

SETTLEMENT AGREEMENT

I. Introduction.

This Settlement Agreement (“Agreement”) is hereby entered by and between Defendant Northwest Restaurants, Inc. (the “Company”) and named Plaintiff Scott Hines (“Plaintiff”), who is acting both individually and in his capacity as the proposed class representatives for the proposed settlement class defined herein and in the proposed class action entitled *Scott Hines v. Northwest Restaurants, Inc.*, King County Superior Court Civil Case No. 23-2-04367-7 SEA (the “Case”).

II. Class Certification.

Solely for the purposes of this Settlement, Plaintiff and the Company (hereafter, the “Parties”) agree that this Case should be certified and finally adjudicated as a class action on behalf of the Settlement Class defined herein.

III. Investigations and Due Diligence.

The Parties have conducted substantial informal discovery and investigation of the facts and the law during their respective prosecution and defense of this Case. As part of this review and investigation, the Parties and their counsel have (a) interviewed witnesses; (b) collected and analyzed extensive time records, payroll data, and other information concerning the composition of the Settlement Class and the merits and possible extent of Plaintiff’s claims and the Company’s defenses; and (c) amply considered and analyzed their respective claims and defenses.

IV. Settlement Negotiations.

The Parties engaged in settlement negotiations between March 2023 and the date of this Agreement and in connection therewith outlined the conceptual terms of the Settlement during a March 20, 2024, mediation before mediator Clifford Freed of Washington Arbitration and Mediation Services (WAMS). All of the Parties’ settlement negotiations have been conducted in good faith and at arm’s length. Through the Parties’ investigations and communications, the Parties have reached a class action settlement of this Case that they believe to be fair, adequate, and reasonable, and that Plaintiff believes are in the best interest of the proposed Settlement Class. This Agreement memorializes the terms of the final Settlement agreed to by the Parties as the result of the negotiations just described.

V. The Company’s Denials of Wrongdoing and Non-Admission of Allegations.

The Company has denied and continues to deny each of the claims and contentions alleged by Plaintiff on his own behalf and on behalf of any members of the proposed class alleged by Plaintiff in the Case. The Company has asserted, and continues to assert, defenses and objections to the proposed maintenance of this Case as a class action as if it were to proceed through litigation instead of settlement. Furthermore, The Company has expressly denied, and continues to deny, any wrongdoing or legal liability arising out of any of the facts or conduct alleged in this Case. Neither the Settlement, this Agreement, or any document referred to or contemplated herein—nor any action taken to carry out this Agreement—is, may be construed as, or may be used as an admission, concession or indication by or against the Company of any fault, wrongdoing, or liability whatsoever. The Company expressly denies any such fault, wrongdoing, or liability. If

the Parties had not reached the Settlement, then the Company would have continued to vigorously defend against Plaintiff's claims, including seeking denial of full or partial class certification and a full defense verdict at trial. The Company agrees to this Settlement solely to avoid the burden and expense of further litigation.

VI. Stipulated Settlement and Dismissal

NOW, THEREFORE, IT IS HEREBY STIPULATED by the Parties, subject to the approval of the Superior Court, that this Case is hereby being compromised and settled on a class action basis pursuant to the terms and conditions outlined in this Agreement and that, if the Parties' Settlement is finally approved by the Superior Court, this Case shall be fully dismissed on the merits and with prejudice, subject to the following terms and conditions:

1. Definitions.

a. **"Effective Date"** means the date when both (1) the Settlement has been finally approved by the Superior Court, and (2) the Superior Court's anticipated order approving the Settlement and dismissing this Case with prejudice (the "Final Judgment") becomes final. For purposes of this subsection, the Superior Court's Final Judgment "becomes final" upon the later of either (a) thirty-one (31) days following the Superior Court's entry of an order granting final approval of the Settlement; or (b) if an appeal is timely filed or other appellate review is sought, the date the Mandate or other final affirmance is issued by the appellate court affirming the Final Judgment.

b. **"Settlement"** means the settlement reached by the Parties through the negotiation process described in Paragraph IV above.

c. **"Settlement Administrator"** means CPT Group Class Action Administrators, or another settlement administrator mutually agreed upon by the Parties, subject to the Superior Court's approval.

d. **"Settlement Class Period"** means the period from March 10, 2020, through and including December 31, 2023.

e. **"Proposed Class"** or **"Proposed Class Members"** means all hourly-paid, non-exempt individuals who worked as a non-management restaurant employee for the Company in Washington State at any time during the Settlement Class Period, exclusive of any individuals who signed an arbitration agreement with a class action waiver as a condition of initial employment.

f. **"Settlement Class"** or **"Settlement Class Members"** means all Proposed Class Members, exclusive of any person who timely opts out of the Settlement pursuant to the procedures set forth below. All persons who timely opt out from the Settlement in conformity with this Agreement shall not be bound by the terms of this Agreement or any Final Judgment entered by the Superior Court, and shall retain the right to pursue (or not pursue) any alleged individual claim(s) against the Company in a separate action.

g. The **"Notice of Settlement"** means the form attached hereto as **Exhibit A**.

h. The “**Initial Mailing Date**” is the date the Settlement Administrator first mails the Notice of Settlement approved by the Superior Court to all Proposed Class Members.

i. The “**Notice Deadline**” is sixty (60) days after the Initial Mailing Date.

j. “**Class Counsel**” means Ackermann & Tilajef, P.C., subject to the Superior Court’s approval.

k. “**Class Fund**” means the aggregate, gross amount the Parties propose be paid to the Settlement Class as Settlement Awards pursuant to this Settlement. The Class Fund shall be calculated by subtracting the Court-approved Service Award, Settlement Administration Expenses Award, Attorney’s Fees and Costs Award, and Reserve Fund from the Gross Settlement Amount. Subject to approval by the Superior Court, the Parties anticipate the aggregate, gross amount paid to the Settlement Class as part of the Settlement of this Case is estimated to be no less than **\$1,166,166.67**.

l. “**Settlement Awards**” means the amounts the Parties propose be paid to members of the Settlement Class pursuant to this Agreement.

