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Attorneys for Plaintiff SERGIO ABUNDIS

SUPERIOR COURT FOR THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF LOS ANGELES

SERGIO ABUNDIS, on behalf of himself and
on behalf of all persons similarly situated,

Plaintiffs,

v.

IMAGE 2000, a California Corporation; and
DOES 1-50, Inclusive,

Defendants.

Case No. 21STCV19193

**SUPPLEMENTAL DECLARATION OF
SHANI O. ZAKAY, ESQ. IN SUPPORT OF
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Judge: Hon. Palazuelos

Dept.: 9

Hearing Date: August 17, 2022

Hearing Time: 10:00 a.m.

1 I, Shani O. Zakay, Esq., declare as follows:

2 1. I am over eighteen years of age and if called as a witness, I could and would competently
3 testify to the following facts from my own personal knowledge. I am an attorney-at-law and the owner
4 of the law firm of ZAKAY LAW GROUP, APLC (hereinafter "Class Counsel"). I am counsel of record
5 for Plaintiff SERGIO ABUNDIS, (hereafter "Plaintiff") in this wage and hour class action filed against
6 IMAGE 2000; (hereinafter "Defendant").

7 2. This declaration is being submitted in support of Plaintiff's motion for Preliminary
8 Approval of Class Action Settlement and in response to the Court's ruling continuing the hearing to
9 August 17, 2022.

10 i. **Deadline for the settlement administrator to re-mail notices.** The Settlement
11 Agreement has been amended to provide that the Settlement Administrator will complete the re-
12 mailing process as soon as possible, and in no event later than thirty (30) days after the date of the
13 initial mailing of the Notice Packet . (See Exhibit A at page 15).

14 ii. **Confirmation that the Agreement and Notice are Consistent.** The Notice has been
15 revised to ensure it is consistent with the Agreement. A redline version of the Notice is attached herein.
16 (See Exhibit B).

17 iii. **Proof of submission of the proposed settlement agreement to the LWDA.** A copy of
18 the 2nd Amended Agreement was submitted to the LWDA concurrently with the filing of this
19 Declaration with the Court. A proof of service regarding the submission is filed concurrently herewith.

20 I declare under the penalty of perjury under the laws of the State of California that the foregoing
21 is true and correct. Executed this 27th day of July 2022, at San Diego, California.

22
23 **ZAKAY LAW GROUP, APLC**

24 By: 
25 Shani O. Zakay
26 Attorneys for Plaintiff
27

EXHIBIT A

1 JEAN-CLAUDE LAPUYADE, ESQ. (SBN 248676)
2 **JCL LAW FIRM, APC**
3 5440 MOREHOUSE DRIVE, SUITE 3600
4 SAN DIEGO, CA 92121
5 TEL: 619-599-8292
6 FAX: 619-599-8291

7 **ZAKAY LAW GROUP, APLC**
8 SHANI O. ZAKAY (SBN 277924)
9 5440 MOREHOUSE DRIVE, SUITE 3600
10 SAN DIEGO, CA 92121
11 TEL: (619) 255-9047

12 ATTORNEYS FOR PLAINTIFF AND THE PUTATIVE CLASS

13 **SUPERIOR COURT OF CALIFORNIA**

14 **COUNTY OF LOS ANGELES**

15 SERGIO ABUNDIS, on behalf of himself
16 and on behalf of all persons similarly
17 situated,

18 PLAINTIFF,

19 vs.

