

JOINT STIPULATION AND SETTLEMENT AGREEMENT

Subject to final approval by the Court, this Settlement Agreement is between Plaintiffs Jose Rosales and Gloria Romero (collectively, "Plaintiffs"), on behalf of themselves, the putative class ("Class Members"), and the allegedly aggrieved employees they claim to represent ("Allegedly Aggrieved Employees"), and Defendants IDT America, Corp., IDT Domestic Telecom, Inc., and IDT International Corp. (collectively, "Defendants" or "IDT"). Plaintiffs and Defendants are jointly referred to as the "Parties."

I. DEFINITIONS

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

- A. **Action**: The lawsuit filed by Plaintiffs Jose Rosales and Gloria Romero on January 22, 2019 entitled *Jose Rosales and Gloria Romero, as individuals and on behalf of all similarly situated employees, v. IDT America, Corp. et al.*, in the Los Angeles County Superior Court, Case No. 19STCV01581.
- B. **Administration Costs**: All costs of any kind incurred or charged by the Settlement Administrator to administer this Settlement, including the cost of notice to the Class Members, claims administration, and any fees and costs incurred or charged by the Settlement Administrator in connection with the execution of its duties under this Joint Stipulation, which are capped at Fifteen Thousand Dollars and Zero Cents (\$15,000.00). All Administration Costs shall be paid from the Qualified Settlement Fund. Any residue from the administration shall be distributed to the Settlement Class Members.
- C. **Agreement, Settlement Agreement, Joint Stipulation, or Settlement**: The settlement agreement reflected in this document, titled "Joint Stipulation and Settlement Agreement."
- D. **Attorney Fee Award**: The amount finally approved by the Court and awarded to Class Counsel, not to exceed one-third (1/3) of the Gross Fund Value, or One Hundred Sixty-Six Thousand, Six Hundred and Sixty-Six dollars and Sixty-Six cents (\$166,666.66).
- E. **Class**: All persons who are or were retained by Defendants as Retail Account Managers who performed services in the State of California during the Class Period.
- F. **Class Counsel**: Kevin Mahoney and Berkeh Alemzadeh of the Mahoney Law Group, APC, and Justin Lo of Work Lawyers PC.
- G. **Class Member**: Each person eligible to participate in this Settlement who is a member of the Class as defined above.

- H. Class Notice or Notice:** The “Notice of Class Action Settlement” or “Notice” shall mean the notice to be provided to all Class Members regarding the terms of this Settlement, substantially similar to the form attached hereto as **Exhibit A**, subject to Court approval. The Notice shall be provided to all Class Members in both English and Spanish. The Notice shall constitute class notice pursuant to California Rule of Court 3.769 (f) and, once approved by the Court shall be deemed compliant with California Rule of Court 3.766.
- I. Class Period:** The time period from January 22, 2015, through the date the Court grants preliminary approval of the Settlement.
- J. Class Representatives or Plaintiffs:** Jose Rosales as a Private Attorney General Act (2004) (“PAGA”) Representative and Gloria Romero as the Class Representative.
- K. Class Representative Incentive Payment:** The amount the Court awards to Plaintiff Gloria Romero for her services as the Class Representative, which will not exceed Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00). This payment shall be paid from the Qualified Settlement Fund and will not be opposed by Defendant. This incentive is subject to approval of the Court. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Fund Value for distribution to Participating Class Members.
- L. [This Section Is Being Intentionally Left Blank]**
- M. Cost Award:** The amount that the Court orders Defendants to pay Class Counsel for payment of actual litigation costs, which shall not exceed Twenty Thousand Dollars and Zero Cents (\$20,000.00). The Cost Award will be paid from the Qualified Settlement Fund and will not be opposed by Defendant. The Cost Award is subject to Court approval. If the Court awards less than the amount request, any amount not awarded will become part of the Net Fund Value for distribution to Participating Class Members.
- N. Counsel for Defendants:** Jennifer Terry and Michael Kleinmann of Reed Smith LLP.
- O. Defendants:** Collectively, IDT America, Corp., IDT Domestic Telecom, Inc., and IDT International Corp.
- P. Effective Final Settlement Date:** The effective date of this Settlement or Final Settlement Date shall be: (1) the date of final affirmation of the Final Approval from any appeal, the expiration of the time for, or the denial of, a petition to review the Final Approval, or if review is granted, the date of final affirmation of the Final Approval following review pursuant to that grant; or (2) the date of

final dismissal of any appeal from the Final Approval or the final dismissal of any proceeding to review the Final Approval, provided that the Final Approval is affirmed and/or not reversed in any part; or (3) if no class members intervene but objections are filed, the expiration date of the time for the filing or noticing of any appeal from the Court's Final Approval of the Settlement, as determined under Rule 8.104(a)(3) of the California Rules of Court or (4) if no class members intervene and there are no objections, the date the Court enters the Final Approval Order and Final Judgment.

- Q. **Eligible Aggrieved Employees:** The aggrieved employees eligible to recover the PAGA payment shall consist of all persons who are or were retained by Defendants to be Retail Account Managers and who performed services in the State of California during the PAGA Period.

- R. **Exclusion From Settlement:** The Notice, substantially similar to the form attached hereto as **Exhibit A**, subject to Court approval, will include instructions on how to Opt-Out which will allow Class Members who wish to exclude themselves from the Settlement to mail to the Settlement Administrator a written request for exclusion.

- S. **Final Judgment or Final Approval:** The final order entered by the Court following the Final Fairness and Approval Hearing, finally approving this Agreement.

- T. **Gross Fund Value or GFV:** The total value of the Settlement is a non-reversionary Five Hundred Thousand Dollars and Zero Cents (\$500,000.00) (the "Gross Fund Value" or "GFV"). This is the gross amount Defendants can be required to pay under this Settlement Agreement, which includes without limitation: (1) the Net Fund Value to be paid to Participating Class Members; (2) Attorney Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (3) the Class Representative Incentive payment paid to Plaintiff Romero, as approved by the Court; (4) Administration Costs, as approved by the Court; and (5) the PAGA Payment to the LWDA and to Eligible Aggrieved Employees, as approved by the Court. Defendants shall not be required to pay any additional amount in addition to the Gross Fund Value. No portion of the Gross Fund Value will revert to Defendants for any reason.

- U. **Individual Settlement Share(s):** The amount payable to each Participating Class Member under the terms of this Settlement Agreement. Class Members are not required to submit a claim form to receive their Individual Settlement Shares pursuant to this Agreement. Rather, Participating Class Members will receive an Individual Settlement Share automatically, without the return of a claim form.

- V. **LWDA:** California Labor and Workforce Development Agency.

- W. Net Fund Value or NFV:** The total amount of money available for payout to Participating Class Members, which is the GFV less the Attorney Fee Award, Cost Award, Class Representative Incentive, the portion of the PAGA Payment paid to the LWDA and Eligible Aggrieved Employees, and Administration Costs. In other words, the NFV is the portion of the GFV that will be distributed to Class Members who do not request exclusion from the Settlement.
- X. PAGA:** The California Labor Code Private Attorneys General Act of 2004 (Cal. Labor Code §§ 2698 *et seq.*).
- Y. PAGA Payment:** The PAGA Payment consists of Ten Thousand Dollars and Zero Cents (\$10,000.00) of the Gross Fund Value allocated to satisfy the PAGA penalties claim as alleged in the operative complaint. Seventy-five percent (75%) of the PAGA Payment (\$7,500) shall be paid to the LWDA, and twenty-five percent (25%) (\$2,500) of the PAGA Payment shall be distributed to the Eligible Aggrieved Employees as outlined in Section III.I(6).
- Z. PAGA Period:** The time period from January 22, 2018, through the date the Court grants preliminary approval of the Settlement.
- AA. Participating Class Members:** All Class Members who do not submit a valid and timely request to exclude themselves from this Settlement.
- BB. Parties:** Collectively, Plaintiffs and Defendants.
- CC. Preliminary Approval or Preliminary Approval Order:** The Court's order preliminarily approving the proposed Settlement.
- DD. Qualified Settlement Fund or QSF:** A fund within the meaning of Treasury Regulation § 1.46B-1, 26 C.F.R. § 1.468B-1 *et seq.*, that is established by the Settlement Administrator for the benefit of Participating Class Members, Plaintiffs, and Class Counsel.
- EE. Released Claims:** The claims that Plaintiffs, the other Participating Class Members, and all persons purporting to act on their behalf or purporting to assert a claim under or through them, including but not limited to, their dependents, attorneys, heirs and assigns, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, personal representatives, and successors-in-interest, whether individual, class, representative, legal, equitable, direct or indirect, or any other type or in any other capacity (collectively, the "Releasing Parties") are fully and forever irrevocably releasing, in exchange for the consideration provided for by this Agreement, any and all causes of action, claims, rights, damages, punitive or statutory damages, penalties, liabilities, expenses, and losses arising from or related to the acts, facts, transactions, theories, occurrences, representations, or

omissions set forth, or which were alleged or could have been alleged against any of the Released Parties arising out of, in connection with, or based on the facts alleged in the operative complaints in this Action through the date of Preliminary Approval, including but not limited to (a) any and all alleged failure by Defendants to pay wages, minimum wages, and overtime; (b) any and all alleged failure by Defendants to timely pay wages at termination (c) any and all alleged failure by Defendants to provide meal or rest periods premiums; (d) any and all alleged failure by Defendants to deposit wages at a place of business located in the state of California; (e) any and all alleged failure by Defendants to provide compliant wage statements; (f) any and all alleged failure by Defendants to reimburse business expenses; (g) any and all right or claim for civil penalties pursuant to the Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698 et seq., or any other penalties arising under the Labor Code or Wage Order arising from or related to the conduct alleged; (h) any and all right or claim for unfair business practices in violation of California Business & Professions Code § 17200 et seq. arising from or related to the conduct alleged; and (i) any and all violations or breaches of the California Labor Code arising from or related to the conduct alleged, including without limitation, Labor Code section 201, 202, 203, 212, 226, 226.7, 510, 512, 558, 1194, 1199, 2800, 2802, or any other state statute, rule and/or regulation, or similar causes of action arising from or relating to the conduct alleged or that could have been alleged. Notwithstanding the above, the Parties understand and agree that the release in this Settlement does not apply to (i) those rights that as a matter of law cannot be released and/or waived, including, but not limited to, workers' compensation claims; (ii) rights or claims that may arise after the close of the Class Period; and (iii) rights or claims arising out of this Settlement.

