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JACKSONS FOOD STORES, INC.

8
9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 COUNTY OF SAN DIEGO

11 JESUS ARAMBURO, individually and on
12 behalf of all others similarly situated,
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14 Plaintiffs,
15
16 v.
17 JACKSONS FOOD STORES, INC. and DOES
1 through 50, inclusive,
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19 Defendants.
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Case No. 37-2023-00009655-CU-OE-CTL
**JOINT STIPULATION OF CLASS
ACTION AND PAGA SETTLEMENT
AND RELEASE**
ASSIGNED FOR ALL PURPOSES TO
JUDGE MARCELLA O MCLAUGHLIN
Trial Date: TBD
Complaint Filed: March 8, 2023

1 IT IS HEREBY STIPULATED, by and between the parties in the civil action entitled *Jesus*
2 *Aramburo et al. v. Jacksons Food Stores, Inc., et al.*, and subject to the approval of the Court, that
3 the Action (as defined below) is hereby compromised and settled pursuant to the terms and
4 conditions set forth in this Joint Stipulation of Class Action and PAGA Settlement and Release
5 (“Agreement,” “Settlement,” “Stipulation,” or “Stipulation of Settlement”) and that the Court shall
6 make and enter judgment, subject to the continuing jurisdiction of the Court as set forth below, and
7 subject to the definitions, recitals, and terms set forth herein which by this reference become an
8 integral part of this Stipulation.

9 **DEFINITIONS**

10 1. “Action” shall mean and refer to, collectively, the Class Action and PAGA
11 Complaint, as defined below.

12 2. “Amended PAGA Notice” means the letter dated September 19, 2023, that counsel
13 for Plaintiff Aramburo sent to the California Labor Workforce Development Agency (“LWDA”)
14 amending the PAGA Notice to add Jacksons Energy Logistics, LLC and a claim for penalties based
15 on unreimbursed business expenses under California Labor Code section 2802.

16 3. “Class Action and PAGA Complaint” means the putative class action entitled *Jesus*
17 *Aramburo et al. v. Jacksons Food Stores, Inc., et al.*, San Diego County Superior Court Case
18 No. 37-2023-00009655-CU-OE-CTL, initially filed on March 8, 2023, and, more specifically, the
19 operative Third Amended Complaint filed on or about March 4, 2024, which consolidated all claims
20 in the later-filed Garrett Action (as defined below) with this one.

21 4. “Class Counsel” means Ferraro Vega Employment Lawyers, Inc. and Capstone Law
22 APC.

23 5. “Class Counsel Award” means (a) the Court-approved attorneys’ fees for Class
24 Counsel’s litigation and resolution of the Action, in an amount not to exceed one-third (33 1/3%)
25 of the Gross Settlement Amount, or Three Hundred Eight Thousand Three Hundred And Thirty-
26 Three Dollars and No Cents (\$308,333.33) and (b) the Court-approved costs incurred by Class
27 Counsel in connection with this Action, in an amount anticipated not to exceed Forty-Five
28 Thousand Dollars and No Cents (\$45,000.00).

1 6. “Class Information” or “Class Lists” means information regarding Class Members
2 that Defendant shall in good faith compile from its records and shall be authorized by the Court to
3 transmit in a secured manner to the Settlement Administrator. Class Information shall be
4 transmitted in Microsoft Excel format and shall include each Class Member’s: (i) full name; (ii)
5 last known address; (iii) Social Security number; (iv) the number of Workweeks (as defined herein)
6 worked for Defendant as a Class Member; and (v) the number of Pay Periods (as defined herein)
7 worked for Defendant as a PAGA Member.

8 7. “Class Members” or “Settlement Class” means: All persons who worked for
9 Defendant as non-exempt, hourly paid employees in the State of California during the Class Period.

10 8. “Class Period” means the period of time from March 8, 2019, through January 30,
11 2024.

12 9. “Class Representative Service Award” means Plaintiffs’ award in recognition of
13 their time and effort in bringing and presenting the Action and for releasing their respective
14 Released Claims in an amount not to exceed Ten Thousand Dollars and No Cents (\$10,000.00)
15 each.

16 10. “Court” shall mean the San Diego County Superior Court and, specifically, the Hon.
17 Marcella O. McLaughlin or such other judge as may be sitting in her stead and/or presiding over
18 this Action.

19 11. “Defendant” means Jacksons Food Stores, Inc.

20 12. “Defense Counsel” means Alaya B. Meyers and Tracy R. Leidner of Littler
21 Mendelson, P.C.

22 13. “Effective Date” means the date on which the Final Award becomes final. For
23 purposes of this Section, the Final Award “becomes final” only after the Court grants the Motion for
24 Final Approval and after notice of entry of order of final approval if there are no objections, however,
25 if there are objections the Final Award “becomes final” only upon the latter of: (i) if no appeal is
26 filed, the expiration date of the time for the filing or noticing of any appeal from, or other challenge
27 to, the Order Granting Final Approval (this time period shall not be less than 60 calendar days after
28 the Court’s Order is entered); (ii) the date of affirmance of an appeal of the Order Granting Final

1 Approval becomes final under the California Rules of Court; or (iii) the date of final dismissal of any
2 appeal from the Order Granting Final Approval or the final dismissal of any proceeding on review of
3 any court of appeal decision relating to the Order Granting Final Approval. It is the intention of the
4 Parties that the Settlement shall not become effective until the Court's Final Order and Judgment
5 approving the Settlement has become completely final, and no timely recourse remains for an
6 appellant or objector to contest the Settlement.

7 14. "Employer's Share of Payroll Taxes" means Defendant's portion of payroll taxes,
8 including, but not limited to FICA and FUTA, on the portion of each Individual Settlement Award
9 that is designated as wages.

10 15. "Final Approval Hearing" means the hearing to be conducted by the Court after the
11 filing by Plaintiffs of an appropriate motion and following appropriate notice to Class Members
12 giving Class Members an opportunity to request exclusion from the Settlement Classes and
13 Settlement and to object to the Settlement, at which time Plaintiffs shall request that the Court
14 finally approve the Settlement, enter the Final Order and Judgment, and take other appropriate
15 action.

16 16. "Final Order and Judgment" means the order and judgment to be entered by the Court
17 upon granting final approval of the Settlement and this Stipulation of Settlement as binding upon the
18 Parties and Participating Class Members. A proposed Final Order and Judgment shall be mutually
19 agreed upon by the Parties and submitted to the Court concurrently with Plaintiffs' Motion for Final
20 Approval of the Settlement.

21 17. "Final Report" means the report to be prepared by the Settlement Administrator
22 (after the expiration of the 180-day period in which Participating Class Members must cash/deposit
23 their Individual Settlement Award payment checks) regarding the distribution of the Gross
24 Settlement Amount, including the total amount that was cashed/deposited by Participating Class
25 Members and the total amount of any unpaid residue or unclaimed or abandoned funds pursuant to
26 California Code of Civil Procedure section 384.

27 18. "Gross Settlement Amount" or "GSA" means the total amount Defendant shall have
28 to pay in connection with this Settlement, by way of a common fund, which shall be inclusive of

1 all Individual Settlement Awards to Participating Class Members, the Class Counsel Award, the
2 Class Representative Service Award, PAGA Payment, and Settlement Administration Costs.
3 Subject to Court approval and the terms of this Stipulation of Settlement, the GSA shall be Nine
4 Hundred Twenty-Five Thousand Dollars and No Cents (\$925,000.00). The Gross Settlement
5 Amount does not include Defendant's share of payroll taxes for the Individual Settlement Award
6 payments, which shall be paid separately from, and in addition to, the GSA.

7 19. "Individual PAGA Payment" means the amount payable from the PAGA Payment
8 to each PAGA Member.

9 20. "Individual Settlement Award" means the amount payable from the Net Settlement
10 Amount to each Participating Class Member.

11 21. "Net Settlement Amount" or "NSA" means the Gross Settlement Amount, less the
12 Class Counsel Award, Class Representative Service Award, PAGA Payment, and Settlement
13 Administration Costs.

14 22. "Notice of Objection" means a Class Member's valid and timely submission of a
15 written objection to the Settlement. An objection should include: (a) the objector's full name,
16 signature, address, telephone number, and the last four digits of his/her Social Security number, (b) a
17 written statement of all grounds for the objection accompanied by any legal support for such
18 objection, and (c) copies of any papers, briefs, or other documents upon which the objection is based.
19 At no time shall any of the Parties, Class Counsel, or Defense Counsel seek to solicit or otherwise
20 encourage or discourage Class Members from submitting a Notice of Objection or filing an appeal
21 from the Final Order and Judgment. Non-Participating Class Members (*i.e.*, Class Members who
22 submit valid Requests for Exclusion) may not submit an Objection to the Settlement. If a Class
23 Member submits both a Request for Exclusion and an Objection, the Request for Exclusion shall
24 be deemed controlling and the Objection will be deemed invalid.

25 23. "PAGA Members" or "PAGA Class" means: All persons who worked for
26 Defendant as non-exempt, hourly paid employees in the State of California at any time during the
27 PAGA Period.

1 24. “PAGA Notice” means the letters sent on Plaintiffs’ behalf, respectively, dated
2 March 1, 2023 (sent by counsel for Aramburo) and June 2, 2023 (sent by counsel for Garrett)
3 pursuant to Labor Code §2699.3(a)/(c) seeking to exhaust Plaintiffs administrative remedies under
4 PAGA, naming Jacksons Food Stores, Inc.

5 25. “PAGA Payment” means the amount of Twenty Thousand Dollars and No Cents
6 (\$20,000.00), subject to Court approval, to be paid from the Gross Settlement Amount for
7 satisfaction of Plaintiffs’ and Class Members’ claims under the California Private Attorneys’
8 General Act of 2004, California Labor Code sections 2698, *et seq.* (“PAGA”). Pursuant to the
9 PAGA, seventy-five percent (75%) of the PAGA Payment, or Fifteen Thousand Dollars and No
10 Cents (\$15,000.00), will be paid to the LWDA and twenty-five percent (25%), or Five Thousand
11 Dollars and No Cents (\$5,000.00), will be distributed as the Individual PAGA Payments to Class
12 Members.

13 26. “PAGA Period” means the period of time from March 1, 2022, through January 30,
14 2024.