m. “**Service Award**” means the amount the Parties propose be paid to Plaintiff as a service award in recognition of his efforts in prosecuting the Case. Subject to approval by the Superior Court, the amount paid to Plaintiff for his service award shall be **\$10,000.00**.

n. “**Settlement Administration Expenses Award**” means the amount the Parties propose be paid to the Settlement Administrator for the processing of the Settlement. Subject to approval by the Superior Court, the amount paid to the Settlement Administrator for the processing of the Settlement shall be up to **\$75,000.00**.

o. “**Attorney’s Fees and Costs Award**” means the amounts the Parties propose be paid to Class Counsel as attorney’s fees and costs in connection with their prosecution and settlement of the Case. The proposed award for attorney’s fees is one-third of the Gross Settlement Amount, or **\$633,333.33** (assuming the Gross Settlement Amount remains \$1,900,000). The proposed award for costs incurred by Class Counsel is **\$12,500.00**. The proposed amounts the Parties propose be paid to Class Counsel as attorney’s fees and costs are subject to approval by the Superior Court.

p. “**Reserve Fund**” means the **\$3,000.00** the Parties propose be set aside for disputed settlement shares and/or individuals inadvertently left off the list of Proposed Class Members. The Reserve Fund is the maximum amount used to pay disputed allocations and individuals inadvertently left off the list of Proposed Class Members who have a good-faith claim. Any unclaimed amounts from the Reserve Fund shall be disbursed to the Legal Foundation of Washington. The proposed amount the Parties propose be set aside as the Reserve Fund is subject to approval by the Superior Court.

q. “**Gross Settlement Amount**” means the maximum, gross amount the Company may be required to pay pursuant to this Settlement (absent any increase in such amount pursuant to Section 7.e of this Agreement), which is the sum of **\$1,900,000.00**, excluding any of the Company’s employer-side share of FICA, FUTA, and other similar, mandatory employer-side

payroll taxes. In no event shall the Gross Settlement Amount exceed the foregoing sum unless the Gross Settlement Amount is increased pursuant to Section 7.e of this Agreement.

r. **“Released Claims”** means all claims during the Settlement Class Period in the Complaint asserted against the Company, including claims for failing to provide compliant meal periods and rest breaks and/or failing to provide compensation for non-compliant and/or missed meal periods and rest breaks under RCW 49.12, WAC 296-126-092, and claims for exemplary damages, penalties, and interest pursuant to RCW 49.52.050 and 070, as well as attorneys’ fees and costs, and any claims under any state, federal, or local law arising from the claims in the Complaint based on the same factual predicates as alleged therein, to the fullest extent permitted by law.

s. **“The Company”** as used in this Agreement, and as released through the Releases described in Section VI.2., below, includes the named Defendant in the Case, Northwest Restaurants, Inc., as well as its parents, subsidiaries, and affiliates, and each of their respective past and present directors, officers, agents, shareholders, members, managers, employees, attorneys, insurers, successors, and assigns, along with any other individual or entity who could be jointly or severally liable for any of the claims alleged in the Case or released by this Agreement.

2. Releases.

As of the Effective Date, the Settlement and this Agreement will constitute a full and final settlement, release, and waiver by Plaintiff and all members of the Settlement Class of all Released Claims.

3. Payment by The Company.

Subject to approval of the Settlement by the Superior Court, the Company agrees to deposit the Gross Settlement Amount into a Qualified Settlement Fund (“QSF”) set up by the Settlement Administrator for purposes of processing the Settlement and paying the Service Award, the Settlement Administration Expenses Award, the Attorney’s Fees and Costs Award, the Reserve Fund, and the Settlement Awards. The Company will not be responsible for making any additional payments except as expressly set forth below, whether to the Settlement Class Members, to Plaintiff, to Class Counsel, to the Settlement Administrator, to the Reserve Fund, or otherwise (with the exception that the Company agrees to pay its share of FICA, FUTA, and other similar, mandatory employer-side payroll taxes). By funding the Qualified Settlement Fund, the Company will fully discharge its financial obligations under this Agreement and shall have no further financial obligations under this Agreement, whether to the Settlement Class Members, to Plaintiff, to Class Counsel, to the Settlement Administrator, to the Reserve Fund, or otherwise (again with the exception that the Company agrees to pay its share of FICA, FUTA, and other similar, mandatory employer-side payroll taxes).

4. Calculation of Settlement Awards.

a. Subject to approval by the Superior Court, the calculations of gross (pre-tax) Settlement Awards for Settlement Class Members will be made by the Settlement Administrator based on records that have been or will be submitted to Class Counsel and the Settlement Administrator by the Company, which records are presumed to be accurate. The Company has provided or will provide data to Class Counsel and the Settlement Administrator reasonably

necessary for the calculation of the Settlement Awards in the form of an Excel spreadsheet (or spreadsheets), which shall contain data regarding the number of shifts worked by each Proposed Class Member during the Settlement Class Period. To the extent not already produced to Class Counsel and the Settlement Administrator, the Company shall provide the Excel spreadsheet(s) containing the foregoing data to Class Counsel within 45 days after this Agreement is preliminarily approved by the Superior Court. Any data provided to Class Counsel and/or the Settlement Administrator pursuant to this Agreement shall be used solely for the purposes of administering this Settlement and not for any other purpose. Class Counsel and the Settlement Administrator shall maintain any data provided pursuant to this Agreement as private and confidential and shall not use or disclose such data to any persons or entities except as required by this Settlement, law or Court order.

b. The Settlement Administrator shall be responsible for calculating the gross amounts of the Settlement Awards for Settlement Class Members in conformity with this Agreement. The monies from the Class Fund will be allocated to individual Settlement Class Members pro rata based on the number of shifts worked during the Settlement Class Period, with the amounts being calculated by dividing each Settlement Class Member's total shifts during the Settlement Class Period by the total aggregate shifts worked by all Settlement Class Members during the Settlement Class Period and then multiplying the resulting ratio by the portion of the Class Fund allocated to these payments.

