

CLASS ACTION AND PAGA SETTLEMENT
AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Soheil Davood a/k/a Sam Davood (“Plaintiff”) and Defendant NKSFB, LLP (“Defendant” or “NKSFB”). The Agreement refers to Plaintiff and XYZ collectively as “Parties,” or individually as a “Party.”

1. DEFINITIONS.

- 1.1 “Action” means the action titled Soheil Davood v. NKSFB, LLC, initiated in this Court on or about May 25, 2022, Case No. 22STCV17305.
- 1.2 “Administrator” means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the GSF to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4 “Aggrieved Employees” means all applicants and employees, former and current, who applied for a position at NKSFB in California and had a Background Check performed during the PAGA Period.
- 1.5 “Amended Complaint” or “Operative Complaint” means the First Amended Complaint to be filed in this Court by Plaintiff in Case No. 22STCV17305, which will include the Class Action Claims, as well as the PAGA Claims that were part of Plaintiff’s initial PAGA Enforcement Action. The Amended Complaint will be submitted as part of the Motion for Approval of the Settlement, as set forth in Paragraphs 2.6 and 7.
- 1.6 “Background Check” means any type of background check, including, but not limited to, an investigative consumer report and/or a consumer credit report, that NKSFB had conducted on any Class Member or Aggrieved Employee.
- 1.7 “Class” means all applicants and employees, former and current, who applied for a position at NKSFB and had a Background Check performed during the Class Period.
- 1.8 “Class Action Claims” means the claims set forth in Plaintiff’s original Class Action Complaint, all of which will become part of the Amended Complaint.
- 1.9 “Class Action Complaint” means Plaintiff’s original Class Action Complaint, which he commenced on March 21, 2022, in this Court, Case No. 22STCV09874, which asserted class claims against NKSFB for violations of the Fair Credit Reporting Act, the California Investigative Consumer Reporting Agencies Act, and the Consumer Credit Reporting Agencies Act.

- 1.10 “Class Counsel” means Attorneys David D. Bibiyan and Vedang J. Patel at Bibiyan Law Group, the attorneys representing Plaintiff in the Action.
- 1.11 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for payment and reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action, pursuant to Paragraph 3.2.2.
- 1.12 “Class and Aggrieved Employee Data” means a list of all Class Members and Aggrieved Employees that shall include the name, last known address, and social security number of each such person.
- 1.13 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member.
- 1.14 “Class Member Address Search” means the Administrator’s investigation and search for current Class Members’ and Aggrieved Employees’ current mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members and Aggrieved Employees.
- 1.15 “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION AND PAGA SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.16 “Class Period” means the period from March 21, 2020, through the date on which the Court issues its Preliminary Approval Order.
- 1.17 “Class Representative” means the named Plaintiff.
- 1.18 “Class Representative Service Payment” means the enhancement award to the Class Representative for initiating the Action and providing services in support of the Action, pursuant to Paragraph 3.2.1.
- 1.19 “Court” means the Superior Court of California, County of Los Angeles.
- 1.20 “Defense Counsel” means Attorneys David A. Wimmer and Allison R. Musante at Swerdlow Florence Sanchez Swerdlow & Wimmer, ALC, the attorneys representing Defendant in the Action.
- 1.21 “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the

Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

- 1.22 “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.23 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.24 “Final Judgment” means the Judgment entered by the Court upon granting Final Approval of the Settlement.
- 1.25 “Gross Settlement Amount” or “Gross Settlement Fund” or “GSF” means One Hundred Twenty Thousand Dollars and Zero Cents (\$120,000.00), which is the total amount NKSFB agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment and the Administrator’s Expenses.
- 1.26 “Individual Class Payment” means the Participating Class Member’s share of the Net Settlement Amount, which shall be divided equally among the Participating Class Members from the Net Settlement Amount.
- 1.27 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties, which shall be divided equally among the Aggrieved Employees from the 25% of PAGA Penalties.
- 1.28 “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.29 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code Section 2699, subd. (i).
- 1.30 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code Section 2699, subd. (i).
- 1.31 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The Net Settlement Amount is to be paid to Participating Class Members as Individual Class Payments.
- 1.32 “Non-Participating Class Member” means any Class Member who opts out of the Settlement of Class Action Claims by sending the Administrator a valid and timely Request for Exclusion. A Non-Participating Class Member would still be an Aggrieved Employee if the Background Check conducted on that Non-Participating Class Member falls within the PAGA Period.

- 1.33 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.34 “PAGA Enforcement Action” means Plaintiff’s representative action, which he commenced on May 25, 2022, in this Court, Case No. 22STCV17305, on behalf of himself and all Aggrieved Employees for civil penalties under PAGA.
- 1.35 “PAGA Claims” means the claims for civil penalties set forth in Plaintiff’s PAGA Enforcement Action Complaint, all of which will become part of the Amended Complaint.
- 1.36 “PAGA Notice” means Plaintiff’s March 22, 2022 letter to NKSFB and the LWDA providing notice pursuant to California Labor Code Section 2699.3, subd.(a).
- 1.37 “PAGA Penalties” means Ten Thousand Dollars and Zero Cents (\$10,000.00), which is the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$2,500.00) and 75% to the LWDA (\$7,500.00), pursuant to Paragraph 3.2.4.
- 1.38 “PAGA Period” means the period from March 21, 2021, through the date on which the Court issues its Preliminary Approval Order.
- 1.39 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.40 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.41 "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.42 “Released Class Claims” means the claims being released as described in Paragraph 6.2 below.
- 1.43 “Released PAGA Claims” means the claims being released as described in Paragraph 6.3 below.
- 1.44 “Released Parties” means: NKSFB, Checkr, Inc., and Sourced Intelligence, and each of its and their divisions, subsidiaries, partnerships, parents, affiliated companies, trusts, or other related entities, past and present, and each of them, including, but not limited to, its and their directors, officers, shareholders, owners, partners, members, representatives, executors, trustees, fiduciaries, predecessors, administrators, beneficiaries, assignees, successors, business managers, agents, contractors, insurers, attorneys, and employees, past and present, and each of them and their marital community.
- 1.45 “Request for Exclusion” means a Class Member’s submission of a written request, signed by the Class Member, to be excluded from the Settlement of Class Action Claims, pursuant to Paragraph 8.5.

