount shall be sufficient to pay all Individual Settlement Payments to Participating Class Members in accordance with the formula set forth above. In the event that the aggregate amount to be paid to Participating Class Members exceeds the Net Settlement Amount for any reason, each Participating Class Member's Individual Settlement Payment shall be reduced on a pro rata basis pursuant to the formula discussed immediately above so that the total amount to be paid to Participating Class Members does not exceed the Net Settlement Amount. In the event that the aggregate amount to be paid to Participating Class Members is less than 100% of the Net Settlement Amount, then the remaining residual balance shall be distributed to the Participating Class Members on a pro-rata basis pursuant to the formula discussed immediately above.

IRS Forms W-2, 1099 and 1099 INT will be distributed to Participating Class Members and the appropriate taxing authorities reflecting the Individual Settlement Payments that Participating Class Members receive under the Settlement (Form W-2 will be issued for wages, Form 1099 will be issued for penalty payments, and Form 1099 INT will be issued for interest). Participating Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement, and Participating Class Members are responsible for remitting to all relevant taxing authorities all applicable taxes that may be owed on the payments they receive under the Settlement. For purposes of this Settlement, each Individual Settlement Payment will be allocated thirty-three point three percent (33.3%) to wages, thirty-three point four percent (33.4%) to penalties, and thirty three point three percent (33.3%) to interest. The wage portion of each Individual Settlement Payment will be subject to applicable withholdings.

Checks made payable to Participating Class Members shall remain negotiable for one hundred eighty (180) days from the date of issuance. Within 60 days after Individual Settlement Payment checks are mailed, the Settlement Administrator shall mail postcards to all Participating Class Members who have not yet cashed their Individual Settlement Payment checks. The postcards shall inform such individuals of the upcoming void date for Individual Settlement Payment checks. **Questions? Contact the Settlement Administrator toll-free at 1-***-***-**** or [EMAIL].** Page 3 of 8

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Settlement Payment checks and offer to replace any checks that have been lost or were not received. To the extent that a check is (1) undeliverable, or (2) uncashed 180 days after the date of issuance, the check shall be sent to the California state Controller as unclaimed property, for the benefit of the Participating Class Member to whom the Individual Settlement Payment check is addressed.

Any Participating Class Member who disagrees with the data used to calculate their Individual Settlement Payment as reflected on the Notice shall be allowed to indicate and explain such disagreement in writing, and any such written dispute must specifically explain the Participating Class Members' disagreement. Such written dispute shall include the Participating Class Member's full name, address, telephone number, last four digits of their Social Security Number and dates of employment by Defendant, shall be signed and dated by the Participating Class Member, and must be mailed or faxed to the Settlement Administrator no later than forty-five (45) days after the date the Notice is first mailed (the "Dispute Deadline Date"), using the following facsimile number or address:

Phoenix Settlement Administrators
[INSERT ADDRESS AND FAX NUMBER]

The Settlement Administrator shall resolve the disagreement with the Participating Class Member using the employee records provided by Defendant and the Participating Class Member's records. In the event of a dispute or discrepancy between a Participating Class Member's records and the information reflected in Defendant's records, the records of Defendant will control. The date of the postmark on the return envelope if the written dispute is mailed, and the date of facsimile if the written dispute is faxed, shall be the exclusive means used to determine whether a Participating Class Member has "timely" disputed the calculation or application of the formula for determining settlement awards, their number of Workweeks worked for Defendant and/or their Individual Settlement Payment. Subject to review by the Court, the Settlement Administrator's decisions as to dates of employment and Individual Settlement Payment amounts will be final.

IV. YOUR OPTIONS UNDER THE SETTLEMENT
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Option 1—Do Nothing.

If the Court grants final approval of the Settlement, and you have not opted out of the Settlement on or before the Opt-Out/Objection Deadline (set forth below), you will be mailed a check for your Individual Settlement Payment, minus applicable withholdings, by the Settlement Administrator. You will be bound by the Releases set forth in the Settlement (as defined below) and all other terms of the Settlement.

Option 2—Opt Out of the Settlement. If you opt out of the Settlement, you will NOT receive any Individual Settlement Payment.

