

JOINT STIPULATION AND SETTLEMENT AGREEMENT

Subject to final approval by the Court, this settlement agreement is made between Plaintiffs Alicia Juarez and Karla Martinez Flores (hereinafter “Plaintiffs”), on behalf of themselves and the Class, and Defendants Florexpco, LLC and Kendal Floral Supply, LLC (hereinafter “Defendants”) (collectively Plaintiffs and Defendants are referred to in this Agreement as the “Parties”). This agreement is intended to settle the matters entitled *Alicia Juarez v. Florexpco, LLC; Kendal Floral Supply, LLC*, San Diego Superior Court Case No. 37-2020-00016123-CU-OE-CTL, (the “Class Action”) and *Alicia Juarez v. Florexpco, LLC; Kendal Floral Supply, LLC*, San Diego Superior Court Case No. 37-2020-00015644-CU-OE-CTL, (the “PAGA Action”) (collectively “the Lawsuits”)

I. DEFINITIONS

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

1. **Administration Costs**: The costs incurred by the Settlement Administrator, Phoenix Settlement Administrators (“Phoenix”), to administer this Settlement, which shall not exceed \$50,000. All Administration Costs shall be paid from the Gross Settlement Amount. If the actual administration costs are less than the amount allocated in this agreement, or if the Court awards less than the amount requested, the difference in the amount allocated in this agreement and the amount awarded by the Court will become part of the Net Settlement Amount for distribution to Participating Class Members.
2. **Agreement, Settlement Agreement, Joint Stipulation, or Settlement**: The settlement agreement reflected in this document, titled “Joint Stipulation and Settlement Agreement.”
3. **Attorneys Fee Award**: The amount of attorneys’ fees approved of by the Court and awarded to Class Counsel. This amount shall not exceed 33.333% of the Gross Settlement Amount. 33.333% of the Gross Settlement Amount is \$666,660. The Attorneys Fee Award shall be paid from the Gross Settlement Amount. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.
4. **Class**: All current and former non-exempt, hourly employees of Defendants who were employed in California at any time between May 26, 2016 and the date of Preliminary Approval or November 24, 2022, whichever occurs first.
5. **Class Counsel**: David Mara and Matthew Crawford of Mara Law Firm, PC.
6. **Class Data**: The Class Data Defendants shall deliver to the Settlement Administrator shall be formatted as a Microsoft Excel Spreadsheet and shall

include the following information for each Class Member: (1) first and last name; (2) last known mailing address; (3) social security number; and (4) hire and termination dates during the Class Period. The Class Data shall be based on Defendants' payroll, personnel, and other business records.

7. **Class Member**: Each person eligible to participate in this Settlement who is a member of the Class as defined above.
8. **Class Notices**: The Notice of Class Action Settlement, substantially similar to the form attached hereto as **Exhibit A**, subject to Court approval.
9. **Class Period**: May 26, 2016 and the date of Preliminary Approval or November 24, 2022, whichever occurs first.
10. **Class Representatives or Plaintiffs**: Alicia Juarez and Karla Martinez Flores.
11. **Class Representative Enhancement Payments**: The amount the Court awards to Plaintiffs, which will not exceed \$10,000 each. This payment shall be paid from the Gross Settlement Amount. This payment is being offered in consideration for Plaintiffs executing a general release of claims against Defendants, a release that is broader than any Participating Class Member will provide in consideration for a settlement share. This payment is also offered in consideration for the Plaintiffs' actions in conferring a benefit upon the State of California and the Class, and the time and effort Plaintiffs put into pursuing the litigation. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.
12. **Cost Award**: The amount that the Court orders Defendants to pay Class Counsel for payment of actual litigation costs, which shall not exceed \$30,000. The Cost Award will be paid from the Gross Settlement Amount and will not be opposed by Defendants. The Cost Award is subject to Court approval. If the actual costs incurred are less than the amount allocated in this Agreement, or if the Court awards less than the amount requested, the difference in the amount allocated in this Agreement and the amount awarded by the Court will become part of the Net Settlement Amount for distribution to Participating Class Members.
13. **Counsel for Defendant**: Marie Burke Kenny and Ashley Fasano of Procopio, Cory, Hargreaves & Savitch LLP.
14. **Court**: Superior Court of California for the County of San Diego.
15. **Defendants**: Florexpco, LLC and Kendal Floral Supply, LLC

16. **Disbursement of the Settlement:** Within twenty (20) calendar days after the Settlement Administrator's receipt of the Gross Settlement Amount, the Settlement Administrator shall disburse: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Net PAGA Settlement Amount to Aggrieved Employees; (3) the Attorney Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (4) the Class Representative Enhancement Payment paid to the Class Representatives, as approved by the Court; (5) the Administration Costs, as approved by the Court; (6) the LWDA Payment to the LWDA; and (7) Defendants' portion of payroll taxes as the Class Members' current or former employer.
17. **Effective Final Settlement Date:** The effective date of this Settlement will be the date the Court enters the Judgment granting final approval of the settlement.
18. **Eligible Aggrieved Employees:** The aggrieved employees eligible to recover a pro-rata share of the PAGA payment shall consist of all non-exempt employees who worked for Defendant within the State of California at any time during the PAGA Period.
19. **Employer Taxes:** Defendants' portion of payroll taxes as the Class Members' current or former employer (including the employer's payment of applicable FICA, FUTA, and SUI contributions, etc.) owed to the appropriate local, state, and federal taxing authorities. Defendants will pay their portion of payroll taxes separate and apart from the Gross Settlement Amount.
20. **Final Judgment or Final Approval:** The final order entered by the Court approving this Agreement.
21. **First Amended Complaint:** As part of the Joint Stipulation, at or before Plaintiffs file a motion for preliminary approval, Plaintiffs will file a First Amended Complaint in San Diego County Superior Court, adding Karla Martinez Flores as a class representative in the Class Action.
22. **Funding of Settlement:** Defendants shall wire to the Settlement Administrator the Gross Settlement Amount no later than thirty (30) days of the Effective Final Settlement Date.
23. **Gross Settlement Amount or GSA:** The total value of the Settlement is a non-reversionary Two Million Dollars (\$2,000,000). This is the gross amount Defendants can be required to pay under this Settlement Agreement, with the exception of its obligation to pay Employer Taxes. The Gross Settlement Amount includes without limitation: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Attorneys Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (3) the Class Representative Enhancement Payments paid to the Class Representatives, as approved by the Court; (4) the Administration Costs, as approved by the

Court; and (5) the PAGA Payment to the California Labor Workforce Development Agency and the Eligible Aggrieved Employees, as approved by the Court. Defendants' portion of payroll taxes as the Class Members' current or former employer will be paid outside of and in addition to the Gross Settlement Amount. No portion of the Gross Settlement Amount will revert to Defendants for any reason.