Comprehensive Release. Upon Defendants' fulfillment of their payment obligations under Section III (K)(9) below, Plaintiffs are releasing in exchange for the consideration provided for by this Agreement a comprehensive release of all known and unknown claims by Plaintiffs, including a California Civil Code section 1542 waiver arising out of the operative allegations in the Action.

- FF. **Released Parties:** Defendants, their subsidiaries, acquired companies, parents, predecessors or successors in interest, and each of their respective past or present officers, directors, shareholders, employees, attorneys, agents, assigns, members, investors, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, parents, attorneys, and any individual or entity that could be jointly liable with any of the foregoing.
- GG. **Response Deadline:** Sixty (60) calendar days from the initial mailing of the Class Notice.

HH. Settlement Administration: The Settlement Administrator will conduct a skip trace for the address of all former employee Class Members. The Settlement Administrator will translate into Spanish and mail the Class Notice in English and Spanish by first class U.S. mail to all Class Members at the address Defendants have on file for those Class Members or at the address resulting from the skip trace. The Class Notice will inform Class Members that they have until the Response Deadline to either object to the Settlement or to opt-out (exclude themselves) from the Settlement. Settlement Class Members to whom Notice Packets are resent after having been returned undeliverable to the Settlement Administrator, during the entire Response Deadline, shall have an additional fourteen (14) calendar days from the date of re-mailing, or until the sixty (60) day Response Deadline has expired, whichever is later, to mail the Request for Exclusion or a Notice of Objection, Notice Packets that are resent shall inform the receipt of this adjusted deadline. It will be conclusively presumed that if an envelope so mailed has not been returned within twenty (20) calendar days of the mailing, that the Class Member received the Notice Packet. If a Class member's Notice Packet is returned to the Settlement Administrator more than once as undeliverable, then an additional Notice Packet shall be re-mailed. Nothing further shall be required of, nor done by, the Parties, Class counsel, or Defendant's counsel to provide notice of the Settlement Agreement. Any Class Member who does not receive the Class Notice after the steps outlined above have been taken will still be bound by the Settlement and/or judgment.

II. Settlement Administration: The Settlement Administrator will conduct a skip trace.

II. RECITALS

A. On January 22, 2019, Plaintiffs filed a putative class action against Defendants, which included a claim for civil penalties pursuant to the Private Attorneys General Act ("PAGA") against Defendants IDT America, Corp., IDT Domestic Telecom, Inc., and IDT International Corp. alleging Defendants violated California state wage and hour laws, the California *Business and Professions Code* section 17200 *et seq.* and PAGA as a result of Defendants' wage and hour policies and practices. Specifically, Plaintiffs alleged that Defendants failed to pay all wages including minimum wage, overtime and double time, failed to provide meal breaks (including without limitation first and second meal breaks) each day based on the hours worked by each Class Member, including meal breaks that were short, late, interrupted, and/or missed altogether; failed to authorize and permit legally compliant rest breaks each day based on the hours worked by each Class Members, including rest breaks that were short, late, interrupted, and/or missed altogether, failed to reimburse employees for all reasonable and necessary business expenses incurred in the discharge of their duties for Defendants. Plaintiffs further allege that the aforementioned resulted in the Class receiving inaccurate wage statements; the underpayment of wages

to employees upon termination and/or resignation; unfair business practices; and a violation of PAGA.

- B.** The Parties engaged in mediation on July 23, 2020 with mediator Steve Rottman Esq. Prior to mediation, the Parties conducted significant investigation and discovery of the facts and law, both before and after the Action was filed. Defendants produced hundreds of documents relating to their policies, practices, and procedures regarding its wage and hour practices, paying non-exempt employees for all hours worked, meal and rest period policies, meal premiums paid, and payroll and operational policies. As part of Defendants' production, Plaintiffs also reviewed time records, pay records, and information relating to the size and scope of the Class, as well as data permitting Plaintiffs to understand the number of work weeks performed by each Class Member in the Class Period. The Parties did not settle at mediation and continued settlement discussions. On July 30, 2020, mediator Steve Rottman made a mediator's proposal which was accepted on August 3, 2020. The Parties agree that the above-described investigation and evaluation, as well as the information exchanged during the settlement negotiations, was more than sufficient to assess the merits of the respective Parties' positions and to compromise the issues on a fair and equitable basis.
- C. Benefits of Settlement to Class Members.** Plaintiffs and Class Counsel recognize the expense and length of continued proceedings necessary to continue the litigation against Defendants through trial and through any possible appeals. Plaintiffs and Class Counsel also have taken into account the uncertainty and risk of further litigation, the potential outcome, and the difficulties and delays inherent in such litigation. Plaintiffs and Class Counsel have conducted extensive settlement negotiations, including formal conversations and written correspondence before and after the July 23, 2020 mediation. Based on the foregoing, Plaintiffs and Class Counsel believe the Settlement set forth in this Agreement is a fair, adequate, and reasonable settlement, and is in the best interests of the Class Members.
- D. Defense Reasons for Settlement.** Defendants recognize that the defense of this litigation will be protracted and expensive. Substantial amounts of time, energy, and resources of the Defendants have been spent and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiffs. Defendants, therefore, have agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest the Released Claims.
- E. Defendant's Denial of Wrongdoing.** Defendants generally and specifically deny any and all liability or wrongdoing of any sort with regard to any of the claims alleged, makes no concessions or admissions of liability of any sort, and contends that for any purpose other than settlement, the Action is not appropriate for class treatment. Defendants assert a number of defenses to the claims, and have denied any wrongdoing or liability arising out of any of the

alleged facts or conduct in the Action. Neither this Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Agreement, is or may be construed as, or may be used as an admission, concession, or indication by or against Defendants or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. Nor should the Agreement be construed as an admission that Plaintiff Rosales can serve as an adequate PAGA or that Romero as an adequate Class Representative except for purposes of settlement. There has been no final determination by any court as to the merits of the claims asserted by Plaintiffs against Defendants or as to whether a class or classes should be certified, other than for settlement purposes only.

- F. Plaintiffs' Claims.** Plaintiffs assert that Defendants' defenses are without merit. Neither this Agreement nor any documents referred to or contemplated herein, nor any action taken to carry out this Agreement is, may be construed as, or may be used as an admission, concession or indication by or against Plaintiffs, Class Members, or Class Counsel as to the merits of any claims or defenses asserted, or lack thereof, in the Action. However, in the event that this Settlement is finally approved by the Court, Plaintiffs and Class Counsel will not oppose Defendants' efforts to use this Agreement to prove that Plaintiffs and Class Members have resolved and are forever barred from re-litigating the Released Claims.

III. SETTLEMENT TERMS AND CONDITIONS

- A. Gross Fund Value.** Subject to the terms and conditions of this Agreement, the maximum Gross Fund Value that Defendants are obligated to pay under this Agreement is Five Hundred Thousand Dollars and Zero Cents (\$500,000.00).
- B. Defendants Responsible for Their Share of Payroll Taxes.** Defendants shall be solely responsible for Defendants' share of payroll taxes. No payment of Defendants' share of payroll taxes shall be made from the NFV or GFV.
- C. Notice to the Labor and Workforce Development Agency ("LWDA").** On September 11, 2018, Plaintiff Rosales filed and served a Notice of Labor Code Violations Pursuant to Labor Code Section 2699.3 and waited the statutory time period needed without response from the LWDA to file the initial complaint. Thus, the notice obligations under the PAGA have been satisfied.
- D. Class Certification.** Solely for the purposes of this Settlement, the Parties stipulate and agree to certification of the claims asserted on behalf of Class Members. As such, the Parties stipulate and agree that in order for this Settlement to occur, the Court must certify the Class as defined in this Agreement.