If you do not wish to participate in the Settlement, you may exclude yourself from participating by submitting to the Settlement Administrator a written request for exclusion 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. If you do not submit a request for exclusion on or before the Opt-Out/Objection Deadline (set forth below), then you will be bound by the Releases set forth in the Settlement (as defined below) and all other settlement terms. The written request for exclusion ("opt-out statement") must state:

"I have received the Notice of Class Action Settlement of the litigation titled *John Villalobos v. Pedego, Inc., et al.*, Orange County Superior Court Case No. 30-2019-01102461-CU-OE-CXC (the "Action"). I wish to opt out of the Settlement of the Action. I understand that by requesting to be excluded from the Settlement, I

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will not be a Participating Class Member and will not receive any payment from the Settlement approved by the Court in the Action."

The written opt-out statement also must set forth your name, address, telephone number, and last four digits of your Social Security Number. You must sign, date, and either fax or mail the opt-out statement by First Class U.S. Mail to the Settlement Administrator using the following address or facsimile number:

Phoenix Settlement Administrators
[INSERT ADDRESS AND FAX NUMBER]

The written opt-out statement must be faxed or postmarked no later than [insert date that is forty five (45) calendar days from the date of this Notice] (the "Opt-Out/Objection Deadline"). If you submit an opt-out statement that is not faxed or postmarked by [insert same date], it will be rejected and you will be included in the Settlement as a Participating Class Member and bound by the Releases and all other terms of the Settlement, and will receive the appropriate Individual Settlement Payment, regardless of whether you have objected to the Settlement as discussed in "Option 3" below. Similarly, should you receive and cash a check for your Individual Settlement Payment and elect to opt out of the Settlement, the opt out will be deemed void and you will be included in the Settlement as a Participating Class Member and bound by the Releases and all other terms of the Settlement.

Additionally, Class Members shall be permitted to rescind their opt-out statements in writing by submitting a "rescission statement" to the Settlement Administrator by fax or First Class U.S. Mail not later than one (1) business day before the Court's final approval of the Settlement, orally at the Final Approval Hearing, or as otherwise ordered by the Court. The written rescission statement must set forth your name, address, telephone number, and last four digits of your Social Security Number, and must state:

"I have received the Notice of Class Action Settlement of the litigation titled *John Villalobos v. Pedego, Inc., et al.*, Orange County Superior Court Case No. 30-2019-01102461-CU-OE-CXC (the "Action"). I previously submitted a statement indicating that I wanted to opt out of the Settlement of the Action. I would now like to rescind my prior statement requesting to opt out of the Settlement so that I may participate in the Settlement as a Participating Class Member. I understand that by rescinding my previous request to opt out of the Settlement I will be included in the Settlement as a Participating Class Member, bound by the Releases and all other terms of the Settlement, and will receive the appropriate Individual Settlement Payment, regardless of whether I have objected to the Settlement."

If you choose to fax or mail your rescission statement, you must sign, date, and either fax or mail the rescission statement by First Class U.S. Mail to the Settlement Administrator using the following address or facsimile number:

Phoenix Settlement Administrators
[INSERT ADDRESS AND FAX NUMBER]

Option 3—File an Objection With the Court and Remain a Participating Class Member.

If you wish to object to the Settlement, you may submit an objection with the Settlement Administrator stating why you object to the Settlement no later than [insert date that is forty five (45) calendar days from the date of mailing of this Notice] (the "Opt-Out/Objection Deadline"). Your objection must be in writing, must include your name, address, telephone number, dates of employment with Defendant and last four digits of your Social Security

Questions? Contact the Settlement Administrator toll-free at 1-*-***-**** or [EMAIL].** Page 5 of 8

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number, and must state with particularity the basis on which any objections are asserted, along with providing any legal and/or factual support for each objection. An objecting Class Member must also make themselves available for reasonable discovery by Plaintiff's and/or Defendant's attorneys between the date the objection is submitted and the Final Approval Hearing. The objection must either be faxed or mailed by First Class U.S. Mail to the Settlement Administrator at the following facsimile number or address:

Phoenix Settlement Administrators
[INSERT ADDRESS AND FAX NUMBER]

Late objections will not be considered. Settlement Class Members who fail to make an objection in the manner set forth herein shall be deemed to have waived any objection and shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement. Any objections received prior to the filing of Plaintiff's motion for final approval of the Settlement will be filed by Plaintiff along with such motion and Plaintiff's motion may include any responses to such objections. Any objections received on or after the filing of the motion for final approval will be filed with the Court by Plaintiff, along with the Parties' response(s) thereto, at least ten calendar days prior to the Final Approval Hearing.

By filing an objection, you are not excluding yourself from the Settlement. To exclude yourself from the Settlement, you must follow the directions described above in Option 2. Please note that you cannot both object to the Settlement and exclude yourself.

