

FIRST AMENDED CLASS ACTION, FLSA COLLECTIVE ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class and FLSA Collective and PAGA Action Settlement Agreement (“Agreement”) is made by and between plaintiffs Robert Navarro and Andwele Arrington (“Plaintiffs”) and Squad Security CA, Inc. (“Defendant.”) Plaintiffs and Defendant are referred to collectively as the “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the First Amended Complaint that Plaintiffs filed in the *Navarro action* on May 22, 2023 to effect the settlement of *Robert Navarro v. Squad Security CA, Inc.*, Los Angeles County Superior Court, Case No. 22STCV24108, filed on July 26, 2022, and *Andwele Arrington v. Squad Security*, Alameda County Superior Court, Case No. 22CV018378, filed September 22, 2022. Both actions are based on alleged wage and hour violations and are brought on behalf of Plaintiffs and a putative class and on behalf of all alleged aggrieved employees. The First Amended Complaint will be the operative complaint, and includes all claims alleged in the *Navarro* and *Arrington* Complaints and in the PAGA Notices, as well as claims under the federal Fair Labor Standards Act (“FLSA”) in order to effect a proper release. Plaintiff Arrington has been added as a co-plaintiff in the First Amended Complaint.
- 1.2. “Administrator” means CPT Group, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
 - 1.3.1. (a) “Class Members” and “Class” mean all non-exempt employees employed by Defendant in California at any time during the period March 28, 2018, through the date of Preliminary Approval, either as a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
 - (b) “FLSA Collective Members” means all Class Members employed Defendant in a non-exempt position in California at any time during the period July 26, 2019 through the date of Preliminary Approval.

- (c) “Aggrieved Employees” or “PAGA Group Members” are individuals who have been employed by Defendant in a non-exempt position in California at any time during the period May 19, 2021 through the date of Preliminary Approval.
- 1.4. “Class Counsel and PAGA Counsel” or “Class Counsel” are Frontier Law Center and Aegis Law Firm.
- 1.5. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” are the amounts allocated to Class Counsel and PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.6. “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of hours worked and PAGA Pay Periods.
- 1.7. “Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.8. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using reasonably available sources, methods and means as described herein.
- 1.9. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.10. (a) “Class Settlement Period” means the period from March 28, 2018 through the date that the Court grants preliminary approval of the settlement for all claims. During the Class Settlement Period, the Class is barred from making any claims released herein. The parties will request that the Court, in its preliminary approval of this settlement, enjoin Class Members from initiating or prosecuting any proceeding on any claim to be released pursuant to this Agreement, unless and until the Class Members have opted out of the class in the manner described below.
- (b) “PAGA Settlement Period” is from May 19, 2021 through the date of preliminary approval of the settlement.
- 1.11. “Class Representatives” means the named Plaintiffs in the Action.

- 1.12. “Class Representative Service Payments” means the payment to the Class Representatives for initiating the Action and providing services in support of the Action.
- 1.13. “Court” means the Superior Court of California, County of Los Angeles.
- 1.14. “Defendant” is Squad Security, CA, Inc.
- 1.15. “Defense Counsel” is Diana Tabacopoulos and Mel Cole of Seyfarth Shaw, LLP.
- 1.16. “Effective Date” means the date upon which both of the following have occurred: (i) final approval of the Settlement is granted by the Superior Court of California for the County of Los Angeles, or other court assuming jurisdiction of this matter, and (ii) the Court’s Judgment approving the Settlement becomes Final. Final shall mean the latest of: (i) if there is an appeal of the Court’s Judgment, the date the Judgment is affirmed on appeal, the date of dismissal of such appeal, or the expiration of the time to file a petition for review with the California Supreme Court, or (ii) if a petition for review is filed, the date of denial of the petition, or the date the Judgment is affirmed pursuant to such petition; or (iii) if no appeal is filed, the expiration date of the time for filing or noticing any appeal of the Judgment. If a timely Objection to Settlement is filed (including an objection from the LWDA,) the “Effective Date” shall be the later of: (a) the date on which the time for all appeals relating to Objections to Settlement and the Final Approval Order has expired; or (b) if an appeal, review or writ is sought, the date on which the highest reviewing court renders its decision denying any petition (where the immediately lower court affirmed the judgment) or affirming the judgment. Provided, however, if the LWDA has commenced an investigation or issued a citation prior to the Effective Date, as determined under the forgoing definition, the Effective Date will be extended to the date that the LWDA concludes its investigation or resolves the Citation (whichever is later), or if the LWDA objects to the Settlement, the date when the LWDA’s objection to the Settlement is resolved and no longer appealable.
- 1.17. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.18. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.19. “FLSA Settlement Fund” is the portion of the Net Settlement Fund allocated to payment for the release of FLSA claims. Ten percent (10%) of the Net Settlement Amount will be allocated to the FLSA

released claims and ninety percent (90%) of the Net Settlement Amount will be allocated to the settlement of California released claims.