15 27. “PAGA Release” or “PAGA Released Claims” means the release by all PAGA
16 Members for all claims for penalties under PAGA that arise out of or relate to California Labor
17 Code sections 201, 202, 203, 204, 204b, 210, 213, 226, 226.3, 226.7, 245, 246 through 248.7, 256,
18 432.5, 510, 512, 516, 1174, 1174.5, 1182.12, 1194, 1197, 1197.1, 1198, 2802, 2804, and 2810.5 as
19 pled or reasonably could have been pled in the Action, and as set forth in the PAGA Notice and
20 Amended PAGA Notice during the PAGA Period. In light of the binding nature of a PAGA
21 judgment on non-party employees pursuant to *Arias v. Superior Ct. (Dairy)*, 46 Cal. 4th 969 (2009),
22 Class Members employed by Defendant who exclude themselves from this Settlement shall still
23 receive an Individual PAGA Payment directly from the Settlement Administrator for the amount
24 of each such individual’s estimated share of the PAGA Payment as calculated by the Settlement
25 Administrator, and shall not be able to object to or exclude themselves from releasing the PAGA
26 Released Claims against Defendant (*i.e.*, Participating PAGA Members, as defined below).

27 28. “Participating Class Members” means Plaintiffs and all other Class Members who
28 do not submit a valid and timely Request for Exclusion.

1 29. “Participating PAGA Members” means all Class Members who submit a valid and
2 timely Request for Exclusion but are nevertheless bound by the PAGA Release.

3 30. “Parties” means Plaintiffs and Defendant.

4 31. “Pay Periods” and Workweeks, as defined herein, shall be used interchangeably
5 (*i.e.*, one Workweek shall equal one Pay Period and so forth) since, at all relevant times during the
6 PAGA Period, Defendant issued paychecks on a weekly basis.

7 32. “Plaintiffs” means Jesus Aramburo (“Aramburo”) and Tachina Garrett (“Garrett”).

8 33. “Preliminary Approval Order” means the order to be issued by the Court approving
9 and authorizing the mailing of the Settlement Notice by the Settlement Administrator, setting the
10 date of the Final Approval Hearing and granting preliminary approval of the Settlement set forth in
11 this Stipulation of Settlement, among other things. A proposed Preliminary Approval Order shall
12 be mutually agreed upon by the Parties and submitted to the Court concurrently with Plaintiffs’
13 Motion for Preliminary Approval of the Settlement.

14 34. “Released Claims” includes all claims under state or local law, whether statutory,
15 common law, or administrative law, whether in law or equity, for all claims other than the PAGA
16 Released Claims that were pled or reasonably could have been pled in the Action, based on or
17 arising out of the factual allegations therein, during the Class Period, including: (a) all claims for
18 failure to pay all wages owed (Cal. Labor Code §§ 510, 1182.12, 1194, 1194.2, 1197, 1197.1, 1194,
19 1198); (b) all claims for failure to provide meal periods (Cal. Labor Code §§ 226.7, 512, 516, 1198);
20 (c) all claims for rest period violations (Cal. Labor Code §§ 226.7, 516, 1198); (d) all claims for
21 failure to pay all paid sick leave wages (Cal. Labor Code §§ 200, 218, 245 *et. seq.*); (e) all claims
22 for failure to timely pay wages (Cal. Labor Code §§ 204, 210, 218); (f) all claims for failure to
23 provide accurate wage statements and for recordkeeping violations (Cal. Labor Code §§ 226, 1174,
24 and 1198); (g) all claims for waiting time penalties (Cal. Labor Code §§ 201, 202, 203); (h) all
25 claims for violation of the California Unfair Competition Law (Business & Professions Code §
26 17200 *et seq.*); (i) all claims for failure to reimburse business expenses (Cal. Labor Code § 2802);
27 (j) liquidated damages; (k) interest; (l) attorneys’ fees; and (m) attorneys’ costs.

28 35. “Released Parties” means Defendant and its affiliated companies, owners, parents,

1 members, subsidiaries, related companies and business concerns, past and present, including
2 successors and predecessors, and each of them, as well as each of their insurers, partners, trustees,
3 directors, shareholders, officers, agents, attorneys, servants and employees, past and present, and
4 each of them.

5 36. “Request for Exclusion” means a written statement submitted by a Class Member
6 indicating a request to be excluded from the Settlement. The Request for Exclusion must be in writing
7 and should: (i) be signed by the Class Member; (ii) contain the name, address, telephone number, and
8 the last four digits of the Social Security number of the Class Member requesting exclusion; (iii)
9 clearly state that the Class Member does not wish to be included in the Settlement; (iv) be returned
10 by e-mail, fax, or mail to the Settlement Administrator at the specific address and/or facsimile
11 number; and (v) be e-mailed, faxed, or postmarked on or before the Response Deadline. The date of
12 the e-mail, fax, or postmark on the return mailing envelope will be the exclusive means to determine
13 whether a Request for Exclusion has been timely submitted. A Class Member who does not request
14 exclusion from the Settlement will be deemed a Participating Class Member and will be bound by all
15 terms of the Settlement, if the Settlement is granted final approval by the Court. Any Class Member
16 who validly requests to be excluded from the Settlement will no longer be a member of the Settlement
17 Class and will not have any right to object, appeal, or comment on the Settlement, but will remain as
18 Participating PAGA Member(s), and will receive an Individual PAGA Payment for the PAGA
19 Released Claims. No later than ten (10) calendar days after the Response Deadline, the Settlement
20 Administrator shall provide Class Counsel and Defense Counsel with a complete list of all Class
21 Members who submitted a timely and valid Request for Exclusion.

22 37. “Response Deadline” means the deadline by which Class Members must e-mail, fax,
23 or mail to the Settlement Administrator a valid Request for Exclusion, objection or workweek
24 dispute. The Response Deadline will be forty-five (45) calendar days from the initial mailing of
25 the Settlement Notices by the Settlement Administrator unless the 45th day falls on a Sunday or
26 Federal holiday, in which case the Response Deadline will be extended to the next day on which
27 the U.S. Postal Service is open. The Response Deadline may also be extended by express
28 agreement between Class Counsel and Defense Counsel. Under no circumstances, however, will

1 the Administrator have the unilateral authority to extend the deadline for Class Members to submit
2 a Request for Exclusion, objection or Workweek Dispute to the settlement.

3 38. "Settlement" means the final and complete disposition of the Action pursuant to this
4 Stipulation of Settlement.

5 39. "Settlement Administrator" or "Administrator" means CPT Group, the third-party
6 settlement administrator agreed to by the Parties, to be approved by the Court, for purposes of
7 administering this settlement. The Parties each represent that they will not have any financial
8 interest in the Settlement Administrator or otherwise have a relationship with the Settlement
9 Administrator that could create a conflict of interest.

10 40. "Settlement Administration Costs" means the reasonable costs and fees of
11 administering the Settlement to be paid from the Gross Settlement Amount, not to exceed \$10,500,
12 including, but not limited to: (i) maintaining a website with information about the Settlement and
13 relevant documents (including, but not limited to, the Settlement Agreement, the operative complaints
14 in the Action, and the Court's Preliminary Approval Order); (ii) printing, mailing and re-mailing (if
15 necessary) of Settlement Notices to Class Members; (iii) preparing and submitting to Class Members
16 and government entities all appropriate tax filings and forms; (iv) computing the amount of and
17 distributing Individual Settlement Awards, the Class Representative Service Award, and the Class
18 Counsel Award; (v) processing and validating Requests for Exclusion; (vi) establishing a Qualified
19 Settlement Fund, as defined by the Internal Revenue Code; (vii) calculating and remitting to the
20 appropriate government agencies all employer and employee payroll tax obligations arising from the
21 Settlement and preparing and submitting filings required by law in connection with the payments
22 required by the Settlement; and (viii) transmitting uncashed Individual Settlement Award payments
23 to the designated *cy pres* beneficiary pursuant to Cal. Labor Code § 384.

24 41. "Settlement Notice" means the Notice of Class Action Settlement, substantially in the
25 form attached as **Exhibit 1**, which shall be subject to Court approval and which the Settlement
26 Administrator shall mail to each Class Member containing: (i) information regarding the nature of
27 the Action; (ii) a summary of the Settlement's principal terms; (iii) the Class definition; (iv) the total
28 number of Workweeks the respective Class Member worked for Defendant (according to Defendant's

1 best available records, and as further set forth in the definition of “Workweeks” herein); (v) the Class
2 Member’s estimated Individual Settlement Award and the formula for calculating Individual
3 Settlement Awards; (vi) the dates which comprise the Class Period; (vii) instructions on how to
4 submit disputes regarding Workweeks, Requests for Exclusion, and/or Notices of Objection; (viii)
5 the Response Deadline; and (ix) the claims to be released pursuant to the Settlement of the Action.

6 42. “Workweeks” means the number of Workweeks worked by each Class Member
7 for Defendant during the Class Period. For purposes of payment, a Workweek shall be defined as
8 any week in which the Class Member worked at least one shift. To the extent Defendant does
9 not have information about weeks worked readily available due to gaps in their electronic or
10 paper time records, Defendant shall use its best available information, including extrapolations
11 where necessary, to compute actual Workweeks, and provide that information to the Settlement
12 Administrator.

13 43. “Workweek Dispute” means a written statement that a Class Member disputes the
14 number of Workweeks, as defined herein, listed on his/her Settlement Notice. Any such Workweek
15 Dispute must be e-mailed, faxed or mailed to the Settlement Administrator by the Response
16 Deadline. The date of the e-mail, fax, or postmark on the mailing envelope will be the exclusive
17 means to determine whether a Workweek Dispute has been timely submitted. A valid Workweek
18 Dispute must be in writing and should contain: (i) the Class Member’s full name, signature, address,
19 telephone number, and the last four digits of his/her Social Security number; (ii) the number of
20 Workweeks the Class Member contends is correct; and (iii) any evidence supporting his/her
21 contention. The dates of employment identified for each Class Member in the applicable Class Lists
22 and the number of Workweeks for each Class Member as defined herein will be presumed to be
23 correct, unless a particular Class Member proves otherwise to the Settlement Administrator by credible
24 evidence. All Workweek Disputes will be resolved and decided by the Settlement Administrator, with
25 consultation with Defense Counsel and/or Class Counsel as appropriate. If the Workweek Dispute
26 cannot be resolved by the Settlement Administrator, then it shall be resolved by the Court upon request
27 of the Parties.

28

1 44. "Workweek Value" means the value of each compensable Workweek, as
2 determined by the formula set forth herein.

3 **RECITALS**

4 45. Procedural History.

5 a. On March 1, 2023, Aramburo submitted the PAGA Notice to the LWDA as
6 to Jacksons Food Stores, Inc. for the purpose of complying with California Labor Code § 2699.3's
7 notice requirement. Aramburo submitted the Amended PAGA Notice on September 19, 2023.