V. THE BINDING EFFECT OF THE SETTLEMENT
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The "Releases": Unless you validly and timely opt out of the Settlement, you will be a Participating Class Member and deemed to have released the Released Parties (as defined below) from any and all claims asserted in the Action, as amended, as well as any and all claims of every nature and kind, whether known or unknown, suspected or unsuspected, based on, arising from or related to the facts or claims asserted in the Action, as amended, or that could have been asserted in the Action based on the facts set forth in the Action, for the period of October 4, 2015 through and including [earlier of November 30, 2020 and **date of Court's Preliminary Approval Order**], including, but not limited, to, claims for (1) failure to provide meal and rest breaks in violation of Labor Code sections 226.7, 512(a) and 1198, *et seq.*, (2) failure to provide accurate itemized wage statements in violation of Labor Code section 226, (3) failure to pay unpaid wages at time of discharge in violation of Labor Code sections 201, 202 and 203, (4) unfair competition in violation of Business and Professions Code section 17200 *et seq.*, and (5) violation of Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.*

In legal terms, by not opting out and by continuing to be part of this case and Settlement, you are agreeing to release and discharge the following:

Defendant Pedego, Inc., and each of its present, former, and future parent, subsidiary, and/or affiliate entities, and each of their predecessors, successors, and assigns, and each of their respective past and present members, shareholders, partners, directors, officers, employees, attorneys, insurers, servants, representatives and agents, and as to any individual their marital community, community property, trustees, executors, heirs, guardians and registered representatives ("Released Parties"), from the claims asserted in the Action, as amended, as well as any and all claims, obligations, demands, rights, liabilities, complaints, charges, penalties, fines, wages, liquidated damages, losses, restitutionary amounts, interest and/or causes of action of every nature and description whatsoever, known or unknown, suspected or unsuspected, whether in tort, contract or for violation of any state or federal statute, rule or regulation, based on, arising from or related to the facts or claims asserted in the Action, as amended, or that could have been asserted in the Action based on the facts set forth in the Action, including, but not limited to, (1) failure to provide meal and rest breaks in violation of Labor Code sections 226.7, 512(a) and 1198, *et*

Questions? Contact the Settlement Administrator toll-free at 1-*-***-**** or [EMAIL]. Page 6 of 8**

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seq., (2) failure to provide accurate itemized wage statements in violation of Labor Code section 226, (3) failure to pay unpaid wages at time of discharge in violation of Labor Code sections 201, 202 and 203, (4) unfair competition in violation of Business and Professions Code section 17200 *et seq.*, and (5) violation of Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.*, for the period of time beginning October 4, 2015 through and including [earlier of November 30, 2020 and **date of Court's Preliminary Approval Order**] (the "Released Claims"). Plaintiff and Defendant acknowledge and agree that Plaintiff intended to file a Second Amended Complaint asserting claims for (i) failure to provide accurate itemized wage statements in violation of Labor Code section 226, and (ii) failure to pay unpaid wages at time of discharge in violation of Labor Code sections 201, 202 and 203, that such claims were discussed and considered during the Parties' mediation, that the Gross Settlement Amount reflects the value of such unasserted claims, and that had Plaintiff and Defendant not entered into the Settlement Agreement and Release following their mediation Plaintiff would have sought leave of Court to file a Second Amended Complaint to add such claims. For this reason, such claims are expressly included within the scope of the Released Claims.

Unless you timely opt out of the Settlement, you are agreeing to release the Released Parties from any and all claims of every nature and kind, known or unknown, suspected or unsuspected, as to the Released Claims only. While you may later discover claims, facts or legal arguments in addition to or different from those you now know or currently believe to be true with respect to the subject matter of the Released Claims, the discovery of new claims, facts or legal arguments shall in no way limit the scope or definition of the Released Claims, and you shall be deemed to have, and by operation of the final judgement approved by the Court shall have, fully, finally, and forever settled and released all of the Released Parties from all of the Released Claims as of the Effective Date (as defined in the Settlement Agreement and Release between the Parties). The Released Claims expressly include a waiver and relinquishment by you of any and all claims, rights or benefits you may have under California Civil Code § 1542 as to the Released Claims only, which provides as follows:

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.

You expressly agree to fully, finally and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, which exist or may exist, as to the Released Claims.