24. **Individual Class Settlement Share(s)**: The amount payable to each Participating Class Member under the terms of this Settlement Agreement. Class Members are not required to submit a claim form to receive their Individual Class Settlement Shares pursuant to this Agreement. Rather, Participating Class Members will receive an Individual Class Settlement Share automatically, without the return of a claim form.
25. **Individual PAGA Settlement Share(s)**: The amount payable to each Eligible Aggrieved Employee under the terms of this Settlement Agreement. Eligible Aggrieved Employees are not required to submit a claim form to receive their Individual PAGA Settlement Shares pursuant to this Agreement. Also, even if an Eligible Aggrieved Employee requests exclusion from the Class Settlement as described in this Agreement, the Eligible Aggrieved Employee will receive an Individual PAGA Settlement Share. Therefore, Eligible Aggrieved Employees will receive an Individual PAGA Settlement Share automatically, without the return of a claim form and regardless of whether they request to be excluded from the Class Settlement. In addition, Eligible Aggrieved Employees have no right to object to the PAGA portion of the settlement.
26. **LWDA**: California Labor and Workforce Development Agency.
27. **LWDA Payment**: Refers to the Seventy-five percent (75%) of the PAGA Payment (\$200,000) that is to be paid to the LWDA as described in this Settlement.
28. **Net PAGA Settlement Amount or NPSA**: The total amount of money for payout to Eligible Aggrieved Employees, which is the PAGA Payment less the LWDA Payment.
29. **Net Settlement Amount or NSA**: The total amount of money available for payout to Participating Class Members, which is the GSA less the Attorneys Fee Award, Cost Award, Class Representative Enhancement Payments, the PAGA Payment, and Administration Costs. In other words, the NSA is the portion of the GSA that will be distributed to Participating Class Members. The payment of employee payroll taxes on the portion of the settlement shares earmarked as wages shall be paid out of the Net Settlement Amount.
30. **PAGA**: The California Labor Code Private Attorneys General Act of 2004 (Cal. Labor Code §§ 2698 *et seq.*).

31. **PAGA Payment**: The Parties agree to settle the PAGA claims for \$200,000. 75% of this amount, or \$150,000, shall be paid to the LWDA and is referred to as the PAGA Payment. The remaining 25% of the \$200,000, or \$50,000, shall become part of the Net PAGA Settlement Amount payable to Eligible Aggrieved Employees.
32. **PAGA Period**: March 9, 2019 and the date of Preliminary Approval or November 24, 2022, whichever occurs first.
33. **Participating Class Members**: All Class Members who do not submit a valid and timely request to exclude themselves from this Settlement.
34. **Parties**: Plaintiffs Alicia Juarez and Karla Martinez Flores and Defendants Florexpco, LLC and Kendal Floral Supply, LLC.
35. **Preliminary Approval or Preliminary Approval Order**: The Court's order preliminarily approving the Class Settlement.
36. **Released Claims**: The Released Class Claims and the Released PAGA Claims.
37. **Released Class Claims**: All members of the Class, except for those who timely request exclusion, will release and discharge the Released Parties from any and all wage-and-hour claims, rights, demands, liabilities and causes of action of every nature and description whether pled or could have been pled based on the factual allegations made in the Lawsuits against Defendants, for the duration of the Class Period, based upon the following categories of allegations: failure to pay minimum wages, failure to pay overtime wages, failure to pay doubletime wages, failure to pay for off-the-clock work, failure to provide meal periods or meal period premium payments, failure to provide rest periods or rest period premium payments, failure to provide accurate itemized wage statements, failure to properly calculate, provide and pay paid sick leave, failure to timely pay wages due during employment, and failure to pay all wages due upon termination of employment, violation of the applicable provisions of the California Labor Code, violation of applicable portions of the California Code of Regulations, Title 8, section 11040, violation of California's unfair business practices and unfair competition laws to the extent they arise from violations of the Labor Code provisions alleged in the Lawsuits. As of the Effective Final Settlement Date, the Class Members, including Plaintiffs, individually and on behalf of their heirs, executors, administrators, representatives, attorneys, successors and assigns are voluntarily and knowingly barred from bringing the Released Class Claims during the Class Period.
38. **Released PAGA Claims**: Eligible Aggrieved Employees will specifically release and discharge Defendants for any and all claims for civil penalties under the California Labor Code and the Private Attorneys General Act ("PAGA") predicated upon the Labor Code violations that were asserted in the Lawsuits

as well as any potential penalties, interest or attorneys' fees associated with those violations under California law. As of the Effective Final Settlement Date, the LWDA and each Eligible Aggrieved Employee, including Plaintiffs, individually and on behalf of their heirs, executors, administrators, representatives, attorneys, successors and assigns are voluntarily and knowingly barred from bringing the Released PAGA Claims during the PAGA Period. The release of the Released PAGA Claims is effective, regardless of whether the Eligible Aggrieved Employee purports to submit a timely and valid request for exclusion.

39. **Released Parties**: Defendants, and any of their former and present members, owners, directors, officers, subsidiaries, affiliates, successors, predecessors, related entities, and joint venturers, and each of their respective present and former officers, directors, stockholders, managers, agents, employees, assigns or legal representatives.
40. **Response Deadline**: Sixty (60) calendar days from the initial mailing of the Class Notices.
41. **Settlement Administrator**: The third party administrator agreed upon by Parties to administer this Settlement is Phoenix.
42. **Workweeks**: A week in which a Class Member works one or more days during the Class Period.

II. **RECITALS**

43. A PAGA representative action complaint against Defendants was filed in the San Diego County Superior Court on May 26, 2020 (Case No. 37-2020-00015644-CU-OE-CTL). The complaint alleged the following causes of action against Defendants: (1) failure to pay all straight time wages; (2) failure to pay all overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to pay all wages at the time of termination of employment; (6) knowing and intentional failure to comply with itemized employee wage statement provisions; and (7) failure to pay all wages owed twice per month, on behalf of hourly non-exempt employees.
44. A class action complaint against Defendants was filed in the San Diego County Superior Court on May 26, 2020 (Case No. 37-2020-00016123-CU-OE-CTL). The complaint alleged the following causes of action against Defendant: (1) failure to pay all straight time wages; (2) failure to pay all overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) knowing and intentional failure to comply with itemized employee wage statement provisions; (6) failure to pay all wages at the time of termination of employment; and (7) violation of Unfair Competition Law, on behalf of hourly non-exempt employees.