- E. Conditional Nature of Stipulation for Certification.** The Parties stipulate and agree to the certification of the claims asserted on behalf of Plaintiffs and Class Members for purposes of this Settlement only. This Stipulation is contingent upon the Preliminary and Final Approval of the Settlement Class only for purposes of settlement. If the Settlement does not become final, for whatever reason, the fact that the Parties were willing to stipulate provisionally to certification as part of the Settlement shall have no bearing on and shall not be admissible or used in any way in connection with, the question of whether the Court should certify any claims in a non-settlement context in this Action or in any other lawsuit. Defendants expressly reserve the right to oppose class certification and/or to proactively move to deny class certification should this Settlement be modified or reversed on appeal or otherwise not become final.
- F. Appointment of Class Representative.** Solely for the purposes of this Settlement, the Parties stipulate and agree that Plaintiff Jose Rosales shall serve as the PAGA Representative and Gloria Romero shall be appointed as representative for the Class.
- G. Appointment of Class Counsel.** Solely for the purpose of this Settlement, the Parties stipulate and agree that the Court appoint Kevin Mahoney and Berkeh Alemzadeh of the Mahoney Law Group, APC, and Justin Lo of Work Lawyers PC, as Class Counsel to represent the Class.
- H. Individual Settlement Share.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay an Individual Settlement Share from the Net Fund Value to each Participating Class Member.

1. Calculation.

- a. Individual Settlement Share Calculation.** Each Participating Class Member will receive a proportionate share of the Net Fund Value that is equal to (i) the number of pay periods worked based on the Class data provided by Defendant, divided by the Net Fund Value. Therefore, the value of each Class Member's Individual Settlement Share ties directly to the amount of pay periods that he or she worked.
- 2. Tax Withholdings.** Each Participating Class Member's gross settlement award will be apportioned as follows: 33% wages, and 67% to interest and penalties. The amounts paid as wages shall be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and shall be reported by W-2 forms. The amounts paid as penalties and interest shall be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and shall be reported by IRS 1099 forms.

I. Settlement Disbursement. Subject to the terms and conditions of this Agreement, the Settlement Administrator will make the following payments out of the Gross Fund Value:

- 1. To the Plaintiffs:** In addition to their Individual Settlement Share, and subject to the Court's approval, Plaintiff Gloria Romero will receive up to Seven Thousand Five Hundred Dollars (\$7,500.00) as Class Representative Incentive Payment. The Settlement Administrator will pay the Class Representative Incentive Payment out of the Qualified Settlement Fund. Payroll tax withholdings and deductions will not be taken from the Class Representative Incentive Payment. An IRS Form 1099 will be issued to Plaintiffs with respect to their Class Representative Incentive Payments. In the event the Court does not approve the entirety of the application for the Class Representative Incentive Payment, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendants nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. If the amount awarded is less than the amount requested by Plaintiffs, the difference shall become part of the NFV and be available for distribution to Participating Class Members.
- 2. To Class Counsel.** Class Counsel will apply to the Court for, and Defendants agree not to oppose, a total Attorney Fee Award not to exceed one-third (1/3) of the GFV, or One Hundred Sixty-Six Thousand, Six Hundred and Sixty-Six Dollars and Sixty-Six cents (\$166,666.66), and a Cost Award not to exceed Twenty Thousand Dollars and Zero Cents (\$20,000.00). The Settlement Administrator will pay the court-approved amounts for the Attorney Fee Award and Cost Award out of the Gross Fund Value. Payroll tax withholding and deductions will not be taken from the Attorney Fee Award or the Cost Award. IRS Forms 1099 will be issued to Class Counsel with respect to these payments. In the event the Court does not approve the entirety of the application for the Attorney Fee Award and/or Cost Award, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendants nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. If the amount awarded is less than the amount requested by Class Counsel for the Attorney Fee Award and/or Cost Award, the difference shall become part of the NFV and be available for distribution to Participating Class Members.
- 3. To the Responsible Tax Authorities.** The Settlement Administrator will pay the amount of the Participating Class Members' portion of normal payroll withholding taxes out of each person's Individual Settlement Share. The Settlement Administrator will calculate the amount of the Participating Class Members' and Defendants' portion of payroll withholding taxes. The Settlement Administrator will submit Defendants' portion of payroll

withholding tax calculation to Defendants for additional funding and forward those amounts along with each person's Individual Settlement Share withholdings to the appropriate taxing authorities.

- 4. To the Settlement Administrator.** The Settlement Administrator, Phoenix Settlement Administrators, will pay to itself Administration Costs (reasonable fees and expenses) approved by the Court estimated to be approximately Fifteen Thousand Dollars and Zero Cents (\$15,000.00). This will be paid out of the Qualified Settlement Fund. If the actual amount of Administration Costs is less than the amount estimated, the difference shall become part of the NFV and be available for distribution to Participating Class Members. In the event the Court does not approve the entirety of the application for the Administration Costs, the Settlement Administrator shall pay to itself whatever amount the Court awards, and neither Defendants nor the Plaintiffs shall be responsible for paying the difference between the amount requested and the amount awarded.
- 5. To Class Members.** The Settlement Administrator will pay Participating Class Members according to the Individual Settlement Share calculations set forth above. All payments to Participating Class Members shall be made from the Qualified Settlement Fund.
- 6. To Eligible Aggrieved Employees.** The Settlement Administrator shall pay each Eligible Aggrieved Employee according to their proportional share, which will be based upon the total number of pay periods during the PAGA Timeframe. From the Settlement the individual share will be calculated by determining the total number of pay periods worked by the Eligible Aggrieved Employees during the PAGA Period (i.e., the sum of all pay periods worked by each Eligible Aggrieved Employee), and dividing that number into the Two Thousand Five Hundred Dollars (\$2,500.00) amount allocated to Eligible Aggrieved Employees to determine the monetary value assigned to each pay period worked. That number will then be multiplied by the individual Eligible Aggrieved Employee's total number of pay periods worked during the PAGA Period to determine that individual's proportional share. Each Eligible Aggrieved Employee shall receive his/her individual proportional share regardless of whether he/she opts out of the Class Settlement. This Payment will be allocated as 100% penalties. Settlement checks issued to the Eligible Aggrieved Employees pursuant to this Joint Stipulation and Settlement Agreement shall expire 180 days from the date they are issued by Defendants. Any unclaimed funds after the 180 days shall be turned over by the Settlement Administrator, with information for each Eligible Aggrieved Employee who failed to timely cash his/her settlement check, to the California State Controller's Unpaid Wages Fund in the name of the Eligible Aggrieved Employee.

J. Appointment of Settlement Administrator. Solely for the purposes of this Settlement, the Parties stipulate and agree that Phoenix Settlement Administrators shall be retained to serve as Settlement Administrator. The Settlement Administrator shall be responsible for preparing, printing, and mailing the Class Notice to the Putative Class Members; keeping track of any objections or requests for exclusion from Class Members; performing skip traces and remailing Notices and Individual Settlement Shares to Class Members; calculating any and all payroll tax deductions as required by law; calculating each Class Member's Individual Settlement Share; providing weekly status reports to Defendant's Counsel and Class Counsel, which is to include updates on any objections or requests for exclusion that have been received; providing a due diligence declaration for submission to the Court prior to the Final Approval hearing; mailing Individual Settlement Shares to Participating Class Members; calculating and mailing the PAGA Payment to the LWDA; distributing the Attorney Fee Award and Cost Award to Class Counsel; printing and providing Class Members and Plaintiffs with W-2s and 1099 forms as required under this Agreement and applicable law; providing a due diligence declaration for submission to the Superior Court upon the completion of the Settlement; providing any funds remaining in the QSF as a result of uncashed checks to the California's Secretary of State - Unclaimed Property Fund under the unclaimed property laws in the name of the Class Member, and for such other tasks as the Parties mutually agree. The Parties each represent that they do not have any financial interest in Phoenix Settlement Administrators or otherwise have a relationship with Phoenix Settlement Administrators that could create a conflict of interest.

K. Procedure for Approving Settlement.

1. Motion for Preliminary Approval and Conditional Certification.

- a. Plaintiffs will move for an order conditionally certifying the Class for settlement purposes only, giving Preliminary Approval of the Settlement, setting a date for the Final Approval hearing, and approving the Class Notice and Exclusion Form. Plaintiffs will file a motion for Preliminary Approval within a reasonable time or, no more than thirty (30) days after full execution of this Agreement.
- b. At the Preliminary Approval hearing, Plaintiffs will support the granting of the motion and submit a proposed order granting conditional certification of the Class and Preliminary Approval of the Settlement; appointing the Class Representatives, Class Counsel, and Settlement Administrator; approving the Class Notice; and setting the Final Approval hearing.
- c. Should the Court decline to conditionally certify the Class or to Preliminarily Approve all material aspects of the Settlement, the

Settlement will be null and void, and the Parties will have no further obligations under it. Any order or proceeding relating to an application for the Attorney Fee Award, Cost Award, Administration Costs, and Class Representative Incentives shall not operate to terminate or cancel this Settlement Agreement. Nothing in this Agreement shall limit Plaintiffs or Class Counsel's ability to appeal any decision by the Court to award less than the requested Attorney Fee Award, Cost Award, Administration Costs, and Class Representative Incentive.