- 1.46 "Response Deadline" means 45 days after the Administrator mails Notice to Class Members and Aggrieved Employees pursuant to Paragraph 8.5, 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 15 calendar days or 45 calendar days from the original mailing, whichever is earlier, from when the Response Deadline has expired.
- 1.47 "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

2. "RECITALS."

- 2.1 Plaintiff commenced this Action by filing his Class Action Complaint in Los Angeles Superior Court against NKSFB alleging violations of the federal Fair Credit Reporting Act ("FCRA"), the California Investigative Consumer Reporting Agency Act ("ICRAA") and the Consumer Credit Reporting Agencies Act ("CCRAA"). In this lawsuit, Plaintiff alleged, among other things, that NKSFB violated (1) the FCRA by including superfluous information within the disclosures and/or failing to obtain proper authorization before procuring a consumer report; (2) the ICRAA by including extraneous information in the disclosures; and (3) the CCRAA by failing to provide proper notice of the source of the consumer report and not identifying the specific basis under California Labor Code Section 1024.5 for use of the report, as well as without supplying the name and address of the consumer report as required by the statute. On April 28, 2022, NKSFB removed the case to federal court. This lawsuit was dismissed without prejudice on or about July 20, 2022, after the Parties filed a Joint Stipulation of Dismissal of Action Without Prejudice.
- 2.2 Plaintiff thereafter filed his PAGA Enforcement Action on May 25, 2022, on behalf of himself and all aggrieved employees for civil penalties under PAGA. In the PAGA Enforcement Action, Plaintiff alleged, among other things, that NKSFB violated California Labor Code Sections 432.7 and 432.8 when it asked for criminal history information prior to a conditional offer being given. Specifically, Plaintiff alleged in his PAGA Claims, among other things, that NKSFB required applicants and employees to disclose their conviction history and considered that conviction history before making a condition offer of employment; that NKSFB considered, distributed, or disseminated information about arrests not followed by conviction, referrals to pretrial or posttrial diversion programs, and/or dismissed or expunged convictions or convictions that had been pardoned while conducting conviction history background checks on applicants; that NKSFB intended to deny an applicant a position of employment because of an applicant's conviction history; and that NKSFB asked applicants to disclose information relating to an "arrest, detention, processing, diversion, suspension, adjudication, or court disposition" that occurred when the individual was a juvenile.

- 2.3 Pursuant to Labor Code Section 2699.3, subd.(a), Plaintiff gave timely written notice to NKSFB and the LWDA by sending the PAGA Notice on or about March 22, 2022.
- 2.4 On January 26, 2023, the Parties participated in an all-day mediation presided over by Ms. Lynn Frank, which led to this Agreement to settle the Action. This settlement was initially documented by a Memorandum of Agreement signed by the Parties and their counsel, dated January 26, 2023.
- 2.5 Prior to mediation, Plaintiff obtained, through informal discovery, documents and data regarding the number of Background Checks procured by NKSFB from Checkr, Inc. and Sourced Intelligence, two companies NKSFB had contracted with to perform Background Checks during the Class Period and the PAGA Period.
- 2.6 As part of this Agreement and in conjunction with and conditioned upon the Court granting Preliminary Approval, the Parties hereby agree to stipulate to Plaintiff filing the Amended Complaint in Los Angeles Superior Court, Case No. 22STCV17305, as part of his Motion for Preliminary Approval. The Parties hereby agree that, for settlement purposes only, the statute of limitations of the Class Action Claims in the Amended Complaint shall be deemed to relate back to March 21, 2022. In addition, the Amended Complaint will include all other amendments necessary to give full effect to this settlement. NKSFB stipulates to the filing of the Amended Complaint for settlement purposes only, and reserves its rights and declares that it would and will oppose Plaintiff's filing of the Amended Complaint should the Court fail to issue its Final Approval.
- 2.7 NKSFB denies any and all allegations raised in this Action, including in the Operative Complaint, the Class Action Complaint, and the PAGA Enforcement Action, denies any failure to comply with the laws identified in the Operative Complaint, the Class Action Complaint and the PAGA Enforcement Action, and denies any and all liability for the causes of actions alleged in the Action.
- 2.8 The Court has not granted class certification as the Class Action Complaint was dismissed without prejudice prior to mediation.
- 2.9 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.

3. MONETARY TERMS.

- 3.1 Gross Settlement Amount. NKSFB promises to pay Gross Settlement Amount, which, unless increased pursuant to paragraph 9 below, amounts to **\$120,000.00**. NKSFB has no obligation to pay the GSF prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire GSF without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the GSF will revert to NKSFB.