45. The parties met and conferred regarding the cases on multiple occasions and then agreed to attend a mediation. Prior to the mediation, Defendants provided class-wide data, documents, and information permitting Plaintiffs and their lawyers to fully evaluate class-wide exposure.
46. On August 25, 2022, the parties participated in a full-day mediation with respected wage and hour mediator, Mark Rudy, which resulted in the settlement that is reflected in this Agreement.
47. **Benefits of Settlement to Class Members.** Plaintiffs and Class Counsel recognize the expense and length of continued proceedings necessary to continue the litigation against Defendants through trial and through any possible appeals. Plaintiffs and Class Counsel also have taken into account the uncertainty and risk of further litigation, the potential outcome, and the difficulties and delays inherent in such litigation. Plaintiffs and Class Counsel have conducted extensive settlement negotiations. Based on the foregoing, Plaintiff sand Class Counsel believe the Settlement set forth in this Agreement is a fair, adequate, and reasonable settlement, and is in the best interests of the Class Members.
48. **Plaintiffs' Claims.** Plaintiffs assert that Defendants' defenses are without merit. Neither this Agreement nor any documents referred to or contemplated herein, nor any action taken to carry out this Agreement is, may be construed as, or may be used as an admission, concession or indication by or against Plaintiffs, Class Members, or Class Counsel as to the merits of any claims or defenses asserted, or lack thereof, in the Action. However, in the event that this Settlement is finally approved by the Court, the Plaintiffs, Class Members, and Class Counsel will not oppose Defendants' efforts to use this Agreement to prove that Plaintiffs and Class Members have resolved and are forever barred from re-litigating the Released Claims.
49. **Defendants' Denial of Wrongdoing.** Defendants generally and specifically deny any and all liability or wrongdoing of any sort with regard to any of the claims alleged, make no concessions or admissions of liability of any sort, and contends that for any purpose other than settlement, the Action is not appropriate for class treatment. Defendants assert a number of defenses to the claims, and have denied any wrongdoing or liability arising out of any of the alleged facts or conduct in the Action. Defendants adopted a comprehensive timekeeping and meal period compliance program years before the Action was filed which includes procedures to (1) encourage employees to report timekeeping and meal or rest period problems and (2) require supervisors and payroll employees to address and correct such problems. This uniquely demonstrates Defendants' good faith efforts to comply with California wage and hour law. Neither this Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Agreement, is or

may be construed as, or may be used as an admission, concession, or indication by or against Defendants or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. Nor should the Agreement be construed as an admission that Plaintiffs can serve as adequate Class Representatives. There has been no final determination by any court as to the merits of the claims asserted by Plaintiffs against Defendants or as to whether a class or classes should be certified, other than for settlement purposes only.

- 50. Defendants' Reasons for Settlement.** Defendants recognize that the defense of this litigation will be protracted and expensive. Substantial amounts of time, energy, and resources of Defendants have been and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiffs. Defendants, therefore, have agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest the Released Claims.

III. SETTLEMENT TERMS AND CONDITIONS

- 51. Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the maximum Gross Settlement Amount, that Defendants is obligated to pay under this Settlement Agreement is \$2,000,000. The Gross Settlement Amount includes, but is not limited to: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Attorneys Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (3) the Class Representative Enhancement Payments paid to the Class Representatives, as approved by the Court; (4) the Administration Costs, as approved by the Court; and (5) the PAGA Payment, as approved by the Court. Defendants' portion of payroll taxes as the Class Members' current or former employer will be paid outside of and in addition to the Gross Settlement Amount. No portion of the Gross Settlement Amount will revert to Defendants for any reason.

A. Plaintiffs' Right to Cancel. Defendants estimate that the total workweeks worked by putative class members from May 26, 2016 to August 25, 2022 is approximately 250,000. In the event that, within 90 days of August 26, 2022, the number of workweeks is determined to be more than 10% higher than 250,000 (i.e., if there are 275,000 or more workweeks), the parties shall renegotiate the amount of the Gross Settlement Amount. If the renegotiation is unsuccessful, Plaintiffs shall have the right to declare the settlement null and void.

- 52. Class Certification.** Solely for the purposes of this Settlement, the Parties stipulate and agree to certification of the claims asserted on behalf of Class Members. As such, the Parties stipulate and agree that in order for this Settlement to occur, the Court must certify the Class as defined in this Agreement.

- 53. Conditional Nature of Stipulation for Certification.** The Parties stipulate and agree to the certification of the claims asserted on behalf of Plaintiffs and Class Members for purposes of this Settlement only. If the Settlement does not become effective, the fact that the Parties were willing to stipulate to certification as part of the Settlement shall not be admissible or used in any way in connection with, the question of whether the Court should certify any claims in a non-settlement context in this Action or in any other lawsuit. If the Settlement does not become effective, Defendants reserve the right to contest any issues relating to class certification and liability.
- 54. Appointment of Class Representatives.** Solely for the purposes of this Settlement, the Parties stipulate and agree Plaintiffs Alicia Juarez and Karla Martinez Flores shall be appointed as representatives for the Class.
- 55. Appointment of Class Counsel.** Solely for the purpose of this Settlement, the Parties stipulate and agree that the Court appoint Class Counsel to represent the Class.
- 56. Individual Class Settlement Share.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay an Individual Class Settlement Share from the Net Settlement Amount to each Participating Class Member.

A. Calculation.

- i. **Individual Class Settlement Share Calculation.** Each Participating Class Member will receive a proportionate share of the Net Settlement Amount that is equal to (i) the number of weeks they worked for Defendants in California, in an hourly, non-exempt position, based on the Class Data provided by Defendants, divided by (ii) the total number of weeks worked by all Participating Class Members based on the same Class Data, which is then multiplied by the Net Settlement Amount. One day worked in a given week will be credited as a work week for purposes of this calculation. Therefore, the value of each Class Member's Individual Class Settlement Share ties directly to the amount of weeks that they worked.

- B. Tax Withholdings.** Each Class Member's Individual Class Settlement Share will be apportioned as follows: 15% wages, 40% interest, and 45% penalties. The amounts paid as wages shall be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and shall be reported by W-2 forms. Payment of all amounts will be made subject to backup withholding unless a duly executed W-9 form is received from the payee(s). The amounts paid as penalties and interest shall be subject to all authorized and required withholdings other

than the tax withholdings customarily made from employees' wages and shall be reported by IRS 1099 forms. Only the employee share of payroll tax withholdings shall be from each Class Member's Individual Class Settlement Share. The employer share of payroll tax withholdings shall be paid separate from and in addition to the Gross Settlement Amount. Participating Class Members will be responsible for the payment of any taxes and penalties assessed on the Individual Settlement Shares and will be solely responsible for any penalties or other obligations resulting from their personal tax reporting of Individual Settlement Shares. Class Counsel and Defendants' Counsel do not intend this Settlement Agreement to constitute legal advice relating to the tax liability of any Settlement Class Member. To the extent that this Settlement Agreement, or any of its attachments, is interpreted to contain or constitute advice regarding any federal, state or local tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any tax liability or penalties.