20 IMAGE 2000, a California Corporation; and
21 DOES 1 through 50, Inclusive;

22 DEFENDANT.

Case No. 21STCV19193

[Action Filed 05/20/2021]

**SECOND AMENDED STIPULATION OF
SETTLEMENT OF CLASS ACTION
CLAIMS AND RELEASE OF CLAIMS**

Judge: Honorable Yvette M. Palazuelos
Dept.: 9

1 This Stipulation of Class Action Settlement and Release of Claims is entered into by and
2 between Plaintiff SERGIO ABUNDIS (hereinafter “Plaintiff”), individually and on behalf of the
3 Settlement Class, and in his representative capacity on behalf of the State of California and the
4 Aggrieved Employees, and Defendant IMAGE 2000, a California Corporation (hereinafter
5 “Defendant”):

6 **I. DEFINITIONS**

- 7 A. “Action” shall mean the putative class action lawsuit designated *Abundis v. Image*
8 *2000*, Los Angeles County Superior Court, Case No. 21STCV19193, filed May 20,
9 2021.
- 10 B. “Aggrieved Employees” shall mean all persons who worked for Defendant in
11 California as an hourly paid or non-exempt employee during the PAGA Period.
- 12 C. “Agreement” or “Settlement Agreement” means this Stipulation of Settlement of
13 Class Action and Release of Claims.
- 14 D. “Class Counsel” shall mean Jean-Claude Lapuyade, Esq. of JCL Law Firm, APC, and
15 Shani Zakay of Zakay Law Group, APLC.
- 16 E. “Class Counsel Award” means the award of fees and expenses that the Court
17 authorizes to be paid to Class Counsel for the services they have rendered to Plaintiff
18 and the Settlement Class in the Action, consisting of attorneys’ fees currently not to
19 exceed one-third (33.33%) of the Total Settlement Amount currently estimated to be
20 \$158,333.33 out of \$475,000.00 plus costs of up to \$20,000.00. Class Counsel’s
21 award for attorneys’ fees will be equally divided between Class Counsel (50% to
22 JCL Law Firm, APC and 50% to Zakay Law Group, APLC).
- 23 F. “Class Data” means information regarding Class Members that Defendant will in
24 good faith compile from its records and provide directly to the Settlement
25 Administrator. It shall be formatted as a Microsoft Excel spreadsheet and shall
26 include: each Class Member’s full name; last known address; Social Security
27 Number; start dates and end dates of employment.

- 1 G. "Class Members" or the "Class" means all persons who worked for Defendant in
2 California as an hourly paid or non-exempt employee during the Class Period.
- 3 H. "Class Period" means the period from May 20, 2017 to January 21, 2022.
- 4 I. "Class Representative Service Award" means the amount that the Court authorizes to
5 be paid to the Class Representative, in addition to his Individual Settlement Payment
6 and his pro-rata share of the PAGA Settlement, in recognition of his efforts and risks
7 in assisting with the prosecution of the Action and in exchange for executing a
8 General Release.
- 9 J. "Class Representative" shall mean plaintiff SERGIO ABUNDIS.
- 10 K. "Court" means the Superior Court for the State of California, County of Los Angeles
11 currently presiding over the Action.
- 12 L. "Defendant" shall mean IMAGE 2000, a California Corporation.
- 13 M. "Effective Date" means the earliest date, following entry by the Court of an order
14 and judgment finally approving this Settlement, upon which one of the following have
15 occurred: (i) if no objection is filed to the settlement and no objector appears at the
16 hearing on final approval, the date of the Court's entry of the order granting final
17 approval, (ii) if an objection is filed to the settlement, or an objector appears at the
18 hearing on final approval, then the later of the following: (a) the expiration of all
19 potential appeal periods without a filing of a notice of appeal of the final approval
20 order or judgment; (b) final affirmance of the final approval order and judgment by
21 an appellate court as a result of any appeal(s), or (c) final dismissal or denial of all
22 such appeals (including any petition for review, rehearing, certiorari, etc.) such that
23 the final approval order and judgment is no longer subject to further judicial review.
- 24 N. "Funding Date" shall mean thirty (30) calendar days after the Effective Date and is
25 the date Defendant transfers the Total Settlement Amount into the QSF in accord with
26 the terms of this Agreement.
- 27
28