- 3.2 Payments from the GSF. The Administrator will make and deduct the following payments from the GSF, in the amounts specified by the Court in the Final Approval:
- 3.2.1 To Plaintiff: Class Representative Service Payment to the Class Representative of not more than Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). NKSFB will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount if Plaintiff signs the Agreement, does not submit a Request for Exclusion, and does not take any action to undercut this settlement, subject to final approval by the Court.
- 3.2.1.1 As part of the motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, Plaintiff will endeavor to seek Court approval for any Class Representative Service Payments 16 court days prior to the Final Approval Hearing. The Parties agree that the Court's approval of the Class Representative Service Payment is not a condition of the settlement and will not be grounds for terminating the settlement.
- 3.2.1.2 In the event of any appeal of the amount of the Class Representative Service Payment (if any) approved by the Court, if, after the exhaustion of any such appellate review, additional amounts are distributable to the Class and/or Aggrieved Employees from the GSF, the cost of administration of the additional payments to them will be paid out of such additional amounts and not by Defendant.
- 3.2.1.3 If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the GSF.
- 3.2.1.4 The Administrator will issue an IRS Form 1099 to the Class Representative for the Class Representative Service Payment. Plaintiff assumes full responsibility and liability for all taxes owed on the Class Representative Service Payment.
- 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than thirty-five percent (35%) of the GSF, which is currently estimated to be Forty Two Thousand Dollars and Zero Cents (\$42,000.00), and a Class Counsel Litigation Expenses Payment of not more than \$25,000.00 NKSFB will not oppose Plaintiff's requests for these payments provided that they do not exceed these amounts.
- 3.2.2.1 Plaintiff will file a motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment no later than 16

court days prior to the Final Approval Hearing. If the Court awards any amounts less than that requested by Plaintiff's counsel, it will not be grounds for Plaintiff or his counsel terminating the settlement, but may be subject to appeal by them. In the event of such an appeal, final funding and administration of the portion of the attorneys' fees and/or costs award in dispute will be segregated and stayed pending the exhaustion of appellate review. If, after the exhaustion of any such appellate review, additional amounts are distributable to the Class and/or Aggrieved Employees from the GSF, then the cost of administration of the additional payments to them will be paid out of such additional amounts and not by Defendant.

3.2.2.2 Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment.

3.2.2.3 The Administrator will issue an IRS Form 1099 to Class Counsel for the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds NKSFB harmless, and indemnifies NKSFB, from any dispute or controversy regarding any division or sharing of any or all of the Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment.

3.2.2.4 There will be no additional charge of any kind to either the Class Members or request for additional consideration from Defendant for such work unless Defendant materially breaches this Agreement, including any term regarding funding, and further efforts are necessary from Class Counsel to remedy said breach, including, without limitation, moving the Court to enforce the Agreement.

3.2.2.5 If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will retain the remainder in the GSF.

3.2.3 To the Administrator: Administrator Expenses Payment not to exceed \$9,500.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$9,500.00 the Administrator will retain the remainder in the GSF.

3.2.4 To the LWDA and Aggrieved Employees: PAGA Penalties from the GSF.

3.2.4.1 The Administrator will calculate each Individual PAGA Payment by dividing the amount of the Aggrieved Employees' 25%

share of PAGA Penalties, which is \$2,500.00, by the total number of Aggrieved Employees during the PAGA Period. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.4.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will retain the remainder in the GSF.

3.2.4.3 The Administrator will issue an IRS Form 1099 to each Aggrieved Employee for the Individual PAGA Payments.

3.3 Payment From the NSF To Each Participating Class Member: From the NSF, the Administrator shall pay to each Participating Class Member an Individual Class Payment calculated by dividing the Net Settlement Amount by the total number of Participating Class Members.

3.3.1 **Tax Allocation of Individual Class Payments.** One Hundred Percent (100%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties. This award is not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.3.2 **Effect of Non-Participating Class Members on Calculation of Individual Class Payments.** Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the GSF for distribution to Participating Class Members on a pro rata basis.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Members and Aggrieved Employee Background Checks. Based on a review of its records NKSFB estimates it has conducted 522 Background Checks between March 21, 2020, and December 1, 2022. Of those 522 Background Checks, NKSFB also estimates it has conducted approximately 353 Background Checks between March 21, 2021, and December 1, 2022.

4.2 Class and Aggrieved Employee Data. No later than 30 days after the Court grants Preliminary Approval, NKSFB will deliver the Class and Aggrieved Employee Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect privacy rights, the Administrator must maintain the Class and Aggrieved Employee Data in confidence, use it only for purposes of this Settlement and for no other purpose, and restrict access to the Class and Aggrieved Employee Data to Administrator employees who need access to the data to perform their duties and responsibilities under this Agreement. NKSFB has a continuing duty to immediately notify Class Counsel if it discovers that the Class and Aggrieved Employee Data omitted class member identifying information and to provide corrected or updated data as soon as reasonably feasible. Without any extension of the deadline by which

NKSFB must send the Class and Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class and Aggrieved Employee Data. The Class and Aggrieved Employee Data will not be provided to Plaintiff's Counsel.

- 4.3 Funding of GSF. NKSFB shall fully fund the GSF by transmitting the funds to the Administrator no later than 30 days after the Effective Date.
- 4.4 Payments from the GSF. Within 30 days after NKSFB funds the GSF, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
 - 4.4.1 The Administrator will issue checks for the Individual Class Payments and Individual PAGA Payments and send them to the Class Members and Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Aggrieved Employees a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
 - 4.4.2 The Administrator must conduct a Class Member and Aggrieved Employee Address Search for all Class Members and Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within seven (7) business days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member and Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Class Members and Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member or Aggrieved Employee whose original check was lost or misplaced, if requested by the Class Member or Aggrieved Employee prior to the void date.