- 57. Individual PAGA Settlement Share.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay an Individual PAGA Settlement Share from the Net PAGA Settlement Amount to each Eligible Aggrieved Employee.

A. Calculation.

- i. **Individual PAGA Settlement Share Calculation.** Each Eligible Aggrieved Employee will receive a proportionate share of the Net PAGA Settlement Amount that is equal to (i) the number of weeks they worked for Defendants in California, in an hourly, non-exempt position, based on the Class Data provided by Defendants, divided by (ii) the total number of weeks worked by all Participating Class Members based on the same Class Data, which is then multiplied by the Net PAGA Settlement Amount. One day worked in a given week will be credited as a work week for purposes of this calculation. Therefore, the value of each Eligible Aggrieved Employee's Individual PAGA Settlement Share ties directly to the amount of weeks that they worked.

- B. Tax Withholdings.** Each Eligible Aggrieved Employee's Individual PAGA Settlement Share will be apportioned as 100% penalties. The Individual PAGA Settlement Shares shall therefore be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and shall be reported by IRS 1099 forms. Eligible Aggrieved Employees will be responsible for the payment of any taxes and penalties assessed on the Individual PAGA Payments and will be solely responsible for any penalties or other

obligations resulting from their personal tax reporting of Individual PAGA Payments. Class Counsel and Defendants' Counsel do not intend this Settlement Agreement to constitute legal advice relating to the tax liability of any Eligible Aggrieved Employee. To the extent that this Settlement Agreement, or any of its attachments, is interpreted to contain or constitute advice regarding any federal, state or local tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any tax liability or penalties.

58. Constituents of Gross Settlement Amount Disbursement. Subject to the terms and conditions of this Agreement, the Settlement Administrator shall disburse the Gross Settlement Amount as directed later on herein to the following:

A. **To the Named Plaintiffs:** In addition to their Individual Settlement Shares, and subject to the Court's approval, the named Plaintiffs, Alicia Juarez and Karla Martinez Flores, will receive up to \$10,000 each in consideration for providing Defendants a General Release, a release that is broader than the claims released by Participating Class Members. Defendants shall not oppose this request. The Settlement Administrator will pay the Class Representative Enhancement Payments out of the Gross Settlement Amount. Payroll tax withholdings and deductions will not be taken from the Class Representative Enhancement Payments. An IRS Form 1099 will be issued to Plaintiffs with respect to his Class Representative Enhancement Payments. Plaintiffs shall be solely and legally responsible to pay any and all applicable taxes on the Class Representative Enhancement Payments and shall hold harmless Defendants, Class Counsel and the Released Parties from any claim or liability for taxes, penalties, or interest arising as a result of the Class Representative Enhancement Payments. In the event the Court does not approve the entirety of the application for the Class Representative Enhancement Payments, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendants nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. If the amount awarded is less than the amount requested by Plaintiffs, the difference shall become part of the NSA and will be distributed to Participating Class Members. In the event that the Court reduces or does not approve the requested Class Representative Enhancement Payments, Plaintiffs shall not have the right to revoke the Settlement, and it will remain binding, nor will Plaintiffs seek, request, or demand an increase in the Gross Settlement Amount on that basis or any basis.

To Class Counsel. At the Final Approval Hearing, Class Counsel will apply to the Court for an Attorneys Fee Award not to exceed 33.333% of the GSA (which equates to \$666,660) and a Cost Award not to exceed \$30,000.

Defendants shall not oppose this request. The Settlement Administrator will pay the Court approved amounts for the Attorneys Fee Award and Cost Award out of the Gross Settlement Amount. Payroll tax withholding and deductions will not be taken from the Attorneys Fee Award or the Cost Award. IRS Forms 1099 will be issued to Class Counsel with respect to the Attorneys Fee Award. In the event the Court does not approve the entirety of the application for the Attorneys Fee Award and/or Cost Award, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendants nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. If the amount awarded is less than the amount requested by Class Counsel for the Attorneys Fee Award and/or Cost Award, the difference shall become part of the NSA and be available for distribution to Participating Class Members. The approved Fee Award and Class Counsels' Costs, even if less than what Class Counsel request, shall constitute full satisfaction of Defendants' obligations to pay amounts to Class Counsel for attorneys' fees or costs in this Action on behalf of Named Plaintiffs and Settlement Class Members, and shall relieve Defendants from any other claims or liability to Class Counsel for any attorneys' fees or costs to which they may claim to be entitled on behalf of Named Plaintiffs or any other Settlement Class Member. If the Court approves a Fee Award and/or Class Counsels' Costs in amounts less than what Class Counsel request, the reduction in the Fee Award and/or Class Counsels' Costs shall not be a basis for nullification of this Settlement. Nor shall a reduction in the Fee Award and/or Class Counsels' Costs in any way delay or preclude the judgment from becoming a final judgment or the Settlement from becoming Effective. Class Counsel represents that they are not aware of any other attorney or person who may assert any potential claim for attorneys' fees or costs incurred in connection with the Action.

- B. To the Responsible Tax Authorities.** The Settlement Administrator will pay the amount of the Participating Class Members' portion of normal payroll withholding taxes out of each Class Member's Individual Settlement Share. Defendants' portion of payroll taxes as the current or former employer (including the employer's payment of applicable FICA, FUTA, and SUI contributions, etc.) will be paid outside of and in addition to the GSA. The Settlement Administrator will calculate the amount of the Participating Class Members' and Defendants' portion of payroll withholding taxes and will forward the amount of the Participating Class Members' portion of normal payroll withholding taxes to the appropriate taxing authorities.
- C. To the Settlement Administrator.** The Settlement Administrator – Phoenix – will pay to itself Administration Costs (reasonable fees and expenses) approved by the Court not to exceed \$50,000. This will be paid out of the Gross Settlement Amount. If the actual amount of Administration

Costs is less than the amount estimated and/or requested, the difference shall become part of the NSA and be available for distribution to Participating Class Members.

- D. To the LWDA.** The Settlement Administrator will pay \$150,000 of the Gross Settlement Amount to the LWDA. This is 75% of the \$200,000 allocated to satisfy the PAGA penalties claim. The remaining 25% of the PAGA Payment (which equates to \$50,000) shall become part of the NPSA and be available for distribution to Eligible Aggrieved Employees.
- E. To Participating Class Members.** The Settlement Administrator will pay Participating Class Members according to the Individual Class Settlement Share calculations set forth above. All payments to Participating Class Members shall be made from the Gross Settlement Amount.
- F. To Eligible Aggrieved Employees.** The Settlement Administrator will pay Eligible Aggrieved Employees according to the Individual PAGA Settlement Share calculations set forth above. All payments to Eligible Aggrieved Employees shall be made from the Gross Settlement Amount.