- 1 O. "Individual Settlement Payment" means the amount payable from the Net Settlement
2 Amount to each Settlement Class Member and excludes any amounts distributed to
3 Aggrieved Employees pursuant to PAGA.
- 4 P. "Net Settlement Amount" or "NSA" means the Total Settlement Amount, less Class
5 Counsel Award, Class Representative Service Award, PAGA Settlement, and
6 Settlement Administration Costs.
- 7 Q. "Notice Packet" means the Class Notice to be provided to the Class Members by the
8 Settlement Administrator in the form set forth as Exhibit A to this Agreement (other
9 than formatting changes to facilitate printing by the Settlement Administrator).
- 10 R. "PAGA" means the California Labor Code Private Attorneys General Act of 2004,
11 Labor Code § 2698 *et seq.*
- 12 S. "PAGA Payment Ratio" means the respective pay periods during the PAGA Period
13 for each Aggrieved Employee divided by the sum total of the pay periods for all
14 Aggrieved Employees during the PAGA Period.
- 15 T. "PAGA Period" means the period of February 8, 2020 to January 21, 2022.
- 16 U. "PAGA Settlement" shall mean Twenty Thousand Dollars (\$20,000) to be allocated
17 from the Total Settlement Amount.
- 18 V. "Parties" means Plaintiff and Defendant, collectively, and "Party" shall mean either
19 Plaintiff or Defendant, individually.
- 20 W. "Payment Ratio" means the respective Workweeks for each Class Member divided by
21 the sum total Workweeks for all Class Members.
- 22 X. "Plaintiff" shall mean SERGIO ABUNDIS.
- 23 Y. "QSF" means the Qualified Settlement Fund established, designated and maintained
24 by the Settlement Administrator to fund the Total Settlement Amount.
- 25 Z. "Released Class Claims" means any and all claims asserted in the operative class
26 complaint and all claims that could have been asserted in the operative complaint
27 based on the same operative facts alleged in the operative complaint, including state
28 wage and hour claims for any and all violation of California's Labor code and Unfair

1 Competition law based on Defendant's failure to pay all wages due (including
2 minimum wages, straight time wages, and overtime wages), failure to provide
3 compliant meal periods, failure to authorize and permit compliant rest periods, failure
4 to provide accurate and itemized wage statements, failure to timely pay all wages due
5 at the time of termination, failure to reimburse employees for all business-related
6 expenses, violations of the Business and Professions Code section 17200 predicated
7 on the Labor Code violations alleged in the operative complaint, and all damages,
8 interest, penalties, attorneys' fees, costs, and other amounts recoverable under said
9 causes of action under California law, to the extent permissible, and expressly
10 excluding all other claims, including claims for vested benefits, wrongful termination,
11 unemployment insurance, disability, social security, workers' compensation, and
12 claims outside the Class Period.

13 AA. "Released PAGA Claims" means any and all claims for PAGA penalties alleged in
14 the operative complaint and Plaintiff's PAGA notice to the LWDA which occurred
15 during the PAGA Period, and expressly excluding all other claims, including claims
16 for vested benefits, wrongful termination, unemployment insurance, disability, social
17 security, workers' compensation, and claims outside the PAGA Period.

18 BB. "Released Parties" shall mean Defendant.

19 CC. "Response Deadline" means the date forty-five (45) days after the Settlement
20 Administrator mails Notice Packets to Class Members and the last date on which
21 Class Members may submit requests for exclusion or objections to the Settlement.

22 DD. "Settlement" means the disposition of the Action pursuant to this Agreement.

23 EE. "Settlement Administrator" means ILYM Group Inc., 14771 Plaza Drive, Ste. L,
24 Tustin, CA 92780; Tel: 1-888-250-6810; Fax: 1-888-845-6185. The Settlement
25 Administrator establishes, designates and maintains, as a QSF under Internal Revenue
26 Code section 468B and Treasury Regulation section 1.468B-1, into which the amount
27 of the Total Settlement Amount is deposited for the purpose of resolving the claims
28 of Settlement Class Members. The Settlement Administrator shall maintain the funds

1 until distribution in an account(s) segregated from the assets of Defendant and any
2 person related to Defendant. *All accrued interest generated in the QSF account shall*
3 *be paid and distributed to the Settlement Class Members as part of their respective*
4 *Individual Settlement Payment.* Defendant will not be required to pay an additional
5 funds associated with residue and the interest (as mentioned above) is the interest
6 earned in the account established by the Settlement Administrator.

