

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN BERNARDINO
SAN BERNARDINO DISTRICT

MAR 21 2023

BY Amber M. Gear
AMBER M. GEAR, DEPUTY

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO**

REGINA MARQUEZ, individually, and on
behalf of other members of the general public
similarly situated;

Plaintiff,

v.

SOUTHWIRE COMPANY, LLC, a Delaware
limited liability company; and DOES 1 through
100, inclusive;

Defendants.

Case No.: CIVSB2027859

Assigned for All Purposes to:
Honorable David Cohn
Department S-26

CLASS ACTION

**~~PROPOSED~~ ORDER GRANTING
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT, CONDITIONAL
CERTIFICATION, APPROVAL OF
CLASS NOTICE, SETTING OF FINAL
APPROVAL HEARING DATE**

Hearing Date: March 9, 2023
Hearing Time: 10:00 a.m.
Hearing Place: Department S-26

Complaint Filed: December 14, 2020
Trial Date: None Set

1 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

2 The Motion for Preliminary Approval of Class Action Settlement came before this Court,
3 the Honorable David Cohn presiding, on March 9, 2023 at 10:00 a.m. The Court, having considered
4 the papers submitted in support of the Motion, **ORDERS THE FOLLOWING:**

5 1. The following Class is conditionally certified for purposes of settlement only: all
6 persons who worked for Defendant Southwire Company, LLC ("Defendant") in California as an
7 hourly-paid or non-exempt employee during the time period from June 17, 2016 to November 5,
8 2022 ("Class," "Class Members," and Class Period").

9 2. The Court grants preliminary approval of the settlement based upon the terms set
10 forth in the Joint Stipulation and Settlement Agreement ("Settlement Agreement," "Settlement," or
11 "Agreement"). Attached hereto as **Exhibit 1** is a true and correct copy of the Settlement Agreement.
12 Capitalized terms shall have the definitions set forth in the Settlement Agreement.

13 3. The settlement embodied in the Settlement Agreement appears to be fair, adequate,
14 and reasonable to the Class. The Settlement Agreement falls within the range of reasonableness and
15 appears to be presumptively valid, subject only to any objections that may be raised at the Final
16 Approval Hearing.

17 4. Plaintiff Regina Marquez ("Plaintiff") is conditionally approved to serve as the class
18 representative.

19 5. Douglas Han, Shunt Tatavos-Gharajeh, Phillip Song, and Chancellor Nobles of
20 Justice Law Corporation are conditionally approved as Class Counsel for the Class.

21 6. The Court confirms Phoenix Class Action Settlement Administrators as the
22 Settlement Administrator.

23 7. The proposed Maximum Settlement Amount of \$1,375,000 is conditionally
24 approved.

25 8. The proposed payment of the Attorney Fee Award to Class Counsel not to exceed
26 \$458,333.34 (1/3 of the Maximum Settlement Amount) and Cost Award to Class Counsel for actual
27 litigation costs incurred not to exceed \$20,000 are conditionally approved.

28 ///

1 9. The proposed Class Representative Enhancement Payment of \$10,000 to Plaintiff
2 for her services as the class representative is conditionally approved.

3 10. The proposed payment of the Administration Costs not to exceed \$20,000, to the
4 Settlement Administrator for its services is conditionally approved.

5 11. The Court also conditionally approves the Private Attorneys General Act of 2004
6 (“PAGA”) Payment of \$125,000 the Parties have allocated for the settlement of the claims for
7 PAGA penalties stemming from the alleged Labor Code violations. Seventy-five percent (75%) of
8 the PAGA Payment (\$93,750) will be paid to the California Labor and Workforce Development
9 Agency, and the remaining twenty-five percent (25%) of the PAGA Payment (\$31,250) shall be
10 distributed to Eligible Aggrieved Employees, on a pro rata basis.

11 12. A Final Approval Hearing on the question of whether the Settlement Agreement,
12 Attorney Fee Award, Cost Award, and Class Representative Enhancement Payment should be
13 finally approved as fair, reasonable, and adequate as to all Class Members who do not submit valid
14 and timely requests to exclude themselves from the class action Settlement is scheduled on the date
15 and time set forth below.

16 13. The Court approves, as to form and content, the Notice of Class and Representative
17 Action Settlement (“Class Notice”), as attached as **Exhibit A** to the Agreement. The Court also
18 approves the procedure for Class Members to participate in, to opt out of, and to object to the
19 Settlement as set forth in the Notice. The Court approves, as to form and content, the Election Not
20 To Participate In (Opt Out From) Class Action Settlement Form (“Exclusion Form”) Class
21 Members must use to exclude themselves from the Settlement, other than the release of claims
22 under PAGA, as attached as **Exhibit B** to the Agreement.

23 14. The Court directs the mailing of the Class Notice and Exclusion Form (collectively,
24 known as the “Notice Packet”) to all identified Class Members via first-class regular U.S. Mail in
25 accordance with the implementation schedule set forth below. The Court finds the dates selected
26 for the mailing and distribution of the Notice Packet, as set forth in the Implementation Schedule
27 below, meet the requirements of due process, provide the best notice practicable under the
28 circumstances, and shall constitute due and sufficient notice to all persons entitled.

1 15. To facilitate administration of the Settlement pending final approval, the Court
2 hereby enjoins Plaintiff and all Class Members from filing or prosecuting any claims, suits, or
3 administrative proceedings (including, but not limited to, filing claims with the Division of Labor
4 Standards Enforcement of the California Department of Industrial Relations) based on claims
5 released by the Settlement unless and until such Class Members have filed valid requests for
6 exclusion with the Settlement Administrator and the time for filing valid requests for exclusion with
7 the Settlement Administrator has not elapsed.

8 16. The Court orders the following Implementation Schedule for further proceedings:

9 a.	Deadline for Defendant to submit Class Data to Settlement Administrator	Within fifteen (15) calendar days after entry of the Preliminary Approval Order
10 b.	Deadline for Settlement Administrator to mail the Notice Packet to Class Members	Within fourteen (14) calendar days after Defendant's deadline to provide the Class Data to the Settlement Administrator
11 c.	Deadline for Class Members to postmark requests for exclusion, written objections, and written disputes to the Settlement Administrator	Within forty-five (45) calendar days from the initial mailing of the Notice Packet
12 d.	Deadline for Class Counsel to file Motion for Final Approval of Settlement, Attorney Fee Award, Cost Award, and Class Representative Enhancement Payment	Sixteen (16) Court days before Final Approval Hearing in conformity with Code of Civil Procedure section 1005
13 e.	Final Approval Hearing	8/14/23 at 10:00 a.m./p.m. in Department S-26

21 Dated:

22 3/21/23

23 IT IS SO ORDERED.

24 By:

25 Honorable David Cohn
26 Judge of the Superior Court

EXHIBIT 1





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JOINT STIPULATION AND SETTLEMENT AGREEMENT

Subject to Final Approval by the Court, this Settlement Agreement is between Plaintiff Regina Marquez (“Plaintiff”), on behalf of the Class (as defined below), and Defendant Southwire Company, LLC (“Defendant”). Plaintiff and Defendant collectively are referred to in this Agreement as the “Parties.”

I. DEFINITIONS

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

- A. Administration Costs:** The costs incurred by the Settlement Administrator to administer this Settlement in an amount not to exceed \$10,000 and shall be paid from the Qualified Settlement Fund.
- B. Agreement, Settlement Agreement, Joint Stipulation, or Settlement:** The settlement agreement reflected in this document, titled “Joint Stipulation and Settlement Agreement.”
- C. Attorney Fee Award:** The amount, not to exceed one-third (1/3) of the Maximum Settlement Amount, or \$458,333.34, finally approved by the Court and awarded to Class Counsel. The Attorney Fee Award shall be paid from the Qualified Settlement Fund and will not be opposed by Defendant.
- D. Class:** All persons who worked for Defendant in California as an hourly-paid or non-exempt employee during the Class Period.
- E. Class Action:** The putative class action lawsuit filed by Plaintiff on December 14, 2020, entitled *Marquez v. Southwire Company, LLC*, Case No. CIVSB2027859 in the State of California, San Bernardino County Superior Court. Pursuant to the approval of this Agreement, the Parties agree to amend the Class Action with the PAGA cause of action and other legal theories.
- F. Class Counsel:** Douglas Han, Shunt Tatavos-Gharajeh, Phillip Song, and Chancellor Nobles of Justice Law Corporation.
- G. Class Data:** The Class Data means information regarding Class Members that Defendant will compile from its available, existing, electronic records and provide to the Settlement Administrator. It shall be formatted as a Microsoft Excel spreadsheet and shall include: (i) each Class Member’s full name; (ii) each Class Member’s last-known address; (iii) each Class Member’s Social Security and Employee ID number, if any; (iv) the Class Member’s relevant dates of employment; (v) number of workweeks worked by the Class Member during the Class Period (excluding weeks where the Class Member performed no work for Defendant).