- 1.20. “Gross Settlement Amount” means \$575,000 which is the total amount that Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, Individual Class Payments, Individual FLSA Payments, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payments, all legally required withholding and employer taxes on settlement payments, and the Administrator’s Expenses.
- 1.21. “Hours” means the number of hours that a Class Member worked for Defendant during the period from March 28, 2018 through the date of Preliminary Approval.
- 1.22. “Individual Class Payment” means the Participating Class Member’s pro rata share of 90% of the Net Settlement Amount according to the number of hours worked during the period March 28, 2018 through the date of Preliminary Approval.
- 1.23. “Individual FLSA Payment” means the Participating FLSA Collective Member’s pro rata share of the FLSA Settlement Fund calculated according to the number of hours worked from July 26, 2019 through the date of Preliminary Approval.
- 1.24. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods worked during the PAGA Period.
- 1.25. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.26. “LWDA” means the California Labor and Workforce Development Agency under Labor Code section 2699, subd. (i).
- 1.27. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.28. “Net Settlement Amount” means the Gross Settlement Amount less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administration Expenses Payment, as well as all legally required withholding and employer taxes on settlement payments. The Net Settlement Amount is inclusive of payments for the FLSA Settlement Fund and will be paid to

Participating Class Members as Individual Class Payments and Individual FLSA Payments.

- 1.29. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day or part of one day during the PAGA Period.
- 1.31. “PAGA Period” means the period from period May 19, 2021 through the date of Preliminary Approval.
- 1.32. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.33. “PAGA Notices” means Plaintiffs’ May 19, 2022, September 22, 2022 and November 3, 2022 letters to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a).
- 1.34. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$7,187.50) and the 75% to LWDA (\$21,562.50) in settlement of PAGA claims.
- 1.35. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36. “Participating FLSA Collective Member” is a Participating Class Member who is a FLSA Collective Member.
- 1.37. “Plaintiffs” means Robert Navarro and Andwele Arrington, the named plaintiffs in the Action.
- 1.38. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.39. “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval.
- 1.40. “Released Class Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.41. “Released PAGA Claims” means the claims being released as described in Paragraph 5.5 below.

- 1.42. “Released Collective Action Claims” means the claims being released as described in Paragraph 5.4 below.
- 1.43. “Released Parties” means: Defendant, Squad Security, Inc., and all of their present and former parent companies, subsidiaries, affiliates and joint ventures, and all of their officers, directors, exempt employees who are not Class Members or PAGA Group Members, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any other persons acting by through, under or in concert with any of them.
- 1.44. “Request for Exclusion” means a Class Member’s submission of a written request signed by the Class Member to be excluded from the Class Settlement.
- 1.45. "Response Deadline" means forty-five (45) days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail an Objection(s) to the Settlement. Class Members to whom Notice is resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) days beyond the Response Deadline has expired.
- 1.46. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.47. The “Settlement Class” and “Settlement Class Members” are all Class Members who do not timely and properly opt out of the settlement provided for in this Memorandum and as further memorialized in any subsequent agreement.

2. RECITALS.

- 2.1. On July 26, 2022, Plaintiff Navarro commenced this Action by filing a Complaint alleging causes of action against Defendant for: “(1) wage and hour violations, (2) meal period violations, (3) rest period violations, (4) wage statement penalties, (5) waiting time penalties, (6) unfair competition, and (7) penalties under the Private Attorneys General Act (“PAGA”).” On September 22, 2022, Plaintiff Arrington filed a complaint alleging claims for “(1) Failure to Pay Minimum Wage, (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Permit Rest Breaks; (5) Failure to Reimburse Business Expenses; (6) Failure to Provide Accurate Itemized Wages Statements; (7) Failure to Pay Wages Timely During Employment; (8) Failure to Pay all Wages Due Upon Separation of Employment and (9) Violation of Business and Professions Code Sections 17200 *et seq.*

Plaintiff Navarro has filed a First Amended Complaint adding Arrington as a plaintiff. The First Amended Complaint will be the operative complaint in the Action (the “Operative Complaint.”) Plaintiff Arrington further agrees to dismiss with prejudice his action in Alameda Superior Court, once the Court has approved the filing of the First Amended Complaint.

Defendant denies the allegations in the *Navarro* and *Arrington* Complaints and in the Operative Complaint, denies any failure to comply with the laws identified in any of these Complaints and denies any and all liability for the causes of action alleged in the Action.