7 FF. “Settlement Class Members” or “Settlement Class” means all Class Members who
8 have not submitted a timely and valid request for exclusion as provided in this
9 Agreement.

10 GG. “Total Settlement Amount” means Four Hundred Seventy-Five Thousand Dollars
11 (\$475,000.00) that Defendant must pay into the QSF in connection with this
12 Settlement, inclusive of the sum of the Individual Settlement Payments, the Class
13 Representative Service Awards, the Class Counsel Award, PAGA Settlement and the
14 Settlement Administration Costs and *exclusive* of the employer’s share of payroll tax,
15 if any, triggered by any payment under this Settlement.

16 HH. “Workweeks”, for purposes of calculating the distribution of the Net Settlement
17 Amount, means the number of weeks of employment during the Class Period that
18 each Class Member was employed by Defendant in California.

19 **II. RECITALS**

20 A. On February 8, 2021, Plaintiff Abundis filed a Notice of Violations with the Labor
21 and Workforce Development Agency (LWDA) and served the same on Defendant.

22 B. On May 20, 2021, Plaintiff Abundis filed the class action lawsuit for:

- 23 1. Unfair Competition in Violation of Bus. and Prof. Code sections 17200 *et seq*;
- 24 2. Failure to pay minimum wages in violation of California Labor Code sections
25 1194, 1197 & 1197.1;
- 26 3. Failure to pay overtime wages in violation of California Labor Code sections
27 510 *et seq*;

4. Failure to provide required meal periods in violation of California Labor Code sections 226.7 and 512 and the applicable IWC wage order;
5. Failure to provide required rest periods in violation of California Labor Code sections 226.7 and 512 and the applicable IWC wage order;
6. Failure to reimburse employees for required expenses in violation of Cal. Lab. Code section 2802;
7. Failure to provide accurate itemized wage statements in violation of California Labor Code sections 226 and 226.2;
8. Failure to provide wages when due in violation of Cal. Lab. Code sections 201, 202 and 203;
9. Unpaid sick pay and failure to provide paid sick leave balance in violation of Cal. Lab. Code sections 246, *et seq*;
10. Retaliation in violation of Cal. Lab. Code section 1102.5;
11. Wrongful termination in violation of public policy; and
12. Violation of the Private Attorneys General Act [Labor Code section 2698, *et seq.*].

C. The Class Representative believes he has meritorious claims based on alleged violations of the California Labor Code, and the Industrial Wage Commission Orders, and that class certification is appropriate because the prerequisites for class certification can be satisfied in the Action, and this action is manageable as a PAGA representative action.

D. Defendant denies any liability or wrongdoing of any kind associated with the claims alleged in the Action, disputes any wages, damages and penalties claimed by the Class Representative are owed, and further contend that, for any purpose other than settlement, the Action is not appropriate for class or representative action treatment. Defendant contends, among other things, that at all times they complied with the California Labor Code and the Industrial Wage Commission Orders.

1 E. The Class Representative is represented by Class Counsel. Class Counsel conducted
2 an investigation into the facts relevant to the Action, including conducting an
3 independent investigation as to the allegations, reviewing documents and information
4 exchanged through informal discovery, and reviewing documents and information
5 provided by Defendant pursuant to informal requests for information to prepare for
6 mediation. Defendant produced for the purpose of settlement negotiations certain
7 employment data concerning the Settlement Class, which Class Counsel reviewed
8 and analyzed. Based on their own independent investigation and evaluation, Class
9 Counsel are of the opinion that the Settlement with Defendant is fair, reasonable and
10 adequate, and is in the best interest of the Settlement Class in light of all known facts
11 and circumstances, including the risks of significant delay, defenses asserted by
12 Defendant, uncertainties regarding class certification, and numerous potential
13 appellate issues. Although it denies any liability, Defendant is agreeing to this
14 Settlement solely to avoid the inconveniences and cost of further litigation. The
15 Parties and their counsel have agreed to settle the claims on the terms set forth in this
16 Agreement.