- 4.4.3 For any Class Member or Aggrieved Employee whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member or Aggrieved Employee thereby leaving no "unpaid residue" in the GSF or NSF subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).
- 4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate NKSFB to confer any additional benefits or make any additional payments to Class Members and Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

6. RELEASES OF CLAIMS. Effective on the date when NKSFB fully funds the GSF, Plaintiff, Participating Class Members, Aggrieved Employees, the LWDA and Class Counsel will release claims against all Released Parties as follows:

- 6.1 Plaintiff's General Release. Plaintiff for himself and for his respective spouses, domestic partners, marital community, children, estates, heirs, trusts, successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, personal representatives, and assignees does forever and completely release and discharge and covenant not to sue the Released Parties with respect to any and all claims, demands, liens, agreements, contracts, grievances, covenants, actions, suits, causes of action, wages, obligations, debts, liquidated damages, penalties, interest, costs, expenses, attorneys' fees, damages, judgments, orders and liabilities of whatever kind or nature in law, equity or otherwise, whether now known or unknown, suspected or unsuspected, concealed or hidden, which Plaintiff now owns or holds or has at any time heretofore owned or held as against said Released Parties, or any of them. Such released claims include specifically, but not exclusively and without limiting the generality of the foregoing, any and all claims, demands, agreements, grievances, obligations and causes of action, known or unknown, suspected or unsuspected, concealed or hidden, including but not limited to all claims arising out of, based upon, relating to, or in any way connected with:
 - 6.1.1 Plaintiff's application for, conditional offer of, and attempt to seek employment at NKSFB, including the revocation of his conditional offer of employment from NKSFB;
 - 6.1.2 any allegation in the Action, including in the Operative Complaint, the PAGA Enforcement Action and the Class Action Complaint filed in this Action, as well as the PAGA Notice;
 - 6.1.3 any transactions, occurrences, acts or omissions set forth, or facts alleged, in any and all charges, complaints, claims, grievances or pleadings filed by Plaintiff against any Released Party prior to the date hereof with any city, county, state or federal agency, commission, office or tribunal whatsoever, including, but not limited to, the California Civil Rights Department, State of California, the Equal Employment Opportunity Commission, the United

States Department of Labor, the LWDA, the federal and/or California Occupational Safety and Health Administration, and the National Labor Relations Board; and/or

- 6.1.4 any transactions, occurrences, acts or omissions occurring prior to the date hereof, including specifically without limiting the generality of the foregoing any claim under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Employee Retirement Income Security Act, the National Labor Relations Act, the Fair Labor Standards Act, the Age Discrimination in Employment Act (29 U.S.C. Section 621 *et seq.*), the Family and Medical Leave Act, the California Constitution, the California Labor Code, the California Civil Code, the California Government Code, the California Business & Professions Code, the California Family Rights Act, the California Fair Employment and Housing Act, or any other federal, state, or local statute or regulation.
- 6.1.5 Plaintiff agrees that there is a risk that any injury that he may have suffered by reason of the Released Parties' relationship with him might not now be known, and there is a further risk that said injuries, whether known or unknown, suspected or unsuspected, concealed or hidden, at the date of this Agreement, might possibly become progressively worse, and that as a result thereof further damages may be sustained. Nevertheless, Plaintiff agrees to forever and fully release and discharge the Released Parties, and understands that by the execution of this Agreement no further claim for any such injuries that existed at the time of the execution of this Agreement may ever be asserted by Plaintiff with respect to any and all claims arising in the time period from the beginning of time to the execution of this Agreement.
- 6.1.6 **Plaintiff's ADEA Waiver.** For purposes of Plaintiff's Release, Plaintiff was presented with the original version of this Agreement on February 9, 2023. Plaintiff expressly acknowledges and agrees that, by entering into this Agreement, Plaintiff is waiving any and all rights or claims that Plaintiff may have arising under the Age Discrimination in Employment Act of 1967 (29 U.S.C. Section 621 *et seq.*), as amended, that have arisen on or before the date of execution of this Agreement. Plaintiff further expressly acknowledges and agrees that:
 - 6.1.6.1 In return for this Agreement, Plaintiff will receive compensation beyond that which Plaintiff already was entitled to receive before entering into this Agreement;
 - 6.1.6.2 Plaintiff expressly acknowledges and agrees that Plaintiff has had more than twenty-one (21) days from the date Plaintiff received this original Agreement in which to consider and sign this Agreement. Any changes, whether material or immaterial, made to this Agreement after it was first presented to Plaintiff have not and did not restart the running of the 21-day consideration period. As of

the execution of this Agreement, Plaintiff expressly acknowledges that this 21-day period has expired.

6.1.6.3 Plaintiff orally was advised and is again hereby advised in writing by this Agreement to consult with an attorney before signing this Agreement; and

6.1.6.4 Plaintiff was informed that Plaintiff has seven days following the date of execution of the Agreement in which to revoke the Agreement. Any revocation of the Agreement must be in writing and hand delivered to Defendant's counsel during the revocation period. This Agreement will become effective and enforceable seven days following execution by Plaintiff, unless it is revoked during the seven-day period.

6.1.7 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

6.2 Release by Participating Class Members: All Participating Class Members are deemed to forever completely release and discharge and covenant not to sue, on behalf of themselves and their respective former and present representatives, agents, attorneys, spouses, domestic partners, children, estates, heirs, trusts, administrators, successors, and assigns, the Released Parties from the Released Class Claims. The "Released Class Claims" means any and all claims that were alleged, or reasonably could have been alleged, during the Class Period based on the facts stated in the Amended Complaint. The Class Claims include, without limitation, any and all claims under the Fair Credit Reporting Act, the California Investigative Consumer Reporting Agencies Act, and the Consumer Credit Reporting Agencies Act arising from the pleaded claims in the Class Action Complaint and the Amended Complaint.

6.2.1 Except as set forth in Section 6.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

6.2.2 It is the intent of the Parties that the Final Judgment entered by the Court shall have full equitable estoppel and res judicata effect and be final and binding upon the Plaintiff and the Participating Class Members regarding the Released Class Claims.