- 2.2. Pursuant to Labor Code section 2699.3, subd. (a), Plaintiffs gave timely written notice by sending PAGA Notices dated May 19, 2022, September 22, 2022, and November 3, 2022 to the LWDA and to Defendant.
- 2.3. On March 10, 2023, the Parties participated in a full-day mediation with Barbara Reeves, an experienced wage and hour class action mediator, and reached a settlement of the Action.
- 2.4. Prior to the mediation and in preparation for negotiating a settlement, Plaintiffs obtained, through informal discovery, all time and payroll records for all putative class members, the employee manual and relevant employment policies, and an exemplar on-duty meal agreement for nonexempt California employees for the relevant period as well as metrics regarding total putative class members, number of pay periods, number of shifts by length, number of hours worked by class members, meal period premium data, and average rates of pay. Plaintiff’s investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).
- 2.5. The Court has not granted class certification.
- 2.6. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay \$575,000 and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or

Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2. Payments from the Gross Settlement Amount. All legally required withholding and employer taxes on the Individual Class Payments and the Individual FLSA Payments will be made from the Gross Settlement Amount. In addition, the Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the order regarding Final Approval:

3.2.1. To Plaintiffs: Class Representative Service Payments to the Class Representatives of not more than \$5,000.00 each (in addition to any Individual Class Payment and any Individual PAGA Payment and any Individual FLSA Payment the Class Representatives are entitled to receive as a Participating Class Members). Defendant will not oppose Plaintiffs' request for Class Representative Service Payments that do not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using one or more IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on their Class Representative Service Payment.

3.2.2. To Class Counsel and PAGA Counsel: A Class Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be \$191,666.66, and a Class Counsel Litigation Expenses Payment of not more than \$17,500.00. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiffs and/or Class Counsel and PAGA Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. If Plaintiffs' requested amount is reduced by the Court, Class Counsel and PAGA Counsel shall not retain any rights to appeal the Court's award of Attorneys' Fees and Costs. The Court's approval of Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment requested by Class Counsel and PAGA Counsel is not a material term of the settlement. If the Court does not approve or approves only a lesser amount than that requested by Class Counsel and PAGA Counsel for Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment, the other terms of the settlement shall still

apply. The Court's refusal to approve the attorneys' fees or costs award requested by Class Counsel and PAGA Counsel does not give Plaintiffs, any Class Members, or Class Counsel and PAGA Counsel any basis to abrogate the settlement. Released Parties shall have no liability to Class Counsel and PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel and PAGA Counsel assume full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and hold Defendant harmless, and indemnify Defendant from any dispute or controversy regarding any division or sharing of any of these Payments.

- 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$10,000 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$10,000, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4. To Each Participating Class Member and to each Participating FLSA Collective Member: An Individual Class Payment calculated by (a) dividing 90% of the Net Settlement Amount by the total number of Hours worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Hours. Secondly, an FLSA Settlement Payment calculated by (a) dividing 10% of the Net Settlement Amount by the total number of Hours worked by all Participating FLSA Collective Members during the period July 26, 2019 through the date of Preliminary Approval (FLSA Settlement Period) and (b) multiplying the result by each Participating FLSA Collective Member's Hours.
- 3.2.5. Those who are both Participating Settlement Class Members and Participating FLSA Collective Members will receive two checks; one for the settlement of California released claims, and one for the release of FLSA claims. Each check for the Individual FLSA Payments will include the following language on the back of the check above the signature line: *"By cashing or depositing this check, you consent to opt in to a collective action asserting FLSA claims and agree to release FLSA claims as explained in the notice of settlement."* The Parties will ask the Court in the approval papers to deem the cashing of the check to be sufficient for FLSA opt-in purposes.
- 3.2.5.1. Tax Allocation of Individual Class Payments. 50% of each Participating Class Member's Individual Class Payment and 50% of each Individual FLSA Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are

subject to tax withholding and will be reported on an IRS W-2 Form. 50% of each Individual Class Payment and 50% of each Individual FLSA Payment will be allocated to settlement of claims for interest and penalties (the “Non-Wage Portion”). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members and Participating FLSA Collective Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment and Individual FLSA Payments.

3.2.5.2. For the pro rata portion of the PAGA Settlement Fund paid to PAGA Group Members, the Parties agree that, for purposes of this settlement, 100% will be allocated to 1099 income. The Individual PAGA Payment and Individual Class Payment will be combined in a single check to the extent applicable.

3.2.5.3. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members and Participating FLSA Members on a pro rata basis.

3.2.6. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$28,750.00 to be paid from the Gross Settlement Amount, with 75% (\$21,562.50) allocated to the LWDA PAGA Payment and 25% (\$7,187.50) allocated to the Individual PAGA Payments.

3.2.6.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees’ 25% share of PAGA Penalties (\$7,187.50) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee’s PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.6.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Hours and Aggrieved Employee Pay Periods. Based on a review of its records, Defendant estimates there are 573 Class Members who

collectively will have worked a total of 425,000 hours through June 16, 2023, and 430 Aggrieved Employees who worked a total of 10,255 PAGA Pay Periods through June 16, 2023.