c. The Settlement Administrator shall provide the Company and Class Counsel with an electronic report setting forth the results of their calculation of the gross Settlement Awards for Settlement Class Members. The Company and Class Counsel shall have ten (10) days after receiving this electronic report to review the Settlement Administrator's gross Settlement Award calculations for compliance with the terms of this Agreement and to submit any concerns in writing to the Settlement Administrator. Thereafter, the Parties shall confer within five (5) days in an attempt to resolve any disputes relating to the calculations of the gross amounts of Settlement Awards. If the Parties are unable to resolve any disputes about calculating the gross Settlement Awards pursuant to this Agreement, they shall submit their respective positions in writing to the Superior Court, which shall make the final decision regarding any disputed calculations of any Settlement Awards for any Settlement Class Members.

d. **Allocation of Settlement Awards Between Wages and Non-Wages.** One-third of each Settlement Award will be treated as wages and subject to normal payroll tax withholdings and payments, and these amounts shall be reported to the taxing authorities and the Settlement Class Members on IRS Forms W-2. Two-thirds of each Settlement Award will be treated as non-wages (penalties, enhancements, and prejudgment interest) on which there will be no tax withholding and for which IRS Forms 1099 (marked "Other Income") shall be issued to the taxing authorities and Eligible Settlement Class Members.

e. **Separate Payment of Employer-Side Payroll Taxes.** The Company will separately fund the payment of the required employer share of the payroll taxes associated with the W-2 payments made to Settlement Class Members (including, but not limited to, employer's share of FICA, Medicare, FUTA (if applicable), and any other employer-paid, federal, Washington state, or local requirements).

5. Attorney's Fees and Costs Award.

As part of seeking the Superior Court's final approval of this Settlement, Class Counsel will apply to the Superior Court for an Attorney's Fees and Costs Award of no more than one-third of the Gross Settlement Amount (i.e., **\$633,333.33** assuming the Gross Settlement Amount remains \$1,900,000), plus up to an additional **\$12,500.00** for actual litigation costs.

6. Service Award.

Subject to approval by the Superior Court, in addition to a Settlement Award computed as described above, Plaintiff Scott Hines shall receive a separate Service Award, which will be treated as non-wages, on which there will be no payroll tax withholdings and for which an IRS Form 1099-MISC (marked "Other Income") shall be issued to the taxing authorities and Plaintiff. Subject to approval by the Superior Court, the amount paid to Plaintiff for his service award shall be **\$10,000.00**.

7. Settlement Administration.

a. The Settlement Administrator shall be responsible for mailing the Notice of Settlement to the Proposed Class, tracing undeliverable mailings, recording and tracking responses to the mailings to the Proposed Class, tracking and responding to any inquiries made by any member of the Proposed Class, calculating the Settlement Awards, and any other related tasks mutually agreed to by the Parties. The Settlement Administrator shall also be responsible for establishing a Qualified Settlement Fund ("QSF") pursuant to Section 468B(g) of the Internal Revenue Code for purposes of administering this Settlement, as well as issuing the necessary checks for all Settlement Awards, issuing all required tax documents (such as Forms W-2 and 1099-MISC), performing all related tax reporting to taxing authorities and to The Company, and issuing the Service Award, the Settlement Administration Expenses Award, the Attorney's Fees and Costs Award.

b. The Settlement Administrator will perform the foregoing duties based on data provided by Class Counsel and the Company, which data shall be presumed to be correct. In addition to the data described in Section VI.4., above, the Company shall, within 45 days after this Agreement is preliminarily approved by the Superior Court, provide the Settlement Administrator with an Excel spreadsheet containing the following information for each member of the Settlement Class: (i) name; (ii) last known address; (iii) last known telephone (if known and reasonably accessible); (iv) last known email address (if known and reasonably accessible); (v) social security number; and (vi) number of shifts worked during the Settlement Class Period. Other data will be provided, upon request from the Settlement Administrator, as reasonably necessary to complete their settlement administration duties under this Agreement. All such data shall be treated as private and confidential, and the Settlement Administrator shall not use or disclose any such data to any persons or entities except as required by this Settlement, law or Court order.

c. The Settlement Administrator shall also have the responsibility to determine any Proposed Class Member's eligibility for a Settlement Award (i.e., to determine whether any Proposed Class Member is a Settlement Class Member). Each Proposed Class Member who does not submit a valid and timely request for exclusion will automatically be a Settlement Class Member and eligible to receive a Settlement Award. Within five (5) days after the Notice

Deadline, the Settlement Administrator shall provide the Company and Class Counsel with (1) an electronic report setting forth the names and identities of all Proposed Class Members who submitted a valid and timely Exclusion Letter in conformity with this Agreement; (2) an electronic report setting forth the names and identities of all Proposed Class Members who did not submit a valid and timely letter requesting exclusion in conformity with this Agreement (“Exclusion Letter”); (3) copies of all Exclusion Letters returned or received; and (4) copies of all objections returned or received. The Company and Class Counsel shall be entitled to review the eligibility determinations made by the Settlement Administrator for compliance with the terms of this Agreement. The Settlement Administrator shall retain the originals of all Exclusion Letters returned, along with their envelopes, and objections received. The Company and Class Counsel shall have seven (7) days after receiving the electronic report and related documentation from the Settlement Administrator to challenge any Exclusion Letter and/or eligibility determination in writing directed to the Settlement Administrator. Within five (5) days after submitting such concerns to the Settlement Administrator, the Parties shall meet and confer in an attempt to resolve any disputes relating to the subject Exclusion Letters and/or eligibility determinations. In the event the Parties are unable to reach resolution on any disputes relating to the subject Exclusion Letters and/or eligibility determinations, the Parties shall submit their respective positions in writing to the Superior Court, which shall make the final decision regarding the subject Exclusion Letters and/or eligibility determinations. Thereafter, the Settlement Administrator shall provide the final results of its eligibility determinations to the Company and Class Counsel, which results will include the names of all Settlement Class Members and the names of all individuals who opted out of the Settlement.