17 F. On November 19, 2021, the Parties participated in mediation presided over by Hon.
18 Brian C. Walsh (Ret.), a respected jurist and mediator. The mediation concluded with
19 a settlement based on Judge Walsh's mediator proposal. The agreement was
20 memorialized in the form of a Memorandum of Understanding.

21 G. This Agreement replaces and supersedes the Memorandum of Understanding and any
22 other agreements, understandings, or representations between the Parties. This
23 Agreement represents a compromise and settlement of highly disputed claims.
24 Nothing in this Agreement is intended or will be construed as an admission by
25 Defendant that the claims in the Action of Plaintiff or the Class Members have merit
26 or that Defendant bears any liability to Plaintiff or the Class on those claims or any
27 other claims, or as an admission by Plaintiff that Defendant's defenses in the Action
28 have merit.

1 H. The Parties believe that the Settlement is fair, reasonable and adequate. The
2 Settlement was arrived at through arm's-length negotiations, taking into account all
3 relevant factors. The Parties recognize the uncertainty, risk, expense and delay
4 attendant to continuing the Action through trial and any appeal. Accordingly, the
5 Parties desire to fully, finally, and forever settle, compromise and discharge all
6 disputes and claims arising from or relating to the Action.

7 I. The Parties agree to certification of the Class for purposes of this Settlement only. If
8 for any reason the settlement does not become effective, Defendant reserves the right
9 to contest certification of any class for any reason and reserves all available defenses
10 to the claims in the Action.

11 Based on these Recitals that are a part of this Agreement, the Parties agree as follows:

12 **III. TERMS OF AGREEMENT**

13 A. Settlement Consideration and Settlement Payments by Defendant.

- 14 1. Settlement Consideration. In full and complete settlement of the Action, and
15 in exchange for the releases set forth below, Defendant and the Released
16 Parties will pay the sum of the Individual Settlement Payment, the Class
17 Representative Service Award, the Class Counsel Award, PAGA Settlement,
18 and the Settlement Administration Costs, as specified in this Agreement, equal
19 to the Total Settlement Amount of Four Hundred Seventy-Five Thousand
20 Dollars (\$475,000.00). The Parties agree that this is a non-reversionary
21 Settlement and that no portion of the Total Settlement Amount shall revert to
22 Defendant. Other than the Defendant's share of employer payroll taxes, or as
23 otherwise specified in the Agreement, Defendant shall not be required to pay
24 more than the Total Settlement Amount, except as provided for hereinbelow.
- 25 2. Class Size. At the time of mediation, Defendant estimated that the Settlement
26 Class was comprised of 184 individuals who collectively worked
27 approximately 19,500 workweeks ("Projected Workweeks") between May
28 20, 2017, through August 31, 2021. In regard hereto, Defendant will provide

1 details on the number of applicable Class Members and dates of employment
2 during the applicable Class Period such that the Settlement Administrator can
3 calculate and confirm the total number of workweeks. If the number of
4 workweeks estimated between May 20, 2017 and August 31, 2021, increases
5 by more than 10% of the estimate stated herein, the Settlement Amount will
6 increase proportionally for the number of workweeks over 110% of 19,500
7 (or over 21,450).

8 3. Settlement Payment. Defendant shall pay, via wire transfer, the Total
9 Settlement Amount to the Settlement Administrator on the Funding Date.