8 b. On March 8, 2023, Aramburo filed his Class Action Complaint against
9 Defendant in San Diego County Superior Court alleging putative class claims for unpaid overtime,
10 meal and rest period violations, unpaid sick leave, untimely payment of wages, itemized wage
11 statement violations, waiting time penalties, and violations of the Unfair Competition Law ("UCL")
12 ("Aramburo Action"). On June 1, 2023, Aramburo filed the First Amended Class and
13 Representative Action Complaint adding a claim for penalties under the PAGA. On September 28,
14 2023, Aramburo filed the Second Amended Class and Representative Action Complaint to add a
15 claim for alleged unreimbursed business expenses and Jacksons Energy Logistics, LLC as a
16 Defendant.

17 c. On April 23, 2023, Garrett filed her Class Action Complaint against
18 Defendant and Jacksons Energy Logistics, LLC in Contra Costa Superior Court, Case No C23-
19 00998 ("Garrett Action"). Garrett's Class Action Complaint contains all the same claims as
20 Aramburo's Second Amended Class and Representative Action Complaint, which the exception of
21 a class action claim for alleged violations of the Wage Theft Prevention Act. On August 21, 2023,
22 Garrett filed her First Amended Complaint asserting a claim for penalties under the PAGA based
23 on her PAGA notice submitted to the LWDA on June 2, 2023.

24 d. On December 1, 2023, the Parties, including counsel for both Aramburo and
25 Garrett participated in a full-day mediation with Tripper Ortman, Esq. and reached a binding
26 settlement memorialized in a Memorandum of Understanding ("MOU"), which encompassed all
27 the claims alleged in both the Aramburo Action and Garrett Action. The MOU is now confirmed
28 in this long-form Agreement that supersedes and replaces the MOU.

1 e. As a condition of settlement, Plaintiffs each agreed to dismiss Jacksons
2 Energy Logistics, LLC, with prejudice, on the grounds that it did not employ Plaintiffs or the
3 putative class members and alleged aggrieved employees.

4 f. On or about February 26, 2024, for purposes of effectuating this Settlement,
5 the Parties filed a Stipulation and [Proposed] Order for Leave to File a Third Amended Complaint
6 in the Aramburo Action. The Court granted that Order on February 26, 2024, and the Third
7 Amended Complaint was filed on or about March 4, 2024. The Third Amended Complaint
8 consolidated all claims in the Garrett Action, including adding the named-Plaintiff Tachina Garrett,
9 and added, as a basis for PAGA penalties, a claim that Defendant violated the Wage Theft
10 Prevention Act (Labor Code § 2810.5). The Parties agree that the Third Amended Complaint in
11 the instant Aramburo Action is the operative complaint.

12 g. On March 8, 2024, Plaintiff Garrett filed a request for dismissal, without
13 prejudice, as to the duplicative Garrett Action pursuant to this settlement. This agreement is
14 expressly conditioned on actual dismissal of the Garrett Action by the Contra Costa Superior Court.
15 Should the Contra Costa Superior Court fail or refuse to dismiss the Garrett Action, Defendant shall
16 have the right to rescind this Agreement pursuant to Paragraph 69 herein.

17 46. Benefits of Settlement to Plaintiffs and the Class Members. Plaintiffs and Class
18 Counsel recognize the expense and length of continued proceedings necessary to litigate Plaintiffs'
19 disputes in the Action through trial and through any possible appeals. Plaintiffs also have taken
20 into account the uncertainty and risks of the outcome of further litigation, and the difficulties and
21 delays inherent in such litigation. Plaintiffs and Class Counsel are also aware of the burdens of
22 proof necessary to establish liability for the claims asserted in the Action, both generally and in
23 response to Defendant's defenses thereto, and the difficulties in establishing damages, penalties,
24 restitution, and other relief sought in the Action. Plaintiffs and Class Counsel also have taken into
25 account Defendant's agreement to enter into a settlement that confers substantial benefits upon the
26 Class Members. Based on the foregoing, Plaintiffs and Class Counsel have determined that the
27 Settlement set forth in this Stipulation of Settlement is fair, adequate, and reasonable and is in the
28 best interests of all Class Members.

1 47. Defendant's Reasons for Settlement. Defendant has concluded that further defense of
2 the Action would be protracted and expensive. Substantial amounts of Defendant's time, energy, and
3 resources have been, and unless this Settlement is completed, shall continue to be, devoted to the
4 defense of the claims asserted by Plaintiffs. Defendant has also taken into account the risks of further
5 litigation in reaching its decision to enter into this Settlement. Defendant contends it is not liable for
6 any of the claims alleged by Plaintiffs in the Action and denies any liability whatsoever. Further,
7 Defendant contends that Plaintiffs are not suitable class representatives or aggrieved employees since
8 Plaintiffs seek to represent employees who worked throughout 31 different store locations in California
9 where the day-to-day practice of individual employees varied significantly. Further, Jacksons Energy
10 Logistics, LLC, which will be dismissed with prejudice pursuant to this Settlement, did not employ
11 Plaintiffs or the putative class members and alleged aggrieved employees. Defendant, nonetheless,
12 has agreed to settle in the manner and upon the terms set forth in this Stipulation of Settlement and to
13 fully and finally put to rest the claims alleged in this Action. Defendant has asserted and continues to
14 assert that the claims alleged by Plaintiffs have no merit and do not give rise to any liability, damages,
15 restitution, penalties or other payments. This Stipulation of Settlement is a compromise of disputed
16 claims. Nothing contained in this Stipulation of Settlement, no documents referred to herein, and no
17 action taken to carry out this Stipulation of Settlement, shall be construed or used as an admission by
18 or against Defendant as to the merits or lack thereof of the claims asserted in the Action. Defendant
19 contends that it has complied with all applicable state, federal and local laws. In the event this
20 Settlement does not obtain final approval, Defendant and Jacksons Energy Logistics, LLC, retain all
21 rights to defend themselves in this matter and to take any actions in defense of itself that are available
22 to them.

CLASS CERTIFICATION

24 48. Solely for purposes of settling the Action, and not for purposes of class certification
25 should the Settlement not be approved or for any other reason, the Parties stipulate and agree that
26 the requisites for establishing class certification with respect to the Settlement Class have been met
27 and are met. More specifically, for purposes of settlement only, the Parties stipulate and agree that:

1 a. The Settlement Class is ascertainable and so numerous as to make it
2 impracticable to join all Class Members;

3 b. There are common questions of law and fact;

4 c. Plaintiffs' claims are typical of the claims of the Class Members;

5 d. Plaintiffs and Class Counsel will fairly and adequately protect the interests
6 of the Class Members;

7 e. The prosecution of separate actions by individual Class Members would
8 create the risk of inconsistent or varying adjudications, which would establish incompatible
9 standards of conduct; and

10 f. Questions of law and fact common to the Class Members predominate over
11 any questions affecting any individual Class Member, and a class action is superior to other
12 available means for the fair and efficient adjudication of the controversy.

13 49. Should this Settlement not be approved or be terminated, all stipulations set forth in
14 the immediately preceding Paragraph shall be null and void and shall not be admissible for any
15 purpose whatsoever.

16 TERMS OF SETTLEMENT

17 NOW THEREFORE, in consideration of the mutual covenants, promises, and agreements
18 set forth herein, the Parties agree, subject to the Court's approval, as follows:

19 50. Binding Settlement. This Settlement shall bind the Parties and all Participating
20 Class Members, Participating PAGA Members, and PAGA Members, subject to the terms and
21 conditions hereof and the Court's approval.

22 53. Tax Liability. The Parties make no representations as to the tax treatment or legal
23 effect of the payments specified herein, and Participating Class Members, Participating PAGA
24 Members, and PAGA Members are not relying on any statement or representation by the Parties,
25 Class Counsel or Defense Counsel in this regard. Participating Class Members, Participating PAGA
26 Members, and PAGA Members, as well as Class Counsel, understand and agree that they shall be
27 solely and legally responsible for the payment of all applicable taxes and penalties assessed on the
28 payments specified herein.

1 54. Circular 230 Disclaimer. The Parties acknowledge and agree that (i) no provision
2 of this Stipulation of Settlement, and no written communication or disclosure between or among
3 the Parties, Class Counsel or Defense Counsel and other advisers, is or was intended to be, nor shall
4 any such communication or disclosure constitute or be construed or be relied upon as, tax advice
5 within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as
6 amended); (ii) the acknowledging party (a) has relied exclusively upon his, her, or its own,
7 independent legal and tax counsel for advice (including tax advice) in connection with this
8 Stipulation of Settlement, (b) has not entered into this Stipulation of Settlement based upon the
9 recommendation of any other party or any attorney or advisor to any other party, and (c) is not
10 entitled to rely upon any communication or disclosure by any attorney or adviser to any other party
11 to avoid any tax penalty that may be imposed on the acknowledging party; and (3) no attorney or
12 adviser to any other party has imposed any limitation that protects the confidentiality of any such
13 attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon
14 disclosure by the acknowledging party of the tax treatment or tax structure of any transaction,
15 including any transaction contemplated by this Stipulation of Settlement.

16 55. Preliminary Approval of Settlement. Class Counsel will reserve a date for a hearing
17 on Plaintiffs' Motion for Preliminary Approval to take place at a time mutually agreed to by the
18 Parties within ninety (90) days after execution of this Settlement Stipulation so that the Parties may
19 request provisional certification of the Settlement Classes for settlement purposes only and the setting
20 of a Final Approval Hearing date. The Parties agree to work diligently and cooperatively to have this
21 Settlement presented to the Court for preliminary approval. Plaintiffs shall provide Defense Counsel
22 with a reasonable opportunity to review and provide comments on the draft Preliminary Approval
23 pleadings, including the proposed Order, prior to Plaintiffs submitting the Motion for Preliminary
24 Approval to the Court.

25 56. Release by All Participating Class Members. All Participating Class Members,
26 including Plaintiffs, shall be deemed to have released their respective Released Claims against the
27 Released Parties upon the date on which the payment of the Gross Settlement Amount is made by
28 Defendant. Plaintiffs and Class Members who do not Request Exclusion will be deemed to have

1 fully, finally and forever released, settled, compromised, relinquished, and discharged with respect
2 to all of the Released Parties for any and all Released Claims that accrued during the Class Period.
3 Each Participating Class Member (*i.e.*, each Class Member who has not submitted a valid Request
4 for Exclusion) fully releases and discharges the Released Parties as to all Released Claims during the
5 Class Period.