6.2.3 Each Participating Class Member will be deemed to have made the foregoing Release as if by manually signing it.

6.3 Release Aggrieved Employees and the LWDA: All Aggrieved Employees (whether a Participating Class Member or a Non-Participating Class Member), including Plaintiff, standing in the shoes of the Labor Commissioner/LWDA to the extent permitted by law, and on behalf of the State of California and all Aggrieved Employees, are deemed to forever completely release and discharge and covenant not to sue, on behalf of themselves and their respective former and present representatives, agents, attorneys, spouses, domestic partners, children, estates, heirs, trusts, administrators, successors, and assigns, the Released Parties from the Released PAGA Claims. The “Released PAGA Claims” means any and all claims for civil penalties under PAGA arising at any time during the PAGA Period from the pleaded claims in the PAGA Notice and the Amended Complaint, or that could have been asserted based on factual allegations contained in the PAGA Notice and the Amended Complaint, that Plaintiff, on behalf of himself, the LWDA and the Aggrieved Employees, alleged or could have alleged against any Released Party. The Released PAGA Claims include, without limitation, all claims for civil penalties arising under California Labor Code Sections 432.7, 432.8 2698, *et seq.*, and 2699, and California Government Code Section 12952.

6.3.1 It is the intent of the Parties that the Final Judgment entered by the Court shall have full equitable estoppel and res judicata effect and be final and binding upon the Plaintiff, the LWDA, and the Aggrieved Employees regarding the Released PAGA Claims.

6.3.2 Each Aggrieved Employee and the LWDA will be deemed to have made the foregoing Release as if by manually signing it.

6.4 Release by Class Counsel: Class Counsel, on behalf of their present and former attorneys, employees, agents, successors and assigns, releases, discharges and covenants not to sue the Released Parties from all claims incurred in connection with this Action.

7. **MOTION FOR PRELIMINARY APPROVAL.** Plaintiff shall prepare and file a Motion for Preliminary Approval (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary Approvals.

7.1 NKSFB’s Declaration in Support of Preliminary Approval. Within ten (10) days of the full execution of this Agreement, NKSFB will prepare and deliver to Class Counsel a signed Declaration from NKSFB and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and NKSFB shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

7.2 Plaintiff’s Responsibilities. Prior to the submission of their Motion for Preliminary Approval, Plaintiff’s counsel will submit a near-final draft (including all supporting

papers and proposed order) to Defense Counsel for their review and approval. Plaintiff's counsel shall endeavor in good faith to provide such documents to Defense Counsel at least three (3) business days prior to filing their Motion for Preliminary Approval. Specifically, Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)) ("Approval of PAGA Settlement"); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, Aggrieved Employees and/or the Administrator; (vi) a signed declaration from Class Counsel attesting to its competency to represent the Class Members and Aggrieved Employees and that they have timely transmitted to the LWDA all necessary PAGA documents (i.e., the initial notice of violations (Labor Code section 2699.3, subd. (a)), the Operative Complaint (Labor Code section 2699, subd. (l)(1)), and this Agreement (Labor Code section 2699, subd. (l)(2))); (vii) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; (viii) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator; and (ix) the Amended Complaint, which will become the Operative Complaint in this Action. In their Declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 7.3 Responsibilities of Counsel. Class Counsel is jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 28 days after the full execution of this Agreement and for obtaining a prompt hearing date for the Motion for Preliminary Approval. Class Counsel and Defense Counsel are jointly responsible for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.
- 7.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by

meeting in person or by telephone, and in good faith, to modify the Agreement (but not increasing the GSF) and otherwise satisfy the Court's concerns.

8. SETTLEMENT ADMINISTRATION.

- 8.1 Selection of Administrator. Plaintiff has selected Phoenix Settlement Administrators to serve as the Administrator and verified that, as a condition of appointment, Phoenix Settlement Administrators agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 8.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of providing reports to state and federal tax authorities.
- 8.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 8.4 Notice to Class Members.
- 8.4.1 No later than three (3) business days after receipt of the Class and Aggrieved Employee Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members and Aggrieved Employees in the Class and Aggrieved Employee Data.
- 8.4.2 Using its best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class and Aggrieved Employee Data, the Administrator will send to all Class Members and Aggrieved Employees identified in the Class and Aggrieved Employee Data, via first-class United States Postal Service ("USPS") mail, the Class Notice substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and Individual PAGA Payment payable, respectively, to the Class Member and Aggrieved Employee and the method used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member and Aggrieved Employee addresses using the National Change of Address database.
- 8.4.3 Not later than 5 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member and Aggrieved Employee Address Search, and re-mail the Class Notice to the most current address obtained. The

Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members and Aggrieved Employees whose Class Notice is returned by the USPS a second time.

- 8.4.4 The deadlines for Class Members' written objections, challenges to payments, and Requests for Exclusion will be extended an additional 15 days or 45 days from the original mailing, whichever is earlier, if the Class Member's notice was re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 8.4.5 If the Administrator, NKSFB or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class and Aggrieved Employee Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members and/or Aggrieved Employees. If the Parties agree, such persons will be Class Members and Aggrieved Employees (if applicable) entitled to the same rights as other Class Members and Aggrieved Employees, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 15 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

8.5 Requests for Exclusion (Opt-Outs).

- 8.5.1 Class Members who wish to exclude themselves (i.e., opt-out of) from the Settlement of the Class Action Claims must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion no later than 45 days after the Administrator mails the Class Notice. This deadline will be extended an additional 15 days if the Class Member's notice was re-mailed. A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement of Class Action Claims and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
- 8.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of

authenticity shall be final and not appealable or otherwise susceptible to challenge.

- 8.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 6.2 and 6.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- 8.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the Settlement of the Class Action Claims.
- 8.5.5 Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.3 of this Agreement and are eligible for an Individual PAGA Payment. Aggrieved Employees may not opt out of this Settlement regarding the Released PAGA Claims.

8.6 Challenges to Calculation of Payments. Each Class Member shall have 45 days after the Administrator mails the Class Notice (plus an additional 15 days for Class Members whose Class Notice is re-mailed) to challenge the Individual Class Payment allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the calculation contained in the Class Notice is correct so long as it is consistent with the Class and Aggrieved Employee Data. The Administrator's determination of each Individual Class Payment shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculations to Defense Counsel and Class Counsel and the Administrator's determination of any challenges.