- 4.2. Class Data. Not later than fifteen (15) days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data as strictly confidential, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. The Administrator will not share the Class Data with any other party or counsel for any of the Parties or with Class Counsel and PAGA Counsel, except to the extent individual Class Members ask that their data is shared with Class Counsel and PAGA Counsel or as necessary for Class Counsel and PAGA Counsel to fulfill their fiduciary duties. In such case, the Administrator will redact social security numbers, addresses and any other NPI provided by Defendant. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
- 4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than fourteen (14) days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Within fourteen (14) days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual FLSA Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payments shall not precede disbursement of Individual Class Payments, Individual FLSA Payments, and Individual PAGA Payments.
 - 4.4.1. The Administrator will issue checks for the Individual Class Payments and the Individual PAGA Payments and for the Individual FLSA Payments and send them to the Class Members via First Class U.S. Mail, postage

prepaid. The face of each check shall prominently state the date when the check will be voided, which shall be not less than 180 days after the date of mailing. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Class Payments and Individual FLSA Payments to all Participating Class Members and all Participating FLSA Collective Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all alleged Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and any Individual PAGA Payment. For Class Members who are also FLSA Collective Members, the Administrator shall issue separate checks for the Individual FLSA Payments which will include the language on the back of the check as specified above in section 3.2.5 and the Administrator will require reverse positive pay in connection with the cashing of such checks. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

- 4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without a USPS forwarding address. Within seven (7) days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
- 4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check or Individual FLSA Payment is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).
- 4.4.4. The payment of Individual Class Payments and Individual PAGA Payments and Individual FLSA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiffs and Participating Class Members will release claims against all Released Parties as follows:

- 5.1. Plaintiffs' Releases. Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to any and all claims, whether known or unknown, arising during the period from the beginning of their respective dates of employment with Defendant to the date on which the Plaintiffs execute this Agreement whether under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law; whether or not such claims are in the nature of claims for damages, unpaid wages, premium pay, deductions, unreimbursed business expenses, waiting-time penalties, or other penalties for overtime, missed meal periods, missed rest breaks, and other alleged wage-and-hour violations, attorneys' fees or injunctive relief; and whether sounding in contract or tort. The Plaintiffs' Releases include, but are not limited to, claims arising from or dependent on the Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e, *et seq.*; the Americans with Disabilities Act, 42 U.S.C. § 12101, *et seq.*; the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001, *et seq.*; the Age Discrimination in Employment Act, as amended; the Fair Labor Standards Act, 29 U.S.C. § 201, *et seq.*; the Civil Rights Act of 1991; 42 U.S.C. § 1981; Executive Order 11246; Executive Order 11141; the Rehabilitation Act of 1973; the Equal Pay Act; Federal Employee Polygraph Protection Act; the National Labor Relations Act; the Worker Adjustment and Retraining Notification Act; the Genetic Nondiscrimination Act of 2008; the California Fair Employment and Housing Act, including Government Code Sections 12900, *et seq.*; the California Family Rights Act; the California Pregnancy Disability Act; and the California Labor Code; any applicable California Industrial Welfare Commission order; and all of their implementing regulations; claims arising from or dependent on federal or local laws or regulations prohibiting discrimination or harassment in employment or otherwise, or enforcing express or implied contracts, requiring employers to deal fairly or in good faith, or restricting an employer's right to terminate employees, wrongful discharge, wrongful termination in violation of public policy, constructive termination, retaliation, defamation, conspiracy, infliction of emotional distress (intentional or negligent), invasion of privacy, assault, battery, physical or personal injury, emotional distress, fraud, negligent misrepresentation, misrepresentation, or any other tort, or any law, such as California Business & Professions Code Section 17200. ("Plaintiffs' Releases.") Plaintiffs' Releases do not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security

benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agrees, nonetheless, that Plaintiffs' Releases shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them. Notwithstanding the foregoing, nothing in this Settlement releases any claims that cannot be released as a matter of law. Nothing in this Agreement shall affect or interfere with either Plaintiff's right to participate, cooperate, initiate or assist in an investigation or proceeding conducted within Defendant or by any government agency (including but not limited to the Equal Employment Opportunity Commission), oversight board, commission or other regulatory or investigative body. However, each Plaintiff is waiving any right to receive any individual remedy, such as money damages, in connection with any such investigation or proceeding, including but not limited to any judicial action brought on any Plaintiff's behalf by any government agency.

- 5.2. Plaintiffs acknowledge that, before signing this Release, they have twenty-one (21) calendar days to consider it and to consult with counsel. They further understand that they may sign this Release at any time before the expiration of the 21-day consideration period. Plaintiffs agree and understand that they may revoke this Agreement and their respective waivers of Age Discrimination in Employment Act and Fair Employment and Housing Act claims within seven (7) calendar days after their respective executions of it, and that the Agreement shall not become effective or enforceable until at least seven (7) calendar days after the date on which they sign below. Any revocation must be in writing and delivered by hand or certified mail to Diana Tabacopoulos, Seyfarth Shaw LLP, 2029 Century Park East, Suite 3500, Los Angeles, CA 90067. Failure to revoke within seven (7) calendar days will result in the waiver being permanent. If either Class Representative revokes within seven (7) calendar days, then the entire Agreement is voidable by Defendant.