59. Appointment of Settlement Administrator. Solely for the purposes of this Settlement, the Parties stipulate and agree that Phoenix shall be retained to serve as Settlement Administrator. The Settlement Administrator shall be responsible for preparing, printing, and mailing the Class Notice to the Class Members; keeping track of any objections or requests for exclusion from Class Members; performing skip traces and re-mailing Class Notices and Individual Settlement Shares to Class Members; calculating any and all payroll tax deductions as required by law; calculating each Class Member's Individual Settlement Share; calculating Eligible Aggrieved Employees' Individual PAGA Payment; providing weekly status reports to Defendant's Counsel and Class Counsel, which is to include updates on any objections or requests for exclusion that have been received; providing a due diligence declaration for submission to the Court prior to the Final Approval hearing; mailing Individual Settlement Shares to Participating Class Members; mailing Individual PAGA Payments to Eligible Aggrieved Employees; mailing the portion of the PAGA Payment due to the LWDA to the LWDA; distributing the Attorney Fee Award and Cost Award to Class Counsel; printing and providing Class Members, Eligible Aggrieved Employees and Plaintiff with W-2s and 1099 forms as required under this Agreement and applicable law; providing a due diligence declaration for submission to the Superior Court upon the completion of the Settlement; providing any funds remaining in the GSA as a result of uncashed checks to the charity designated by Defendants, the Monarch School, which qualifies under California Code of Civil Procedure section 384 as a *cy pres* recipient, including the administration of related tax reimbursements; and for such other tasks as the Parties mutually agree. The Parties each represent that they do not have any financial interest in Phoenix or otherwise have a relationship with Phoenix that could create a conflict of interest.

- A. The Settlement Administrator shall be the only entity authorized to make withdrawals or payments from the GSA Account. The Settlement Administrator will: (a) acknowledge that it has fiduciary obligations to the Parties, and will attest that it will not allow any disbursements to be made from the Settlement Fund except as expressly authorized by this Stipulation; (b) agree that it will receive no disbursements or fees from the GSA Fund Account for actions undertaken or expenses incurred without prior approval by Defense and Class Counsel; and (c) acknowledge its obligations to return the entire Settlement Fund to Defendants (less any administrative expenses incurred by the Settlement Administrator) in the event this Stipulation: (i) does not receive final approval by the Court; (ii) is modified or reversed on appeal; and/or (iii) is otherwise rendered null and void.

- B. The Settlement Administrator shall report the Individual Settlement Shares to all required taxing and other authorities, withhold the standard employer's and employee's share of payroll taxes from the wage portion of each Individual Settlement Awards, and transmit these amounts to the taxing authorities, and issue IRS Forms W-2 and 1099s. Upon completion of administration of the Settlement, the Settlement Administrator shall provide written certification of such completion to the Court and counsel for all Parties. The Settlement Administrator shall also provide any and all documentation to Defendants necessary to demonstrate that all duties have been performed under this section.

60. Procedure for Approving Settlement.

- A. **Amending the Complaint.** Prior to filing Plaintiffs' Motion for Preliminary Approval or at the time preliminary approval is sought, Plaintiffs will file the First Amended Complaint in the Class Action.

- B. **Motion for Preliminary Approval and Conditional Certification.**
 - i. Plaintiffs will move for an order: (1) conditionally certifying the Class for settlement purposes only; (2) granting Preliminary Approval of the Settlement; (3) setting a date for the Final Approval hearing; (4) and approving the Class Notice.

 - ii. At the same time that Plaintiffs files their Motion for Preliminary Approval, Plaintiffs shall send a copy of the Agreement to the LWDA pursuant to the 2016 amendments to PAGA.

 - iii. At the Preliminary Approval hearing, Plaintiffs will appear, support the granting of the motion, and submit a proposed order granting conditional certification of the Class and Preliminary Approval of the Settlement; appointing the Class Representatives,

Class Counsel, and Settlement Administrator; approving the Class Notice; and setting the Final Approval hearing.

- iv. Effect of Denial of Preliminary Approval.** Should the Court decline to conditionally certify the Class or to Preliminarily Approve all material aspects of the Settlement, the Settlement Agreement will be null and void, and the Parties will have no further obligations under it. Provided, however, that the amounts of the Attorneys Fee Award, Cost Award, Administration Costs, and Class Representative Enhancement Payments shall be determined by the Court, and the Court's determination on these amounts shall be final and binding, and that the Court's approval or denial of any amount requested for these items are not conditions of this Settlement Agreement, and are to be considered separate and apart from the fairness, reasonableness, and adequacy of the Settlement Agreement. Any order or proceeding relating to an application for the Attorneys Fee Award, Cost Award, Administration Costs, and Class Representative Enhancement Payments shall not operate to terminate or cancel this Settlement Agreement. Nothing in this Agreement shall limit Plaintiffs' or Class Counsel's ability to appeal any decision by the Court to award less than the requested Attorneys Fee Award, Cost Award, Administration Costs, and Class Representative Enhancement Payments.

C. Notice to Class Members. After the Court enters its Preliminary Approval Order, every Class Member will be provided with the Class Notice in accordance with the following procedure:

- i. Delivery of Class Data.** Within twenty (20) days after entry of the Preliminary Approval Order, Defendants shall deliver to the Settlement Administrator the Class Data, which will list the following information for each Class Member and Eligible Aggrieved Employee: (1) first and last name; (2) last known mailing address; (3) social security number; and (4) hire and termination dates. If any or all of this information is unavailable to Defendants, Defendants will so inform Class Counsel and the Parties will make their best efforts to reconstruct or otherwise agree upon how to deal with the unavailable information. The Settlement Administrator will conduct a skip trace for the address of all former Defendant employee Class Members and Eligible Aggrieved Employees. The Class Data shall be based on Defendants' payroll, personnel, and other business records. The Settlement Administrator shall maintain the Class Data and all information contained within the Class Data as private and confidential.

- ii. Preparation of Class Notices.** Based on the information in the Class Data and the Individual Settlement Share Calculations above, the Settlement Administrator shall promptly calculate the workweeks based on the Class Data and the estimated Individual Settlement Shares for every Class Member and Eligible Aggrieved Employee, to be included in the individualized Class Notices to be sent to that Class Member/Eligible Aggrieved Employee, and shall prepare and mail a spreadsheet setting forth those calculations to Class Counsel and Defense Counsel no fewer than five (5) days before mailing the Class Notices. The Class Notices will inform each Class Member of their right to do nothing, dispute the number of work weeks worked, opt out of the Settlement, or object to the Settlement. It will also inform Class Members that if they first request exclusion from the Settlement and then object, the objections would not be considered valid. In addition, if the Class Members object and then request exclusion from the Class Settlement, the Class Members would be deemed to have waived their objection.
- iii. Mailing of Class Notices.** Within fourteen (14) days after receipt of the Class Data, the Settlement Administrator will mail via first-class regular U.S. Mail the Class Notice to all identified Class Members using the mailing address information provided by Defendants and the results of the skip trace performed on all former Defendants employee Class Members.
- iv. Returned Notices.** If a Class Notice is returned because of an incorrect address, within five (5) business days from receipt of the returned notice, the Settlement Administrator will conduct a search for a more current address for the Class Member and re-mail the Class Notice to the Class Member. The Settlement Administrator will use the National Change of Address Database and skip traces to attempt to find the current address. The Settlement Administrator will be responsible for taking reasonable steps to trace the mailing address of any Class Member for whom a Class Notice is returned by U.S. Postal Service as undeliverable. These reasonable steps shall include, at a minimum, the tracking of all undelivered mail, performing address searches for all mail returned without a forwarding address, and promptly re-mailing to Class Members for whom new addresses are found.
- v. Undeliverable Notices.** If the Settlement Administrator is unable to locate a better address through a database search or skip trace, the Settlement Administrator shall the Class Notice shall be re-mailed to the original address. If the Class Notice is re-mailed,