- H. **Class Member:** Each person eligible to participate in this Settlement who is a member of the Class as defined above.
- I. **Class Notice:** The Notice of Class and Representative Action Settlement, substantially similar to the form attached hereto as **Exhibit A**, subject to Court approval.
- J. **Class Period:** The time period from June 17, 2016 to November 5, 2022.
- K. **Class Representative or Plaintiff:** Regina Marquez.
- L. **Class Representative Enhancement Payment:** The amounts the Court awards to Plaintiff for her services as a Class Representative, which will not exceed \$10,000. This payment shall be paid from the Qualified Settlement Fund and will not be opposed by Defendant. This enhancement is subject to approval of the Court.
- M. **Complaints:** The class action lawsuit filed by Plaintiff on December 14, 2020 and the amended complaint to be filed pursuant to the approval of this settlement.
- N. **Cost Award:** The amount that the Court awards Class Counsel for payment of actual litigation costs subject to proof, which shall not exceed \$20,000. The Cost Award will be paid from the Qualified Settlement Fund and will not be opposed by Defendant.
- O. **Counsel for Defendant:** Attorneys David L. Cheng and Jason Shon of Ford & Harrison LLP.
- P. **Court:** The State of California, San Bernardino County Superior Court.
- Q. **Defendant:** Southwire Company, LLC, a California corporation.
- R. **Effective Final Settlement Date:** The effective date of this Settlement will be when Defendant fulfills its payment obligations under Section III (I)(8)(a) of this Agreement (i.e., Defendant's full funding of the Maximum Settlement Amount).
- S. **Eligible Aggrieved Employees:** The aggrieved employees eligible to recover the PAGA payment shall consist of all hourly-paid or non-exempt employees of Defendant in California during the PAGA Period.
- T. **Exclusion Form:** The Election Not To Participate In (Opt Out From) Class Action Settlement Form, substantially similar to the form attached hereto as **Exhibit B**, subject to Court approval.

- U. **Judgment or Final Approval:** The final order entered by the Court finally approving this Agreement.
- V. **Maximum Settlement Amount (“MSA”):** The total value of the Settlement is a non-reversionary One Million Three Hundred Seventy-Five Thousand Dollars (\$1,375,000). This is the maximum amount Defendant can be required to pay under this Settlement Agreement, which includes: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Attorney Fee Award and Cost Award to Class Counsel for attorneys’ fees and costs, as approved by the Court; (3) the Class Representative Enhancement Payment paid to the Class Representative, as approved by the Court; (4) Administration Costs paid to the Settlement Administrator, as approved by the Court; and (5) the PAGA Payment to the LWDA and to Eligible Aggrieved Employees, as approved by the Court. Defendant’s portion of payroll taxes as the Class Members’ current or former employer is not included in the MSA and will be a separate obligation of Defendant. No portion of the Maximum Settlement Amount will revert to Defendant for any reason.
- W. **Individual PAGA Payment(s):** The amount payable to each Eligible Aggrieved Employee from the portion of the PAGA Payment allocated to the Eligible Aggrieved Employees under the terms of this Settlement Agreement. Eligible Aggrieved Employees are not required to submit a claim form to receive their Individual PAGA Payment.
- X. **Individual Settlement Share(s):** The amount payable to each Participating Class Member from the Net Settlement Amount under the terms of this Settlement Agreement. Class Members are not required to submit a claim form to receive their Individual Settlement Shares pursuant to this Agreement.
- Y. **LWDA:** California Labor and Workforce Development Agency.
- Z. **Net Settlement Amount (“NSA”):** The total amount of money available from the MSA for distribution to Participating Class Members, which is the MSA less the Attorney Fee Award, the Cost Award, the Class Representative Enhancement Payment, the PAGA Payment, and the Administration Costs.
- AA. **Notice Packet:** The Class Notice and the Exclusion Form.
- BB. **PAGA:** The California Labor Code Private Attorneys General Act of 2004 (Cal. Labor Code §§ 2698 *et seq.*).
- CC. **PAGA Notice:** The PAGA Notice refer to the pre-filing notice of Labor Code violations served on the LWDA by Plaintiff on October 21, 2022.

- DD. PAGA Payment:** The PAGA Payment consists of \$125,000 of the Maximum Settlement Amount allocated to satisfy the PAGA penalties claim as alleged in the Class Action. Seventy-five percent (75%) of the PAGA Payment (\$93,750) shall be paid to the LWDA, and twenty-five percent (25%) of the PAGA Payment (\$31,250) shall be distributed to Eligible Aggrieved Employees, on a pro rata basis, as set forth below.
- EE. PAGA Period:** The period from October 21, 2021 to November 5, 2022.
- FF. PAGA Released Claims:** PAGA Released Claims means all allegations and claims for civil penalties pursuant to PAGA based on any and all underlying claims asserted in the LWDA pre-filing notice dated September 27, 2022 arising during the PAGA Period.
- GG. Participating Class Members:** All Class Members who do not submit a valid and timely request to exclude themselves from the class action Settlement.
- HH. Parties:** Plaintiff, as an individual and as a Class Representative, and Defendant Southwire Company, LLC.
- II. Preliminary Approval or Preliminary Approval Order:** The Court's order preliminarily approving the proposed Settlement.
- JJ. Qualified Settlement Fund or QSF:** A fund within the meaning of Treasury Regulation § 1.46B-1, 26 C.F.R. § 1.468B-1 *et seq.* that is established by the Settlement Administrator for the benefit of Participating Class Members, Plaintiff, and Class Counsel.
- KK. Released Claims:** Any and all claims made or which could have been made based on the facts pled in the Complaints, including but not limited to state wage and hour claims for any and all violations of California's Labor Code and Unfair Competition Law based on Defendant's: (a) failure to pay for all hours worked (including minimum wages, straight time wages, and overtime wages); (b) failure to provide meal periods; (c) failure to authorize and permit rest periods; (d) failure to timely pay all wages due at the time of termination; (e) failure to furnish accurate, itemized wage statements; (f) failure to timely pay wages during employment; (g) failure to properly reimburse for all business-related expenses; (h) failure to pay wages for sick leave; (i) civil penalties under California's Private Attorneys General Act of 2004 based on the alleged Labor Code violations; (j) and all damages, interest, penalties, attorneys' fees, costs, and other amounts recoverable under said causes of action under California law, to the extent permissible, including but not limited to the California Labor Code and the applicable Wage Orders. The release will occur only upon Defendant's fulfillment of its payment obligations under Section III (I)(8)(a) of this Agreement (i.e., Defendant's full funding of the Settlement). The period of the release shall run through the Class Period. As to individual Class Members, the

release applies only to periods of time when the Class Member was a member of the Class (i.e., excluding periods of time in exempt positions).

- LL. Released Parties:** Defendant and its past or present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents, attorneys, and any entities that may be considered joint employers.
- MM. Response Deadline:** Forty-five (45) calendar days from the initial mailing of the Notice Packet and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- NN. Settlement Administrator:** The third-party administrator agreed upon by the Parties to administer this Settlement is Phoenix Class Action Settlement Administrators

II. RECITALS

- A. Discovery and Investigation.** Prior to the mediation and both before and after the Class Action was filed, the Parties conducted significant investigation and discovery of the facts and law. Prior to the mediation, Defendant produced documents relating to its policies, practices, and procedures regarding reimbursement of business expenses, paying non-exempt employees for all hours worked, meal and rest period policies, and payroll and operational policies. As part of Defendant's production, Plaintiff also reviewed time records, pay records, and information relating to the size and scope of the Class, as well as data permitting Plaintiff to understand the number of workweeks in the Class Period. Plaintiff also interviewed several Class Members who worked for Defendant throughout the Class Period. The Parties agree that the above-described investigation and evaluation, as well as the information exchanged during the settlement negotiations, are more than sufficient to assess the merits of the respective Parties' positions and to compromise the issues on a fair and equitable basis.
- B. Benefits of Settlement to Class Members.** Plaintiff and Class Counsel recognize the expense and length of additional proceedings necessary to continue the litigation against Defendant through trial and through any possible appeals. Plaintiff and Class Counsel have also taken into account the uncertainty and risk of further litigation, the potential outcome, and the difficulties and delays inherent in such litigation. Plaintiff and Class Counsel have conducted extensive settlement negotiations, including a formal mediation

on September 6, 2022. Based on the foregoing, Plaintiff and 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.