8.7 Objections to Settlement.

- 8.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.
- 8.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator

must do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional 15 days for Class Members whose Class Notice was re-mailed).

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

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

8.8.1 Website, Email Address and Toll-Free Number. The Administrator will maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

8.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion submitted (whether valid or invalid).

8.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to payments received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must provide the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

8.8.4 Calculation Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods.

The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

8.8.5 Administrator's Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

8.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the GSF, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

9. **CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE.** Based on its records and research, NKSFB estimates that it has conducted 522 Background Checks between March 21, 2020, and December 1, 2022, and that it has conducted approximately 353 Background Checks between March 21, 2021, and December 1, 2022. In the event the number of Background Checks during the Class Period increases by more than 10% (i.e., by 52 Background Checks), then the GSF shall be increased proportionally by the number of Background Checks in excess of 574 Background Checks multiplied by the Background Check Value. The Background Check Value shall be the originally agreed-upon GSF (\$120,00.00) divided by 522, which amounts to a Background Check Value of \$229.89. Thus, for example, should there have been 600 Background Checks during the Class Period, then the GSF shall be increased by \$5,977.14 $[(600 - 574) \times \$229.89]$.

10. **NKSFB'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds ten percent (10%) of the total of all Class Members, NKSFB may, but is not obligated to, elect to withdraw from the Settlement. The Parties agree that, if NKSFB withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, NKSFB will remain responsible for paying all Settlement Administration Expenses incurred to that point. NKSFB must notify Class Counsel and the Court of its election to withdraw not later than 7 days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

11. MOTION FOR FINAL APPROVAL. Prior to the calendared Final Approval Hearing, Plaintiff will file in Court a Motion for Final Approval of the Settlement that includes a request for approval of the PAGA settlement under California Labor Code Section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively the “Motion for Final Approval”). Plaintiff shall endeavor in good faith to provide near-final drafts of these documents to Defense Counsel not later than 3 business days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

11.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

11.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members and/or Aggrieved Employees), the Parties will expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final Approval. The Court’s decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

11.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

11.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Representative Service Payment, the Class Counsel Fees Payment, and the Class Counsel Litigation Expenses Payment 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 Gross Settlement Amount or Net Settlement Amount.

11.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that

requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the GSF remains unchanged.

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

13. **ADDITIONAL PROVISIONS.**

- 13.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by NKSFB that any of the allegations in the Action, including but not limited to the PAGA Notice, the original Class Action Complaint, the original PAGA Enforcement Action, and the Amended Complaint, have merit or that NKSFB has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that NKSFB's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, NKSFB reserves the right to contest certification of any class for any reasons, and NKSFB reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest NKSFB's defenses. The Settlement, this Agreement and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
- 13.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, NKSFB 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, spouses or domestic partners, 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, NKSFB 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, with any 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.

- 13.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel’s ability to communicate with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.
- 13.4 Agreement Not To Initiate Further PAGA Action. Plaintiff agrees not to present any further or additional letters to the LWDA pursuant to California Labor Code Section 2699(a). Plaintiff further agrees not to assert in any other forum any claim for civil penalties arising under PAGA, whether individually or in a representative capacity.
- 13.5 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party, including the Memorandum of Agreement executed by the Parties, dated January 26, 2023.
- 13.6 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and NKSFB, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 13.7 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 13.8 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

- 13.9 No Tax Advice. Neither Plaintiff, Class Counsel, NKSFB nor Defense Counsel is providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 13.10 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 13.11 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 13.12 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 13.13 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.
- 13.14 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 13.15 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code Section 1152, and all copies and summaries of the Class and Aggrieved Employee Data provided to Class Counsel by NKSFB 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.
- 13.16 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 13.17 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 13.18 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

David D. Bibiyan, Esq.
Vedang J. Patel, Esq.
Bibiyan Law Group
8484 Wilshire Boulevard, Suite 500
Beverly Hills, CA 90211

To NKSFB:

David A. Wimmer, Esq.
Allison R. Musante, Esq.
Swerdlow Florence Sanchez Swerdlow & Wimmer,
A Law Corporation
10877 Wilshire Boulevard, Suite 1650
Los Angeles, CA 90024

- 13.19 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (e.g. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 13.20 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement, pursuant to California Code of Civil Procedure Section 583.330 to extend the date to bring a case to trial under California Code of Civil Procedure Section 583.310 for the entire period of this settlement process.

EXECUTED this ___ day of April 2023, at Los Angeles County, California.

Sam Davood

Sam Davood (May 30, 2023 15:13 PDT)

Soheil Davood a/k/a Sam Davood

EXECUTED this ___ day of April 2023, at Los Angeles County, California.

NKSFB, LLC

By: Eric J. Diamond Jun 8, 2023
Eric J. Diamond (Jun 8, 2023 15:24 PDT)

Eric Diamond
Its: Chief Operations Officer

APPROVED AS TO FORM:

BIBIYAN LAW GROUP, P.C.

By: Vedang J. Patel
David A. Bibiyan, Esq.
Vedang J. Patel, Esq.

Dated: 6/7/23

Attorneys for Plaintiff, Soheil Davood a/k/a Sam Davood

APPROVED AS TO FORM:

SWERDLOW FLORENCE SANCHEZ

SWERDLOW & WIMMER, A LAW CORPORATION

By: David A. Wimmer
David A. Wimmer, Esq.