2. **Notice to Class Members.** After the Court enters its Preliminary Approval Order, every Class Member will be provided with the Class Notice in accordance with the following procedure:
 - a. Within twenty-one (21) calendar days after entry of the Preliminary Approval Order, Defendants shall deliver to the Settlement Administrator an electronic database, which will list for each Class Member: (1) first and last name; (2) last known mailing address; (3) social security number; and (4) the total number of work weeks performed by the Class Member during the Class Period as a member of the Class ("Database"). If any or all of this information is unavailable to Defendants, Defendants will so inform Class Counsel and the Parties will make their best efforts to reconstruct or otherwise agree upon how to deal with the unavailable information. The Settlement Administrator will conduct a skip trace for the address of all Class Members who no longer have an independent contractor relationship with Defendants. The Database shall be based on Defendants' business records. The Settlement Administrator shall maintain the Database and all data contained within the Database as private and confidential.
 - b. Escalation. Defendants estimate the class size is approximately 103 class members with 4,921 pay periods as of June 1, 2020. This estimate serves as the basis for Plaintiffs accepting the settlement. Should the class size (as of June 1, 2020) be shown to have increased by over fifteen percent, the Settlement will increase proportionately by the amount of change. (i.e. meaning that if the class size increases by 16% as of June 1, 2020, then settlement will increase by 16%). No additional payment shall be required unless the class size as of June 1, 2020 is shown to have increased by more than 15%.
 - c. Within five (5) business days after receipt of this information from Defendant, the Settlement Administrator will mail the Class Notice to all identified Class Members via first-class regular U.S.

Mail, using the mailing address information provided by Defendants and the results of the skip trace performed on all Class Members.

- d. If a Class Notice is returned because of an incorrect address, within ten (10) days from receipt of the returned Notice, the Settlement Administrator will conduct a search for a more current address for the Class Member and re-mail the Class Notice to the Class Member. The Settlement Administrator will use the National Change of Address Database and skip traces to attempt to find the current address. The Settlement Administrator will be responsible for taking reasonable steps to trace the mailing address of any Class Member for whom a Class Notice is returned by U.S. Postal Service as undeliverable. These reasonable steps shall include, at a minimum, the tracking of all undelivered mail; performing address searches for all mail returned without a forwarding address; and promptly re-mailing to Class Members for whom new addresses are found. If the Settlement Administrator is unable to locate a better address, the Class Notice shall be re-mailed to the original address. If the Class Notice is re-mailed, the Settlement Administrator will note for its own records the date and address of each re-mailing.
- e. Class Members may dispute the information provided in their Class Notice, but must do so in writing, via first class mail, and it must be postmarked by the Response Deadline. To the extent Class Members dispute the number of weeks to which they have been credited or the amount of their Individual Settlement Share, Class Members must produce evidence to the Settlement Administrator showing that such information is inaccurate. Absent evidence rebutting Defendants' records, Defendants' records will be presumed determinative. However, if a Class Member produces evidence to the contrary, the Parties will evaluate the evidence submitted by the Class Member and will make the final decision as to the number of eligible weeks that should be applied and/or the Individual Settlement Share to which the Class Member may be entitled.
- f. If any Exclusion Form received is incomplete or deficient, the Settlement Administrator shall send a letter informing the Class Member of the deficiency and allow fourteen (14) days to cure the deficiency. Cure letters are to be sent within three (3) business days from receipt of an incomplete or deficient Exclusion Form. However, any cure period will not extend the Response Deadline. If after the cure period the Exclusion Form is not cured, it will be

determined that the Class Member did not exclude himself or herself from the Settlement and will be bound by the Settlement.

- g. The Settlement Administrator shall provide a weekly status report to the Parties. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Defendant's Counsel of the number of Notices mailed, the number of Notices returned as undeliverable, the number of Notices re-mailed, and the number of requests for exclusion received.

No later than fourteen (14) days after the Response Deadline, the Settlement Administrator will serve on the Parties a declaration of due diligence setting forth its compliance with its obligations under this Agreement. The declaration from the Settlement Administrator shall also be filed with the Court by Class Counsel no later than ten (10) days before the Final Approval hearing. Before the Final Approval hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.

- 3. **Objections to Settlement.** The Class Notice will provide that the Class Members who wish to object to the Settlement must do so in writing, signed, dated, and mailed, faxed, or emailed to the Settlement Administrator postmarked no later than the Responsive Deadline. In order for any Class Member to object to this Settlement, or any term of it, the person making the objection must not submit a request for exclusion (i.e., must not opt out).

- a. **Format.** Any Objections shall state: (a) the objecting person's full name, address, and telephone number and the name and address of counsel, if any; (b) the words "Notice of Objection" or "Formal Objection;" (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list identifying witness(es) the objector may call to testify at the Final Approval hearing; and (e) provide true and correct copies of any exhibit(s) the objector intends to offer at the Final Approval hearing; (f) signed by the objecting Class Member or his or her attorney; and (g) state whether the objecting Class Member (or someone on his or her behalf) intends to appear at the Final Approval Hearing.

- b. **Appearance at Final Approval and Oral Objection.** Class Members may (though are not required to) appear at the Final Approval Hearing, either in person or through the objector's own counsel, at his or her own expense and orally object to the Settlement. Any attorney who will represent an individual objecting to this Settlement must file a notice of appearance with the Court and serve Class Counsel and Defense Counsel no later

than fifteen (15) calendar days before the Final Approval hearing. Any Class Member who attends the Final Approval Hearing and asks to speak regarding his or her objection, may be heard by the Court. The Class Member may also appear remotely via CourtCall, which can be contacted at Tel: (888) 882-6878; Fax: (888) 883-2946 or through its website: www.courtcall.com

- c. If a Class Member objects to the Settlement, the objecting Class Member will remain a member of the Settlement and if the Court approves the Settlement, the objecting Class Member will be bound by the terms of the Settlement in the same way and to the same extent as a Participating Class Member who does not object.
- d. Named Plaintiffs and Defendants will be permitted to respond in writing to such objections no later than seven (7) days before the Final Approval hearing. Named Plaintiffs waive any right to object to the Settlement, and hereby endorse the Settlement as fair, reasonable and adequate and in the best interests of the Settlement Class.

4. Request for Exclusion from the Settlement (“Opt-Out”). The Class Notice will include instruction on how to Opt-Out which will allow Class Members who wish to exclude themselves from the Settlement to mail to the Settlement Administrator a written request for exclusion. The written request for exclusion must: (a) state the Class Member’s name, address, telephone number, and last four digits of the social security number; (b) state the Class Member’s intention to exclude themselves from or opt-out of the Settlement; (c) be addressed to the Settlement Administrator; (d) be signed by the Class Member or his or her lawful representative; and (e) be postmarked no later than the Response Deadline.

- a. **Confirmation of Authenticity.** The date of the initial mailing of the Class Notice, and the date the signed request to be excluded is postmarked, shall be conclusively determined according to the records of the Settlement Administrator. If there is a question about the authenticity of a signed request for exclusion, the Settlement Administrator may demand additional proof of the Class Member’s identity. Any Class Member who returns a timely, valid, and executed request for exclusion will not participate in or be bound by the Settlement and subsequent judgment will not receive an Individual Settlement Share and will not have any right to object, appeal, or comment thereon. A Class Member who does not complete and mail a timely request for exclusion will automatically be included in the Settlement, will receive an Individual Settlement Share, and be bound by all terms and conditions of the Settlement, if the Settlement is approved by

the Court, and by the subsequent judgment, regardless of whether he or she has objected to the Settlement.

- b. Report.** No later than ten (10) days after the Response Deadline, the Settlement Administrator will provide the Parties with a complete and accurate accounting of the number of Notices mailed to Class Members, the number of Notices returned as undeliverable, the number of Notices re-mailed to Class Members, the number of re-mailed Notices returned as undeliverable, the number of Class Members who objected to the Settlement and copies of their submitted objections, the number of Class Members who returned valid requests for exclusion, and the number of Class Members who returned invalid requests for exclusion.
- c. Defendant's Option to Terminate.** If more than ten percent (10%) of the Class Members submit requests for exclusion, Defendant, at its sole option, may nullify the settlement within thirty (30) days of learning that 10% or more of the Settlement Class member timely and properly requested exclusion from the Settlement, and no later than five (5) days prior to the date of the Final Approval Hearing.

5. No Solicitation of Objection or Requests for Exclusion. Neither the Parties nor their respective counsel will solicit directly or indirectly any Class Member to object to the Settlement, request exclusion from the Settlement, or appeal from the Judgment.

6. Motion for Final Approval.

- a.** Upon expiration of the Objection/Exclusion deadlines, Class Counsel will file unopposed motions and memorandums in support thereof for Final Approval of the Settlement and the following payments in accord with the terms of the Settlement: (1) the Attorney Fee Award; (2) the Cost Award; (3) Administrative Costs; (4) the Class Representative Incentive; and (5) PAGA Payment. Class Counsel will also move the Court for and order of Final Approval (and associated entry of Judgment) releasing and barring any Released Claims of the Class Members who do not opt out of the Settlement.
- b.** If the Court does not grant Final Approval of the Settlement, or if the Court's Final Approval of the Settlement is reversed or materially modified on appellate review, then this Settlement will become null and void. If that occurs, the Parties will have no further obligations under the Settlement, including any obligation

by Defendants to pay the Gross Fund Value or any amounts that otherwise would have been owed under this Agreement. An award by the Court of a lesser amount than sought by Plaintiffs and Class Counsel for the Class Representative Incentive, Attorney Fee Award, Cost Award, will not constitute a material modification to the Settlement within the meaning of this paragraph.