- 5.2.1. Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Releases, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

- 5.3. Release by Participating Class Members: Upon payment of the Gross Settlement Amount by Defendant, all Participating Class Members on behalf of themselves and their respective former and present representatives, agents, spouses, attorneys, heirs, administrators, successors, and assigns, release Released Parties, which are Defendant, Squad Security, Inc., and all of their present and former parent companies, subsidiaries, affiliates and joint ventures, and all of their officers, directors, exempt employees who are not Class Members or PAGA Group Members, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any other persons acting by through, under or in concert with any of them, from any and all claims, debts, liabilities, demands, obligations, penalties, premium pay, guarantees, costs, expenses, attorney's fees, damages, actions or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, under any legal theory under federal and state law, that were alleged or that could have been alleged or which arise out of the facts alleged in the Action, the *Navarro* and *Arrington* complaints, and the letters of violation dated May 19, 2022, September 22, 2022, and November 3, 2022 to the LWDA during the Class Settlement Period. This includes claims arising under California Labor Code sections 201-204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2699 *et seq.*, 2800, 2802, 2810.5, the applicable IWC Wage Orders, California Code of Civil Procedure 1021.5, the California Unfair Competition Law, Business and Professions Code section 17200 *et seq.* ("Released Class Claims.") This release shall be effective from March 28, 2018 through the date of Preliminary Approval. Participating Class Members do not release the right to enforce the terms of this Agreement or other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Settlement Period.
- 5.4. Upon the payment of the Gross Settlement Amount by Defendant, all Participating Class Members who cash their check for their Individual FLSA Payment hereby fully release Released Parties from any and all claims, debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorney's fees, damages, actions or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, alleged in the Action under the Fair Labor Standards Act, 29 U.S.C. section 201, *et seq.* (Released Collective Action Claims.)
- 5.5. Release by Participating and Non-Participating Class Members Who Are Aggrieved Employees: All Participating and all Non-Participating Class Members who are Aggrieved Employees, on behalf of themselves and their respective former and present representatives, agents, spouses, attorneys, heirs, administrators, successors, and assigns, are deemed to

release the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged based on the facts stated in the Action, the Plaintiffs' letters of violation dated May 19, 2022, September 22, 2022, and November 3, 2022 to the LWDA. This includes, but is not limited to PAGA claims based on California Labor Code sections 201-204, 210, 226, 226.3, 226.6, 226.7, 510, 512, 558,1174, 1182.12, 1194, 1194.2,1197, 1197.1, 1198, 2699 *et seq.*, 2800, 2802, 2810.5, and the applicable IWC Wage Orders.

6. MOTION FOR PRELIMINARY APPROVAL. Plaintiffs agree to prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

- 6.1. Defendant's Declaration in Support of Preliminary Approval. Within five (5) days of the full execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed Declaration from Defendant and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and Defendant shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.
- 6.2. Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense Counsel; (iv) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); (vi) a redlined version of the parties' Agreement showing all modifications

made to the Model Agreement ready for filing with the Court; and (vii) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator. In their Declarations, Plaintiffs and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 6.3. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than fifteen (15) days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.
- 6.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns, however, Defendant retains the right to void this Agreement if the Court conditions any approval on material changes to this Agreement.
- 6.5. If the conditions of the Settlement set forth in this Stipulation are not satisfied, or if Defendant voids the Settlement under paragraph 9 below, or if the Court does not enter the Final Judgment as provided for in this Stipulation, or if appellate review is sought and on such review the Court's decision is materially modified or reversed, or, if one or more of the terms of the Settlement are not approved or the Agreement with respect to one or more such terms is materially modified or reversed, then this Agreement shall be voidable. If this Agreement is terminated, revoked, or canceled pursuant to its terms, the Parties to this Agreement shall be deemed to have reverted to their respective statuses as of the date and time immediately prior to the execution of this Agreement. Except as provided herein, this Agreement shall not be capable of being canceled or terminated following the Settlement Effective Date

7. SETTLEMENT ADMINISTRATION.

- 7.1. Selection of Administrator. The Parties have jointly selected CPT Group to serve as the Administrator and verified that, as a condition of

appointment, CPT Group agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

- 7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.
- 7.4. Notice to Class Members.
 - 7.4.1. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, FLSA Collective Members, PAGA Group Members, Hours, and Pay Periods in the Class Data.
 - 7.4.2. Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment and/or Individual FLSA Payment payable to the Class Member, and the number of Hours and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
 - 7.4.3. Not later than three (3) business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
 - 7.4.4. The deadlines for Class Members’ written objections, challenges to Hours and/or Pay Periods, and Requests for Exclusion will be extended an

additional fourteen (14) days beyond the forty-five (45) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

- 7.4.5. If the Administrator, Defendant or Class Counsel and PAGA Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5. Requests for Exclusion (Opt-Outs).

- 7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
- 7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 7.5.3. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.3 and 5.5 of this Agreement, regardless of whether the

Participating Class Member actually receives the Class Notice or objects to the Settlement. Every FLSA Collective Member who cashes their Individual FLSA Payment check issued by the Administrator shall be deemed to have opted in to the FLSA Collective Action settlement, and is entitled to all benefits and bound by all terms and conditions of the Settlement, including the Releases under Paragraphs 5.4 above.