Dated: Jun 8, 2023

Attorneys for Defendant, NKSFB, LLC

**COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING
DATE FOR FINAL COURT APPROVAL**

(Davood v. NKSFB, LLC, Los Angeles Superior Court Case No. 22STCV17305)

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

You may be eligible to receive money from an employment class-action and representative-action lawsuit (“Action”) against NKSFB, LLC (“NKSFB”) for alleged violations of federal and California background check laws involving a background check conducted by NKSFB. The Action was filed by an individual who applied for a job at NKSFB and received a conditional offer of employment, Soheil Davood a/k/a Sam Davood (“Plaintiff”), and seeks: (1) payment of statutory damages for a class of all applicants and employees, former and current, who applied for a position at NKSFB and had a Background Check (as defined in the Settlement) performed during the Class Period (March 21, 2020, through _____ 2023 [the date of Preliminary Approval]) (“Class Members”); and (2) civil penalties under the California Private Attorney General Act (“PAGA”) for all applicants and employees, former and current, who applied for a position at NKSFB and had a Background Check performed during the PAGA Period (March 21, 2021, through _____, 2023 [date of Preliminary Approval]) (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring NKSFB to fund Individual Class Payments, and (2) a PAGA Settlement requiring NKSFB to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on NKSFB’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ _____ and your Individual PAGA Payment is estimated to be \$ _____**. The actual amount you may receive could be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to NKSFB’s records you are not eligible for an Individual PAGA Payment under the Settlement because the Background Check conducted on you did not occur during the PAGA Period.)

The above estimates are based on NKSFB’s records showing that you had a Background Check performed during the Class Period and the PAGA Period (if applicable). If you believe that this information is incorrect, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires NKSFB to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against NKSFB.

If you had a background check conducted by NKSFB during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

(1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and an Individual PAGA Payment (if any).

(2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Settlement of the Class Action Claims (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement of the Class Action Claims, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period claims against NKSFB. If you are an Aggrieved Employee, you will receive an Individual PAGA Payment whether or not you opt out of the Settlement of the Class Action Claims. You cannot opt-out of the proposed Settlement of the PAGA Claims.

NKSFB will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

<p>You Don't Have to Do Anything to Participate in the Settlement</p>	<p>If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the Class Action Claims against NKSFB that are covered by this Settlement (Released Claims). All Aggrieved Employees must participate in the Settlement of the PAGA Claims.</p>
<p>You Can Opt-out of the Class Settlement, but not the PAGA Settlement</p> <p>The Opt-out Deadline is _____</p>	<p>If you don't want to fully participate in the proposed Settlement, you can opt-out of the Settlement of Class Action Claims by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.</p> <p>You cannot opt-out of the proposed Settlement of the PAGA Claims. NKSFB must pay Individual PAGA Payments to all Aggrieved Employees, and the Aggrieved Employees must give up their rights to pursue Released PAGA Claims (defined below).</p>
<p>Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement</p> <p>Written Objections Must be Submitted by _____</p>	<p>All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.</p>

You Can Participate in the _____ Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on_____, 2023. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment and Individual PAGA Payment (if any) depends on if NKSFB conducted a Background Check on you during the Class Period and/or the PAGA Period, respectively. If you disagree with the amount of your payment, you must challenge it by _____, 2023. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff applied for a job at NKSFB and received a conditional offer of employment, but that offer was revoked after NKSFB received the results of his Background Check. The Action accuses NKSFB of violating federal and California laws governing the use of Background Checks for employment purposes, specifically alleging, among other things, that the disclosures provided in the Background Check authorizations were improper. Plaintiff also has asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”) alleging that, among other things, NKSFB improperly asked for and improperly considered conviction history for employment purposes. Plaintiff is represented by attorneys in the Action: David D. Bibiyan and Alexander Wallin of Bibiyan Law Group (“Class Counsel.”) NKSFB strongly denies violating any laws, contends the Background Checks it conducted were lawful, and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination as to whether NKSFB or Plaintiff is correct on the merits. In the meantime, Plaintiff and NKSFB hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and NKSFB have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, NKSFB does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) NKSFB has agreed to pay a fair, reasonable and adequate amount considering the strengths and weaknesses of the claims and the risks and uncertainties of continued litigation; and (2) the Settlement is in the best interests of the Class Members and Aggrieved Employees. The

Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. NKSFB Will Pay \$120,000 as the Gross Settlement Amount (Gross Settlement). NKSFB has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, NKSFB will fund the Gross Settlement not more than 30 days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

A. Up to \$42,00.00 (35% of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$25,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

B. Up to \$7,500.00 to Mr. Davood as a Class Representative Service Payment for filing the Action, working with Class Counsel and representing the Class. A Class Representative Service Payment will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.

C. Up to \$9,500.00 to the Administrator for services administering the Settlement.

D. Up to \$10,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% to the Individual PAGA Payments to the Aggrieved Employees. Payments to Aggrieved Employees shall be divided equally as from the 25% PAGA distribution amount.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members. Payments to Class Members shall be divided equally among the Class Members from the Net Settlement.

4. Taxes Owed on Payments to Class Members. Plaintiff and NKSFB are asking the Court to approve an allocation of 100% of each Individual Class Payment to statutory penalties and other non-wage damages and interest. The Individual PAGA Payments are counted as penalties rather

than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and NKSFB have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

If the monies represented by your check is sent to the Controller's Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Settlement, unless you notify the Administrator in writing, not later than _____, 2023 (45 days from today's date), that you wish to opt-out of the Settlement of the Class Action Claims. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement of the Class Action Claims. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue their individual Class Action Claims against NKSFB.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Settlement of the Class Action Claim (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against NKSFB based on the facts alleged in the Action that took place during the PAGA Period.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and NKSFB have agreed that, in either case, the Settlement will be void: NKSFB will not pay any money, and Class Members and Aggrieved Employees will not release any claims against NKSFB.

8. Administrator. The Court has appointed a neutral company, _____ (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member and Aggrieved Employee challenges over payments, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.