the Settlement Administrator will note for its own records the date and address of each remailing. Those Class Members who receive a re-mailed Class Notice, whether by skip-trace or forwarded mail, will have an additional ten (10) days to postmark an Exclusion Form, or file and serve an objection to the Settlement or dispute the information provided in their Class Notice. The Settlement Administrator shall mark on the envelope whether the Class Notice is a re-mailed notice.

- vi. Weekly Status Reports.** The Settlement Administrator shall provide a weekly status report to the Parties. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Defendants' Counsel of the number of Notices mailed, the number of Notices returned as undeliverable, the number of Notices re-mailed, and the number of requests for exclusion or objections received.
- vii. Settlement Administrator's Declaration.** No later than fourteen (14) calendar days after the Response Deadline, or on a date mutually agreed upon by the Parties and the Settlement Administrator, the Settlement Administrator will serve on the Parties a declaration of due diligence setting forth its compliance with its obligations under this Agreement. The declaration from the Settlement Administrator shall also be filed with the Court by Class Counsel at the same time as the final approval motion is filed. Before the Final Approval hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.

D. Objections to Settlement. The Class Notice will provide that the Class Members who wish to object to the Settlement must do so in writing, signed, dated, and mailed to the Settlement Administrator postmarked no later than the Response Deadline. The timeframe to submit an objection will not be increased for returned mailings.

- a. Format.** Any Objections shall state: (a) the objecting person's full name, address, and telephone number; (b) the words "Notice of Objection" or "Formal Objection;" (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list identifying witness(es) the objector may call to testify at the Final Approval hearing; and (e) provide true and correct copies of any exhibit(s) the objector intends to offer at the Final Approval hearing.

b. Notice of Intent to Appear. Objecting Class Members may (though are not required to) appear at the Final Approval Hearing, either in person or through the objector's own counsel. Objecting Class Members are permitted to appear regardless of whether they submitted a written objection.

E. Request for Exclusion from the Settlement ("Opt-Out"). The Class Notice will provide that Class Members who wish to exclude themselves from the Settlement must mail to the Settlement Administrator a signed written request for exclusion. The written request for exclusion must: (a) state the Class Member's name, address, telephone number, and the last four digits of the Class Member's social security number or employee identification number; (b) state the Class Member's intention to exclude themselves from or opt-out of the Settlement; (c) be addressed to the Settlement Administrator; (d) be signed by the Class Member or his or her lawful representative; and (e) must be postmarked no later than the Response Deadline.

i. Effect of "Opt-Out." Any Class Member who returns a timely, valid, and executed request for exclusion will not participate in or be bound by the Settlement and subsequent judgment and will not receive an Individual Class Settlement Share or any benefit of the Class Settlement. If the Class Member is also an Eligible Aggrieved Employee as defined in this Agreement, they will still be bound by the PAGA Settlement and will receive an Individual PAGA Settlement Share as approved by the Court. Eligible Aggrieved Employees have no rights to opt-out of the PAGA Settlement.

ii. Confirmation of Authenticity. If there is a question about the authenticity of a signed request for exclusion, the Settlement Administrator may demand additional proof of the Class Member's identity. Any Class Member who returns a timely, valid, and executed request for exclusion will not participate in or be bound by the Settlement and subsequent judgment and will not receive an Individual Settlement Share. A Class Member who does not complete and mail a timely request for exclusion will automatically be included in the Settlement, will receive an Individual Settlement Share, and be bound by all terms and conditions of the Settlement, if the Settlement is approved by the Court, and by the subsequent judgment, regardless of whether they has objected to the Settlement.

iii. Defendants' Right to Cancel. If more than 5% of the Class chooses to opt out, Defendants shall have the right to declare the settlement null and void.

iv. Class Member Disputes. If a Class Member who receives a Class Notice wishes to dispute the number of work weeks listed on the Class Notice, the Class Member may notify the Settlement Administrator by mail or telephone no later than the Response Deadline and should produce any available supporting evidence, such as wage statements, offers of employment, termination letters, and/or other employment records, to the Settlement Administrator showing that the information on the Class Notice is inaccurate. The documentation should provide evidence of the dates the Class Member contends they worked for Defendant during the Class Period. The Settlement Administrator shall then provide the documentation provided by the Class Member to Defendant. Defendant shall review its records, the documentation provided by the Class Member, and shall provide information to the Settlement Administrator in response to any such disputed claim. Defendant's records shall be presumed to be determinative. However, if a Class Member produces evidence to the contrary, the Parties will evaluate the evidence submitted by the Class Member and will make the final decision as to the number of eligible weeks that should be applied and/or the Individual Settlement Share to which the Class Member may be entitled.

F. Report. No later than five (5) business days after the Response Deadline, the Settlement Administrator will provide the Parties with a complete and accurate accounting of the number of Notices mailed to Class Members, the number of Notices returned as undeliverable, the number of Notices re-mailed to Class Members, the number of re-mailed Notices returned as undeliverable, the number of Class Members who objected to the Settlement and copies of their submitted objections, the number of Class Members who returned valid requests for exclusion, and the number of Class Members who returned invalid requests for exclusion

G. No Solicitation of Objection or Requests for Exclusion. Neither the Parties nor their respective counsel will solicit or otherwise encourage directly or indirectly any Class Member to object to the Settlement, request exclusion from the Settlement, or appeal from the Judgment.

H. Motion for Final Approval.

i. Class Counsel will file unopposed motions and memoranda in support thereof for Final Approval of the Settlement and the following payments in accord with the terms of the Settlement: (1) the Attorneys Fee Award; (2) the Cost Award; (3) Administrative Costs; (4) the Class Representative Enhancement Payments; and (5) PAGA Payment. Class Counsel will also move the Court for

an order of Final Approval (and associated entry of Judgment) releasing and barring any Released Claims of the Participating Class Members.