7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or Individual FLSA Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.5 of this Agreement and are eligible for an Individual PAGA Payment.

7.6. Challenges to Calculation of Hours and Pay Periods. Each Class Member shall have forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed) to challenge the number of Hours and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Hours contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Hours and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Hours and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7. Objections to Settlement.

7.7.1. Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

7.7.2. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the

Administrator must do so not later than forty-five (45) days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).

- 7.7.3. Non-Participating Class Members have no right to object to any of the class action components of the Settlement.
- 7.8. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.
- 7.8.1. Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.
- 7.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).
- 7.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Hours and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments and Individual FLSA Payments ("Weekly Report"). The Weekly Reports must include provide the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- 7.8.4. Hours and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Hours

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

- 7.8.5. Administrator's Declaration. Not later than twenty (20) court days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and PAGA Counsel and to Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.
- 7.8.6. Final Report by Settlement Administrator. Within ten (10) days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and PAGA Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and PAGA Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel and PAGA Counsel is responsible for filing the Administrator's declaration in Court.

8. CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE

Defendant represents that class members cumulatively will have worked approximately 425,000 hours from March 28, 2018 through June 16, 2023. If the number of cumulative hours increases by more than 10% at the time defendant provides the class list to the administrator (i.e., which will include date through preliminary approval), the amount of the Gross Settlement Fund shall increase by an amount proportionate to the overage. For example, if the number of cumulative hours increases by 11%, The Gross Fund Value shall grow by 1%. However, if the number of cumulative hours increases by only 10%, the Gross Fund Value will remain unchanged

- 9. DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 20 of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void *ab initio*, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify

Class Counsel and the Court of its election to withdraw not later than seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. MOTION FOR FINAL APPROVAL. Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (1), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than seven days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

- 10.1. Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 10.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final Approval. The Court’s decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 10.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
- 10.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of

appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

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

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

12. **ADDITIONAL PROVISIONS.**

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

- 12.2. Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel and PAGA Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel and PAGA Counsel's ability to communicate with Class Members in accordance with Class Counsel and PAGA Counsel's ethical obligations owed to Class Members.
- 12.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 12.5. Attorney Authorization. Class Counsel and PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

- 12.6. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 12.7. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 12.8. No Tax Advice. Neither Plaintiffs, Class Counsel and PAGA Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.9. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 12.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14. Use and Return of Class Data. Information provided to Class Counsel and PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies

and summaries of the Class Data provided to Class Counsel and PAGA Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. After the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendant upon written demand of Defendants.

- 12.15. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 12.16. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 12.17. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff: Manny Starr
 Frontier Law Center
 23901 Calabasas Road. #2074
 Calabasas, California 91302

Jessica Campbell
AEGIS LAW FIRM, PC
9811 Irvine Center Dr., Suite 100
Irvine, California 92618

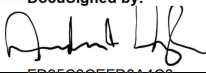
To Defendant: Diana Tabacopoulos
 Seyfarth Shaw LLP
 2029 Century Park East, Suite 3500
 Los Angeles, California 90067-3021

- 12.18. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange

between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

12.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Plaintiff Robert Navarro

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Plaintiff Andwele Arrington

Name: _____

For Defendant Squad Security CA, Inc.

Counsel for Plaintiff


Nansata Kane

Counsel for Plaintiff

Counsel For Defendant

between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

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Plaintiff Robert Navarro

Plaintiff Andwele Arrington

Name: _____

For Defendant Squad Security CA, Inc.

DocuSigned by:

CAA1F185B992467...

Counsel for Plaintiff

Counsel for Plaintiff

Counsel For Defendant

between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

12.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Plaintiff Robert Navarro

Plaintiff Andwele Arrington

Michael D. Sapraicone

Name: _____

For Defendant Squad Security CA, Inc.

Counsel for Plaintiff

Counsel for Plaintiff

DM

Counsel For Defendant

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

Robert Navarro, et. al v. Squad Security CA, Inc.,
Los Angeles County Superior Court, Case No. 22STCV24108

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

You might be eligible to receive money from the settlement of employee class action lawsuit (“Action”) against Squad Security CA, Inc. (“Defendant”) for alleged wage and hour violations. The Action was filed by former Defendant employees Robert Navarro and Andwele Arrington (“Plaintiffs”) and alleges claims for (1) failure to pay minimum wage, (2) failure to pay wages and overtime wages, including for off-the clock work; (3) failure to provide meal periods, (4) failure to permit rest periods, (5) failure to provide accurate itemized wage statements; (6) failure to pay wages timely during employment; (7) failure to reimburse business expenses; (8) failure to pay all wages due upon separation of employment; (9) time rounding; (10) violation of Business and Professions Code Sections 17200 *et seq.*; (11) violation of the Fair Labor Standards Act, 29 U.S.C. section 201, *et seq.*; (12) penalties under the California Private Attorneys General Act (“PAGA”). Plaintiffs also filed letters with the Labor Workforce Development Agency on May 19, 2022, September 22, 2022 and November 3, 2022 providing notice of these alleged claims.