d. In the event the number of Proposed Class Members who have timely requested exclusion from the Settlement exceeds 10% of the total number of Proposed Class Members, the Company has the right, in its sole discretion, to terminate or not to terminate the Settlement. If The Company chooses to exercise this right, it shall give written notice to Class Counsel within ten (10) days after receiving the report from the Settlement Administrator required by Section VI.7.c., above.

e. In the event the actual number of shifts worked by the Proposed Class Members during the Settlement Class Period is more than 5% greater than the 1,437,003 shifts that Class Counsel estimated as part of the Parties’ negotiation process described in Paragraph IV, above, based on the data provided by the Company (i.e., 1,508,854 or more total shifts), then Plaintiff will have the right to void this Agreement unless the Company agrees to proportionately increase the Gross Settlement Amount to account for all shifts beyond 1,437,003.

f. As part of seeking the Superior Court’s final approval of this Settlement, Class Counsel will apply to the Superior Court for a Settlement Administration Expenses Award of no more than **\$75,000.00**. The costs, fees and expenses incurred by the Settlement Administrator in administering this Settlement shall be paid from the Settlement Administration Expenses Award approved by the Court.

8. Notice/Approval of Settlement Class Certification and Settlement Agreement.

As part of this Settlement, the Parties agree to the following procedures for obtaining preliminary Superior Court approval of the Settlement, certifying the Settlement Class, notifying the members of the Proposed Class, obtaining final Superior Court approval of the Settlement, and

implementing payment of Settlement Awards to Settlement Class Members:

a. Class Counsel shall file a motion with the Superior Court (to be heard on April 19, 2024, or the earliest date thereafter the Superior Court has available) to obtain preliminary approval of the Settlement in conformity with this Agreement and authorizing the issuance of the Notice of Settlement to members of the Proposed Class.

b. For purposes of this Settlement, Class Counsel will ask the Superior Court to enter an order preliminarily certifying the Settlement Class, preliminarily approving the Settlement and this Agreement, approving Notice of Settlement to the Proposed Class, and setting a date for a Final Approval Hearing to determine whether the Court will grant final approval of the Settlement and this Agreement (the "Preliminary Approval Order"). Class Counsel shall provide The Company with a draft of the proposed motion for preliminary approval and Preliminary Approval Order for review and comment at least one (1) court day before the motion is filed. Plaintiff's counsel agrees to consider in good faith all comments of the Company on the draft. The Company will not oppose Plaintiff's motion, so long as the motion for preliminary approval and Preliminary Approval Order are in conformity with this Agreement.

c. Subject to the Superior Court's approval, Notice of the Settlement shall be provided using the following procedures:

(1) Within 60 days of the date the Superior Court grants preliminary approval to the Settlement and issues its Preliminary Approval Order, the Settlement Administrator shall send the Notice of Settlement to all Proposed Class Members by mail.

(2) The Notice of Settlement shall provide that Proposed Class Members who do not opt out (i.e., who wish to become Settlement Class Members) and who wish to object to the Settlement must submit to the Settlement Administrator a written statement objecting to the Settlement. Such written statement must be postmarked or delivered to the Settlement Administrator on or before the Notice Deadline.

(3) The Notice of Settlement shall also provide that Proposed Class Members who wish to exclude themselves (i.e., opt out) from the Settlement must mail a letter to the Settlement Administrator requesting exclusion from the Settlement on or before the Notice Deadline. Proposed Class Members who fail to submit a valid and timely Exclusion Letter on or before the Notice Deadline shall be deemed Settlement Class Members and shall be bound by all terms of the Settlement and any Final Judgment entered in this Case if the Settlement is approved by the Superior Court, regardless of whether they have objected to the Settlement.

(4) The Notice of Settlement shall also advise Settlement Class Members that they need do nothing (other than not affirmatively opt out) in order to receive a Settlement Award.

d. The Parties agree that neither they nor their counsel will solicit or otherwise encourage any of the Proposed Class Members to opt out or object to the Settlement or to appeal from the Superior Court's Final Judgment approving the Settlement.

e. Should any Notice of Settlement be returned as undeliverable without a

forwarding address, the Settlement Administrator will perform a reasonable “skiptrace” search using the National Change of Address database to obtain an updated address and, if located, shall make a second attempt at mailing the Notice of Settlement. If such Notice of Settlement is again returned as undeliverable, no further attempts at delivery of the Notice of Settlement are required to be made. Notwithstanding the foregoing, the Settlement Administrator or Class Counsel may mail or email a Notice of Settlement and/or Exclusion Letter to a Proposed Class Member at an address or email address obtained by other means if the Notice of Settlement is returned as undeliverable or upon the Proposed Class Member’s request for the same.

f. Within the later of twenty one (21) days after the Notice Deadline, or seven days following resolution of challenge as set forth in Section VI.7.c., above, Class Counsel must file with the Superior Court a supplemental memorandum in support of final approval of the Settlement to inform the Court of any Proposed Class Members who have opted out of the settlement, to provide the Court with copies of all written objections received from any Proposed Class Member with copies of their envelopes, and to respond to any objections to the settlement.

g. Subject to the Superior Court’s availability and direction but no sooner than thirty (30) days after the Notice Deadline, a Final Approval Hearing shall be held for the Superior Court to determine whether to grant final approval of the Settlement, including Class Counsel’s Attorney’s Fees and Costs Award, the Settlement Administration Expenses Award, the Reserve Fund, and the Service Award to Plaintiff. If the Superior Court finally approves the Settlement, the Parties will promptly and jointly ask the Superior Court to enter a Final Judgment dismissing the Case with prejudice and without an award of attorney’s fees, expenses or costs to any Party except as provided herein.

h. After entry of the Final Judgment, and subject to Rule 7.2 of the Washington Rules of Appellate Procedure, the Superior Court shall have continuing jurisdiction solely for the purposes of enforcement of the Settlement Agreement and addressing (a) settlement administration matters, and (b) such post-Final Judgment matters as may be appropriate under Court rules.