- C. **Defendant's Reasons for Settlement.** Defendant recognizes that the defense of this litigation will be protracted and expensive. Substantial amounts of Defendant's time, energy, and resources have been and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiff. Defendant, therefore, has agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest the Released Claims.
- D. **Defendant's Denial of Wrongdoing.** Defendant generally and specifically denies any and all liability or wrongdoing of any sort with regard to any of the claims alleged, makes no concessions or admissions of liability of any sort, and contends that for any purpose other than settlement, the Class Action is not appropriate for class or representative treatment. Defendant asserts a number of defenses to the claims, and has denied any wrongdoing or liability arising out of any of the alleged facts or conduct in the Class Action. 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 Defendant or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. Nor should the Agreement be construed as an admission that Plaintiff can serve as adequate Class Representative. There has been no determination by any court as to the merits of the claims asserted by Plaintiff against Defendant or as to whether a class or classes should be certified, other than for settlement purposes only.
- E. **Plaintiff's Claims.** Plaintiff asserts that Defendant's 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 Plaintiff, Class Members, or Class Counsel as to the merits of any claims or defenses asserted, or lack thereof, in the Class Action. However, in the event that this Settlement is finally approved by the Court, none of Plaintiff, Class Members, or Class Counsel will oppose Defendant's efforts to use this Agreement to prove that Plaintiff and Class Members have resolved and are forever barred from re-litigating the Released Claims.
- F. **Other Pending Matters.** The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

III. SETTLEMENT TERMS AND CONDITIONS

- A. **Maximum Settlement Amount.** Subject to the terms and conditions of this Agreement, the maximum amount, “Maximum Settlement Amount,” excluding payroll taxes, that Defendant is obligated to pay under this Settlement Agreement is One Million Three Hundred Seventy-Five Thousand Dollars (\$1,375,000).
- B. **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 for this Settlement to occur, the Court must certify the Class as defined in this Agreement.
- C. **Filing of the First Amended Class Action.** Pursuant to the approval of this Agreement and for efficiency purposes, the Parties agree to jointly amend the Class Action, subject to Defendant’s approval, with a cause of action for PAGA and any other causes of action, allegations or theories of liability that were investigated and negotiated for this Settlement. Thus, the amending of the Class Action is predicated on the approval of this Agreement.
- D. **Conditional Nature of Stipulation for Certification.** The Parties stipulate and agree to the certification of the claims asserted on behalf of Plaintiff 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 Class Action or in any other lawsuit or venue. If the Settlement does not become effective, Defendant reserves the right to contest any issues relating to class certification, liability and damages.
- E. **Appointment of Class Representative.** Solely for the purposes of this Settlement, the Parties stipulate and agree Plaintiff shall be appointed as the representative for the Class.
- F. **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.
- G. **Settlement Disbursement.** Subject to the terms and conditions of this Agreement, and the approval of the Court, the Settlement Administrator will disburse the Maximum Settlement Amount as follows:
1. **To the Plaintiff Regina Marquez.** In addition to her Individual Settlement Share, and subject to the Court’s approval, Plaintiff will receive up to \$10,000 as a Class Representative Enhancement Payment. The Settlement Administrator will pay the Class Representative Enhancement Payment out of the Qualified Settlement Fund. Payroll tax withholdings and deductions will not be taken from the Class Representative Enhancement Payment. An

IRS Form 1099 will be issued to Plaintiff with respect to her Class Representative Enhancement Payment. Plaintiff shall be solely and legally responsible to pay any and all applicable taxes on the Class Representative Enhancement Payment and shall hold harmless Defendant, 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 Payment. In the event the Court does not approve the entirety of the application for the Class Representative Enhancement Payment, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendant 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 Plaintiff, 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 Payment, Plaintiff shall not have the right to revoke the Settlement, and it will remain binding, nor will Plaintiff seek, request, or demand an increase in the Maximum Settlement Amount on that basis or any basis.

2. **To Class Counsel.** Class Counsel will apply to the Court for, and Defendant agrees not to oppose, a total Attorney Fee Award not to exceed one-third (1/3) or \$458,333.34 of the MSA and a Cost Award not to exceed \$20,000. The Settlement Administrator will pay the Court-approved amounts for the Attorney Fee Award and Cost Award out of the Maximum Settlement Amount. The Settlement Administrator may purchase an annuity to utilize US treasuries and bonds or other attorney fee deferral vehicles for Class Counsel. Payroll tax withholding and deductions will not be taken from the Attorney Fee Award or the Cost Award. IRS Forms 1099 will be issued to Class Counsel with respect to these payments. Class Counsel shall be solely and legally responsible to pay all applicable taxes on the Attorney Fee and Cost Awards. If the Court does not approve the entirety of the application for the Attorney Fee Award and/or Cost Award, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendant 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 Attorney Fee Award and/or Cost Award, the difference shall become part of the NSA and will be distributed to Participating Class Members. If the Court reduces or does not approve the requested Attorney Fee Award, Plaintiff shall not have the right to revoke the Settlement, and it will remain binding, nor will Plaintiff seek, request, or demand an increase in the Maximum Settlement Amount on that basis or any basis.
3. **To the Responsible Tax Authorities.** The Settlement Administrator will withhold the amount of the Participating Class Members' portion of normal payroll withholding taxes out of each person's Individual Settlement Share.

The Settlement Administrator will also calculate the amounts of the Participating Class Members' and Defendant's portions of payroll withholding taxes. The Settlement Administrator will submit Defendant's portion of payroll withholding tax calculation to Defendant for additional funding and forward those amounts along with each person's Individual Settlement Share withholdings to the appropriate taxing authorities.

4. To the Settlement Administrator. The Settlement Administrator will pay to itself Administration Costs (reasonable fees and expenses) approved by the Court not to exceed \$10,000. This will be paid out of the Qualified Settlement Fund. 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 will be distributed to Participating Class Members.

5. To Participating Class Members. The Settlement Administrator will pay each Participating Class Member an Individual Settlement Share from the NSA. The payment of Individual Settlement Share shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

a. Individual Settlement Share Calculation. The Individual Settlement Share is calculated based on each Participating Class Member's pro rata share of the Net Settlement Amount based on workweeks during the Class Period as follows: (i) the number of weeks he or she worked as a hourly-paid or non-exempt employee during the Class Period, divided by (ii) the total number of weeks worked by all Participating Class Members collectively during the Class Period, which is then multiplied by the Net Settlement Amount. The Settlement Administrator will use the Class Data to calculate the number of workweeks worked by each Class Member based on their dates of employment for purposes of this calculation.

b. Tax Treatment for Individual Settlement Shares. Each Participating Class Member's Individual Settlement Share will be apportioned as follows: ten percent (10%) wages and ninety percent (90%) interest, penalties, and reimbursements. The portion 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. 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. The employees' shares of payroll tax withholdings shall be withheld from each person's Individual

Settlement Share. 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.

6. To Eligible Aggrieved Employees. The Settlement Administrator shall pay each Eligible Aggrieved Employee according to his or her proportional share, which will be based upon the total number of pay periods he or she was employed during the PAGA Period.

a. Individual PAGA Payment Calculation. The Individual PAGA Payment is calculated based on each Eligible Aggrieved Employee's pro rata share of the PAGA Payment allocated to the Eligible Aggrieved Employees based on pay periods during the PAGA Period as follows: (i) the number of pay periods he or she worked as a hourly-paid or non-exempt employee during the PAGA Period, divided by (ii) the total number of pay periods worked by all Eligible Aggrieved Employees collectively during the PAGA Period, which is then multiplied by the PAGA Payment allocated to the Eligible Aggrieved Employees. The Settlement Administrator will use the Class Data to calculate the number of periods worked by each Eligible Aggrieved Employee based on their dates of employment for purposes of this calculation.

b. Tax Treatment for Individual PAGA Payments. Each Eligible Aggrieved Employee's Individual PAGA Payment will be apportioned as one hundred percent (100%) penalties and 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. 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.