- c. Upon Final Approval of the Settlement, the Parties shall present to the Court a proposed Final Approval Order, approving of the Settlement and entering Judgment in accordance therewith. After entry of Judgment, the Court shall have continuing jurisdiction over the Action for purposes of: (1) enforcing this Settlement Agreement; (2) addressing settlement administration matters, and (3) addressing such post-Judgment matters as may be appropriate under Court rules and applicable law. Upon Final Approval of the Settlement, the Settlement Administrator will post notice of the Final Approval of the Settlement on its website.

7. **Waiver of Right to Appeal.** Provided that the Judgment is consistent with the terms and conditions of this Agreement, if Class Members do not timely object to the Settlement, then the Parties and their respective counsel waive any and all rights to appeal from the Judgment, including, but not limited to, all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate or set aside judgment, and any extraordinary writ, and the Judgment will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceeding, or post-judgment proceeding.
8. **Vacating, Reversing, or Modifying Judgment on Appeal.** If, after a notice of appeal, the reviewing court vacates, reverses, or modifies the Judgment such that there is a material modification to the Settlement, and that court's decision is not completely reversed and the Judgment is not fully affirmed on review by a higher court, then this Settlement will become null and void and the Parties will have no further obligations under it. A material modification would include, but not necessarily be limited to, any alteration of the Gross Fund Value, an alteration in the calculation of the Net Fund Value, and any change to the calculation of the Individual Settlement Share. A material modification would not include any alteration of the Attorney Fee Award, the Cost Award, the Class Representative Incentive, or the Administration Costs.
9. **Disbursement of Settlement Shares and Payments.** Subject to the Court finally approving the Settlement, the Settlement Administrator shall distribute funds pursuant to the terms of this Agreement and the Superior Court's Final Approval Order and Judgment. The maximum amount Defendants can be required to pay under this Settlement for any purpose is

the Gross Fund Value. The Settlement Administrator shall keep Defendant's Counsel and Class Counsel apprised of all distributions from the Gross Fund Value. The Settlement Administrator shall respond to questions from Defendant's Counsel and Class Counsel. No person shall have any claim against Defendant, Defendant's Counsel, Plaintiffs, Class Counsel, or the Settlement Administrator based on the distributions and payments made in accordance with this Agreement.

- a. **Funding the Settlement:** Provided there is an Effective Settlement Agreement, no later than fourteen (14) calendar days after the Effective Final Settlement Date Defendants shall pay the Gross Fund Value of Five Hundred Thousand Dollars (\$500,000.00) and any apportioned employer's share of payroll taxes into the Qualified Settlement Fund set up by the Settlement Administrator by wiring the funds. Defendants shall also at this time provide any tax information that the Settlement Administrator may need to calculate each Participating Class Members' Individual Settlement Share.
- b. **Disbursement:** Within ten (10) calendar days after the Settlement is funded or the Effective Final Settlement Date, whichever is later, the Settlement Administrator shall calculate and pay all payments due under the Settlement Agreement, including all Individual Settlement Shares, the Attorney Fee Award, the Cost Award, the Class Representative Incentive, the PAGA Payment, and the Administration Costs. Prior to the mailing of Individual Settlement Share checks, the Settlement Administrator shall update the address of each Class Members using the National Change of Address Database. The Settlement Administrator will forward a check for 75% of the PAGA Payment to the LWDA for settlement of the PAGA claim. After such payment, Defendants shall have no liability for PAGA claims by or on behalf of Participating Class Members during the Class Period, which are released under this Agreement.
- c. **QSF:** The Parties agree that the QSF is intended to be a "Qualified Settlement Fund" under Section 468B of the Code and Treasury Regulations § 1.4168B-1, 26 C.F.R. § 1.468B-1 *et seq.*, and will be administered by the Settlement Administrator as such. The Parties and Settlement Administrator shall treat the QSF as coming into existence as a Qualified Settlement Fund on the earliest date permitted as set forth in 26 C.F.R. § 1.468B-1, and such election statement shall be attached to the appropriate returns as required by law.

10. Uncashed Checks. Participating Class Members must cash or deposit their Individual Settlement Share checks within one hundred and eighty (180) calendar days after the checks are mailed to them. The expiration date of checks shall be stated on all distributions to the Class Members. If any checks are not redeemed or deposited within ninety (90) days after mailing, the Settlement Administrator will send a reminder postcard indicating that unless the check is redeemed or deposited in the next ninety (90) days, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced. The Settlement Administrator shall use reasonable search method(s) for any return checks including a search of the National Change of Address Database. The Settlement Administrator shall re-mail check to addresses ascertained through the National Change of Address Database, and/or provided by the Post Office as forwarding address. If any checks remain uncashed or not deposited by the expiration of the ninety (90) day period after mailing the reminder notice, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, the amount of the Individual Settlement Share to the shall be transferred to the California's Secretary of State - Unclaimed Property Fund under the unclaimed property laws in the name of the Class Member/Eligible Aggrieved Employee.

- 1. Final Report by Settlement Administrator.** Within ten (10) days after the disbursement of all funds, the Settlement Administrator will serve on the Parties a declaration providing a final report on the disbursements of all funds.
- 2. Defendant's Legal Fees.** Defendants are responsible for paying for all of Defendants' own legal fees, costs, and expenses incurred in this Action outside of the Gross Fund Value.

L. Release of Claims. Upon Defendants' fulfillment of their payment obligations under Section III (K)(9), Class Members who do not submit a timely and valid request for exclusion hereby waive, release, promise never to assert in any forum, remise and forever discharge the Released Parties from the Released Claims for the time frame of the Class Period.

M. Effect of PAGA Settlement. As of the Effective Final Settlement Date, this settlement forever bars Plaintiffs, the LWDA, and any other representative, proxy, or agent thereof, including, but not limited to, any and all Eligible Aggrieved Employees during the PAGA Period, from pursuing any action for civil penalties under the California Labor Code Private Attorneys General Act of 2004 ("PAGA"), Labor Code §§ 2698, *et seq.*, against, the Released Parties based on or arising out of alleged violations of Labor Code sections alleged in the operative complaint and Plaintiff Rosales' notice to the LWDA dated September 11, 2018. Eligible Aggrieved Employees will be deemed to have released any claims under PAGA whether or not they opt-out of the Settlement.

N. Plaintiff Romero's Release of Claims and General Release. As of the Effective Final Settlement Date, and in exchange for Romero's Class Representative Incentive Payment to the Plaintiffs in an amount not to exceed Seven Thousand Five Hundred Dollars (\$7,500.00), in recognition of her work and efforts in obtaining the benefits for the Class, and undertaking the risk for the payment of costs in the event this matter had not successfully resolved, Plaintiff Romero also give the following general release of claims for herself and her spouse(s) (if any), heirs, successors and assigns, forever releases the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, penalties and expenses of any nature and description whatsoever, known or unknown, suspected or unsuspected, asserted or that might have been asserted, whether in tort, contract, equity, or otherwise, for violation of any federal, state or local statute, rule, ordinance or regulation, including but not limited to all claims arising out of, based upon, or relating to her relationship with Defendants or the remuneration for, or termination of, such relationship. Plaintiff Romero's Release of Claims also includes a waiver of California Civil Code section 1542, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

This release excludes any release of any claims not permitted to be released by law.

O. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section, the "Acknowledging Party" and each Party to this Agreement other than the Acknowledging Party, an "Other Party") acknowledges and agrees that:

1. No provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisors, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of U.S. Treasury Dept. Circular 230 (31 C.F.R. Part 10, as amended);
2. The Acknowledging Party (a) has relied exclusively upon his, her or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any Other Party or any attorney or advisor to any Other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any Other Party

to avoid any tax penalty that may be imposed on the Acknowledging Party;
and

3. No attorney or advisor to any Other Party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the Acknowledging Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

P. Miscellaneous Terms

1. **No Admission of Liability.** Defendants make no admission of liability or wrongdoing by virtue of entering into this Agreement. Additionally, Defendants reserve the right to contest any issues relating to class certification and liability if the Settlement is not approved. Defendants deny that they have engaged in any unlawful activity, have failed to comply with the law in any respect, have any liability to anyone under the claims asserted in the Action, or that but for the Settlement, a Class should be certified in the Action. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendants of liability or wrongdoing. This Settlement and Plaintiffs' and Defendants' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with this Settlement).
2. **No Effect on Employee Benefits.** The amounts paid under this Agreement do not represent a modification of any previously credited hours of service under any employee benefit plan, policy or bonus program sponsored by Defendants. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under, benefit plans (self-insured or not) sponsored by Defendants', policies or bonus programs. Any payments made under the terms of this Settlement shall not be applied retroactively, currently or on a going forward basis as salary, earnings, wages, or any other form of compensation for the purposes of Defendants' benefit plan, policy or bonus program. Defendants retain the right to modify the language of their benefit plans, policies and bonus programs to effect this intent and to make clear that any amounts paid pursuant to this Settlement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies and bonus programs for purpose of eligibility, vesting, benefit accrual or any other purpose, and that additional contributions or benefits are not required by this Settlement.
3. **Non-Disclosure and Non-Publication.** Plaintiffs and Class Counsel agree not to disclose or publicize the Settlement Agreement contemplated herein,

the fact of the Settlement Agreement, its terms or contents, or the negotiations underlying the Settlement Agreement, in any manner or form, directly to any person or entity, except to Settlement Class members as required to effectuate the terms of the Settlement Agreement or as set forth herein. Class Counsel agree to discuss the terms of this Settlement only in declarations submitted to a court to establish their adequacy to serve as class counsel, in declarations submitted to a court in support of motions for preliminary approval, final approval, for attorneys' fees/costs, and any other pleading filed with the Court in conjunction with the Settlement, and in discussions with Class Members in the context of administering this Settlement until the Preliminary Approval Order is issued. No Court filing will be circulated by Class Counsel. Nothing in this paragraph shall prevent Class Counsel from carrying out their duties as such. This paragraph does not prevent Class Counsel from posting on their website the amount of the settlement without referencing Defendants and Defendants' counsel directly or indirectly. Plaintiffs, in response to inquiries, will state that "the Action was resolved."