6 57. PAGA Release by All PAGA Members, including Participating PAGA Members.
7 All PAGA Members, including Plaintiffs and Participating PAGA Members, shall be deemed to
8 have released their respective PAGA Released Claims against the Released Parties upon the date
9 on which the payment of the Gross Settlement Amount is made by Defendant. It is understood that
10 Class Members and PAGA Members will not have the opportunity to opt out of, or object to, the
11 PAGA Release. Further, all Class Members, Participating PAGA Members, and PAGA Members
12 are bound by the PAGA Release regardless of whether they cash and/or otherwise negotiate their
13 Individual PAGA Payment.

14 58. Additional Release and Waiver of Claims by Plaintiffs. In addition to the release of
15 Released Claims and PAGA Released Claims against the Released Parties, as set forth above,
16 Plaintiffs, in their individual capacity, respectively agree to release the Released Parties from any and
17 all claims, known and unknown, under federal, state and/or local law, statute, ordinance, regulation,
18 common law, or other source of law, arising as of the date of execution of this Agreement including
19 but not limited to claims arising from or related to their respective employment with Defendant and/or
20 termination thereof (“Plaintiffs’ Released Claims”). Plaintiffs enter into this general release of any
21 and all claims against Defendant and the Released Parties. Plaintiffs’ Released Claims include all
22 claims, whether known or unknown. Even if Plaintiffs discover facts in addition to or different
23 from those that they now know or believe to be true with respect to the subject matter of Plaintiffs’
24 Released Claims, those claims will remain released and forever barred. To effect a full and
25 complete general release as described above, Plaintiffs expressly waive and relinquish all rights
26 and benefits of section 1542 of the Civil Code of the State of California, and does so understanding
27 and acknowledging the significance and consequence of specifically waiving section 1542. Section
28 1542 of the Civil Code of the State of California states as follows:

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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.

Thus, notwithstanding the provisions of section 1542, and to implement a full and complete release and discharge of the Released Parties, Plaintiffs expressly acknowledge this Stipulation of Settlement is intended to include in its effect, without limitation, all claims Plaintiffs do not know or suspect to exist in Plaintiffs favor at the time of signing this Stipulation of Settlement, and that this Stipulation of Settlement contemplates the extinguishment of any such claims. Plaintiffs warrants that they each have read this Stipulation of Settlement, including this waiver of California Civil Code section 1542, and that Plaintiffs have consulted with or had the opportunity to consult with counsel of Plaintiffs choosing about this Stipulation of Settlement and specifically about the waiver of section 1542, and that Plaintiffs understand this Stipulation of Settlement and the section 1542 waiver, and so Plaintiffs freely and knowingly enter into this Stipulation of Settlement. Plaintiffs further acknowledges that Plaintiffs later may discover facts different from or in addition to those Plaintiffs now know or believe to be true regarding the matters released or described in this Stipulation of Settlement, and even so Plaintiffs agree that the releases and agreements contained in this Stipulation of Settlement shall remain effective in all respects notwithstanding any later discovery of any different or additional facts. Plaintiffs expressly assume any and all risk of any mistake in connection with the true facts involved in the matters, disputes, or controversies released or described in this Stipulation of Settlement or with regard to any facts now unknown to Plaintiffs relating thereto.

59. Settlement Administration.

a. Within twenty-one (21) calendar days of entry of the Preliminary Approval Order, Defendant shall provide the Settlement Administrator with the Class List for purposes of mailing the Settlement Notices to Class Members. The Settlement Administrator shall not be permitted to share any Class Information included in the Class List with Plaintiffs or Class Counsel absent express approval by Defense Counsel. To the extent Class Counsel possesses or comes to

1 possess the Class Members' contact information and/or Social Security numbers, Class Counsel
2 shall return all such information (including copies and data or information derived therefrom)
3 within five (5) days of the date the Court finally approves the Settlement, shall not retain copies of
4 such information, and shall not maintain or use such information for any purpose.

5 i. Notice by First Class U.S. Mail. Upon receipt of the Class List, the
6 Settlement Administrator shall perform a search based on the National Change of Address Database
7 maintained by the United States Postal Service to update and correct any known or identifiable address
8 changes. Within forty-five (45) calendar days after receiving the Class List from Defendant as provided
9 herein, the Settlement Administrator shall mail copies of the Settlement Notice to all Class Members
10 via regular First-Class U.S. Mail. The Settlement Administrator shall exercise its best judgment to
11 determine the current mailing address for each Class Member. The address identified by the Settlement
12 Administrator as the current mailing address shall be presumed to be the most current mailing address
13 for each Class Member. The Parties agree that this procedure for notice provides the best notice
14 practicable to Class Members and fully complies with due process.

15 ii. Undeliverable Settlement Notices. Any Settlement Notice returned to
16 the Settlement Administrator as non-deliverable on or before the Response Deadline shall be
17 re-mailed to the forwarding address affixed thereto within three (3) calendar days of receipt of the
18 returned Settlement Notice by the Settlement Administrator. If no forwarding address is provided,
19 the Settlement Administrator shall attempt to determine a correct address by the use of skip-tracing,
20 or other type of automated search, using the name, address and/or Social Security number of the Class
21 Member involved, and shall then perform a re-mailing to the Class Member whose Settlement Notice
22 was returned as non-deliverable within five (5) calendar days of receipt of the returned Settlement
23 Notice by the Settlement Administrator, assuming another mailing address is identified by the
24 Settlement Administrator. Class Members who are sent a re-mailed Settlement Notice shall have
25 their Response Deadline extended by ten (10) calendar days from the date the Settlement
26 Administrator re-mails the Settlement Notice. If these procedures are followed, notice to Class
27 Members shall be deemed to have been fully satisfied, and if the intended recipient of the Settlement

1 Notice does not receive the Settlement Notice, the intended recipient shall nevertheless remain a Class
2 Member and shall be bound by all terms of the Settlement and the Final Order and Judgment.

3 iii. Determination of Individual Settlement Awards and Individual PAGA
4 Payments. The Settlement Administrator shall determine the eligibility for, and the amounts of, each
5 Individual Settlement Award and Individual PAGA Payment under the terms of this Stipulation of
6 Settlement, based on the Workweek and Pay Period information as provided by Defendant and
7 defined above. The Settlement Administrator's determination of the eligibility for and amount of
8 each Individual Settlement Award and Individual PAGA Payment shall be binding upon the Class
9 Members and the Parties; however, it is subject to Court review as appropriate.

10 iv. Disputes Regarding Administration of Settlement. Any dispute not
11 resolved by the Settlement Administrator concerning the administration of the Settlement, in
12 consultation with Class Counsel and Defense Counsel, shall be resolved by the Court.

13 b. Monitoring and Reviewing Settlement Administration. The Parties have the
14 right to monitor and review the administration of the Settlement to verify that the monies allocated
15 under the Settlement are distributed in the correct amount, as provided for in this Stipulation of
16 Settlement.

17 c. Certification Reports Regarding Individual Settlement Award Calculations.
18 The Settlement Administrator will provide Defense counsel and Class Counsel a weekly report which
19 certifies: (i) the number of Class Members who have submitted valid Requests for Exclusion or
20 objections; and (ii) whether any Class Member has submitted a challenge to any information
21 contained in their Settlement Notice, including but not limited to the number of Class Members from
22 the Settlement Classes who have submitted a dispute of Workweeks. Additionally, the Settlement
23 Administrator will provide to counsel for both Parties any updated reports regarding the
24 administration of the Settlement Agreement as needed or requested.

25 d. Best Efforts. The Parties agree to use their best efforts to carry out the terms
26 of this Settlement.

27 60. Dismissal of Jacksons Energy Logistics, LLC. As a condition of settlement,
28 Jacksons Energy Logistics, LLC must be dismissed, or judgment entered in its favor, with prejudice

1 by the Court. Such dismissal is appropriate because Jacksons Energy Logistics, LLC did not employ
2 Plaintiffs or the Class and PAGA Members. Should the Court fail or refuse to dismiss Jacksons
3 Energy Logistics, LLC, or enter judgment in its favor, with prejudice, this Agreement shall be null
4 and void pursuant to Paragraph 69 herein, unless waived by Defendant, and Defendant shall be
5 under no obligation to fund the Gross Settlement Amount. Jacksons Energy Logistics, LLC shall
6 bear its own costs in connection with this action and shall not be entitled to recover costs from
7 Plaintiffs in connection with the dismissal obtained pursuant to the terms of this settlement.

8 61. Funding and Allocation of Gross Settlement Amount. The Gross Settlement Amount
9 shall be paid by Defendant in one lump sum payment within seventy five (75) calendar days after the
10 Effective Date, provided the conditions in Paragraph 60 are met. Defendant shall provide the Gross
11 Settlement Amount to the Settlement Administrator in any feasible manner, including, but not limited
12 to, by way of a wire transfer. If this Settlement is not finally approved by the Court in full, or is
13 terminated, rescinded, canceled or fails to become effective for any reason, or if the Effective Date
14 does not occur, then no portion of the Gross Settlement Amount shall be paid.

15 a. Payments to the Class Members. Class Members shall not be required to
16 submit a claim in order to receive a share of the Net Settlement Amount, and no portion of the
17 Gross Settlement Amount shall revert to Defendant or result in an unpaid residue. The Settlement
18 Administrator shall first compute the Net Settlement Amount by deducting from the Gross
19 Settlement Amount approved by the Court for the Class Counsel Award, Class Representative
20 Service Award, PAGA Payment, and Settlement Administration Costs. To the extent the Court
21 does not approve the full requested amount of the Class Counsel Award, Class Representative
22 Service Award, PAGA Payment, or Settlement Administration Costs, the Net Settlement Amount
23 will increase accordingly, by the difference between the requested amount and the amount awarded
24 by the Court.

25 i. Individual Settlement Award: From the Net Settlement Amount, the
26 Settlement Administrator will calculate each Individual Settlement Award by dividing the Net
27 Settlement Amount by the total number of Workweeks, resulting in the Workweek Value; and then
28 multiplying the Workweek Value by the number of Workweeks worked by each Class Member, as

1 defined above. As necessary, and to the extent not already provided by Defendant, the Settlement
2 Administrator will calculate the number of Workweeks worked by the Class Members during the
3 Class Period. The Settlement Administrator will also calculate the amount to be paid per
4 Workweek, and the Individual Settlement Awards to eligible Class Members. All Workweek
5 Disputes will be resolved and decided by the Settlement Administrator, in consultation with Class
6 Counsel and/or Defense Counsel, as appropriate, and subject to review by the Court as needed.