- ii. Denial or Appeal of Final Approval.** If the Court does not grant Final Approval of the Settlement, or if the Court's Final Approval of the Settlement is reversed or materially modified on appellate review, then this Settlement will become null and void. If that occurs, the Parties will have no further obligations under the Settlement, including any obligation by Defendants to pay the Gross Settlement Amount or any amounts that otherwise would have been owed under this Agreement. Further, should this occur, the Parties agree they shall be equally responsible for the Settlement Administrator's Administration Costs through that date. An award by the Court of a lesser amount than sought by Plaintiffs and Class Counsel for the Class Representative Enhancement Payments, Attorneys Fee Award, Cost Award, will not constitute a material modification to the Settlement within the meaning of this paragraph.
- iii. Proposed Order and Judgment.** Upon Final Approval of the Settlement, the Parties shall present to the Court a proposed Final Approval Order, approving of the Settlement and entering Judgment in accordance therewith. Such entry of final Judgment shall operate to permanently bar and enjoin all Class Members (excluding those who submit a valid and timely Opt-Out form) from instituting, commencing, prosecuting, or pursuing, either directly or in any other capacity, any of the claims, damages, causes of action, or claims for attorneys' fees asserted in the Action or identified as Released Claims in this Agreement. After entry of Judgment, the Court shall have continuing jurisdiction over the action for purposes of: (1) enforcing this Settlement Agreement; (2) addressing settlement administration matters, and (3) addressing such post-judgment matters as may be appropriate under Court rules and applicable law.
- iv. Order Enjoining Plaintiffs and Class Members.** Except as to Class Members who timely submit a valid Exclusion Form the Preliminary Approval Order and Final Judgment will contain provisions enjoining Plaintiffs and the Class Members from prosecuting the Released Class Claims and enjoining Plaintiffs and the Class Members from initiating or continuing other proceedings regarding the Release Class Claims, including but not limited to filing any claims for monetary relief of the Released Claims before the Division of Labor Standards and Enforcement ("DLSE") or in any forum whatsoever. Inclusion of these

provisions in the Order of Preliminary Approval Order and Final Judgment and Order of Final Approval is a material part of the consideration for this Settlement. After approval of the Stipulation of Settlement at the Final Approval Hearing and upon receipt of the final payment, the Class Participants and the Class Representatives each release the Released Parties, and each of them, of and from any and all of the Released Class Claims.

v. Order Enjoining Plaintiffs and Eligible Aggrieved Employees.

The Preliminary Approval Order and Final Judgment will contain provisions enjoining Plaintiffs and the Eligible Aggrieved Employees from prosecuting the Released PAGA Claims and enjoining Plaintiff and the Class Members from initiating or continuing other proceedings regarding the Released PAGA Claims, including but not limited to filing any claims for monetary relief of the Released PAGA Claims before the Division of Labor Standards and Enforcement (“DLSE”) or in any forum whatsoever. Inclusion of these provisions in the Order of Preliminary Approval Order and Final Judgment and Order of Final Approval is a material part of the consideration for this Settlement. After approval of the Stipulation of Settlement at the Final Approval Hearing and upon receipt of the final payment, the Plaintiffs and Eligible Aggrieved Employees each release the Released Parties, and each of them, of and from any and all of the Released PAGA Claims.

- I. Waiver of Right to Appeal.** Provided that the judgment is consistent with the terms and conditions of this Agreement, and if Class Members do not timely object to the Settlement, then the Parties and their respective counsel waive any and all rights to appeal from the judgment, including, but not limited to, all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate or set aside judgment, and any extraordinary writ, and the judgment will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceeding, or post-judgment proceeding.
- J. Vacating, Reversing, or Modifying Judgment on Appeal.** If, after a notice of appeal, the reviewing Court vacates, reverses, or modifies the judgment such that there is a material modification to the Settlement Agreement, and that Court’s decision is not completely reversed and the judgment is not fully affirmed on review by a higher Court, then this Settlement will become null and void and the Parties will have no further obligations under it. A material modification would include, but not necessarily be limited to, any alteration of the Gross Settlement Amount, an

alteration in the calculation of the Net Settlement Amount, and any change to the calculation of the Individual Settlement Share.

K. Disbursement of Settlement Shares and Payments. Subject to the Court finally approving the Settlement, the Settlement Administrator shall distribute funds pursuant to the terms of this Agreement and the Court's Final Approval Order and Judgment. The Settlement Administrator shall keep Defendants' Counsel and Class Counsel apprised of all distributions from the Gross Settlement Amount. The Settlement Administrator shall respond to questions from Defendants' Counsel and Class Counsel. No person shall have any claim against Defendants, Defendants' Counsel, Plaintiffs, Class Counsel, or the Settlement Administrator based on the distributions and payments made in accordance with this Agreement.

- i. Funding the Settlement:** Defendants shall wire to the Settlement Administrator the Gross Settlement Amount no later than thirty (30) days of the Effective Final Settlement Date.
- ii. Disbursement:** Within twenty (20) calendar days after the Settlement Administrator's receipt of the Gross Settlement Amount, the Settlement Administrator shall disburse: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Net PAGA Settlement Amount to Aggrieved Employees; (3) the Attorney Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (4) the Class Representative Enhancement Payment paid to the Class Representatives, as approved by the Court; (5) the Administration Costs, as approved by the Court; (6) the LWDA Payment to the LWDA; and (7) Defendants' portion of payroll taxes as the Class Members' current or former employer.
- iii. Qualified Settlement Fund or QSF:** The Parties agree that the QSF is intended to be a "Qualified Settlement Fund" under Section 468B of the Code and Treasury Regulations § 1.468B-1, 26 C.F.R. § 1.468B-1 *et seq.*, and will be administered by the Settlement Administrator as such. The Parties and Settlement Administrator shall treat the QSF as coming into existence as a Qualified Settlement Fund on the earliest date permitted as set forth in 26 C.F.R. § 1.468B-1, and such election statement shall be attached to the appropriate returns as required by law.

L. Settlement Administrator's Final Report. Within ten (10) business days after the disbursement of all funds, the Settlement Administrator will serve on the Parties a declaration providing a final report on the disbursements of all funds. The Parties shall file this declaration with the Court. The

Settlement Administrator will provide any supplemental declaration required by the Court or the Parties.

M. Uncashed Checks. Participating Class Members and Eligible Aggrieved Employees must cash or deposit their Individual Class Settlement Share and Individual PAGA Settlement Share checks within one hundred and eighty (180) calendar days after the checks are mailed to them.

i. Reminder Postcard. If any checks are not redeemed or deposited within ninety (90) calendar days after mailing, the Settlement Administrator will send a reminder postcard indicating that unless the check is redeemed or deposited in the next ninety (90) days, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced.

ii. If any checks remain uncashed or not deposited by the expiration of the 90-day period after mailing the reminder notice, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, cancel the checks. All funds associated with the Individual Class Settlement Share and Individual PAGA Settlement Share checks shall be paid to the Monarch School, a non-profit organization that qualifies as a *cy pres* beneficiary in compliance with section 384 of the California Code of Civil Procedure.