H. Appointment of Settlement Administrator. The Settlement Administrator shall be responsible for but not limited to, the following: (a) preparing, printing, and mailing Notice Packets to the Class Members; (b) keeping track of any objections or requests for exclusion from Class Members; (c) performing skip traces and remailing Notice Packets and Individual Settlement Shares to Class Members; (d) calculating any and all payroll tax deductions as required by law; (e) calculating each Class Member's Individual Settlement Share; (f) calculating each Eligible Aggrieved Employee's Individual PAGA Payment; (g) providing weekly status reports to Counsel for Defendant and Class Counsel, which is to include updates on any objections or requests for exclusion that have

been received; (h) providing a due diligence declaration for submission to the Court prior to the Final Approval Hearing; (i) mailing Individual Settlement Shares to Participating Class Members; (j) mailing Individual PAGA Payments to Eligible Aggrieved Employees; (k) mailing the portion of the PAGA Payment due to the LWDA to the LWDA; (l) distributing the Attorney Fee Award and Cost Award to Class Counsel; (m) printing and providing Class Members, Eligible Aggrieved Employees and Plaintiff with W-2s and 1099 forms as required under this Agreement and applicable law; (n) providing a due diligence declaration for submission to the Superior Court upon the completion of the Settlement; (o) providing any funds remaining in the QSF as a result of uncashed checks to the California State Controller's Office in accordance with California Unclaimed Property Law so that the Participating Class Member and/or Eligible Aggrieved Employee will have his or her Individual Settlement Share and/or Individual PAGA Payment available to him or her per the applicable claim procedure to request that money from the State of California, including the administration of related tax reimbursements; and (p) for such other tasks as the Parties mutually agree. The Parties each represent that they do not have any financial interest in Phoenix Class Action Settlement Administrators or otherwise have a relationship with Phoenix that could create a conflict of interest.

I. Procedure for Approving Settlement.

1. Motion for Preliminary Approval and Conditional Certification.

- a. Plaintiff will move for an order conditionally certifying the Class for settlement purposes only, giving Preliminary Approval of the Settlement, setting a date for the Final Approval Hearing, and approving the Class Notice and Exclusion Form.
- b. At the Preliminary Approval Hearing, Plaintiff 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 Representative, Class Counsel, and Settlement Administrator; approving the Notice Packet; and setting the Final Approval Hearing.
- c. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns. Provided, however, that the amounts of the Attorney Fee Award, the Cost Award, the Administration Costs, and the Class Representative Enhancement Payment shall be determined by the Court, 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. Any order or proceeding relating to an application for the Attorney Fee Award, the Cost Award, the Administration Costs, and the Class Representative Enhancement Payment shall not operate to terminate or cancel this Agreement.

- d. PAGA Approval Procedure.** Plaintiff shall comply with Labor Code section 2699.3 and Labor Code section 2699(1).

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

- a.** Within fifteen (15) calendar days after entry of the Preliminary Approval Order, Defendant shall deliver the Class Data to the Settlement Administrator.
- b.** Upon receipt of the Class Data, the Settlement Administrator will perform a search based on the National Change of Address Database to update and correct any known or identifiable address changes. The Settlement Administrator shall maintain the Class Data as private and confidential and take reasonable and necessary precautions to maintain the confidentiality of the Class Data. The Settlement Administrator shall not distribute or use the Class Data or any information contained therein for any purpose other than to administer this Settlement. This provision is necessary to preserve the privacy rights of Class Members and will not impede Class Counsel's ability to discharge fiduciary duties, including effectuating the terms of this Settlement.
- c.** Within fourteen (14) calendar days after Defendant's deadline to provide the Class Data to the Settlement Administrator, the Settlement Administrator will mail the Notice Packet to all identified Class Members via first-class regular U.S. Mail.
- d.** If a Notice Packet is returned because of an incorrect address, within ten (10) calendar days from receipt of the returned Notice Packet, the Settlement Administrator will conduct a search for a more current address for the Class Member and re-mail the Notice Packet to the Class Member. The Settlement Administrator will use the National Change of Address Database and conduct 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 Notice

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

- e. Class Members may dispute the information provided in their Notice Packet, but must do so in writing, via first-class mail, and it must be postmarked by the Response Deadline. To the extent Class Members dispute the number of weeks to which they have been credited or the amount of their Individual Settlement Shares, Class Members must produce evidence to the Settlement Administrator showing that such information is inaccurate. Absent evidence rebutting Defendant's records, Defendant's records will be presumed 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. If any Exclusion Form received is incomplete or deficient, the Settlement Administrator shall send a letter informing the Class Member of the deficiency and allow fourteen (14) calendar days to cure the deficiency. If, after the cure period, the Exclusion Form is not cured, it will be determined that the Class Member did not exclude himself or herself from the Settlement and will be bound by the Settlement.
- g. 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 Counsel for Defendant of the number of Notice Packets mailed, the number of Notice Packets returned as undeliverable, the number of Notice Packets re-mailed, and the number of Exclusion Forms received.

- h. No later than fourteen (14) calendar days after the Response Deadline, 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 no later than ten (10) calendar days before the Final Approval Hearing. 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.

3. Objections to Settlement.

- a. **Notice Packet.** The Notice Packet will provide that the Class Members who wish to object to the Settlement may do so in writing, signed, dated, and mailed to the Settlement Administrator postmarked no later than the Response Deadline.
- b. **Format.** Any written 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.
- c. **Objector Appearances.** Participating Class Members may (though are not required to) appear at the Final Approval Hearing, either in person or through the objector's own counsel. The failure to file and serve a written objection does not waive a Participating Class Member's right to appear at and make an oral objection at the Final Approval Hearing.

4. Request for Exclusion from the Settlement ("Opt Out").

- a. **Notice Packet.** The Notice Packet will provide that Class Members who wish to exclude themselves from the class action Settlement must mail to the Settlement Administrator an Exclusion Form. The written request for exclusion must: (a) include the Class Member's name and address, and the last four digits of his or her Social Security number; (b) be addressed to the Settlement Administrator; (c) be signed by the Class Member; and (d) be postmarked no later than the Response Deadline.

- b. **No Opt Out From PAGA.** Eligible Aggrieved Employees will not be able to exclude themselves from receiving their portion of the PAGA Payment. The Notice Packet will inform Eligible Aggrieved Employees that they cannot opt out of the PAGA portion of the settlement and explain that they will not be permitted to pursue any action under PAGA against the Released Parties for any claim that arose during the PAGA Period, even if they elect to opt out of the class action Settlement.
 - c. **Validity and Effect.** Any Class Member who returns a timely, valid, and executed Exclusion Form will not participate in or be bound by the Settlement and Judgment and will not receive an Individual Settlement Share. A Class Member who does not complete and mail a timely Exclusion Form will be included in the Settlement, will receive an Individual Settlement Share, and will be bound by all terms and conditions of the Settlement, if the Settlement is approved by the Court, and by the Judgment, regardless of whether he or she has objected to the Settlement.
 - d. **Report.** No later than seven (7) calendar days after the Response Deadline, the Settlement Administrator will provide the Parties with a complete and accurate accounting of the number of Notice Packets mailed to Class Members, the number of Notice Packets returned as undeliverable, the number of Notice Packets re-mailed to Class Members, the number of re-mailed Notice Packets 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.
 - e. **Defendant's Option to Terminate.** If five percent (5%) or more of the Class Members opt out of the Settlement, prior to the Final Fairness Hearing, Defendant, at its sole discretion, may revoke the Settlement and its stipulation to class certification, and this Agreement will become null and void.
5. **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.
6. **Motion for Final Approval.**
 - a. 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 Attorney Fee Award; (2) the Cost Award; (3) the Administration Costs; (4) the Class Representative Enhancement Payment; and (5) the 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 and the PAGA Released Claims of the Eligible Aggrieved Employees.

- b. If the Court denies Final Approval of the Settlement with prejudice, 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 Defendant to pay the Maximum 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 Plaintiff and Class Counsel for the Class Representative Enhancement Payment, the Attorney Fee Award, and/or the Cost Award, will not constitute a material modification to the Settlement within the meaning of this paragraph.
- c. Upon Final Approval of the Settlement, the Parties shall present to the Court a proposed Final Approval Order, approving the Settlement and entering Judgment in accordance therewith. After entry of Judgment, the Court shall have continuing jurisdiction over the Class 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.
- d. The Settlement Administrator will create a website to notify Class Members of any change to the date or location of the Final Approval Hearing and to give Class Members notice of Final Judgement.