7 ii. Individual PAGA Payment: The Settlement Administrator will
8 calculate each PAGA Member's Individual PAGA Payment by dividing the 25% of the PAGA
9 Payment to be distributed to Class Members by the total number of Pay Periods for all PAGA
10 Members, resulting in the Pay Period Value; and then multiplying the Pay Period Value by the
11 number of Pay Periods worked by each PAGA Member, as defined above. As necessary, and to
12 the extent not already provided by Defendant, the Settlement Administrator will calculate the
13 number of Pay Periods worked by the PAGA Members during the PAGA Period.

14 iii. Individual Settlement Award and Individual PAGA Payments shall
15 be mailed by the Settlement Administrator by regular First Class U.S. Mail to each Participating
16 Class Member, PAGA Member, and PAGA Participating Member's last known mailing address
17 within ten (10) calendar days after Defendant provides the Settlement Administrator with the Gross
18 Settlement Amount. Prior to mailing the Individual Settlement Awards and the Individual PAGA
19 Payments, the Settlement Administrator shall perform a search based on the National Change of
20 Address Database maintained by the United States Postal Service to update and correct any known
21 or identifiable address changes.

22 iv. Should any of the following occur, the Settlement Administrator will
23 proportionately increase the estimated Individual Settlement Award of each Participating Class
24 Member to ensure that the entire Net Settlement Amount is distributed to Participating Class
25 Members: (i) any Class Members submit timely and valid, or otherwise accepted, Requests for
26 Exclusion following the provision of Settlement Notices and expiration of the Response Deadline;
27 (ii) the Court approves the Class Representative Service Award in amounts less than those
28 requested by Plaintiffs, as detailed herein; (iii) the Court approves a Class Counsel Award in an

1 amount less than that requested by Plaintiffs, as detailed herein; and/or (iv) the Court approves
2 Settlement Administration Costs in an amount less than that requested by Plaintiffs, as detailed
3 herein.

4 v. Individual Settlement Award payments and Individual PAGA
5 Payments shall be made by check and shall be made payable to each Participating Class Member
6 as set forth in this Stipulation of Settlement.

7 vi. Individual Settlement Awards shall be allocated as follows: twenty
8 percent (20%) as alleged unpaid wages subject to all applicable tax withholdings, and eighty
9 percent (80%) as alleged unpaid interest and penalties. The Settlement Administrator shall issue
10 an IRS Form W-2 to each Participating Class Member for the portion of each Individual Settlement
11 Award payment allocated as alleged unpaid wages and subject to all applicable tax withholdings.
12 The Settlement Administrator shall issue an IRS Form 1099 to each Participating Class Member,
13 PAGA Member, and PAGA Participating Member for the portion of each Individual Settlement
14 Award and for the Individual PAGA Payment allocated as alleged unpaid non-wage penalties and
15 interest and not subject to payroll tax withholdings. The Settlement Administrator shall calculate
16 the amount of the Employer's Share of Payroll Taxes and shall remit and report the applicable
17 portions of the payroll tax payment to the appropriate taxing authorities in a timely manner.
18 Defendant will be responsible for paying the Payroll Taxes and this amount will not be deducted
19 from the GSA.

20 vii. After the expiration of the 180-day period to cash/deposit the
21 Individual Settlement Award checks, the Settlement Administrator will prepare the Final Report
22 regarding the distribution of the Gross Settlement Amount, including the total amount that was
23 cashed/deposited by Participating Class Members and the total amount of any uncashed settlement
24 checks pursuant to California Code of Civil Procedure section 384. Any residue from uncashed
25 Individual Settlement Award checks after the expiration date will be paid out to the Boys & Girls
26 Club of Greater San Diego, a charitable organization under section 501(c)(3) of the IRS code, , as
27 the *cy pres* recipient pursuant to Code of Civil Procedure Section 384, subject to Court approval.

28 viii. In the event a Participating Class Member, PAGA Member, or

1 PAGA Participating Member fails to cash/deposit his or her Individual Settlement Award check
2 and/or Individual PAGA Payment check, the Participating Class Member, PAGA Member, or
3 PAGA Participating Member shall nevertheless remain bound by the Settlement.

4 ix. All monies received by Class Members under the Settlement which are
5 attributable to wages shall constitute income to such Class Members solely in the year in which such
6 monies actually are received by the Class Members. It is expressly understood and agreed that the
7 receipt of Individual Settlement Awards shall not entitle any Class Member to additional compensation
8 or benefits under any collective bargaining agreement or under any bonus, contest or other
9 compensation or benefit plan or agreement in place during the periods covered by the Settlement, nor
10 shall it entitle any Class Member to any increased pension and/or retirement, or other deferred
11 compensation benefits. It is the intent of the Parties that the Individual Settlement Awards and
12 Individual PAGA Payments provided for in this Stipulation of Settlement are the sole payments to be
13 made by Defendant to Class Members in connection with this Settlement, with the exception of
14 Plaintiffs, and that the Class Members are not entitled to any new or additional compensation or
15 benefits as a result of having received the Individual Settlement Awards and/or and Individual PAGA
16 Payments. Furthermore, the receipt of Individual Settlement Awards and Individual PAGA Payments
17 by Class Members shall not, and does not, by itself establish any general, special, or joint employment
18 relationship between and among the Class Member(s) and Defendant.

19 b. Class Representative Service Award. For the purposes of this Settlement
20 only, the Parties agree to the designation of Plaintiffs as class representatives. In recognition of
21 their time and effort in bringing and presenting the Action and for releasing their respective
22 Released Claims, Plaintiffs shall request a Class Representative Service Award not to exceed Ten
23 Thousand Dollars and No Cents (\$10,000.00) each. Plaintiffs' request for such Class
24 Representative Service Award shall be subject to approval from the Court. Defendant agrees not to
25 oppose or object to Plaintiffs' request for the Class Representative Service Award in an amount not
26 to exceed the amount enumerated herein. The Class Representative Service Award will be in
27 addition to Plaintiffs' Individual Settlement Payment paid pursuant to the Settlement. The
28 Settlement Administrator shall issue an IRS Form 1099 to each Plaintiff for their respective Class

1 Representative Service Award. Plaintiffs shall be solely and legally responsible to pay any and all
2 applicable taxes on their respective Class Representative Service Award. Any amount requested
3 by Plaintiffs for the Class Representative Service Award and not awarded by the Court shall
4 become part of the Net Settlement Amount and shall be distributed to Participating Class Members
5 as part of their Individual Settlement Awards.

6 c. Class Counsel Award. Class Counsel shall be entitled to request attorneys'
7 fees in an amount not to exceed one-third (33 1/3%) of the Gross Settlement Amount, or Three
8 Hundred Eight Thousand Three Hundred And Thirty-Three Dollars and No Cents (\$308,333.33).
9 In addition, Class Counsel shall also be entitled to request an award of costs associated with Class
10 Counsel's prosecution of the Action not to exceed Forty-Five Thousand Dollars and No Cents
11 (\$45,000.00). Class Counsel's request for such attorneys' fees and costs shall be subject to approval
12 from the Court. Defendant agrees not to oppose or object to Class Counsel's request for attorneys'
13 fees or attorneys' costs. In the event the Court awards Class Counsel less than the requested amount
14 of attorneys' fees and/or costs, the difference shall become part of the Net Settlement Amount and
15 shall be distributed to Participating Class Members as part of their Individual Settlement Awards.
16 Class Counsel shall be solely and legally responsible to pay all applicable taxes on the Class Counsel
17 Award. Class Counsel shall provide the Settlement Administrator with properly completed and
18 signed copies of IRS Form W-9 in order for the Settlement Administrator to process the Class
19 Counsel Award approved by the Court. The Settlement Administrator shall issue an IRS Form 1099
20 to Class Counsel for the Class Counsel Award.

21 62. Settlement Administration Costs. The Settlement Administration fees and expenses,
22 which are estimated not to exceed \$10,500, shall be paid from the Gross Settlement Amount. Prior
23 to Plaintiffs filing a Motion for Final Approval of the Settlement, the Settlement Administrator
24 shall provide the Parties with a statement detailing the Settlement Administration Costs to date.
25 The Parties agree to cooperate in the Settlement Administration process and to make all reasonable
26 efforts to control and minimize Settlement Administration Costs.

27 i. The Parties each represent they do not have any financial interest in
28 the Settlement Administrator or otherwise have a relationship with the Settlement Administrator

1 that could create a conflict of interest.

2 ii. The Settlement Administrator shall keep the Parties timely apprised
3 of the performance of all Settlement Administrator responsibilities required by the Settlement. The
4 Settlement Administrator shall be authorized to establish a Qualified Settlement Fund (“QSF”)
5 pursuant to IRS rules and regulations in which the Gross Settlement Amount shall be placed and
6 from which payments required by the Settlement shall be made.

7 63. Payroll Taxes. In accordance with this Settlement and to the fullest extent possible,
8 the Gross Settlement Amount shall resolve, satisfy and completely extinguish all of Defendant’s
9 liability with respect to the Class Members and PAGA Members, except that Defendant shall
10 solely be responsible for the employer portion of the payroll taxes on the portion of the Individual
11 Settlement Awards that constitutes wages and these taxes shall be paid by Defendant in addition to
12 the GSA. Upon the transfer of the Gross Settlement Amount and the employer portion of payroll
13 taxes on the portion of the Individual Settlement Awards that constitutes wages, Defendant shall
14 have no further payment or defense obligation whatsoever with respect to any claims covered by
15 this Settlement made or asserted by any person or entity anywhere in the world in connection
16 with the Class Members.

17 64. Final Settlement Approval Hearing and Entry of Final Order and Judgment.
18 Following expiration of the Response Deadline, a Final Approval Hearing shall be conducted by the
19 Court for the Court to determine whether to grant final approval of the Settlement, including
20 determining the amounts properly payable for: (i) the Class Counsel Award; and (ii) the Class
21 Representative Service Award. At least sixteen (16) court days prior to the Final Approval Hearing,
22 the Settlement Administrator shall provide a written report or declaration to the Parties describing the
23 process and results of the administration of the Settlement to date, which report or declaration shall
24 be filed by Plaintiffs with the Court prior to the Final Approval Hearing. The Parties agree to work
25 diligently and cooperatively to have this Settlement presented to the Court for final approval.