Defendant strongly denies violating any laws or failing to pay any wages and contends that it has complied with all applicable laws. Defendant is settling this matter to avoid further litigation expenses and disruption to its business.

Plaintiffs allege their California class claims on behalf of all non-exempt employees employed by Defendant in California at any time during the Class Period of March 28, 2018 through the [insert date of Preliminary Approval] (“Class Members) and allege their FLSA claim on behalf of all non-exempt employees employed by Defendant in a non-exempt position in California at any time during the FLSA Period of July 26, 2019 through [insert date of Preliminary Approval] (“FLSA Collective Members”). Plaintiffs also allege a claim for penalties under the California Private Attorney General Act (“PAGA”) for all non-exempt employees who were employed by Defendant during the PAGA Period of May 19, 2021 through [insert the date of Preliminary Approval.] (“Aggrieved Employees”).

The proposed Settlement has three main parts: (1) a Class Settlement requiring Defendant to fund Individual Class Payments to Class Members, (2) a FLSA Settlement requiring Defendant to fund Individual FLSA Payments to FLSA Collective Members; and (3) a PAGA Settlement requiring Defendant to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendant’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$_____ (less withholding); your Individual FLSA Payment is estimated to be \$_____ (less withholding); and your Individual PAGA Payment**

is estimated to be \$ _____. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual FLSA Payment and/or Individual PAGA Payment, then according to Defendant's records you are not eligible for an Individual FLSA Payment and/or Individual PAGA Payment under the Settlement because you didn't work during the FLSA and/or PAGA Periods stated above.)

The above estimates are based on Defendant's records showing that you worked _____ hours during the Class Period and you worked _____ hours during the FLSA Period and you worked during _____ Pay Periods during the PAGA Period. If you believe that you worked more hours during either the Class Period or FLSA Period, or more Pay Periods during the PAGA Period, then you can submit a challenge by the deadline date. See Section 4 of this Notice.

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

If you worked for Defendant during the Class Period, FLSA Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment, Individual FLSA Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert certain released wage claims and, if you are an "Aggrieved Employee," you give up your right to assert PAGA Period penalty claims against Defendant. Additionally, if you cash your check for your Individual FLSA Settlement payment you will be deemed to have opted into the FLSA collective action for purposes of this Settlement.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment or an Individual FLSA Payment. You will, however, preserve your right to personally pursue wage claims against Defendant, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

<p>You Don't Have to Do Anything to Participate in the Settlement</p>	<p>If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual FLSA Payment (if any) and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Claims).</p>
<p>You Can Opt-out of the Class Settlement but not the PAGA Settlement</p> <p>The Opt-out Deadline is _____</p>	<p>If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment or an Individual FLSA Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.</p> <p>You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).</p>
<p>Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement</p> <p>Written Objections Must be Submitted by _____</p>	<p>All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members and to Participating FLSA Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.</p>
<p>You Can Participate in the _____ Final Approval Hearing</p>	<p>The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.</p>
<p>You Can Challenge the Calculation of Your Hours/Pay Periods</p>	<p>The amount of your Individual Class Payment and/or Individual FLSA Payment (if any) and/or PAGA Payment (if any) depend on how many hours you worked during the Class Period and FLSA Period and how many Pay Periods you worked during the PAGA</p>

Written Challenges Must be Submitted by <hr/>	Period, respectively. The number Class Period Hours and FLSA Period Hours and number of PAGA Period Pay Periods you worked according to Defendant’s records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice
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1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former employees of Defendant. The Action alleges that Defendant violated various California labor laws by failing to pay overtime wages, minimum wages, wages during employment and upon termination, and reimbursable business expenses and failing to provide meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiffs also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Plaintiffs also asserted a claim under the Fair Labor Standards Act, 29 U.S.C. section 201, *et seq.*

Defendant strongly denies violating any laws or failing to pay any wages and contends that it complied with all applicable laws. Defendant is settling this matter to avoid further litigation expenses and disruption to its business.

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

So far, the Court has made no determination whether Defendant or Plaintiffs are correct on the merits.

In the meantime, Plaintiffs and Defendant utilized an experienced, neutral mediator in an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and Defendant have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims. Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members, FLSA Collective Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. Defendant Will Pay \$575,000 as the Gross Settlement Amount (Gross Settlement). Once the Settlement is final, the Gross Settlement will be deposited into an account with the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay

the Individual Class Payments, Individual FLSA Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel's attorney's fees and expenses, the Administrator's expenses, all employer taxes on the portion of the Settlement that is subject to employer taxes, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement not more than 14 days after the Judgment entered by the Court become final.

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$191,666.66 (33% of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$17,500.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$5,000.00 each to Plaintiffs as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment, any Individual FLSA Payment and any Individual PAGA Payment.
 - C. Up to \$10,000.00 to the Administrator for services administering the Settlement.
 - D. Up to \$28,750.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on the number of their PAGA Period Pay Periods.