i. Within ten (10) business days after the Effective Date, the Company shall initiate a transfer of the Gross Settlement Amount into the QSF. The Company also will transfer into the QSF an amount equal to the estimated employer share of the payroll taxes required on the W-2 payments made to Settlement Class Members (including employer’s share of FICA, Medicare, FUTA (if applicable), and any other employer-paid, federal, Washington state, or local requirements) as estimated by the Settlement Administrator. Such payment shall be made by the Company upon the latter of ten (10) business days after the Effective Date or within five (5) business days after the Settlement Administrator provides its estimate of the employer-side payroll taxes. Thereafter, if there is any dispute relating to the amount needed for the employer share of required payroll taxes, the Parties and Settlement Administrator shall confer within five (5) days in an attempt to resolve this dispute. In the event they are unable to reach resolution of any such dispute, the Parties shall submit their respective positions in writing to the Superior Court, which shall make the final decision regarding the amount required for the employer share of payroll taxes. The QSF will hold all funds transferred by the Company pending the issuance of the Settlement Awards to Settlement Class Members. Until the date that the Company’s funding of the QSF is due, the Company shall have sole and complete control over all such funds and shall have no

obligation to segregate such funds or to place them in escrow or to otherwise earmark them before the funding deadline.

j. Within five (5) business days after the Gross Settlement Amount is deposited into the QSF, the Settlement Administrator shall issue and mail checks for the Service Award, the Settlement Administration Expenses Award, and the Attorney's Fees and Costs Award to the respective recipients thereof. Within ten (10) business days after the Gross Settlement Amount is deposited into the QSF, the Settlement Administrator shall issue and mail the Settlement Award checks. Settlement Award checks for each Settlement Class Member shall include an amount for wages and a separate amount for non-wages (penalties, enhancements, and prejudgment interest). The Settlement Administrator shall withhold and pay to the appropriate taxing authority(ies), all federal, Washington state, and local withholding taxes from each amount for wages, and shall issue appropriate IRS Forms W-2 for each amount for wages. The non-wages (penalties, enhancements, and prejudgment interest) amount shall not be subject to withholdings and shall be reported on an IRS Form 1099 (marked "Other Income") issued by the Settlement Administrator. Using the funds transferred into the QSF by the Company for the employer share of the payroll taxes required on the W-2 payments, the Settlement Administrator will also pay all of the required employer share of payroll taxes in connection with issuing the wage checks to Settlement Class Members, including the employer's share of FICA, Medicare, FUTA (if applicable), and any other employer-paid, federal, Washington state, and local requirements.

k. No later than one hundred sixty (160) days after the Settlement Administrator issues the Settlement Award checks, Class Counsel shall file a Satisfaction of Judgment confirming that the payments required by the Final Judgment have been made and that no further actions are needed to comply with the Final Judgment. This shall terminate the Court's jurisdiction over the Case.

l. Should any Settlement Award checks be returned as undeliverable without a forwarding address, the Settlement Administrator will perform a reasonable "skiptrace" search using the National Change of Address database to obtain an updated address and, if located, shall make a second attempt at mailing the Settlement Award Check. The Settlement Administrator shall mail any Settlement Class Member his or her Settlement Award check if he or she contacts the Settlement Administrator and provides a correct mailing address within ninety (90) days after the initial distribution of the Settlement Award checks. If contacted by a Settlement Class member, The Company shall instruct the member to contact the Settlement Administrator or Class Counsel. No later than one hundred twenty (120) days after the initial distribution of the Settlement Award checks, the Settlement Administrator shall provide both Parties with an accounting indicating which funds have been distributed to Settlement Class Members and which, if any, checks to Settlement Class Members have not been negotiated by that time. At this same time, the Settlement Administrator shall also provide the Company with copies of all IRS Forms W-2 and IRS Forms 1099 documents issued in connection with the payment of the Settlement Awards, and any other tax documentations reasonably required by The Company. If any checks to Settlement Class Members have not been negotiated within one hundred twenty (120) days after distribution, the funds from those checks will be sent by the Settlement Administrator in the corresponding Settlement Class Member's name to the Unclaimed Property Fund for the State of Washington pursuant to the Unclaimed Property Act (RCW 63.29 et seq). The Company will not receive funds from any uncashed checks.

m. If the Superior Court does not enter an Order preliminarily or finally approving the Settlement, or if the Settlement does not become final for any other reason, this Agreement shall be null and void. In such case, the parties shall proceed in all respects as if this Agreement had not been executed. In the event an appeal is filed from the Superior Court's Final Judgment, or from any other appellate review that is sought prior to the Effective Date, funding and administration of the Settlement shall be stayed pending final resolution of the appeal or any other form of appellate review.

9. No Effect on Employee Benefits.

This Settlement, and any payments made under the Settlement to Settlement Class Members, shall have no effect on the eligibility for and/or calculation of employee benefits of any Settlement Class Members.

10. Miscellaneous Provisions.

a. The Parties agree to stay all further proceedings in this Case, except such proceedings as are necessary to implement and complete this Settlement and/or to implement this Agreement, pending the Final Approval Hearing to be conducted by the Superior Court and the Effective Date of the Settlement.

b. This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.

c. This Agreement constitutes the entire Agreement among these Parties. No representations, warranties or inducements have been made to any Party concerning this Agreement, other than the representations, warranties and covenants contained and memorialized in this Agreement and the documents it requires (such as the Notice of Settlement and Exclusion Letter).

d. Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to enter into this Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to implement this Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement this Settlement or this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement or this Agreement, then either Party may seek the Superior Court's assistance to resolve such disagreement.

e. This Agreement shall be binding upon, and shall inure to the benefit of, the successors of the Parties hereto, as previously defined.

f. All terms of this Agreement shall be governed by and interpreted according to the laws of the State of Washington.

g. Plaintiff and the Company believe that this is a fair, reasonable and adequate settlement, and have arrived at this Settlement through arm's-length negotiations, taking into

account all relevant factors, present and potential.

h. Plaintiff's counsel and/or the Settlement Administrator may create a notice website with information about this Settlement after preliminary approval of this Settlement is obtained from the Superior Court, which notice website may include a copy of this Agreement and any other documents filed with the Superior Court.