26 65. Duties of the Parties Prior to Court Approval. The Parties shall promptly submit this
27 Settlement Agreement to the Court in support of Plaintiffs’ Motion for Preliminary Approval and
28 determination by the Court as to its fairness, adequacy, and reasonableness. Within ninety (90) days

1 after execution of this Settlement Agreement, the Parties shall apply to the Court for the entry of an
2 order scheduling a fairness hearing on the question of whether the proposed settlement, including
3 payment of attorneys' fees and costs, the Class Representatives Service Award payment, and the
4 PAGA Payment, should be finally approved as fair, reasonable and adequate as to the members of
5 the Settlement Classes. As part of Plaintiffs' Motion for Preliminary Approval, Plaintiffs shall also
6 apply to the Court for the entry of an Order as follows:

- 7 a. Certifying the Settlement Classes for settlement purposes only;
- 8 b. Approving, as to form and content, the proposed Settlement Notice;
- 9 c. Approving the manner and method for Class Members to object or request
10 exclusion from the Settlement, as contained herein and within the Settlement Notice;
- 11 d. Directing the mailing of the Settlement Notices to Class Members, by first class
12 mail;
- 13 e. Preliminarily approving the Settlement subject only to the objections of
14 Class Members and final review by the Court; and
- 15 f. Setting a Final Approval Hearing.

16 66. Duties of the Parties Following Final Approval. Following final approval by the
17 Court of the Settlement provided for in this Settlement Agreement, Class Counsel will submit a
18 proposed Final Order of Approval and Judgment:

- 19 a. Approving the Settlement, adjudging the terms thereof to be fair,
20 reasonable and adequate, and directing consummation of its terms and provisions;
- 21 b. Approving Class Counsel's application for an award of attorneys' fees and
22 costs;
- 23 c. Approving the Class Representative Service Award payments to Plaintiffs;
- 24 d. Setting a date when the Parties shall submit the Final Report regarding the
25 distribution of the Gross Settlement Amount pursuant to California Code of Civil Procedure section
26 384, and, if necessary a date for a final accounting hearing following its receipt of the Final Report;
- 27 e. Entering judgment in this Action barring and enjoining all members of the
28 Settlement Classes from prosecuting against any of the Released Parties, any individual or class, or

1 representative claims released herein pursuant to the Settlement Agreement, upon satisfaction of all
2 payments and obligations hereunder.

3 67. Revocation of Settlement by Defendant. If more than five percent (5%) of Class
4 Members opt-out of the Settlement, then Defendant shall have the sole and absolute discretion to
5 rescind/void the Settlement Agreement within fourteen (14) calendar days after receiving from the
6 Settlement Administrator the final list of opt-outs. Defendant agrees to meet and confer in good
7 faith with Class Counsel before rescinding or voiding the Settlement Agreement. In the event that
8 Defendant elects to rescind/void the Settlement Agreement, it shall provide written notice of such
9 rescission to Class Counsel. Such rescission shall have the same effect as a termination of this
10 Settlement Agreement for failure to satisfy a condition of settlement, and the Settlement Agreement
11 shall become null and void and have no further force or effect, and the Settlement Classes certified
12 pursuant to this Settlement Agreement will be decertified for all purposes. If Defendant chooses to
13 terminate this Settlement Agreement under this provision, it shall be responsible to pay the
14 Settlement Administrator's fees and costs incurred to that point.

15 68. Escalator Clause. For purposes of mediation, Defendant calculated that there were
16 27,621 Workweeks for Class Members, using actual data where available and extrapolations where
17 not available. In the event that the Workweeks calculation through the end of the Class Period is
18 more than ten percent (10%) greater than 27,621, then the Gross Settlement Amount shall increase
19 pro rata with a ten percent (10%) grace margin (i.e., if the number of Workweeks is eleven percent
20 (11%) higher than 27,621, then the Gross Settlement Amount shall increase by one percent (1%)).

21 69. Nullification of Settlement. In the event: (i) the Court does not enter the Preliminary
22 Approval Order; (ii) the Court does not grant final approval of the Settlement; (iii) the Court does
23 not enter the Final Order and Judgment; (iv) the Court does not dismiss or enter judgment in favor
24 of Jacksons Energy Logistics, LLC, with prejudice, unless waived by Defendant; (v) the Contra
25 Costa Superior Court fails or refuses to dismiss the Garrett Action, unless waived by Defendant; or
26 (vi) the Settlement does not become final for any other reason, this Stipulation of Settlement shall
27 be rendered null and void, any order or judgment entered by the Court in furtherance of this
28 Settlement shall be treated as void from the beginning and this Stipulation of Settlement and any

1 documents related to it shall not be used by any Class Member or Class Counsel to support any
2 claim or request for class certification in the Action, and shall not be used in any other civil, criminal
3 or administrative action against Defendant or any of the other Released Parties. Additionally,
4 should the Settlement not become final for any reason, the Parties will request that the Court reopen
5 proceedings within thirty (30) calendar days, and any Settlement Administration Costs already
6 incurred by the Settlement Administrator shall be split evenly between the Parties, unless the
7 Settlement is revoked pursuant to Paragraph 67, herein. If Defendant elects to revoke the
8 Settlement, as specified in Paragraph 67, the Parties and any monies required to be paid under this
9 Settlement shall be returned to their respective statuses as of the date and time immediately prior
10 to the execution of this Stipulation of Settlement, and the Parties shall proceed in all respects as if
11 this Stipulation of Settlement had not been executed, except that any Settlement Administration
12 Costs already incurred by the Settlement Administrator shall be paid to the Settlement
13 Administrator by Defendant. In the event an appeal is filed from the Court's Final Order and
14 Judgment, or any other appellate review is sought, administration of the Settlement shall be stayed
15 pending final resolution of the appeal or other appellate review and the stay shall only be lifted if
16 the end result of the appeal or other proceeding is that the terms of this settlement agreement are
17 upheld.

18 70. Plaintiffs' Waiver of Right to Be Excluded. Plaintiffs agree that by signing this
19 Settlement Agreement, they will each be bound by the terms herein. Plaintiffs further agree that,
20 upon signing this Settlement Agreement, they will not request to be excluded from this Settlement
21 and that any such request for exclusion by either Plaintiff Aramburo or Plaintiff Garrett will be void
22 and of no force or effect.

23 71. Waiver of Certain Appeals. Either party may appeal any Court order that materially
24 alters the Settlement Agreement's terms. Additionally, nothing in this Settlement Agreement shall
25 prevent Plaintiffs from appealing a Court order denying or failing to grant their requests for the
26 Class Counsel Award or the Class Representative Service Award.

27 72. No Admission by Defendant. Defendant denies all claims alleged in this Action and
28 denies all wrongdoing whatsoever by Defendant. Neither this Stipulation of Settlement, nor any of

1 its terms and conditions, nor any of the negotiations connected with it, is a concession or admission,
2 and none shall be used against Defendant as an admission or indication with respect to any claim of
3 any fault, concession, or omission by Defendant or that class certification is proper under the standard
4 applied to contested certification motions. The Parties stipulate and agree to the certification of the
5 proposed classes for settlement purposes only. The Parties further agree that this Stipulation of
6 Settlement will not be admissible in this or any other proceeding as evidence that either (i) a class
7 action should be certified or (ii) Defendant is liable to Plaintiffs or any Class Member, other than
8 according to the terms of this Stipulation of Settlement.

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

13 74. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the
14 Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the Judgment
15 to the Court for its approval, pursuant to Rule 3.770 of the California Rules of Court. After entry
16 of the Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (i)
17 the interpretation and enforcement of the terms of the Settlement, (ii) Settlement administration
18 matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth
19 in this Agreement

20 75. Exhibits and Headings. The terms of this Stipulation of Settlement include the terms
21 set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth
22 herein. The Exhibits to this Stipulation of Settlement are an integral part of the Settlement. The
23 descriptive headings of any paragraphs or sections of this Stipulation of Settlement are inserted for
24 convenience of reference only.

25 76. Amendment or Modification. This Stipulation of Settlement may be amended or
26 modified only by a written instrument signed by counsel for all Parties or their successors-in-
27 interest.

1 77. Entire Agreement. This Stipulation of Settlement and any attached Exhibits
2 constitute the entire agreement between the Parties, and no oral or written representations,
3 warranties, or inducements have been made to Plaintiffs or Defendant concerning this Stipulation
4 of Settlement or its Exhibits other than the representations, warranties, and covenants contained
5 and memorialized in this Stipulation of Settlement and its Exhibits. No other prior or
6 contemporaneous written or oral agreements, including but not limited to the MOU, may be deemed
7 binding on the Parties.

8 78. Authorization to Enter Into Settlement Agreement. Class Counsel and Defense
9 Counsel warrant and represent they are expressly authorized by the Parties whom they represent to
10 negotiate this Stipulation of Settlement and to take all appropriate actions required or permitted to be
11 taken by such Parties pursuant to this Stipulation of Settlement to effectuate its terms, and to execute
12 any other documents required to effectuate the terms of this Stipulation of Settlement. The Parties,
13 Class Counsel and Defense Counsel shall cooperate with each other and use their best efforts to effect
14 the implementation of the Settlement. In the event the Parties are unable to reach agreement on the
15 form or content of any document needed to implement the Settlement, or on any supplemental
16 provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek
17 the assistance of the Court to resolve such disagreement. The persons signing this Stipulation of
18 Settlement on behalf of Defendant represents and warrants that they are authorized to sign this
19 Stipulation of Settlement on behalf of Defendant. Plaintiffs represent and warrant that they are
20 authorized to sign this Stipulation of Settlement and that they have not assigned any claim, or part of
21 a claim, covered by this Settlement of Settlement to a third party. The Parties have cooperated in the
22 drafting and preparation of this Stipulation of Settlement. Hence, in any construction made of this
23 Stipulation of Settlement, the same shall not be construed against any of the Parties.

24 79. Confidentiality. The Parties and their counsel agree that they will not issue any
25 press releases, initiate any contact with the press, respond to any press inquiry, or have any
26 communication with the press about the fact, amount, or terms of the Settlement prior to the mailing
27 of the Notice Packet. In addition, the Parties and their counsel agree that they will not engage in
28 any advertising or distribute any marketing materials relating to the Settlement, including but not

1 limited to any postings on any websites maintained by Class Counsel. Nothing set forth herein,
2 however, shall prohibit the Parties from providing this Stipulation to the Court in connection with
3 the Parties' efforts to seek Court approval of this Settlement.

4 80. Binding on Successors and Assigns. This Stipulation of Settlement shall be binding
5 upon, and inure to the benefit of, the successors and assigns of the Parties.

6 81. California Law Governs. All terms of this Stipulation of Settlement and the Exhibits
7 hereto shall be governed by and interpreted according to the laws of the State of California, without
8 giving effect to any law that would cause the laws of any jurisdiction other than the State of
9 California to be applied.

10 82. Counterparts. This Stipulation of Settlement may be executed in one or more
11 counterparts. All executed counterparts and each of them shall be deemed to be one and the same
12 instrument.