7. **Waiver of Right to Appeal; Vacating, Reversing, or Modifying Judgment on Appeal.** Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment,

including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount. If, after a notice of appeal by an objector, the reviewing court vacates, reverses, or modifies the Judgment such that there is a material modification to the Settlement, 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 Maximum Settlement Amount.

8. 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 Superior Court's Final Approval Order and Judgment. The maximum amount Defendant can be required to pay under this Settlement for any purpose is the Maximum Settlement Amount. The Settlement Administrator shall keep Counsel for Defendant and Class Counsel apprised of all distributions from the Maximum Settlement Amount. The Settlement Administrator shall respond to questions from Counsel for Defendant and Class Counsel. No person shall have any claim against Defendant, Counsel for Defendant, Plaintiff, Class Counsel, or the Settlement Administrator based on the distributions and payments made in accordance with this Agreement.

a. Funding the Settlement: The "Effective Date for Funding" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur. No later than forty-five (45) calendar days after the Effective Date for Funding, Defendant shall fund the Maximum Settlement Amount of One Million Three Hundred Seventy-Five Thousand Dollars (\$1,375,000) into the Qualified Settlement Fund set up by the Settlement Administrator by wiring the funds including any share of its payroll taxes; and (b) provide any tax information that the Settlement Administrator

may need to calculate each Participating Class Members' Individual Settlement Share.

- b. Disbursement:** Within fourteen (14) calendar days after the deadline to fund the Settlement, the Settlement Administrator shall calculate and disburse all payments due under the Settlement Agreement, including all Individual Settlement Shares, Individual PAGA Payments, the Attorney Fee Award, the Cost Award, the Class Representative Enhancement Payment, the PAGA Payment, and the Administration Costs. The Settlement Administrator will forward a check for seventy-five percent (75%) of the PAGA Payment to the LWDA for settlement of the PAGA claim. After such payment, Defendant shall have no liability for PAGA claims by or on behalf of Eligible Aggrieved Employees during the PAGA Period, which are released under this Agreement.
 - c. 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.
- 9. Uncashed Checks.** Participating Class Members and Eligible Aggrieved Employees must cash or deposit their Individual Settlement Share and Individual PAGA Payment checks within one hundred eighty (180) calendar days after the checks are mailed to them. If any checks are returned as undeliverable and without a forwarding address, the Settlement Administrator will conduct a skip trace search to find the most up-to-date mailing addresses and re-mail the checks promptly. 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) calendar days, it will expire and become non-negotiable, and offering to replace the check if it was lost or misplaced. 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, pay the amount of the Individual Settlement Share or Individual PAGA Payment (as applicable) to the California State Controller's Office in accordance with California Unclaimed Property Law so that the Participating Class Member and/or Eligible Aggrieved Employee will have his or her Individual Settlement Share and/or Individual PAGA Payment available to him or her per the

applicable claim procedure to request that money from the State of California.

- 10. Final Report by Settlement Administrator.** Within ten (10) calendar 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.
 - 11. Defendant's Legal Fees.** Defendant is responsible for paying for all of Defendant's own legal fees, costs, and expenses incurred in this Class Action outside of the Maximum Settlement Amount.
 - 12. Plaintiff's Legal Fees.** Plaintiff is responsible for paying for all of Plaintiff's own legal fees, costs, and expenses incurred in this Class Action or in the PAGA Action outside of the Maximum Settlement Amount. Except as otherwise provided by this Agreement and the Judgment, Class Counsel and any counsel associated with Class Counsel waive any claim to costs and attorneys' fees and expenses against Defendant arising from or related to the Class Action or PAGA Action.
- J. Release of Claims.** Upon Defendant's fulfillment of its payment obligations under Section III (I)(8)(a) of this Agreement, in exchange for the consideration set forth in this Agreement, Plaintiff and the Participating Class Members release the Released Parties from the Released Claims arising during the Class Period.
- K. PAGA Release.** Upon Defendant's fulfillment of its payment obligations under Section III (I)(8)(a) of this Agreement, the LWDA and each Eligible Aggrieved Employee, including Plaintiff, individually and on behalf of her heirs, executors, administrators, representatives, attorneys, successors and assigns hereby voluntarily and knowingly is barred from bringing any action for the PAGA Released Claims during the PAGA Period. The release of the PAGA Released Claims is effective, regardless of whether the Eligible Aggrieved Employee submits a timely and valid request for exclusion.
- L. Plaintiff's Release of Claims, General Release, and Waiver of Rights Under California Civil Code Section 1542.** Upon Defendant's fulfillment of its payment obligations under Section III (I)(8)(a) of this Agreement, and in exchange for the Class Representative Enhancement Payment to the Plaintiff in amounts not to exceed \$10,000, in recognition of her work and efforts in obtaining the benefits for the Class, and undertaking the risk for the payment of costs in the event this matter had not successfully resolved, Plaintiff hereby provides a general release of claims for herself and her spouse, heirs, successors and assigns, and forever release, remise, and discharge 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, arising from the beginning of time through the date the Court grants Preliminary Approval, 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 Defendant or the remuneration for, or termination of, such employment. Plaintiff's 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.

M. Miscellaneous Terms.

- 1. No Admission of Liability.** Defendant makes no admission of liability or wrongdoing by virtue of entering into this Agreement. Additionally, Defendant reserves the right to contest any issues relating to class certification and liability if the Settlement is not approved. Defendant denies 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 Class Action, or that but for the Settlement, a Class should be certified in the Class Action or could proceed on a representative basis. 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 Defendant of liability or wrongdoing. This Settlement and Plaintiff's and Defendant's willingness to settle the Class Action will have no bearing on, and will not be admissible in connection with, any litigation, administrative proceeding or other special proceeding (other than solely in connection with this Settlement).
- 2. No Effect on Employee Benefits.** The Class Representative Enhancement Payment, Individual Settlement Shares and/or Individual PAGA Payments paid to Plaintiff, Participating Class Members and/or the Eligible Aggrieved Employees 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 Plaintiff, Participating Class Members or Eligible Aggrieved Employees. The Parties agree that any Class Representative Enhancement Payment, Individual Settlement Shares and/or Individual PAGA Payments paid to Plaintiff, Participating Class Members and/or the Eligible Aggrieved Employees under the terms of this Agreement do not represent any modification of

Plaintiff's, Participating Class Members', or Eligible Aggrieved Employees' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendant.

3. **Publicity.** Class Counsel and Plaintiff 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, attorneys' fees and costs, and any other pleading filed with the Court in conjunction with the Settlement, and in discussions with Class Members in the context of administering this Settlement until the Preliminary Approval Order is issued. Class Counsel and Plaintiff agrees to decline to respond to any media inquiries concerning the Settlement.
4. **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.
5. **Authorization to Enter Into Settlement Agreement.** Class Counsel and Counsel for Defendant warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties 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 affect 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.
6. **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.

7. **Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Class Action and PAGA Action in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval Hearing to be conducted by the Court.
8. **Dismissal of the PAGA Action.** Upon Defendant's fulfillment of its payment obligations under Section III (I)(8)(a) of this Agreement, Plaintiff will request dismissal of the PAGA Action with prejudice.
9. **Work Week Escalator.** The Class is estimated to be 279 individuals who have worked approximately 46,600 work weeks during the Class Period. The extrapolated work weeks are subject to a "buffer" increase of 15% without affecting the terms of this Settlement Agreement. In the event the work week buffer is exceeded, then, Defendant agrees to increase the MSA on a pro-rata basis at \$30.00 per work week in excess of 53,590 (46,600 + 15%).
10. **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.
11. **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.
12. **No Prior Assignment.** Plaintiff hereby represents, covenants, and warrants 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.
13. **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.
14. **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 Class Action and have arrived at this Agreement through arm's-length negotiations, taking into account all relevant factors, current and potential.
15. **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 Plaintiff, Class Counsel, Eligible Aggrieved Employees and Participating Class Members will assume any such tax obligations or consequences that may arise from any disbursements made under this Agreement, and Plaintiff, Class Counsel, Eligible Aggrieved Employees and Participating 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 recipient of a disbursement under this agreement, such recipient assumes all responsibility for the payment of such taxes.

- 16. Jurisdiction of the Superior 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 Superior Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments in connection therewith.
- 17. 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.
- 18. 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.
- 19. 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. Facsimile or PDF signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 20. Confidentiality Prior to Preliminary Approval.** Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation,

association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

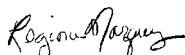
21. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

IV. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel execute this Agreement.