In addition, each Participating Class Member forever agrees that they shall neither request nor accept compensation, back pay, liquidated damages, punitive damages, penalties of any nature, attorneys' fees or costs, interest, or any other relief from any other suit, class, representative or collective action, administrative claim or other claim of any sort or nature whatsoever from or against the Released Parties, for any period from October 4, 2015 to [the earlier of November 30, 2020 and the **date of Court's Preliminary Approval Order**], relating to the Released Claims. Participating Class Members agree not to sue or otherwise make a claim against any of the Released Parties that is in any way related to the Released Claims.

If the Settlement is not finally approved by the Court, or if any of its conditions are not satisfied, the Settlement will be voided, no money will be paid, and the Action will revert to litigation. However, if that occurs, there is no assurance that: (a) any decision at trial would be in favor of any Class Members; (b) a favorable trial decision, if any, would be as favorable to any Class Members as the Settlement; or (c) any favorable trial decision would be upheld if an appeal was filed. The Court has expressed no opinion regarding the merits of the claims asserted in the Action.

Questions? Contact the Settlement Administrator toll-free at **1-*-***-****** or **[EMAIL]**.** Page 7 of 8

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VI. ADDITIONAL INFORMATION

This Notice of Class Action Settlement is only a summary of the Action and the Settlement. For a more detailed statement of the matters involved in the Action and the Settlement, you may refer to the pleadings, the Settlement Agreement and Release, and other papers filed in the Action, which may be inspected at the Orange County Superior Court – Civil Complex Center, located at 751 W. Santa Ana Boulevard, Santa Ana, California 92701. Due to the current pandemic, you must make an appointment in order to enter the court and view any files. You can make an appointment at this link: <https://www.occourts.org/media-relations/CivilAppointments.html>. Or, you can access the court file online at <http://www.occourts.org/online-services/case-access/>. From that page, click on the “Access Now” button next to “Civil Case & Document Access.” On the page that loads next, click “Accept Terms.” The next page will ask for the Case Number. Insert “01102461” in the “Case Number” box. Click the “I am not a Robot” box and then click “Search.” On the next page click on “Register of Actions,” which will provide a list of all court filings to date in this case. To obtain any of the listed filings, click the box next to the name of the filing in the column labeled “Select.” Next, click on “Cart” and then “Checkout.” Additionally, the Settlement Administrator has setup a static website where the Settlement Agreement and Release and the Court’s Order Granting Preliminary Approval of Class Action Settlement have been posted and are available for review, and where the Court’s final judgment will be posted and available for review once it has been entered by the Court following the Final Approval Hearing (the “final judgment” is the judgment entered by the Court upon final approval of the Settlement), which can be accessed here [[INSERT WEBSITE URL](#)]. Posting of the final judgment on such static website shall constitute notice of judgment to Class Members, as required by California Rule of Court, Rule 3.771(b).

To the extent there are any conflicts between this Notice and the terms of the Settlement Agreement and Release, the terms of the Settlement Agreement and Release will govern.

Please do not call or contact the court for information about the Settlement. If you have any questions about the Settlement, you may contact the Settlement Administrator or Class Counsel at the following addresses or numbers:

Phoenix Settlement Administrators

[[INSERT ADDRESS](#)]

[[INSERT PHONE NUMBER](#)]

[[INSERT FAX NUMBER](#)]

[[INSERT EMAIL ADDRESS](#)]

GUNDZIK GUNDZIK HEEGER LLP

Aaron C. Gundzik (State Bar No. 132137)
Rebecca G. Gundzik (State Bar No. 138446)
14011 Ventura Blvd., Suite 206E
Sherman Oaks, California 91423
Telephone: (818) 290-7461
Facsimile: (818) 918-2316

CASKEY & HOLZMAN

Marshall A. Caskey (State Bar No. 65410)
Daniel M. Holzman (State Bar No. 176663)
N. Cory Barari (State Bar No. 295306)
24025 Park Sorrento, Suite 400
Calabasas, California 91302
Telephone: (818) 657-1070
Facsimile: (818) 297-1775

Questions? Contact the Settlement Administrator toll-free at [1-***-***-****](tel:1-800-888-8888) or [[EMAIL](#)]. Page 8 of 8

ENVELOPE:

**Postage Will
Be Placed
Here Prior
To
Mailing**

**Villalobos v. Pedego, Inc.
c/o Phoenix Settlement Administrators
[INSERT ADDRESS]**

**PHOENIX ID: «PHOENIX»
«First Name» «Last Name»
«Address»
«City», «State» «Zip»**