13 83. This Settlement is Fair, Adequate, and Reasonable. Plaintiffs represent that this
14 Settlement is a fair, adequate, and reasonable settlement of the Action and they have arrived at this
15 Settlement after extensive arm's-length negotiations, taking into account all relevant factors,
16 present and potential.

17 84. Jurisdiction of the Court. Following entry of the Final Order and Judgment, the
18 Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement
19 of the terms of this Stipulation of Settlement and all orders and judgments entered in connection
20 therewith, and the Parties, Class Counsel and Defense Counsel submit to the jurisdiction of the
21 Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this
22 Stipulation of Settlement and all orders and judgments entered in connection therewith.

23 85. Invalidity of Any Provision. Before declaring any term or provision of this
24 Stipulation of Settlement invalid, the Parties request that the Court first attempt to construe the
25 terms or provisions valid to the fullest extent possible consistent with applicable precedents so as
26 to define all provisions of this Stipulation of Settlement as valid and enforceable. In the event the
27 Court declares any material provision of this Stipulation of Settlement invalid, the Stipulation of
28 Settlement will be void and its terms will be of no force and effect, except as otherwise agreed to

1 by the Parties in writing.

2 86. Continuing Validity of Arbitration Agreements. The Parties have agreed to settle
3 the Action in Court, including Released Claims, for the mutual benefit of the Parties and Class
4 Members. This Agreement, the settlement process (including, but not limited to, motions,
5 correspondence, communications, and filings) and proceedings and anything related to them shall
6 have no impact on any individual arbitration agreements between Defendant and any of
7 Defendant’s employees, regardless of whether they are Class Members or PAGA Members. The
8 submission of Released Claims to the Court is solely for the purposes of settlement and shall not
9 be deemed as an invalidation, waiver, or avoidance of the arbitration agreements, and shall have no
10 negative impact on their continued validity. By failing to request exclusion by serving a valid and
11 timely Request for Exclusion, each Class Member will be deemed to have agreed to the provisions
12 of this Paragraph.

13 87. Binding Nature of Notice of Class Action Settlement. It is agreed that, because the
14 Class Members are so numerous, it is impossible or impractical to have each Class Member execute
15 the Stipulation of Settlement. The Class Notice shall advise all Class Members of the binding
16 nature of the Settlement, and the release of Released Claims and shall have the same force and
17 effect as if this Stipulation of Settlement were executed by each Participating Class Member.

18 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint
19 Stipulation of Class Action and PAGA Settlement and Release between Plaintiffs, on the one hand,
20 and Defendant, on the other hand, as of the date(s) set forth below.

21 Dated: Mar 13, 2024 Jesus M. Aramburo
22 Plaintiff Jesus Aramburo

23
24 Dated: _____ Plaintiff Tachina Garrett

25
26
27 **Jacksons Food Stores, Inc.**

1 by the Parties in writing.

2 86. Continuing Validity of Arbitration Agreements. The Parties have agreed to settle
3 the Action in Court, including Released Claims, for the mutual benefit of the Parties and Class
4 Members. This Agreement, the settlement process (including, but not limited to, motions,
5 correspondence, communications, and filings) and proceedings and anything related to them shall
6 have no impact on any individual arbitration agreements between Defendant and any of
7 Defendant’s employees, regardless of whether they are Class Members or PAGA Members. The
8 submission of Released Claims to the Court is solely for the purposes of settlement and shall not
9 be deemed as an invalidation, waiver, or voidance of the arbitration agreements, and shall have no
10 negative impact on their continued validity. By failing to request exclusion by serving a valid and
11 timely Request for Exclusion, each Class Member will be deemed to have agreed to the provisions
12 of this Paragraph.

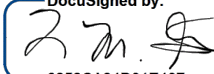
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16 nature of the Settlement, and the release of Released Claims and shall have the same force and
17 effect as if this Stipulation of Settlement were executed by each Participating Class Member.

18 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint
19 Stipulation of Class Action and PAGA Settlement and Release between Plaintiffs, on the one hand,
20 and Defendant, on the other hand, as of the date(s) set forth below.

21 Dated: _____

22 _____
23 Plaintiff **Jesus Aramburo**

24 Dated: 3/13/2024 _____

DocuSigned by:

6252CA34D01E407...

25 _____
26 Plaintiff **Tachina Garrett**

27 **Jacksons Food Stores, Inc.**

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Dated: March 13, 2024



By: Shane Wright

Its: SVP, People & Technology

APPROVED AS TO FORM ONLY:

FERRARO VEGA EMPLOYMENT LAWYERS, INC.

Dated: Mar 13, 2024


Nicholas J. Ferraro
Attorneys for Plaintiff Jesus Aramburo


CAPSTONE LAW APC

Dated: _____

Raul Perez
Attorneys for Plaintiff Tachina Garrett

LITTLER MENDELSON, P.C.

Dated: March 14, 2024



Alaya B. Meyers
Tracy R. Leidner
Attorneys for Defendant Jacksons Food Stores, Inc.

4885-1793-5276.1 / 113012-1008

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Dated: _____

By: Shane Wright

Its: SVP, People & Technology

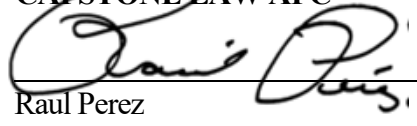
APPROVED AS TO FORM ONLY:

FERRARO VEGA EMPLOYMENT LAWYERS, INC.

Dated: _____

Nicholas J. Ferraro
Attorneys for Plaintiff Jesus Aramburo

CAPSTONE LAW APC



Dated: 3/13/2024

Raul Perez
Attorneys for Plaintiff Tachina Garrett

LITTLER MENDELSON, P.C.

Dated: _____

Alaya B. Meyers
Tracy R. Leidner
Attorneys for Defendant Jacksons Food Stores, Inc.

4885-1793-5276.1 / 113012-1008

EXHIBIT 1

NOTICE OF CLASS ACTION SETTLEMENT

Jesus Aramburo, et. al. v. Jacksons Food Stores, Inc., et. al.
Superior Court of California – County of San Diego
Case No. 37-2023-00009655-CU-OE-CTL

IF YOU WORKED FOR JACKSONS FOOD STORES, INC. (“DEFENDANT”) AS A NON-EXEMPT, HOURLY PAID EMPLOYEE IN THE STATE OF CALIFORNIA AT ANY TIME FROM MARCH 8, 2019 TO JANUARY 30, 2024, THEN YOU ARE ENTITLED TO RECEIVE MONEY FROM A CLASS AND REPRESENTATIVE ACTION SETTLEMENT.

The Court approved this notice. This is not an advertisement.

You are not being sued. However, your legal rights are affected whether you act or not.

PLEASE READ THIS NOTICE.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
INCLUDE THE FOLLOWING:	
DO NOTHING	You will receive a payment from the Settlement. No action is required for you to receive a share of this Settlement.
EXCLUDE YOURSELF	<u>You will not receive a payment from the Settlement.</u> ¹
OBJECT	If you choose, you may object to this Settlement. The Court may or may not agree with your objection. Objecting to the Settlement will not exclude you from receiving a payment under the Settlement.

WHAT IS IN THIS NOTICE

1.	Why Should You Read This Notice?.....	Page 2
2.	What Is the Class Action Settlement?.....	Page 2
3.	What Is the Case About?.....	Page 2
4.	How Much Can I Expect to Receive?.....	Page 3
5.	Why Did Defendant Join in This Notice?.....	Page 3
6.	Who Is the Plaintiff in This Class Action?	Page 3
7.	Who Are the Attorneys Representing the Parties?	Page 3
8.	What Are My Rights? How Will My Rights Be Affected?	Page 4
9.	How Will the Attorneys for the Classes Be Paid?	Page 5

¹ Regardless of whether you exclude yourself from the Settlement, if you were employed by Defendant from March 1, 2022, through January 30, 2024, then you will still receive a portion of the settlement for release of claims for penalties pursuant to the Private Attorneys General Act, Labor Code sections 2698-2699.6 (“PAGA”).

1. *Why Should You Read This Notice?*

You have received this Notice because records indicate that you are a member of the settlement class settled in this action.

The “Class Members” or “Settlement Class” consists of all persons who worked for Defendant as non-exempt, hourly paid employees in the State of California during the Class Period. The Class Period is March 8, 2019, through January 30, 2024.

This Notice tells you of your rights to participate in, and share in, the Settlement. There was a Preliminary Approval hearing on XXX XX, 2024, at [REDACTED] a.m./p.m., in the San Diego County Superior Court. Judge Marcella O. McLaughlin determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable and that a final determination of the issues will be made at the final approval hearing. Judge McLaughlin also ordered that you receive this Notice.

The Court will hold a Final Approval Hearing concerning the proposed Settlement on [REDACTED], 2023, at [REDACTED] a.m./p.m. in Department 72, of the San Diego County Superior Court located at 330 W. Broadway, San Diego, CA 92101. The Final Approval Hearing may be continued to another date without further notice.

2. *What is the Class Action Settlement?*

The Court must approve the terms of the Settlement described herein as fair, adequate, and reasonable to the Class Members. The Settlement will affect all members of the class. You may get money from the Settlement. This Notice will explain the terms of the Settlement and the amount of money you may receive under the Settlement.

3. *What Is the Case About?*

Plaintiffs Jesus Aramburo and Tachina Garrett, who are also acting as Class Representatives (“Plaintiffs”), allege that Defendant violated the California Labor Code by: (1) failing to pay all wages owed; (2) failing to provide meal and rest periods; (3) failing to pay proper sick leave under the Healthy Workplaces, Healthy Families Act; (4) failing to timely pay wages; (5) providing inaccurate wage statements and failing to maintain accurate payroll records; (6) failing to pay final wages and waiting time penalties; (7) failing to reimburse employee expenses; (8) violating the Wage Theft Prevention Act; and (9) violating California’s Unfair Competition Law. Plaintiffs also seeks civil penalties under PAGA as set forth in Labor Code sections 2698-2699.6, which allows a private citizen to pursue civil penalties on behalf of the State of California Labor Workforce Development Agency (“LWDA”) related only to the above Released Claims. Plaintiffs also named Jacksons Energy Logistics, LLC, as a Defendant but agreed that Jacksons Energy Logistics, LLC did not employ the Class Members and would be dismissed with prejudice pursuant to the Settlement.

Defendant denies the allegations raised in the lawsuit. Defendant believes that it has no liability for any of Plaintiffs’ or the Class Members’ claims under any statute, wage order,

common law, or equitable theory.