4. **Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire Agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any party concerning this Agreement or its exhibits, other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits. Except as expressly provided herein, this Agreement has not been executed in reliance upon any other written or oral representations or terms, and no such extrinsic oral or written representations or terms shall modify, vary or contradict its terms. In entering into this Agreement, the Parties agree that this Agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence. Nothing in this Agreement in any way limits or negates the enforceability and effect of the underlying arbitration agreements signed by employees of Defendants, obligating them to arbitrate any and all claims on an individual (and not on a class, collective, or representative) basis.
5. **Authorization to Enter Into Settlement Agreement.** Class Counsel and Defendants' Counsel warrant and represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties under this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement this Agreement, or on any supplemental provisions that may

become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the Court, and in all cases, all such documents, supplemental provisions, and assistance of the Court will be consistent with this Agreement.

- 6. Exhibits and Headings.** The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral part of the Settlement and must be approved substantially as written. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.
- 7. Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Action in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval hearing to be conducted by the Superior Court.
- 8. Amendment or Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by counsel for all Parties or their successors-in-interest, and approved by the Court.
- 9. Agreement Binding on Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the successors and assigns of the Parties, as previously defined.
- 10. No Prior Assignment.** Plaintiffs hereby represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged.
- 11. Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.
- 12. Fair, Adequate, and Reasonable Settlement.** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, current and potential.
- 13. No Tax or Legal Advice.** The Parties understand and agree that the Parties are neither providing tax or legal advice, nor making representations

regarding tax obligations or consequences, if any, related to this Agreement, and that Class Members will assume any such tax obligations or consequences that may arise from this Agreement, and that Class Members shall not seek any indemnification from the Parties or any of the Released Parties in this regard.

14. Jurisdiction of the Superior Court. Pursuant to California *Code of Civil Procedure* section 664.6, the Superior Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgment entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Superior Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments in connection therewith.

15. Invalidity of Any Provision; Severability. Before declaring any provision of this Agreement invalid, the Parties request that the Superior Court first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable. In the event any provision of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

16. 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.

17. Execution in Counterpart. This Agreement may be executed in one or more counterparts. All executed counterparts will be deemed to be one and the same instrument provided that counsel for the Parties exchange between themselves original signed counterparts. Facsimile or PDF or Electronic (DocuSign/AdobeSign) signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

IV. EXECUTION BY PARTIES

The Parties and their counsel execute this Agreement.

Dated: 08 / 25 / 2021, 2021

Jose Rosales

Jose Rosales

Dated: _____, 2021

Gloria Romero

Dated: _____, 2021

IDT America, Corp

Name:

Title:

Dated: _____, 2021

IDT Domestic Telecom, Inc.

Name:

Title:

Dated: _____, 2020

IDT International Corp.

Name:

Title:

Dated: _____, 2021

Jose Rosales

Dated: 08 / 25 / 2021, 2021

Gloria Romero

GR

Dated: _____, 2021

IDT America, Corp

Name:

Title:

Dated: _____, 2021

IDT Domestic Telecom, Inc.

Name:

Title:

Dated: _____, 2020

IDT International Corp.

Name:

Title:

Dated: _____, 2021

Jose Rosales

Dated: _____, 2021

Gloria Romero

Dated: August 25, 2021

IDT America, Corp

Abilio Pereira

Name: Bill Pereira

Title: EVP

Dated: August 25, 2021

IDT Domestic Telecom, Inc.

Abilio Pereira

Name: Bill Pereira

Title: EVP

Dated: August __, 2021

IDT International Corp.

Name: Marcelo Fischer

Title: CFO

Dated: _____, 2021

Jose Rosales

Dated: _____, 2021

Gloria Romero

Dated: August __, 2021

IDT America, Corp

Name: Bill Pereira
Title: EVP

Dated: August __, 2021

IDT Domestic Telecom, Inc.

Name: Bill Pereira
Title: EVP

Dated: August 26, 2021

IDT International Corp.

Marcelo Fischer

Name: Marcelo Fischer
Title: CFO

EXHIBIT 1

NOTICE OF CLASS ACTION AND PAGA SETTLEMENT

*Jose Rosales and Gloria Romero, as individuals and on behalf of all similarly situated employees v. IDT America, Corp. et al.,
Case No. 19STCV01581*

This Notice is Provided in Both English and Spanish

IF YOU WERE EMPLOYED BY IDT AMERICA, CORP., IDT DOMESTIC TELECOM, INC., OR IDT INTERNATIONAL CORP. AS A RETAIL ACCOUNT MANAGER PERFORMING SERVICES AT ANY TIME FROM JANUARY 22, 2015 THROUGH PRELIMINARY APPROVAL, THIS CLASS ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS.

A court authorized this Notice. This is not a solicitation by a lawyer. You are not being sued.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING AND RECEIVE A PAYMENT	<p>To receive a payment from the Settlement, you do not have to do anything.</p> <p>If you do nothing, you will be considered a Participating Class Member and will be part of the Settlement as explained more fully below. After final approval by the Court, the payment will be mailed to you at the same address as this Notice. In exchange for the Individual Settlement Share, you will be considered a Participating Class Member and will release the Released Claims against Defendants IDT America, Corp., IDT Domestic Telecom, Inc., and IDT International Corp., and the Released Parties as detailed in Section 5 below. You will also give up the right to pursue a separate legal action against the Released Parties, as explained more fully below. According to Defendants' records, your estimated minimum share of the settlement is \$[INSERT AMOUNT]. See Section 6 of this Notice. The actual amount you received may be different and will depend on a number of factors.</p>
EXCLUDE YOURSELF	<p>You have the option to pursue separate legal action against Defendants about the claims in this lawsuit, other than the PAGA claims released. If you choose to do so, you must send a written request to opt out ("Opt Out") from the Class and Settlement's release of Released Claims to the Settlement Administrator as provided below. As a result, you will not receive an Individual Settlement Share under the Settlement. Even if you Opt Out, you will still receive your individual portion of the PAGA Payment. If you do not want to be part of the Class and Settlement's release of Released Claims, you must submit a written request to Opt Out ("Opt Out") to the Settlement Administrator at the following address, postmarked on or before [Response Deadline]:</p>
OBJECT	<p>To object to the Settlement, you must write about to the Settlement Administrator about why you do not agree with the Settlement or appear at the Final Approval Hearing to make an oral objection. This option is available only if you do not Opt Out of the Settlement. If you wish to object to the terms of the Settlement's release of Released Claims, you must submit a written objection (as explained in detail below) to the Settlement Administrator at the following address, postmarked on or before [Response Deadline]:</p>

1. Why did I get this Notice?

A proposed class action settlement (the “Settlement”) has been reached in the above-captioned actions (the “Action”) pending in the Superior Court of the State of California, in and for the County of Los Angeles (the “Court”) between Plaintiffs Jose Rosales and Gloria Romero (collectively referred to as “Plaintiffs”) and Defendants IDT America, Corp., IDT Domestic Telecom, Inc., and IDT International Corp. (collectively referred to as “Defendants”).

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

Class Members:

All persons who are or were retained by Defendants as Retail Account Managers who performed services in the State of California from January 22, 2015 through the Preliminary Approval Date of [date of preliminary approval] (the “Class Period”).

The purpose of this Notice of Class Action and PAGA Settlement (“Notice”) is to briefly describe the Action, and to inform you of your rights and options in connection with them and the proposed Settlement. The proposed Settlement will resolve all claims in the Action. It is important that you read this Notice carefully as your rights may be affected by the Settlement.

DEFENDANTS’ RECORD INDICATE THAT YOU ARE A MEMBER OF THE ABOVE CLASS. AS A CLASS MEMBER, YOU ARE ELIGIBLE TO RECEIVE AN INDIVIDUAL SETTLEMENT SHARE UNDER THE SETTLEMENT AND WILL BE BOUND BY THE RELEASED CLAIMS DESCRIBED IN THIS NOTICE AND THE SETTLEMENT AGREEMENT FILED WITH THE COURT, AS APPLICABLE, UNLESS YOU TIMELY REQUEST TO OPT OUT FROM THE CLASS AND THE SETTLEMENT.

IN ADDITION, IF YOU ARE AN ELIGIBLE AGGRIEVED EMPLOYEE, YOU ARE ELIGIBLE TO RECEIVE A PAGA PAYMENT SHARE UNDER THE SETTLEMENT AND WILL BE BOUND BY THE RELEASE OF PAGA CLAIMS DESCRIBED IN THIS NOTICE AND THE SETTLEMENT AGREEMENT FILED WITH THE COURT, AS APPLICABLE. YOU CANNOT REQUEST TO OPT OUT FROM THE RELEASE OF PAGA CLAIMS.