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

Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments and Individual FLSA Payments to Participating Class Members based on their dates of employment and hours worked.

3. Taxes Owed on Payments to Class Members. Plaintiffs and Defendant are asking the Court to approve an allocation of 50 % of each Individual Class Payment and each Individual FLSA Payment to taxable wages ("Wage Portion") and 50% to interest and alleged penalties ("Non-Wage Portion.") The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments and Individual FLSA Payments on IRS 1099 Forms.

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

4. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments, Individual FLSA Payments, and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.
5. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ Response Deadline. The Request for Exclusion should be a letter from you or your representative setting forth your name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments or Individual FLSA Payments, but will preserve their rights to personally pursue wage and hour claims against Defendant.

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

6. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.
7. Administrator. The Court has appointed a neutral company, CPT Group (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member challenges over hours worked and pay periods, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.
8. Release by Participating Class Members: Upon payment of the Gross Settlement Amount by Defendant, all Participating Class Members on behalf of themselves and their respective

former and present representatives, agents, spouses, attorneys, heirs, administrators, successors, and assigns, release Released Parties (Defendant, Squad Security, Inc., and all of their present and former parent companies, subsidiaries, affiliates and joint ventures, and all of their officers, directors, exempt employees who are not Class Members or PAGA Group Members, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any other persons acting by through, under or in concert with any of them) from any and all claims, debts, liabilities, demands, obligations, penalties, premium pay, guarantees, costs, expenses, attorney's fees, damages, actions or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, under any legal theory under federal and state law, that were alleged or that could have been alleged or which arise out of the facts alleged in the Action, the *Navarro* and *Arrington* complaints or letters of violation dated May 19, 2022, September 22, 2022, and November 3, 2022 to the LWDA in the Action, during the Class Settlement Period. This includes claims arising under California Labor Code sections 201-204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2699 *et seq.*, 2800, 2802, 2810.5, the applicable IWC Wage Orders, California Code of Civil Procedure 1021.5, the California Unfair Competition Law, Business and Professions Code section 17200 *et seq.* ("Released Class Claims"). This release shall be effective from March 28, 2018 through the date of Preliminary Approval. Participating Class Members do not release the right to enforce the terms of this Agreement or any other claims, including any claims for any vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Settlement Period.

Upon payment of the Gross Settlement Amount by Defendant, all Participating Class Members who cash their check for their Individual FLSA Payment hereby fully release Released Parties from any and all claims, debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorney's fees, damages, actions or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, alleged in the Action under the Fair Labor Standards Act, 29 U.S.C. section 201, *et seq.* (Released Collective Action Claims.)

9. Release by Participating and Non-Participating Class Members Who Are Aggrieved Employees: All Participating and all Non-Participating Class Members who are Aggrieved Employees, on behalf of themselves and their respective former and present representatives, agents, spouses, attorneys, heirs, administrators, successors, and assigns, are deemed to release the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged based on the facts stated in the Action, the Plaintiffs' letters of violation dated May 19, 2022, September 22, 2022, and November 3, 2022 to the LWDA. This includes, but is not limited to PAGA claims based on California Labor Code sections 201-204, 210, 226, 226.3, 226.6, 226.7, 510, 512, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2699 *et seq.*, 2800, 2802, 2810.5, and the applicable IWC Wage Orders. All Aggrieved Employees will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are

Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendant or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing 90% of the Net Settlement Amount by the total number of hours worked by all Participating Class Members, and (b) multiplying the result by the number of hours worked by each individual Participating Class Member.
2. Individual FLSA Payments. The Administrator will calculate Individual FLSA Payments by (a) dividing 10% of the Net Settlement Amount by the total number of hours worked by all Participating FLSA Members, and (b) multiplying the result by the number of hours worked by each individual Participating FLSA Member.
3. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$7,187.50 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
4. Hours/Pay Period Challenges. The number of Hours you worked during the Class Period and FLSA Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until _____ to challenge the number of Hours and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Hours and/or Pay Periods based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Hours and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

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

2. Participating FLSA Members. The Administrator will send, by U.S. mail, a single check to every Participating FLSA Member (i.e., every Class Member who doesn't opt-out.)
3. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

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

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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as _____, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by _____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

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

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is _____.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action _____ and include your name, current address, telephone number, and approximate dates of employment with [Defendant] and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at _____ in Department 17 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

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

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to _____'s website at _____. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

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

Class Counsel:

Manny Starr
Frontier Law Center
23901 Calabasas Road. #2074
Calabasas, California 91302

Jessica Campbell
AEGIS LAW FIRM, PC
9811 Irvine Center Dr., Suite 100
Irvine, California 92618

Settlement Administrator:

Name of Company: CPT Group

Email Address:

Mailing Address:

Telephone:

Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

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

11. WHAT IF I CHANGE MY ADDRESS?

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