Dated: 11/21/2022, 2022

REGINA MARQUEZ



Dated: _____, 2022

SOUTHWIRE COMPANY, LLC

By: _____

Title:

association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

- 21. Use and Return of Class Data.** Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

IV. EXECUTION BY PARTIES AND COUNSEL

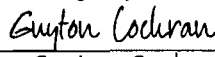
The Parties and their counsel execute this Agreement.

Dated: _____, 2022

REGINA MARQUEZ

Dated: 12/6/2022, 2022

SOUTHWIRE COMPANY, LLC

DocuSigned by:

 By: Guyton Cochran
 Title: CFO

Dated: 12/6/2022, 2022

SOUTHWIRE COMPANY, LLC

DocuSigned by:

Rich Stinson

By: Rich Stinson

Title: President and CEO Southwire

Dated: _____, 2022

JUSTICE LAW CORPORATION

Douglas Han, Esq.

Attorneys for Plaintiff Regina Marquez, on behalf of
herself and all others similarly situated

Dated: December 6, 2022

FORD & HARRISON LLP

David L. Cheng, Esq.

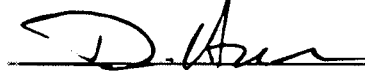
Jason Shon, Esq.

Attorneys for Defendant Southwire Company, LLC

WSACTIVELLP:13618851.1

Dated: 11/29/, 2022

JUSTICE LAW CORPORATION



Douglas Han, Esq.
Attorneys for Plaintiff Regina Marquez, on behalf of
herself and all others similarly situated

Dated: _____, 2022

FORD & HARRISON LLP

David L. Cheng, Esq.
Jason Shon, Esq.
Attorneys for Defendant Southwire Company, LLC

EXHIBIT A

CALIFORNIA SUPERIOR COURT, COUNTY OF SAN BERNARDINO
Marquez v. Southwire Company, LLC
Case No. CIVSB2027859

NOTICE OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT

*A court authorized this notice. This is not a solicitation.
This is not a lawsuit against you, and you are not being sued.
However, your legal rights are affected by whether you act or don't act.*

TO: All persons who worked for Defendant Southwire Company, LLC (“Defendant”) in California as an hourly-paid or non-exempt employee during the time period from June 17, 2016 to November 5, 2022.

The California Superior Court, County of San Bernardino, has granted Preliminary Approval of a proposed settlement (“Settlement”) of the above-captioned class and representative action (referred to in this Notice as the “Class Action”). Because your rights may be affected by this Settlement, it is important that you read this Notice of Class and Representative Action Settlement (“Notice”) carefully.

The Court has certified the following class for settlement purposes (“Class” or “Class Members”):

All persons who worked for Defendant in California as an hourly-paid or non-exempt employee during the time period from June 17, 2016 to November 5, 2022.

The purpose of this Notice is to provide a brief description of the claims alleged in the Class Action, the key terms of the Settlement, and your rights and options with respect to the Settlement.

YOU MAY BE ENTITLED TO MONEY UNDER THE PROPOSED CLASS AND REPRESENTATIVE ACTION SETTLEMENT. PLEASE READ THIS NOTICE CAREFULLY; IT INFORMS YOU ABOUT YOUR LEGAL RIGHTS.

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1. Why Have I Received This Notice?

The personnel records of Southwire Company, LLC (“Defendant”) indicate that you may be a Class Member. The Settlement will resolve all Class Members’ Released Claims, as described below, from June 17, 2016 to November 5, 2022 (the “Class Period”).

A Preliminary Approval Hearing was held on [date of Preliminary Approval], in the California Superior Court, County of San Bernardino. The Court conditionally certified the Class for settlement purposes only and directed that you receive this Notice.

The Court has determined that there is sufficient evidence to suggest that the proposed settlement may be fair, adequate, and reasonable and that any final determination of those issues will be made at the Final Approval Hearing.

The Court will hold a Final Approval Hearing concerning the proposed settlement on [date of Final Approval Hearing], 2023 at [time a.m./p.m.], before the Honorable David Cohn, at the Superior Court for the County of San Bernardino (San Bernardino Justice Center), located at 247 West Third Street, San Bernardino, California 92415-0210, Department S-26.

2. What Is This Case About?

On December 14, 2020, Plaintiff Regina Marquez (“Plaintiff”) filed her wage-and-hour class action lawsuit in the Superior Court of California, County of San Bernardino, Case No. CIVSB2027859, on behalf of all current and former hourly-paid or non-exempt employees of Defendant within the State of California at any time during the relevant time period. The operative complaint alleged violations of: (1) Labor Code sections 510 and 1198 (unpaid overtime); (2) Labor Code sections 226.7 and 512(a) (unpaid meal period premiums); (3) Labor Code section 226.7 (unpaid rest period premiums); (4) Labor Code sections 1194 and 1197 (unpaid minimum wages); (5) Labor Code sections 201 and 202 (final wages not timely paid); (6) Labor Code section 226(a) (non-compliant wage statements); (7) Labor Code sections 2800 and 2802 (unreimbursed business expenses); and (8) Business and Professions Code sections 17200, *et seq.* In conjunction with the approval of this settlement Plaintiff amended the complaint to include a Private Attorneys General Act (“PAGA”) cause of action which seeks civil penalties based on Defendant’s alleged failure to pay minimum and overtime wages; provide meal periods and rest breaks; timely pay wages; provide complete and accurate wage statements; properly calculate and pay sick pay; and reimburse necessary business expenses.

On September 6, 2022, the Parties attended a mediation. Under the auspices of the mediator Steve Serratore, Esq., the Parties reached a settlement.

The Court has not made any determination as to whether the claims advanced by Plaintiff have any merit. Nor has it decided whether this case could proceed as a class or representative action. Instead, both sides agreed to resolve the Class Action with no decision or admission of who is right or wrong. By agreeing to resolve the Class Action, the parties avoid the risks and costs of a trial.

Defendant denies all allegations made by Plaintiff, individually and on behalf of Class Members, in the Class Action and denies liability for any wrongdoing with respect to the alleged facts or causes of action asserted in the Class Action. The Settlement is not an admission by Defendant of any wrongdoing or an indication that any law was violated.

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Questions? Call the Settlement Administrator toll free at [phone number].

3. *Am I a Class Member?*

You are a Class Member if you are currently or were formerly employed by Defendant in California as an hourly-paid or non-exempt employee during the period from June 17, 2016 to November 5, 2022 (the “Class Period”). If you qualify as a Class Member, you could receive money from the Class Action Settlement.

If you qualify as an Eligible Aggrieved Employee, meaning you were employed as an hourly-paid or non-exempt employee of Defendant in California during the period from September 27, 2021 to November 5, 2022, you will receive money from the settlement of the PAGA Claims.

4. *How Does This Class Action Settlement Work?*

In the Class Action, Plaintiff sued on behalf of herself and all other similarly situated employees who were employed by Defendant in California as hourly-paid or non-exempt employees during the Class Period. Plaintiff and other current and former employees comprise a “Class” and are “Class Members.” The settlement of this Class Action resolves the Released Claims of all Class Members, except for those who exclude themselves from the Class by requesting to be excluded in the manner set forth below.

Plaintiff and Class Counsel believe the Settlement is fair and reasonable. The Court must also review the terms of the Settlement and determine if it is fair and reasonable to the Class. The Court file has the settlement documents, which explain the Settlement in greater detail. If you would like copies of the settlement documents, you can contact Class Counsel, whose contact information is below, and they will provide you with a copy free of charge.

5. *Who Are the Attorneys Representing the Parties?*

Attorneys for Plaintiff and the Class	Attorneys for Defendant
JUSTICE LAW CORPORATION Douglas Han Shunt Tatavos-Gharajeh Phillip Song Chancellor D. Nobles 751 N. Fair Oaks Avenue, Suite 101 Pasadena, California 91103 Telephone: (818) 230-7502 Facsimile: (818) 230-7259	FORD & HARRISON LLP David L. Cheng Jason Shon 350 South Grand Avenue, Suite 2300 Los Angeles, California 90071 Telephone: (213) 237-2400 Facsimile: (213) 237-2401

The Court has decided that Justice Law Corporation is qualified to represent the Class Members simultaneously for the purposes of this Settlement.

Class Counsel is working on your behalf. If you want your own attorney, you may hire one at your own cost.