2. What are these class action lawsuits about?

On January 22, 2019, Plaintiffs filed their initial complaint in this action, purporting to assert putative class action claims on behalf of themselves and all persons similarly situated against Defendants. The Complaint in the Action alleges that Defendants violated the California Labor Code and other laws by failing to pay: (1) Failure to Provide Meal Periods; (2) Failure to Provide Rest Periods; (3) Failure to Pay Overtime Wages; (4) Failure to Pay Minimum Wages; (5) Failure to Pay Timely Wages During Employment; (6) Failure to Pay All Wages Due to Discharged and Quitting Employees; (7) Failure to Maintain Required Records; (8) Failure to Furnish Accurate Itemized Wage Statements; (9) Failure to Indemnify Employees for Necessary Expenditures (10) Unfair Competition (Business and Professions Code § 17200, et seq. and (11) Penalties under the Private Attorneys General Act. Plaintiffs sought to recover the following for all Class Members during the Class Period: damages, restitution of all earned and unpaid wages, declaratory and injunctive relief, statutory penalties, pre-judgment interest, and reasonable costs and attorneys’ fees.

Defendants and the Released Parties expressly deny any wrongdoing or liability to Plaintiffs or any current or former employee of Defendants. Defendants are confident that they have strong legal and factual defenses to the above claims, but they recognize the risks, distractions, and costs associated with litigation. Defendants contend that their conduct has been lawful at all times relevant, that Plaintiffs’ claims do not

have merit and do not meet the requirements for class certification.

This Settlement is a compromise reached after good faith, arm's length negotiations between Plaintiffs and Defendants (the "Parties"), through their attorneys, and is not an admission of liability on the part of Defendants. Both sides agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair, adequate and reasonable. Plaintiffs also believe this Settlement is in the best interests of all Class Members.

The Court has not ruled on the merits of the Plaintiffs' claims or Defendants' defenses.

The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved Jose Rosales to serve as PAGA Representative and Gloria Romero to serve as Class Representative, and Kevin Mahoney of the Mahoney Law Group, APC, and Justin Lo of Work Lawyers PC as Class Counsel.

3. Who are the attorneys representing the Parties?

The attorneys representing the Parties in the Civil Actions are:

Class Counsel

Kevin Mahoney, Esq.
Mahoney Law Group, APC
249 E. Ocean Boulevard, Suite 814
Long Beach, CA 90802
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4. What are the terms of the Settlement?

Gross Fund Value.

Subject to final Court approval, Defendants will pay Five Hundred Thousand Dollars (\$500,000.00) (the "Gross Fund Value") in connection with this Settlement. Amounts awarded by the Court for attorney's fees (Class Counsel are requesting \$166, 666.66); litigation costs (Class Counsel are requesting an amount not to exceed \$20,000), Incentive Payment to representative Romero (\$7, 500 is being requested), settlement administration fees and costs (estimated to be \$15,000), and penalties to the Labor & Workforce Development Agency (as described below) will be paid from the five hundred thousand dollars (\$500,00.00) . The remainder of this money will be divided among Defendants' current and former account managers who are Class Members, based on when and how long they worked for the Defendants during the Class Period.

The Parties have agreed that Ten Thousand Dollars (\$10,000.00) of the Gross Settlement Amount will be allocated to penalties under PAGA and settlement of Eligible Aggrieved Employees' claims arising under PAGA. Pursuant to Labor Code Section 2699(i), 75% of the PAGA Payment (\$7,500) will be paid to the LWDA for PAGA penalties and 25% of the PAGA Payment (\$2,500) shall be distributed to all Eligible Aggrieved Employees. Eligible Aggrieved Employees means all persons who are or were retained by Defendants to be Retail Account Managers and who performed services in the State of California at any time from January 22, 2018 through preliminary approval (the "PAGA Period").

Net Fund Value.

After deducting the above-referenced items (a) through (e) (listed in the Gross Found Value section) from the Gross Found Value, the remaining amount called the “Net Fund Value,” shall be distributed to all Class Members who do not request to be excluded from the Settlement (“Participating Class Member”).

The Net Fund Value shall be the total amount of money available for payout to Participating Class Members. In other words, the Net Fund Value is the portion of the Gross Fund Value that will be distributed to Class Members who do not request exclusion from the Settlement. Governmentally-required employee tax withholdings shall be deducted from that portion of each Individual Settlement Share allocated as wages.

PAGA Payment.

The Two Thousand Five Hundred Dollars (\$2,500) PAGA Payment to the Eligible Aggrieved Employees (which represents 25% of the \$10,000 allocated to settlement of PAGA claims) shall be split as follows. The individual share of the PAGA Payment to Eligible Aggrieved Employees will be calculated by determining the total number of pay periods worked by the Eligible Aggrieved Employees during the PAGA Period (i.e., the sum of all pay periods worked by each Eligible Aggrieved Employee), and dividing that number into the amount allocated to Eligible Aggrieved Employees to determine the monetary value assigned to each pay period worked.

You do not have to do anything to receive a payment. If the Settlement is approved by the Court, Settlement Class Members will be mailed checks for their Individual Settlement Shares and PAGA Payment, if applicable, which shall remain negotiable for 180 days from the date of mailing.

Any Individual Settlement Share Checks or PAGA Payment checks that remain uncashed after 180 days from issuance shall be void and the Settlement Administrator shall pay the funds represented by such unredeemed checks to California's Secretary of State - Unclaimed Property Fund. In such event, the Participating Class Member and/or Eligible Aggrieved Employee shall nevertheless remain bound by the Settlement’s Released Claims and/or release of PAGA claims, as applicable.

Tax Reporting.

For tax reporting purposes, thirty three percent (33%) of the amount of each Individual Settlement Share to each Participating Class Member shall be allocated to their respective alleged unpaid wage claims and shall be paid net of all applicable employment taxes, including any federal, state, and/or local in issue tax withholding requirements and the employee share of FICA taxes. Sixty-Seven (67%) of the amount of each Individual Settlement Share to each Participating Class Member shall be allocated to alleged penalties and interest and shall not be subject to withholding. PAGA Payment will be allocated entirely as penalties and will be included on an IRS Form 1099 to each Eligible Aggrieved Employee. Each Participating Class Member, Eligible Aggrieved Employee, Class Counsel, and Class Representatives shall be responsible for remitting to state and/or federal taxing authorities any applicable taxes which may be owed on the portion of any payment received. Neither Class Counsel nor Defendants’ Counsel intend anything contained in this Notice to constitute advice regarding taxes or taxability. The tax issues for each Participating Class Member are unique to him/her, and each Participating Class Member may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

Conditions of Settlement.

This Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering the Judgment.

5. What Do I Release Under the Settlement?

Released Class Claims.

(i) Released Class Claims. Providing there is final approval of this Settlement, then as of the Effective Date, each Participating Class Member, and all persons purporting to act on their behalf or purporting to assert a claim under or through them, including but not limited to, their dependents, attorneys, heirs and assigns, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, personal representatives, and successors-in-interest, whether individual, class, representative, legal, equitable, direct or indirect, or any other type or in any other capacity (collectively, the “Releasing Parties”) are fully and forever irrevocably releasing, in exchange for the consideration provided for by this Agreement, any and all causes of action, claims, rights, damages, punitive or statutory damages, penalties, liabilities, expenses, and losses arising from or related to the acts, facts, transactions, theories, occurrences, representations, or omissions set forth, or which were alleged or could have been alleged against any of the Released Parties arising out of, in connection with, or based on the facts alleged in the operative complaints in this Action through the date of Preliminary Approval, including but not limited to (a) any and all alleged failure by Defendants to pay wages, minimum wages, and overtime; (b) any and all alleged failure by Defendants to timely pay wages at termination (c) any and all alleged failure by Defendants to provide meal or rest periods premiums; (d) any and all alleged failure by Defendants to deposit wages at a place of business located in the state of California; (e) any and all alleged failure by Defendants to provide compliant wage statements; (f) any and all alleged failure by Defendants to reimburse business expenses; (g) any and all right or claim for civil penalties pursuant to the Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698 et seq., or any other penalties arising under the Labor Code or Wage Order arising from or related to the conduct alleged; (h) any and all right or claim for unfair business practices in violation of California Business & Professions Code § 17200 et seq. arising from or related to the conduct alleged; and (i) any and all violations or breaches of the California Labor Code arising from or related to the conduct alleged, including without limitation, Labor Code section 201, 202, 203, 212, 226, 226.7, 510, 512, 558, 1194, 1199, 2800, 2802, or any other state statute, rule and/or regulation, or similar causes of action arising from or relating to the conduct alleged or that could have been alleged. Notwithstanding the above, the Parties understand and agree that the release in this Settlement does not apply to (i) those rights that as a matter of law cannot be released and/or waived, including, but not limited to, workers’ compensation claims; (ii) rights or claims that may arise after the close of the Class Period; and (iii) rights or claims arising out of this Settlement.

This means that, if you do not timely exclude yourself from the Settlement, you cannot pursue a separate legal action, continue a separate legal action, or be part of any other lawsuit against Defendants and any other Released Party for the Released Claims resolved by this Settlement. It also means that all of the Court’s orders in the Action will apply to you and legally bind you.