N. Defendants' Legal Fees. Defendants are responsible for paying for all of Defendants' own legal fees, costs, and expenses incurred in this Action outside of the Gross Settlement Amount.

O. Release of Claims. As of the Effective Final Settlement Date, Class Members who do not submit a timely and valid request for exclusion release the Released Parties from the Released Claims. Participating Class Members agree not to sue or otherwise make a claim against any of the Released Parties for any of the Released Claims.

P. Plaintiffs' Release of Claims and General Release. As of the Effective Final Settlement Date, and in exchange for the Class Representative Enhancement Payments to the named Plaintiffs in an amount not to exceed \$10,000 each, Plaintiffs Alicia Juarez and Karla Martinez Flores shall give the following general release of claims for themselves and their respective spouses, heirs, successors and assigns, forever release the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, penalties and expenses of any nature whatsoever, from the beginning of time through the date of their signatures on this Agreement, known or unknown, suspected or

unsuspected, whether in tort, contract, equity, or otherwise, for violation of any federal, state or local statute, rule, ordinance or regulation, including but not limited to all claims arising out of, based upon, or relating to their employment with Defendants or the remuneration for, or termination of, such employment. Plaintiffs' Release of Claims also includes a waiver of California Civil Code section 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.

This release excludes any release of any claims not permitted to be released by law.

Q. Miscellaneous Terms

- A. No Admission of Liability.** Defendants make no admission of liability or wrongdoing by virtue of entering into this Agreement. Additionally, Defendants reserve the right to contest any issues relating to class certification and liability if the Settlement is not approved. Defendants deny that it has engaged in any unlawful activity, has failed to comply with the law in any respect, has any liability to anyone under the claims asserted in the Action, or that but for the Settlement, a Class should be certified in the Action. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendants of liability or wrongdoing. This Settlement and Plaintiffs' and Defendants' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with this Settlement).
- B. No Effect on Employee Benefits.** The Class Representative Enhancement Payments and/or Individual Settlement Shares paid to Plaintiffs and Participating Class Members shall not be deemed to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (*e.g.*, vacation, holiday pay, retirement plans, etc.) of Plaintiffs or the Participating Class Members. The Parties agree that any Class Representative Enhancement Payments and/or Individual Settlement Shares paid to Plaintiffs or the Participating Class Members under the terms of this Agreement do not represent any modification of Plaintiffs' or Participating Class Members' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by

Defendants. Further, any Class Representative Enhancement Payments shall not be considered “compensation” in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored by Defendants.

- C. Publicity.** Class Counsel and Plaintiffs agree to discuss the terms of this Settlement only in declarations submitted to a court to establish Class Counsel’s adequacy to serve as class counsel, in declarations submitted to a court in support of motions for preliminary approval, Final Approval, for attorneys’ fees/costs, and any other pleading filed with the Court in conjunction with the Settlement, and in discussions with Class Members or Eligible Aggrieved Employees in the context of administering this Settlement until the Preliminary Approval Order is issued. Class Counsel and Plaintiffs agree to decline to respond to any media inquiries concerning the Settlement.
- D. Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire Agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any party concerning this Agreement or its exhibits, other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits.
- E. Authorization to Enter Into Settlement Agreement.** Class Counsel and Defendants’ Counsel warrant and represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties under this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the Court, and in all cases, all such documents, supplemental provisions, and assistance of the Court will be consistent with this Agreement.
- F. Exhibits and Headings.** The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral part of the Settlement and must be approved substantially as written. 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.

- G. Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Action in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval hearing to be conducted by the Court.
- H. Amendment or Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by counsel for all Parties or their successors-in-interest.
- I. Agreement Binding on Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the successors and assigns of the Parties, as previously defined.
- J. No Prior Assignment.** Plaintiffs hereby represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged.
- K. Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.
- L. Fair, Adequate, and Reasonable Settlement.** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, current and potential.
- M. No Tax or Legal Advice.** The Parties understand and agree that the Parties are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Agreement, and that Class Members will assume any such tax obligations or consequences that may arise from this Agreement, and that Class Members shall not seek any indemnification from the Parties or any of the Released Parties in this regard. The Parties agree that, in the event that any taxing body determines that additional taxes are due from any Class Member, such Class Member assumes all responsibility for the payment of such taxes.
- N. Jurisdiction of the Court.** The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgment entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the

Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments in connection therewith.

- O. Invalidity of Any Provision; Severability.** Before declaring any provision of this Agreement invalid, the Parties request that the Court first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable. In the event any provision of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

- P. Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

- Q. Execution in Counterpart.** This Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Electronic, facsimile or PDF signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

IV. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel execute this Agreement.

[signatures on the following page]

Dated: 11/11/2022

ALICIA JUAREZ

DocuSigned by:
Alicia Juarez
126750BBC70F462...

Dated: _____

KARLA MARTINEZ FLORES

Dated: November 22, 2022

FLOREXPO, LLC

DocuSigned by:
Jennifer Lab-Elsner
2E0FA156E82F4DD...

Name: Jennifer Lab-Elsner
Title: VP, HR and Administration

Dated: November 22, 2022

KENDAL FLORAL SUPPLY, LLC

DocuSigned by:
Jennifer Lab-Elsner
2E0FA156E82F4DD...

Name: Jennifer Lab-Elsner
Title: VP, HR and Administration

Dated: 11/16/2022

MARA LAW FIRM, PC

David Mara, Esq.
Matthew Crawford, Esq.
Attorneys for Plaintiffs

Dated: November 22, 2022

PROCOPIO, CORY, HARGREAVES & SAVITCH LLP

DocuSigned by:
Ashley Fasano
78F0477553A54C9...

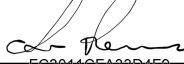
Marie Burke Kenny, Esq.
Ashley Fasano, Esq.
Attorneys for Defendants

Dated: _____

ALICIA JUAREZ

Dated: 11/16/2022

KARLA MARTINEZ FLORES

DocuSigned by:

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Dated: _____

FLOREXPO, LLC

Name:
Title:

Dated: _____

KENDAL FLORAL SUPPLY, LLC

Name:
Title:

Dated: _____

MARA LAW FIRM, PC

David Mara, Esq.
Matthew Crawford, Esq.
Attorneys for Plaintiffs

Dated: _____

PROCOPIO, CORY, HARGREAVES & SAVITCH LLP

Marie Burke Kenny, Esq.
Ashley Fasano, Esq.
Attorneys for Defendants