6. *What Are My Options?*

The purpose of this Notice is to inform you of the proposed Settlement and your options. Each option has its

consequences, which you should understand before making your decision. Your rights regarding each option, and the steps you must take to select each option, are summarized below, and explained in more detail in this Notice.

Important Note: Defendant will not retaliate against you in any way for either participating or not participating in this Settlement.

- **DO NOTHING:** You do not have to do anything to receive payment under this Settlement.

If you do nothing and the Court grants Final Approval of the Settlement, you will become part of the Class Action Settlement and will receive an Individual Settlement Share (explained below) based on the total number of workweeks you were employed by Defendant as an hourly-paid or non-exempt employee in California during the Class Period. You will release all the Released Claims, as defined in Section No. 9 below, and you will give up your right to pursue the Released Claims, as defined in Section No. 9 below.

- **OPT OUT:** If you do not want to participate as a Class Member **and do not want to receive an Individual Settlement Share**, you may “opt out,” and you will not be part of this Class Action Settlement. If the Court grants Final Approval of the Settlement, you will not receive an Individual Settlement Share, and you will not give up the right to sue the Released Parties, including Defendant, for any of the Released Claims as defined in Section No. 9 below. Please note, if you are eligible to receive an Individual PAGA Payment (explained below) and you do “opt out” of the Class Action Settlement you will still receive an Individual PAGA Payment. Your right to pursue a claim pursuant to PAGA will be extinguished, regardless of whether you opt out.

- **OBJECT:** You can ask the Court to deny approval of this Settlement by filing an objection. You cannot ask the Court to order a larger settlement; the Court can only approve or deny the Settlement. You cannot both object to the Settlement and opt out of the case.

The procedures for opting out and objecting are set forth below in the sections entitled “How Do I Opt Out or Exclude Myself from This Settlement?” and “How Do I Object to the Settlement?”

Regardless of which option you choose, you must keep the Settlement Administrator advised of any change of address.

7. How Do I Opt Out or Exclude Myself from This Class Action Settlement?

If you do not wish to participate in the Class Action Settlement, **and do not want to receive an Individual Settlement Share**, you can exclude yourself from the Settlement (i.e., “opt out”) by sending an opt out form by the date and to the address stated below. A form (“ELECTION NOT TO PARTICIPATE IN (‘OPT OUT’ FROM) CLASS ACTION SETTLEMENT”) (the “Exclusion Form”) has been provided to you along with this Notice, which can be used for this purpose; alternatively, you can submit your own written document that includes all the same information. If you opt out of the Settlement, you will not be bound by the Class Action Settlement, and, therefore, you will not release the claims set forth in Section No. 9. The Exclusion Form must be complete, signed,

dated, and mailed by first-class U.S. Mail, postmarked no later than _____, 2022 to: **Marquez, v. Southwire Company, LLC Settlement Administrator, C/O Simpluris, Inc., [INSERT ADDRESS]**.

If you received a re-mailed Notice and Exclusion Form (collectively, the “Notice Packet”), whether, by skip trace or forwarded mail, you will have an additional ten (10) calendar days to postmark an Exclusion Form. The envelope should indicate whether the Notice Packet has been forwarded or re-mailed. We encourage you to keep copies of all documents, including the envelope, in the event your compliance with the deadline is challenged.

The Court will exclude from the Class Action Settlement any Class Member who submits a complete and timely Exclusion Form as described in the paragraph above. Exclusion Forms that do not include all required information and/or that are not timely submitted will be deemed null, void, and ineffective. Any Class Member who fails to submit a valid and timely Exclusion Form on or before the above-specified deadline shall be bound by all terms of the Settlement, release, and any Judgment entered in the Class Action if the Settlement receives Final Approval from the Court.

8. *How Do I Object to the Settlement?*

If you are a Class Member who does not opt out of the Settlement, you may object to the Settlement, personally or through an attorney.

You may mail a written objection to the Settlement Administrator at [address] by [Response Deadline]. If you received a re-mailed Notice Packet, whether, by skip trace or forwarded mail, you will have an additional ten (10) calendar days to postmark a written objection. If you choose to object in writing, your objection must: (a) state the objecting person’s full name, address, and telephone number; (b) include 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.

Class Members may appear at the Final Approval Hearing, either in person or through the objector’s own counsel, even if they did not submit a written objection. Class Members’ timely and valid objections to the Settlement will be considered even if the objector does not appear at the Final Approval Hearing.

If the Court approves the settlement over objections, objecting Class Members will receive Individual Settlement Shares and will be bound by the terms of the Settlement.

9. *How Does This Class Action Settlement Affect My Rights? What are the Released Claims?*

If the proposed Settlement is approved by the Court, a Final Judgment will be entered by the Court. All Class Members who do not opt out of the Settlement will be bound by the Court’s Final Judgment and will fully release and discharge Defendant and its past or present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents, attorneys, and any entities that may be considered joint employers (“Released Parties”).

A. Released Claims.

The claims that Plaintiff and the other Class Members who do not submit a valid and timely request to exclude themselves from the class action Settlement (“Participating Class Members”) are releasing in exchange for the consideration provided for by the Settlement are any and all claims made or which could have been made based on the facts pled in the Complaints, including but not limited to state wage and hour claims for any and all violations of California’s Labor Code and Unfair Competition Law based on Defendant’s: (a) failure to pay for all hours worked (including minimum wages, straight time wages, and overtime wages); (b) failure to provide meal periods; (c) failure to authorize and permit rest periods; (d) failure to timely pay all wages due at the time of termination; (e) failure to furnish accurate, itemized wage statements; (f) failure to timely pay wages during employment; (g) failure to properly reimburse for all business-related expenses; (h) civil penalties under California’s Private Attorneys General Act of 2004 based on the alleged Labor Code violations; (i) and all damages, interest, penalties, attorneys’ fees, costs, and other amounts recoverable under said causes of action under California law, to the extent permissible, including but not limited to the California Labor Code and the applicable Wage Orders. The release will occur only upon Defendant’s fulfillment of its payment obligations under Section III (I)(8)(a) of the Agreement (*i.e.*, Defendant’s full funding of the Settlement). The period of the release shall run through the Class Period. As to individual Class Members, the release applies only to periods of time when the Class Member was a member of the Class (*i.e.*, excluding periods of time in exempt positions).

Furthermore, upon Defendant’s fulfillment of its payment obligations under Section III (I)(8)(a) of the Agreement, the LWDA and each Eligible Aggrieved Employee, including Plaintiff, individually and on behalf of her heirs, executors, administrators, representatives, attorneys, successors and assigns hereby voluntarily and knowingly is barred from bringing any action for the PAGA Released Claims during the period from September 27, 2021 to November 5, 2022. The release of the PAGA Released Claims is effective, regardless of whether the Eligible Aggrieved Employee submits a timely and valid request for exclusion. PAGA Released Claims means all allegations and claims for civil penalties pursuant to PAGA based on any and all underlying claims asserted in the LWDA pre-filing notice dated September 27, 2022 arising during the PAGA Period.

10. How Much Can I Expect to Receive from This Settlement?

Defendant will pay, subject to Court approval, a Maximum Settlement Amount of \$1,375,000 to cover: (1) the Individual Settlement Shares to all Settlement Class Members; (2) the Class Representative Enhancement Payment to Plaintiff in amounts up to \$10,000; (3) the Administration Costs to the Settlement Administrator in an amount up to \$15,000; (4) the Attorney Fee Award to Class Counsel for attorneys’ fees of \$458,333.34 and the Cost Award to Class Counsel for costs of up to \$20,000 supported by declaration; (5) a PAGA Payment for settlement of claims under PAGA for \$125,000, with seventy-five percent (75%) of that portion (\$93,750) to be paid to the Labor Workforce and Development Agency (“LWDA”) and the remaining twenty-five percent (25%) (\$31,250) shall be distributed to Eligible Aggrieved Employees, on a pro rata basis, as Individual PAGA Payments.

After deducting the Class Representative Enhancement Payment to Plaintiff, Administration Costs, Class Counsel’s Attorney Fee Award and Cost Award, and the PAGA Payment, the remaining sum, estimated at \$746,666.66 is the “Net Settlement Amount”, which shall be distributed to all Participating Class Members. The Settlement Administrator will pay each Participating Class Member an Individual Settlement Share from the Net Settlement Amount. The Individual Settlement Share is calculated based on each Participating Class Member’s pro rata share of the Net Settlement Amount based on workweeks during the Class Period as follows: (i) the number of weeks he or she worked as an hourly-paid or non-exempt employee during the Class Period, divided

by (ii) the total number of weeks worked by all Participating Class Members collectively during the Class Period, which is then multiplied by the Net Settlement Amount. The Settlement Administrator will use the Class Data to calculate the number of workweeks worked by each Class Member based on their dates of employment for purposes of this calculation.