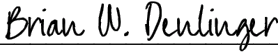
IT IS SO AGREED.

**COUNSEL FOR PLAINTIFF
SCOTT HINES AND PROPOSED
CLASS COUNSEL**

**COUNSEL FOR NORTHWEST
RESTAURANTS, INC.**

ACKERMANN & TILAJEF, P.C.

JACKSON LEWIS, P.C.

DocuSigned by:

749584758349718
Brian Denlinger
Counsel for Named Plaintiff and Proposed
Class Counsel


Peter H. Nohle
Counsel for Defendant

Dated: 4/9/2024 | 1:43 PM PDT

Dated: _____

**PLAINTIFF AND PROPOSED CLASS
REPRESENTATIVE**

NORTHWEST RESTAURANTS, INC.

DocuSigned by:

0166001AA57B4B9
Scott Hines, individually and on
behalf of the Settlement Class

Brett Sibert, CFO

Dated: 4/9/2024 | 1:43 PM PDT

Dated: _____

account all relevant factors, present and potential.

h. Plaintiff's counsel and/or the Settlement Administrator may create a notice website with information about this Settlement after preliminary approval of this Settlement is obtained from the Superior Court, which notice website may include a copy of this Agreement and any other documents filed with the Superior Court.

IT IS SO AGREED.


**COUNSEL FOR PLAINTIFF
SCOTT HINES AND PROPOSED
CLASS COUNSEL**

**COUNSEL FOR NORTHWEST
RESTAURANTS, INC.**

ACKERMANN & TILAJEF, P.C.

JACKSON LEWIS, P.C.

Brian Denlinger
Counsel for Named Plaintiff and Proposed
Class Counsel



Peter H. Nohle
Counsel for Defendant


Dated: _____

Dated: April 10, 2024

**PLAINTIFF AND PROPOSED CLASS
REPRESENTATIVE**

NORTHWEST RESTAURANTS, INC.

Scott Hines, individually and on
behalf of the Settlement Class



Brett Sibert, CFO

Dated: _____

Dated: 4/12/2024

EXHIBIT A
NOTICE OF
SETTLEMENT

SUPERIOR COURT FOR THE STATE OF WASHINGTON
IN AND FOR KING COUNTY

Scott Hines v. Northwest Restaurants, Inc.
King County Superior Court Civil Case No. 23-2-04367-7 SEA

— NOTICE OF SETTLEMENT —

A court authorized this notice. This is not a solicitation from a lawyer. This is not a lawsuit against you and you are not being sued. However, your legal rights are affected whether you act or not. Please read this notice carefully.

TO: All persons who, at any time between March 10, 2020, and December 31, 2023, were employed by Northwest Restaurants, Inc., and worked as an hourly-paid, non-exempt, non-management restaurant employee in the State of Washington and who did not sign an arbitration agreement with a class action waiver as a condition of initial employment.

- A former employee brought claims against Northwest Restaurants, Inc. (“The Company”) alleging that the Company failed to provide compliant meal periods and rest breaks under Washington law. The Company strongly denies these claims. The parties have reached a proposed Class Action Settlement.
- The Company strongly denies any fault, wrongdoing, or liability. If the Parties had not reached a Settlement, the Company would have continued to vigorously defend against Plaintiff’s claims, including seeking a denial of class certification and a full defense verdict at trial. The Company agreed to this Settlement to avoid the risk, burden, and expense of further litigation, and as a means of making its employees whole for even any arguable claims relating to the lawsuit.
- The Class Action Settlement includes a total gross settlement payment by the Company of **\$1,900,000.00**.
- To qualify for a share of this payment: (A) you must have been employed by the Company and worked as an hourly-paid, non-exempt, non-management restaurant employee in the State of Washington between March 10, 2020, and December 31, 2023; (B) you must not have signed an arbitration agreement with a class action waiver as a condition of initial employment; and (C) you must not exclude yourself from the Class Action Settlement in the manner outlined below.
- **If you were employed by the Company and worked as an hourly-paid, non-exempt, non-management restaurant employee in the State of Washington between March 10, 2020, and December 31, 2023, and did not sign an arbitration agreement with a class action waiver as a condition of initial employment, you do not have to do anything to be eligible to receive a share of the settlement payment.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	You will be eligible to get a payment for your share of the Class Action Settlement. (You may need to provide the Settlement Administrator any

	updated contact information to ensure you receive a payment). You will give up rights relating to the legal claims in this Case.
ASK TO BE EXCLUDED	Get no payment. This is the only option that allows you to ever be a part of any other lawsuit against the Company with respect to the legal claims in this Case.
OBJECT	Write to the Court if you do not like the settlement and explain why. If the Settlement is approved, you will still receive a payment and you will give up rights relating to the legal claims in this Case.
GO TO A HEARING	Ask to speak in Court about the fairness of the Class Action Settlement. If the Settlement is approved, you will still receive a payment and you will give up rights relating to the legal claims in this Case.

- These rights and options—**and the deadlines to exercise them**—are explained in this Notice.
- The Court in charge of this Case still has to decide whether to finally approve the Settlement. If the Court approves the Settlement, payments will be made after any appeals are resolved. Please be patient.

BASIC INFORMATION

1. Why did I get this Notice?

The Company’s records show that you were employed by the Company and worked as hourly-paid, non-exempt, non-management restaurant employee in the State of Washington between March 10, 2020, and December 31, 2023 (the “Settlement Class Period”), and that you did not sign an arbitration agreement with a class action waiver as a condition of initial employment. The Court has allowed this Notice to be sent to you to inform you about a proposed settlement of a class action lawsuit, and about your options, before the Court decides whether to finally approve the Settlement. If the Court approves the Settlement, and after any appeals are resolved, payments will be made to Settlement Class Members who do not affirmatively request to be excluded from the Settlement.

This Notice explains the Case, the Class Action Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

2. What is the Case about?

The Plaintiff, former employee Scott Hines, claims that the Company violated Washington State wage and hour laws by failing to provide meal periods and rest breaks in conformity with the requirements of Washington law. The Company has denied the Plaintiff’s claims.