9. Participating Class Members' Release. After the Judgment is final and NKSFB has fully funded the Gross Settlement, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Settlement of the Class Action Claims, you cannot sue, continue to sue, or be part of any other lawsuit against NKSFB or related entities that arose during the Class Period, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members are deemed to forever completely release and discharge and covenant not to sue, on behalf of themselves and their respective former and present representatives, agents, attorneys, spouses, domestic partners, children, estates, heirs, trusts, administrators, successors, and assigns, the Released Parties from the Released Class Claims. The "Released Class Claims" means any and all claims that were alleged, or reasonably could have been alleged, during the Class Period based on the facts stated in Plaintiff's Class Action Complaint and in the Amended Complaint. The Class Claims include, without limitation, any and all claims under the Fair Credit Reporting Act, the California Investigative Consumer Reporting Agencies Act, and the Consumer Credit Reporting Agencies Act arising from the pleaded claims in the Class Action Complaint and the Amended Complaint.

Except as set forth in Section 6.3 of the Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period. It is the intent of the Parties that the Final Judgment entered by the Court shall have full equitable estoppel and res judicata effect and be final and binding upon the Plaintiff and the Participating Class Members regarding the Released Class Claims. Each Participating Class Member will be deemed to have made the foregoing Release as if by manually signing it.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and NKSFB has fully funded the Gross Settlement, all Aggrieved Employees will be barred from asserting PAGA claims against NKSFB, whether or not they exclude themselves from the Settlement of Class Action Claims. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Settlement of Class Action Claims, cannot sue, continue to sue, or participate in any other PAGA claim against NKSFB or its related entities based on the facts alleged in the Action to have occurred during the PAGA Period and resolved by this Settlement.

The Aggrieved Employees' Releases for Participating and Non-Participating Class Members are as follows:

All Aggrieved Employees (whether a Participating Class Member or a Non-Participating Class Member), including Plaintiff, standing in the shoes of the Labor Commissioner/LWDA to the extent permitted by law, and on behalf of the State of

California and all Aggrieved Employees, are deemed to forever completely release and discharge and covenant not to sue, on behalf of themselves and their respective former and present representatives, agents, attorneys, spouses, domestic partners, children, estates, heirs, trusts, administrators, successors, and assigns, the Released Parties from the Released PAGA Claims. The “Released PAGA Claims” means any and all claims for civil penalties under PAGA arising at any time during the PAGA Period from the pleaded claims in the PAGA Notice and this Action, including in the PAGA Enforcement Action and in the Amended Complaint, and from all other claims for civil penalties arising from, related to, or otherwise connected with the underlying factual allegations contained in the PAGA Notice, the original PAGA Enforcement Action and Amended Complaint, that Plaintiff, on behalf of himself, the LWDA and the Aggrieved Employees, alleged or could have alleged against any Released Party. The Released PAGA Claims include, without limitation, all claims for civil penalties arising under California Labor Code Sections 432.7, 432.8, 2698, *et seq.*, and 2699, and California Government Code Section 12952.

It is the intent of the Parties that the Final Judgment entered by the Court shall have full equitable estoppel and res judicata effect and be final and binding upon the Plaintiff, the LWDA, and the Aggrieved Employees regarding the Released PAGA Claims.

Each Aggrieved Employee and the LWDA will be deemed to have made the foregoing Release as if by manually signing it.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by dividing equally among the Class Members from the Net Settlement.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by dividing equally among the Aggrieved Employees from the \$2,500 PAGA distribution amount to all Aggrieved Employees.
3. Calculation Challenges. Your payment calculation(s) are on the first page of this Notice. You have until _____, 2023 to challenge se calculations. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator’s contact information.

You need to support your challenge by sending copies of your proof of improper calculations. The Administrator will accept NKSFB’s calculation as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve the dispute based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and NKSFB’s Counsel. The Administrator’s decision is final. You can’t appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) of the Settlement of Class Action Claims including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Settlement of the Class Action Claims (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement of the Class Action Claims. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as Davood v. NKSFB, LLC, Los Angeles Superior Court Case No. 22STCV17305, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by _____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement of the Class Action Claims. Before deciding whether to object, you may wish to see what Plaintiff is asking the Court to approve. At least 16 days before the Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Payment. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website _____ or the Court's website _____.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is _____.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action as Davood

v. NKSFB, LLC, Los Angeles Superior Court Case No. 22STCV1730, and include your name, current address, telephone number, and approximate dates you applied for employment with NKSFB and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at _____ in Department 76 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website _____ beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything NKSFB and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to _____'s website at _____. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. _____. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

DO NOT TELEPHONE THE SUPERIOR COURT OR DEFENSE COUNSEL TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

Name of Attorney: David D. Bibiyan & Vedang J. Patel

Email Address: david@tomorrowlaw.com; vedang@tomorrowlaw.com

Name of Firm: Bibiyan Law Group

Mailing Address: 8484 Wilshire Boulevard, Suite 500, Beverly Hills, CA 90211

Telephone: (310) 438-5555

Settlement Administrator:

Name of Company:

Email Address:

Mailing Address:

Telephone:

Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.










Final SA_PE (002)

Final Audit Report

2023-06-08

Created:	2023-06-08
By:	Allison Musante (amusante@swerdlowlaw.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAI5-Zel1uuNRtrTurEPLYUTZSa4A-HYUX

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-  Document created by Allison Musante (amusante@swerdlowlaw.com)
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2023-06-08 - 10:23:05 PM GMT- IP address: 216.200.241.88
-  Signer ediamond@nksfb.com entered name at signing as Eric J. Diamond
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-  Document e-signed by Eric J. Diamond (ediamond@nksfb.com)
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-  Document emailed to David Wimmer (dwimmer@swerdlowlaw.com) for signature
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-  Email viewed by David Wimmer (dwimmer@swerdlowlaw.com)
2023-06-08 - 10:46:29 PM GMT- IP address: 198.2.54.50
-  Document e-signed by David Wimmer (dwimmer@swerdlowlaw.com)
Signature Date: 2023-06-08 - 10:47:20 PM GMT - Time Source: server- IP address: 198.2.54.50
-  Agreement completed.
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