Although your exact share of the Net Settlement Amount cannot be precisely calculated until after the time during which individuals may object or seek exclusion from the Settlement concludes, based upon the calculation above, your approximate share of the Net Settlement Amount, is as follows: \$ _____, less taxes. This is based on Defendant's records, which show you worked ____ workweeks during the Class Period.

If you believe the number of eligible workweeks records are incorrect, you may provide documentation and/or an explanation to show contrary information to the Settlement Administrator at [address] on or before [Response Deadline]. Any evidence submitted will be carefully weighed, and Class Counsel and Defendant's Counsel will make a final determination. If this was re-mailed to you, you have an additional ten (10) calendar days to submit a dispute.

Ten percent (10%) of your Individual Settlement Share will be treated as unpaid wages. Applicable taxes will be withheld from the wages portion of your Individual Settlement Share only and reported on an IRS Form W-2. The remaining ninety percent (90%) of your Individual Settlement Share will be treated as penalties, interest, and reimbursement and will be paid pursuant to an IRS Form 1099.

No later than thirty (30) calendar days after the date the Court grants final approval, Defendant shall fund the Maximum Settlement Amount of One Million Three Hundred Seventy-Five Thousand Dollars (\$1,375,000) into the Qualified Settlement Fund set up by the Settlement Administrator by wiring the funds including any share of its payroll taxes; and (b) provide any tax information that the Settlement Administrator may need to calculate each Participating Class Members' Individual Settlement Share.

Within fourteen (14) calendar days after the deadline to fund the Settlement, the Settlement Administrator shall calculate and disburse all payments due under the Settlement Agreement, including all Individual Settlement Shares, Individual PAGA Payments, the Attorney Fee Award, the Cost Award, the Class Representative Enhancement Payment, the PAGA Payment, and the Administration Costs.

It is strongly recommended that upon receipt of your Individual Settlement Share check, you immediately cash it or cash it before the 180-day void date shown on each check. If any checks remain uncashed or not deposited by the expiration of the 180-day period after mailing, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, pay the amount of the Individual Settlement Share to the California State Controller's Office in accordance with California Unclaimed Property Law so that the Participating Class Member and/or Eligible Aggrieved Employee will have his or her Individual Settlement Share and/or Individual PAGA Payment available to him or her per the applicable claim procedure to request that money from the State of California.

11. What is the PAGA Payment, and Am I Eligible for It?

Under the terms of the Settlement, \$125,000 has been set aside as a PAGA Payment. This portion is the total amount of civil penalties collected on behalf of the State of California. Ninety-Three Thousand Seven Hundred and Fifty Dollars (\$93,750) will be sent to the State of California. Eligible Aggrieved Employees will share

Thirty-One Thousand Two Hundred and Fifty Dollars (\$31,250) based on the number of pay periods they worked during the period from September 27, 2021 to November 5, 2022.

You are an “aggrieved employee” eligible to share the PAGA Payment under the settlement (“Eligible Aggrieved Employee”) if you are a current or former hourly-paid or non-exempt employee of Defendant in California who worked for Defendant during the period from September 27, 2021 to November 5, 2022 (“PAGA Period”).

The Individual PAGA Payment is calculated based on each Eligible Aggrieved Employee’s pro rata share of the PAGA Payment allocated to the Eligible Aggrieved Employees based on pay periods during the PAGA Period as follows: (i) the number of pay periods he or she worked as a hourly-paid or non-exempt employee during the PAGA Period, divided by (ii) the total number of pay periods worked by all Eligible Aggrieved Employees collectively during the PAGA Period, which is then multiplied by the PAGA Payment allocated to the Eligible Aggrieved Employees. The Settlement Administrator will use the Class Data to calculate the number of periods worked by each Eligible Aggrieved Employee based on their dates of employment for purposes of this calculation. Individual PAGA Payments shall be designated as one hundred percent (100%) penalties, for which an IRS Form 1099 will issue.

Based on your total number of pay periods, your Individual PAGA Payment is \$ _____. You are responsible for paying any federal, state, or local taxes owed because of this Individual PAGA Payment.

Because these penalties can only be sought by the State of California, you cannot exclude yourself from the PAGA portion of the settlement if the Court gives Final Approval. Even if you exclude yourself from the class action portion of the settlement, you will still be paid your portion of the civil penalties described above.

If you are not an Eligible Aggrieved Employee, this Section does not apply to you.

12. How Will the Attorneys for the Class and the Class Representative Be Paid?

Class Counsel will be paid from the Maximum Settlement Amount. Subject to Court approval, Class Counsel shall be paid an amount not to exceed one-third (1/3) of the Maximum Settlement Amount (\$458,333.34) for attorneys’ fees, and up to \$20,000 for litigation costs.

Defendant has paid all its own attorneys’ fees and costs.

As set forth in Section No. 10 above, the Plaintiff will also be paid a Class Representative Enhancement Payment, subject to Court approval.

13. Final Approval Hearing

The Court will hold a Final Fairness Hearing concerning the proposed settlement on [date of Final Approval Hearing], 2023 at [time a.m./p.m.], before the Honorable David Cohn, at the Superior Court for the County of San Bernardino (San Bernardino Justice Center), located at 247 West Third Street, San Bernardino, California 92415-0210, Department S-26. You are not required to appear at this hearing. Any changes to the hearing date will be available on the Settlement Administrator’s website [INSERT WEBSITE ADDRESS].

You do not need to appear at this hearing unless you have timely submitted an objection to the Settlement or wish to object to the Settlement at the hearing.

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Questions? Call the Settlement Administrator toll free at [phone number].

14. *How Do I Get More Information?*

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS OR WOULD LIKE ELECTRONIC COPIES OF DOCUMENTS RELATING TO THE CLASS ACTION OR THE SETTLEMENT, you may contact Class Counsel listed above, or the Settlement Administrator at the telephone number listed below, toll-free. Please refer to the “Southwire Company, LLC Class Action Settlement.”

This Notice does not contain all the terms of the proposed Settlement or all the details of these proceedings. For more detailed information, you may refer to the underlying documents and papers on file with the Court at 247 West Third Street, San Bernardino, California 92415-0210, Department S-26, between 8:30 a.m. and 4:00 p.m.

You may also contact Plaintiff’s counsel, whose contact information is above, and they will provide you with an electronic copy of the settlement documents or case documents free of charge.

PLEASE DO NOT TELEPHONE THE COURT OR COURT’S CLERK FOR INFORMATION ABOUT THIS SETTLEMENT.

EXHIBIT B

ELECTION NOT TO PARTICIPATE IN ("OPT OUT" FROM) CLASS ACTION SETTLEMENT

Superior Court of the State of California, County of San Bernardino

Marquez v. Southwire Company, LLC

Case No. CIVSB2027859

ONLY SIGN AND MAIL THIS DOCUMENT IF YOU WISH TO EXCLUDE YOURSELF FROM THE CLASS ACTION SETTLEMENT. IF YOU EXCLUDE YOURSELF, YOU WILL NOT RECEIVE A PAYMENT FROM THE CLASS ACTION SETTLEMENT.

This document must be postmarked no later than _____, 2022 and sent via U.S. Mail to:

Marquez v. Southwire Company, LLC Settlement Administrator, C/O Simpluris, Inc.

[Insert Administrator Address]

[City, State ZIP]

By signing and mailing this form to exclude yourself from the class action settlement, you are agreeing to and confirming the following:

It is my decision not to participate in the class action settlement in *Marquez v. Southwire Company, LLC*. I understand that by excluding myself from the settlement class, I will not receive a settlement payment from the class action settlement. However, if I qualify for an "Individual PAGA Payment," I will receive that payment regardless of whether I exclude myself from the class action settlement.

I confirm that I am and/or was employed by Southwire Company, LLC as an hourly paid or non-exempt employee in California time period from June 17, 2016 to November 5, 2022. I confirm that I have received and reviewed the Notice of Class Action Settlement in this action. I have decided to be excluded from the class, and I have decided **not** to participate in the proposed settlement.

Dated: _____

(Signature)

(Last Four Digits of Social Security Number)

(Type or Print Name and Any Former Name(s) if
Applicable)

(Telephone Number)

(Address)

(Address Continued)