The Honorable Angela Kaake, of the Superior Court for the State of Washington in and for King County, is overseeing this Class Action. The lawsuit is known as *Scott Hines v. Northwest Restaurants, Inc.*, King County Superior Court Civil Case No. 23-2-04367-7 SEA (the “Case”).

3. What is a class action and who is involved?

In a class action lawsuit, one or more people called a “Class Representative” sues on behalf of other people whom they believe have similar claims. The people together are a “Class” or “Class

Members.” The employee(s) who sued, and who represent(s) the Class, are called the Plaintiff(s). The person the Plaintiff(s) sue(s) (in this case the Company) is called the Defendant. In a class action, one court resolves the issues for everyone in the Class—except for those people who choose to exclude themselves from the Class.

4. Why is there a Settlement?

The Court did not decide in favor of the Plaintiff or the Company. Instead, both sides agreed to a Settlement. This allows the parties to avoid the cost of a trial, and the people affected will be entitled to compensation. The Class Representative and his attorneys think the Settlement is best for everyone in the Class.

WHO IS IN THE SETTLEMENT

5. How do I know whether I am part of the Settlement?

As part of the Settlement of the Case, the King County Superior Court has decided that everyone who fits the following description is a Class Member:

All hourly-paid, non-exempt individuals who worked as a non-management restaurant employee for the Company in Washington State at any time during the Settlement Class Period [between March 10, 2020, and December 31, 2023], exclusive of any individuals who signed an arbitration agreement with a class action waiver as a condition of initial employment.

If it is approved, the Settlement will cover all Settlement Class Members who have not timely and affirmatively excluded themselves from the Case. To be a part of and receive any money pursuant to the Settlement, Settlement Class Members need do nothing (other than refrain from affirmatively opting out of the Settlement).

THE TERMS OF THE SETTLEMENT

6. What claims are covered by the Settlement?

The Settlement will resolve all of the claims Settlement Class Members could have brought against the Company regarding an alleged failure to provide the meal periods and rest breaks required by Washington law (collectively, the “Released Claims”). The Released Claims include all claims during the Settlement Class Period in the Complaint asserted against the Company, including claims for failing to provide complaint meal periods and rest breaks and/or failing to provide compensation for non-compliant and/or missed meal periods and rest breaks under RCW 49.12, WAC 296-126-092, and claims for exemplary damages, penalties, and interest pursuant to RCW 49.52.050 and 070, as well as attorneys’ fees and costs, and any claims under any state, federal, or local law arising from the claims in the Complaint based on the same factual predicates as alleged therein, to the fullest extent permitted by law.

7. What are the basic terms of the Settlement?

Subject to Court approval, the essential terms of the Settlement are as follows:

The Company will pay a total of \$1,900,000 as part of the Settlement, apportioned as follows:

- **Class Fund:** An estimated \$1,166,166.67 of the money the Company pays will be available for the payment of Settlement Awards to Settlement Class Members who do not timely opt out of this Settlement.
- **Service Award:** The Company will pay up to \$10,000.00 to Plaintiff and Class Representatives Scott Hines as a service award in recognition of his efforts in prosecuting the Case.
- **Settlement Administration Expenses Award:** The Company will pay up to \$75,000 to the Settlement Administrator for the processing of the Settlement, including the expenses of providing notice of the Settlement to Settlement Class Members, handling the settlement administration process, processing payments to Settlement Class Members, and handling tax reporting requirements.
- **Attorney's Fees and Costs Award:** The Company will pay up to \$633,333.33 to Plaintiff's attorneys for the attorneys' fees award and up to \$12,500.00 for actual litigation costs they have incurred and will incur through final judgment in representing Plaintiff and the Settlement Class.
- **Reserve Fund:** The Company will pay up to \$3,000.00 to a Reserve Fund that will be set aside for disputed settlement shares and/or individuals inadvertently left off the list of Proposed Class Members who have a good-faith claim. Any unclaimed amounts from the Reserve Fund shall be disbursed to the Legal Foundation of Washington.

Monetary Relief: The amount available to the Settlement Class is intended to compensate Settlement Class Members for the wages and other compensation they allegedly lost and damages they are allegedly owed as a result of the practices alleged in the Case.

Distribution of Settlement Fund: Each Settlement Class Member who does not submit a valid and timely request for exclusion will automatically receive a settlement payment. The class fund will be allocated to individual Settlement Class Members on a pro rata basis, based on the number of shifts worked during the Settlement Class Period, with the amounts being calculated by dividing each Settlement Class Member's total shifts during the Settlement Class Period by the total aggregate shifts worked by all Settlement Class Members during the Settlement Class Period and then multiplying the resulting ratio by the portion of the class fund allocated to these payments. Checks will be mailed to Settlement Class Members by the Settlement Administrator. If any checks have not been negotiated within one hundred twenty (120) days after distribution, the funds from those checks will be sent in the corresponding Settlement Class Member's name to the Unclaimed Property Fund for the State of Washington pursuant to the Unclaimed Property Act (RCW 63.29 et seq). The Company will not receive funds from any uncashed checks.

Tax Treatment of Settlement Awards: One-third of each Settlement Class Member's settlement award will be treated as wages and subject to normal tax withholding and shall be reported to the taxing authorities and the Settlement Class Member on an IRS Form W-2. Two-thirds of each Settlement Class Member's settlement award will be treated as non-wages (a combination of penalties, enhancements, and prejudgment interest) on which there will be no tax withholding and for which an IRS Form 1099-MISC (marked "Other Income") shall be issued to the taxing authorities and the Settlement Class Member. In addition to the monies it is contributing to the Settlement Fund described above, the Company is also paying all required employer-paid taxes incurred as part of the Settlement. The Company's payment of these employer-paid taxes will not

decrease the funds available to Settlement Class Members.