Released PAGA Claims.

(i) Released PAGA Claims. Providing there is final approval of this Settlement, then as of the Effective Date, this settlement forever bars Plaintiffs, the LWDA, and any other representative, proxy, or agent thereof, including, but not limited to, any and all Eligible Aggrieved Employees during the PAGA Period, from pursuing any action for civil penalties under the California Labor Code Private Attorneys General Act of 2004 (“PAGA”), Labor Code §§ 2698, et seq., against, the Released Parties based on or arising out of alleged violations of Labor Code sections alleged in

the operative complaint and Plaintiff's notice to the LWDA dated September 11, 2018. Eligible Aggrieved Employees will be deemed to have released any claims under PAGA whether or not they submit a valid Opt Out from the Class.

Released Parties.

The Released Parties herein means Defendants, their subsidiaries, acquired companies, parents, predecessors or successors in interest, and each of their respective past or present officers, directors, shareholders, employees, attorneys, agents, assigns, members, investors, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, parents, attorneys, and any individual or entity that could be jointly liable with any of the foregoing.

6. How much will my payment be?

Defendants' records reflect that you are a **[Class Member and/or Eligible Aggrieved Employee]**

Defendants' records reflect that you have **<< >>** pay periods worked during the Class Period (January 22, 2015 through the Preliminary Approval Date). The estimated Individual Settlement Share by pay period worked for Participating Class Members is **<< >>**.

Defendants' records reflect that you have **<< >>** pay periods during the PAGA Period (January 22, 2018 through the Preliminary Approval Date). The estimated individual proportional share by pay period worked for Eligible Aggrieved Employees is **<< >>**.

If you do not want to be part of the Class and Settlement's release of Released Claims, you must submit a written dispute regarding your pay periods to the Settlement Administrator at the following address, postmarked on or before **[Response Deadline]**:

Based on this information, your estimated Individual Settlement Share is **<< >>**. Please note that because tax withholdings and payments must be made with respect to a portion of this gross amount, your net payment will be less than your gross share.

Based on this information, your estimated PAGA Payment share is **<< >>**.

If you believe that your pay periods during the Class Period or PAGA Period, as applicable, are not correct and believe you are entitled to payment based upon a different number of pay periods, then you must inform the Settlement Administrator in writing of the basis for contesting any of the assigned pay periods and timely submit any evidence that you may have to the Settlement Administrator that shows that he or she is entitled to payment based upon a different number of pay periods than the numbers calculated by the Settlement Administrator based on Defendants' data. Please be advised that the number of pay periods during the Class Period and/or PAGA Period, as applicable, listed above will be deemed correct unless you challenge the workweeks as stated above.

As this is not a claims-made Settlement, Class Members need not submit anything, Class Members shall still be bound by this Agreement and shall release all Released Claims unless they submit a completed, signed and timely Opt Out. If you submit a valid Opt Out, you will still be bound by the release of the PAGA Claims and you will receive your PAGA Payment share if you are an Eligible Aggrieved Employee.

7. What are my options in this matter?

You have two options under the Settlement, each of which is further discussed below. You may: (A) remain in the Class and receive an Individual Settlement Share; or (B) exclude yourself from the Class and Settlement. If you choose option (A), you may also object to the Settlement, as explained below.

If you remain in the Class, you will be represented at no cost by Class Counsel. Class Counsel, however, will not represent you for purposes of making objections to the Settlement. If you do not Opt Out from the Settlement, you will be subject to any judgment that is entered in the Action, including the release of the Released Claims, as applicable, as described above.

OPTION A. Remain in the Class. If you wish to remain in the Class and be eligible to receive an Individual Settlement Share and a PAGA Payment share (if applicable) under the Settlement, you do not need to take any action. By remaining in the Class and receiving settlement monies, you consent to the release of the Released Claims and/or release of PAGA claims, as applicable, as described above.

Any amount paid to Participating Class Members and/or Eligible Aggrieved Employees will not count or be counted for determination of eligibility for, or calculation of, any employee benefits (for example, vacations, holiday pay, retirement plans, non-qualified deferred compensation plans, etc.), or otherwise modify any eligibility criteria under any collective bargaining agreement, employee pension benefit plan or employee welfare plan sponsored by Defendants and/or the Released Parties, unless otherwise required by law.

Objecting to the Settlement: If you believe the proposed Settlement is not fair, reasonable or adequate in any way, you may object to the Settlement. To object, you may appear in person at the Final Approval Hearing, have an attorney object for you, or submit a written brief or statement of objection (“Objection”) to the Settlement Administrator at the following address:

Jose Rosales and Gloria Romero v. IDT America, Corp. Civil Actions Settlement
Phoenix Settlement Administrators
P.O. Box 7208, Orange, CA 92867

If you submit a written objection, the Objection must state: (a) the objecting person’s full name, address, and telephone number and the name and address of counsel, if any; (b) the words “Notice of Objection” or “Formal Objection;” (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list identifying witness(es) the objector may call to testify at the Final Approval hearing; and (e) provide true and correct copies of any exhibit(s) the objector intends to offer at the Final Approval Hearing; (f) signed by the objecting Class Member or his or her attorney; and (g) state whether the objecting Class Member (or someone on his or her behalf) intends to appear at the Final Approval Hearing. This Objection must be postmarked on or before **[Response Deadline]** and returned to the Settlement Administrator at the address listed above. You can also hire an attorney at your own expense to represent you in your objection. **Even if you submit an objection, you will be bound by the terms of the Settlement, including the release of Released Claims and/or release of PAGA Claims, as applicable, as set forth above, unless the Settlement is not finally approved by the Court.**

OPTION B. If You Do Not Want To Be Part Of The Class And Be Bound By The Settlement and Released Rest Period Class Claims and/or Released Security Check Class Claims. If you do not want to be part of the Class and Settlement’s release of Released Claims, you must submit a written request to Opt Out from both (“Opt Out”) to the Settlement Administrator at the following address, postmarked on or before **[Response Deadline]**:

Jose Rosales and Gloria Romero v. IDT America, Corp. Civil Actions Settlement
Phoenix Settlement Administrators
P.O. Box 7208, Orange, CA 92867

In order to be valid, your Opt Out must (a) state the Class Member’s name, address, telephone number, and last four digits of the social security number; (b) state the Class Member’s intention to exclude themselves from or opt-

out of the Settlement; (c) be addressed to the Settlement Administrator; (d) be signed by the Class Member or his or her lawful representative; and (d) be postmarked by the **Response Deadline** and returned to the Settlement Administrator at the address specified above. An Opt Out Form is included and provided to you in this Notice Package. If you do not submit a timely and valid Opt Out, you will be deemed a Participating Class Member and you will be bound by the release of Released Claims, as described above and all other terms of the Settlement. **If you timely submit a valid, signed Opt Out, you will still be bound by the release of the release of PAGA Claims and you will receive your PAGA Payment share if you are an Eligible Aggrieved Employee, but you will not be entitled to any Individual Settlement Share as a result of the Action and Settlement and you will not be bound to the Settlement's release of Released Claims. You cannot object to the Settlement if you submit an Opt Out.**

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

The court has only preliminarily approved the Settlement. The Court will hold a fairness hearing to decide whether to finally approve the Settlement, as well as the amounts to be awarded as attorney's fees and costs to Class Counsel and as service awards to the Class Representatives. You may as the Court for permission to speak at the Final Approval Hearing, or submit a written objection in manner described in Section 7 above. Unless you have something to tell the Court, it is not necessary for you to appear at the Final Approval Hearing or submit anything. You cannot speak at the Final Approval Hearing, or object to the Settlement, if you exclude yourself from the Settlement.

Presently, the Final Approval Hearing is scheduled to be held in Department 7 of Los Angeles Superior Court, Spring Street Courthouse, located at 312 North Spring Street, CA 90012, on **[INSERT DATE]**. The date and location of the Final Approval Hearing may change. If you are interested in participating the Final Approval Hearing, you should confirm the date and location by contacting Class Counsel. You may also, appear remotely instead of in person, via CourtCall, which can be contacted at Tel: (888) 882-6878; Fax: (888) 883-2946 or through its website: www.courcall.com.

Any Class Member who does not object in the manner provided above shall be deemed to have approved the Settlement and to have waived any objections, and shall be forever foreclosed from objecting to the fairness or adequacy of the proposed Settlement, including the plan of distribution, the payment of attorneys' fees and costs, the Incentive Award to the Class Representative, the PAGA Payment, or any other aspect of the Settlement. If the Court grants Final Approval of the Settlement, the Order granting Final Approval and entering a Judgment will be posted on a website created by the Settlement Administrator for this case for a period of at least 90 days following the entry of that Order in the Court record. That website is: **<<website>>**.

9. How do I get more information about the Settlement?

You may call the Settlement Administrator at [REDACTED] or write to *Jose Rosales and Gloria Romero v. IDT America, Corp.* Civil Actions Settlement, c/o [REDACTED]; or contact Class Counsel at **XXX-XXX-XXXX**.

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You may receive a copy of the Settlement Agreement, the Final Judgment or other Settlement documents by contacting Class Counsel.

You must inform the Settlement Administrator of any change of address to ensure receipt of your Individual Settlement Share and PAGA Payment share if applicable.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.