After a mediation session with a neutral mediator, the Parties reached a Settlement subject to Court approval as represented in the Joint Stipulation of Class Action and PAGA Settlement and Release (the “Settlement” or “Settlement Agreement”). Class Counsel believes that the Settlement is fair, reasonable, and adequate, and that it is in the best interests of Class Members. Likewise, Defendant has decided to settle because it avoids the time, risk, and expense of a lengthy lawsuit, and settlement immediately resolves, finally and completely, the pending and potential claims. By settling this lawsuit, Defendant does not admit, concede, or imply that it has done anything wrong or unlawful – and, in fact, Defendant expressly denies that it has engaged in any wrongdoing.

4. *How Much Can I Expect to Receive?*

Defendant will pay a total sum of \$925,000.00 (the “Gross Settlement Amount”), which includes all settlement payments to Class Members, attorneys’ fees and costs, costs of administering the Settlement, a payment to the LWDA under PAGA, and the Class Representative Service Awards.

Each Participating Class Member, as defined in the Settlement Agreement, will receive approximately \$ [REDACTED] for each Workweek worked in the Class Period. “Workweek” is defined in the Settlement as any week in which you worked at least one shift. To the extent Defendant does not have information about weeks worked readily available due to gaps in their electronic or paper time records, Defendant has used its best available information, including payroll data and extrapolations where necessary, to compute the Workweeks.

Class Members: Defendant’s records indicate that you worked approximately [REDACTED] Workweeks as a Class Member during the Class Period. Based on these records, your estimated payment as a Participating Class Member would be \$ [REDACTED].

PAGA Members: Defendant’s records indicate that you worked approximately [REDACTED] Pay Periods² as a PAGA Member during the PAGA Period. Based on these records, your estimated payment as a Participating PAGA Member would be \$ [REDACTED].

It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your payment under the Settlement.

5. *Why Did Defendant Join in This Notice?*

Defendant does not admit any claim alleged in the lawsuit and denies that it owes money for any of the claims in this matter. Defendant is settling the lawsuit as a compromise. Defendant reserves the right to object to and defend itself against any claim if, for any reason, the Settlement fails. The Court file has the Settlement documents with more information on the lawsuit, and you can also obtain more information from the Settlement Administrator’s website.

² Pay Periods are calculated the same as Workweeks since, at all relevant times during the PAGA Period, Defendant issued paychecks on a weekly basis.

6. *Who Is the Plaintiff in This Class Action?*

Plaintiffs Jesus Aramburo and Tachina Garrett are the Plaintiffs and Class Representatives in this Class Action lawsuit. They are acting on behalf of themselves and on behalf of other members of the class.

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

Class Counsel

Nicholas J. Ferraro
FERRARO VEGA EMPLOYMENT
LAWYERS, INC.
3333 Camino del Rio South, Suite 300
San Diego, CA 92108
Tel.: (619) 693-7727

Roxanna Tabatabaeepour
Ryan Tish
Alexander Wallin
Capstone Law APC
1875 Century Park East, Suite 1000
Los Angeles, California 90067
Tel.: (310) 556-4811

Defense Counsel

Alaya B. Meyers
Tracy R. Leidner
LITTLER MENDELSON P.C.
18565 Jamboree Road, Suite 800
Irvine, CA 92612
Tel.: (949) 705-3000

8. *What are my Rights? How Will My Rights Be Affected?*

Class Counsel listed immediately above, who have been appointed and approved by the Court for Settlement purposes only, will represent you.

Participating in the Settlement

Under the Settlement, you will **automatically** receive a settlement payment unless you opt-out by following the opt-out procedure set forth below.

This Notice of Settlement states the total number of Workweeks you worked for Defendant during the Class Period (as described above). Your individual settlement payment as a Class Member will be based on that number. If you believe the Workweek information on this Notice is correct, then you do not need to take any further action to receive your Settlement payment.

If you believe the Workweek information shown above is incorrect, you must submit a written workweek dispute stating why you believe the listed Workweeks are not correct. The workweek dispute must be e-mailed, mailed, or faxed to the Settlement Administrator (whose address is listed below) and must be postmarked or transmitted no later than [REDACTED], 2024. You should submit to the Settlement Administrator documentation to support the number of Workweeks you believe you worked during the Class Period. If there is a dispute about the Workweeks you worked, the Settlement Administrator,

together with the Parties, will attempt to resolve the dispute. The Parties may present any unresolved Workweek Disputes to the Court.

If you are a current employee of Defendant, your decision as to whether or not to participate in this Settlement will not affect or in any way impact your employment, and Defendant will not retaliate against you in any way for choosing or refusing to participate in the Settlement.

Objecting to the Settlement

If you wish to Object to the Settlement, you may submit a written Objection stating why you object to the Settlement. A written Objection must be signed by you and include your full name, address, telephone number, and last four digits of your Social Security number. A written Objection must be e-mailed, mailed or faxed to the Settlement Administrator (whose address is listed below) and must be postmarked or transmitted no later than [REDACTED], 2024. Late written Objections will not be considered.

You may instead, if you wish, appear at the Final Approval Hearing and discuss your objections with the Court and the Parties, regardless of whether you submitted an objection in writing. The Final Approval Hearing may be continued to another date without further notice.

IF YOU OBJECT TO THE SETTLEMENT, YOU WILL STILL RECEIVE YOUR SHARE OF THE SETTLEMENT IF THE COURT APPROVES THE SETTLEMENT.

Opting-Out of the Settlement

If you wish to be excluded from participating in the Settlement, you must submit a written request to Opt-Out to the Settlement Administrator via e-mail, mail or fax to the address below requesting to be excluded from the Settlement. To be considered valid, your Opt-Out request must be signed by you, and contain your name, address, telephone number, and the last four digits of your Social Security number. Your Opt-Out request must also clearly indicate that you desire to be excluded from the Settlement. To be considered timely, your Opt-Out request must be e-mailed, faxed or postmarked no later than [REDACTED], 2024. Late Opt-Out requests will not be considered.

If you timely submit a complete and valid Opt-Out request, you will no longer be a member of the Class and you will not be eligible to object to the terms of the Settlement or receive money under the Settlement except for that portion of the settlement allocated to PAGA penalty payments. Except for the PAGA Release, you will not be bound by the terms of the Settlement, and may pursue any valid claims you may have, at your own expense, against Defendant. Individuals otherwise meeting the definition of Class Members who exclude themselves from the class and who were employed during the PAGA Period shall still receive a payment for the amount of each such individual's estimated share of the PAGA Payment that was included by the Settlement Administrator in calculating the Claim Amount and shall still be bound by the PAGA Release.

Please note that you cannot both object to and opt-out of the Settlement. If you submit both an objection and an opt-out, it will be treated as an opt-out and the objection will be deemed invalid.

Effect of the Settlement on Your Rights

Upon the final approval of the settlement by the Court, all Class Members (other than those who submit a valid opt-out/request for exclusion), will release all claims against Defendant

within the definition of “Released Claims,” as set forth in the parties’ Settlement Agreement. “Released Claims” includes all claims under state or local law, whether statutory, common law, or administrative law, whether in law or equity, for all claims other than the PAGA Released Claims that were pled or reasonably could have been pled in the Action, based on or arising out of the factual allegations therein, during the Class Period, including: (a) all claims for failure to pay all wages owed (Cal. Labor Code §§ 510, 1182.12, 1194, 1194.2, 1197, 1197.1, 1194, 1198); (b) all claims for failure to provide meal periods (Cal. Labor Code §§ 226.7, 512, 516, 1198); (c) all claims for rest period violations (Cal. Labor Code §§ 226.7, 516, 1198); (d) all claims for failure to pay all paid sick leave wages (Cal. Labor Code §§ 200, 218, 245 et. seq.); (e) all claims for failure to timely pay wages (Cal. Labor Code §§ 204, 210, 218); (f) all claims for failure to provide accurate wage statements and for recordkeeping violations (Cal. Labor Code §§ 226, 1174, and 1198); (g) all claims for waiting time penalties (Cal. Labor Code §§ 201, 202, 203); (h) all claims for violation of the California Unfair Competition Law (Business & Professions Code § 17200 et seq.); (i) all claims for failure to reimburse business expenses (Cal. Labor Code § 2802); (j) liquidated damages; (k) interest; (l) attorneys’ fees; and (m) attorneys’ costs.

Additionally, all PAGA Members will release all claims under PAGA, defined as the “PAGA Released Claims” or “PAGA Release,” which means the release by all PAGA Members for all claims for penalties under PAGA that arise out of or relate to California Labor Code sections 201, 202, 203, 204, 204b, 210, 213, 226, 226.3, 226.7, 245, 246 through 248.7, 256, 432.5, 510, 512, 516, 1174, 1174.5, 1182.12, 1194, 1197, 1197.1, 1198, 2802, 2804, and 2810.5 as pled or reasonably could have been pled in the Action, and as set forth in the PAGA Notice and Amended PAGA Notice during the PAGA Period.

9. How Will the Attorneys for the Classes Be Paid?

Class Counsel, *i.e.*, the attorneys for the Class Representative and the Class Members, will be paid from the Gross Settlement Amount. The attorneys are seeking fees in the amount of \$308,333.33 as well as reimbursement of their costs, in an amount up to \$45,000. Plaintiffs are also seeking a Class Representative Service Award of \$10,000 to each Plaintiff from the Settlement for their service as Class Representatives. Likewise, the Parties agreed that \$20,000 will be allocated to settle the PAGA claim, with \$15,000 to be paid to the LWDA, and the remaining \$5,000 to be distributed to the Participating PAGA Members based upon their proportionate Pay Periods during the PAGA Period. The Settlement Administrator estimates that the cost of administration will not exceed \$10,500. All of these amounts are to be deducted from the Gross Settlement Amount, with the remainder available for distributions to Participating Class Members, Participating PAGA Members and PAGA Members.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact Class Counsel; call the Settlement Administrator at the telephone number listed below, toll free; or visit the Settlement Administrator’s website, [\[insert website information\]](#), which will include key legal documents including the Settlement Agreement and the Court’s order granting Preliminary Approval of the Settlement.

[\[ADDRESS\]](#)

[\[PHONE NUMBER\]](#)

[\[WEBSITE\]](#)

PLEASE DO NOT CONTACT OR TELEPHONE THE COURT, DEFENDANT OR ITS EMPLOYEES, OR DEFENDANT'S COUNSEL FOR LEGAL ADVICE OR FOR INFORMATION ABOUT THIS SETTLEMENT.

By Order of the San Diego County Superior Court, the Honorable Marcella O. McLaughlin.

4888-0648-7724.2