Release of Claims: Upon final approval by the Court, the Settlement Class and each Settlement Class Member who has not submitted a valid and timely written request to be excluded from the Settlement will irrevocably release all of the Released Claims against the Company relating to the period from March 10, 2020, to December 31, 2023. This Release requires you to waive and precludes you from bringing any Released Claims against the named Defendant in the case, Northwest Restaurants, Inc., as well as its parents, subsidiaries, and affiliates, and each of their respective past and present directors, officers, agents, shareholders, members, managers, employees, attorneys, insurers, successors, and assigns, along with any other individual or entity who could be jointly or severally liable for any of the Released Claims.

Dismissal of Action: Upon final approval, the Court will enter a judgment of dismissal of the Case with prejudice, but shall retain jurisdiction to enforce the terms of the settlement.

HOW YOU CAN GET PAYMENT

8. How can I get a payment?

To get a payment, you need do nothing. As long as you do not submit a written request to be excluded from the Settlement, you will be a Settlement Class Member and will be entitled to payment.

9. When would I get my payment?

The Court will hold a hearing on [HEARING DATE] to decide whether to finally approve the settlement. If the King County Superior Court approves the settlement, the parties will then have to wait to see whether there is an appeal. This will take at least thirty (30) days and, if there is an appeal, can take up to a year of more to resolve. In the event of an appeal, information regarding the appeal's progress will be made available at [WEBSITE]. If there is no appeal, we expect payments will go out within approximately sixty (60) days of the Court's final approval of the Settlement. Please be patient.

THE LAWYERS REPRESENTING YOU

10. Do I have a lawyer in this case?

The Court has decided that lawyers from the law firm of Ackermann & Tilajef, P.C. are qualified to represent you and all Settlement Class Members. These lawyers are called "Class Counsel." You will not be charged for these lawyers. If you want to be represented by our own lawyer, you may hire one at your own expense.

11. How will the lawyers be paid?

As indicated above, Class Counsel will seek payment of their attorney's fees in the amount of \$633,333.33, and their litigation costs in an amount of up to \$12,500.00, each of which must be approved by the Court as part of the final approval of this Settlement. Class Counsel has been working on this case and have not received any fees or reimbursements for the costs of the lawsuit.

EXCLUDING YOURSELF FROM THE SETTLEMENT

12. How do I exclude myself from the Settlement?

If you fit the definition of a Settlement Class Member and want to exclude yourself from the Settlement, you must request exclusion in writing by [NOTICE DEADLINE]. You may be excluded as a member of the class by submitting a written request stating, “I request that I be excluded from the Class in the case of Scott Hines v. Northwest Restaurants, Inc.” The request must include your name, address, and signature. You must mail a copy of the letter to the Settlement Administrator at the following address postmarked no later than [NOTICE DEADLINE]:

If you exclude yourself from the Settlement (i.e., opt out), you will not receive any payment from the Settlement. You will also not be entitled to object to the Settlement. If you exclude yourself, you will not be bound by the terms of the Settlement, including the Release described in Sections 6 and 7, above. This means you will retain the right at your own expense to pursue (or not pursue) any claims you may have against the Company.

OBJECTING TO THE SETTLEMENT

13. If I don’t like the Settlement, how do I tell the Court?

If you are a Settlement Class Member, have not excluded yourself from the Settlement, and do not like the Settlement or the fee request, you can object. You must do so in writing and you must state the reasons why you think the Court should not approve the Settlement. If you object, be sure to include your name, address, and telephone number, the name of the Case (*Scott Hines v. Northwest Restaurants, Inc.*, King County Superior Court Civil Case No. 23-2-04367-7 SEA), the reasons you object to the Settlement, and a signature. You must mail a copy of the objection to the following address **postmarked no later than [OBJECTION DEADLINE]**:

THE COURT’S FINAL APPROVAL HEARING

14. When and where will the Court decide to approve the Settlement?

The Court will hold a Final Approval Hearing at [HEARING TIME] on [HEARING DATE], at the King County Superior Court, Department _____, 516 Third Avenue, Seattle, WA 98104.

If there are objections, the Court will consider them. Judge Angela Kaake will listen to people who have asked to speak at the hearing (*see* Section 16). After the hearing, the Court will decide whether to finally approve the Settlement, including Class Counsel’s request for attorney’s fees, costs, Settlement Administration Expenses, Reserve Fund, and Service Award for the named Plaintiff. We do not know how long that decision will take.

15. Do I have to come to the hearing?

No. Class Counsel will answer any questions Judge [REDACTED] may have, but you are welcome to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but that is not necessary.

16. May I speak at the hearing?

You may ask the Court for permission to speak at the Final Approval Hearing. To do so, you must send a letter saying it is your “Notice of Intention to Appear in *Scott Hines v. Northwest Restaurants, Inc.*, King County Superior Court Civil Case No. 23-2-04367-7 SEA.” Be sure to include your name, address, phone number, and your signature. Your Notice of Intention to Appear must be **postmarked no later than [NOTICE DEADLINE]**, and be sent to the Court, Class Counsel, and Defense Counsel at the three addresses set forth below:

COURT	CLASS COUNSEL	DEFENSE COUNSEL
Hon. Angela Kaake King County Superior Court Department 34 516 Third Avenue Seattle, WA 98104	Brian Denlinger Ackermann & Tilajef, P.C. 2602 North Proctor Street, Suite 205 Tacoma, WA 98406	Peter Nohle Jackson Lewis P.C. 520 Pike Street, Suite 2300 Seattle, WA 98101

IF YOU DO NOTHING**17. What happens if I do nothing at all?**

If you do nothing—that is, if you do not mail or deliver a timely written request to exclude yourself from the Settlement—you will be part of the Settlement Class and will be entitled to a share of the Settlement. You will also be bound by the terms of the Settlement, including the Release described in Sections 6 and 7, above.

GETTING MORE INFORMATION**18. Are there more details about the Settlement?**

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by visiting the website [WEBSITE], which has a copy of the Settlement Agreement posted. Plaintiff’s motion for final approval of the settlement agreement, including Class Counsel’s request for attorney’s fees, costs, Settlement Administration Expenses, Reserve Fund, and a Service Award for the named Plaintiff will be available for you to review on [DATE] at [WEBSITE URL].