10 4. Defendant's Share of Payroll Taxes. Defendant's share of employer side
11 payroll taxes is in addition to the Total Settlement Amount and shall be paid
12 together with the Total Settlement Amount.

13 B. Release by Settlement Class Members. As of the Funding Date, in exchange for the
14 consideration set forth in this Agreement, Plaintiff and the Settlement Class Members
15 release the Released Parties from the Released Class Claims for the Class Period.

16 C. Release by the Aggrieved Employees. As of the Funding Date, in exchange for the
17 consideration set forth in this Agreement, the Plaintiff, the LWDA and the State of
18 California release the Released Parties from the PAGA Released Claims for the PAGA
19 Period. As a result of this release, the Aggrieved Employees shall be precluded from
20 bringing claims against Defendant for the PAGA Release Claims.

21 D. Conditions Precedent: This Settlement will become final and effective only upon the
22 occurrence of all of the following events:

- 23 1. The Court enters an order granting preliminary approval of the Settlement;
- 24 2. The Court enters an order granting final approval of the Settlement and a Final
25 Judgment;
- 26 3. If an objector appears at the final approval hearing, the time for appeal of the
27 Final Judgment and Order Granting Final Approval of Class Action
28 Settlement expires; or, if an appeal is timely filed, there is a final resolution of

any appeal from the Judgment and Order Granting Final Approval of Class Action Settlement; and

4. Defendant fully funds the Total Settlement Amount.

E. Nullification of Settlement Agreement. In the event that this Settlement Agreement is not preliminarily or finally approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court, or in any way prevents or prohibits Defendant from obtaining a complete resolution of the Released Claims, or if Defendant fails to fully fund the Total Settlement Amount:

1. This Settlement Agreement shall be void *ab initio* and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural;

2. The conditional class certification (obtained for any purpose) shall be void *ab initio* and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural; and

3. None of the Parties to this Settlement will be deemed to have waived any claims, objections, defenses or arguments in the Action, including with respect to the issue of class certification.

4. Defendant shall bear the sole responsibility for any cost to issue or reissue any curative notice to the Settlement Class Members and all Settlement Administration Costs incurred to the date of nullification.

F. Certification of the Settlement Class. The Parties stipulate to conditional class certification of the Class for the Class Period for purposes of settlement only. In the event that this Settlement is not approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court, or in any way prevents or prohibits Defendant from obtaining a complete resolution of the Released Claims, the conditional class certification (obtained for any purpose) shall be void *ab initio* and of

no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural.

G. Tax Liability. The Parties make no representations as to the tax treatment or legal effect of the payments called for, and Class Members and/or Aggrieved Employees are not relying on any statement or representation by the Parties in this regard. Class Members and/or Aggrieved Employees understand and agree that they will be responsible for the payment of any taxes and penalties assessed on the Individual Settlement Payments and/or Aggrieved Employees' individual shares of the PAGA Settlement described and will be solely responsible for any penalties or other obligations resulting from their personal tax reporting of Individual Settlement Payments and/or Aggrieved Employees' individual shares of the PAGA Settlement.

H. 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 advisers, 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 United States Treasury Department circular 230 (31 CFR 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 adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging party, and (3) no attorney or adviser 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.

I. Preliminary Approval Motion. At the earliest practicable time, Plaintiff shall file with the Court a Motion for Order Granting Preliminary Approval and supporting papers, which shall include this Settlement Agreement. Plaintiff will provide Defendant with a draft of the Motion at least 3 business days prior to the filing of the Motion to give Defendant an opportunity to propose changes or additions to the Motion.

J. Settlement Administrator. The Settlement Administrator shall be responsible for: establishing and administering the QSF; calculating, processing and mailing payments to the Class Representatives, Class Counsel, LWDA and Class Members; printing and mailing the Notice Packets to the Class Members as directed by the Court; receiving and reporting the objections and requests for exclusion; calculating, deducting and remitting all legally required taxes from Individual Settlement Payments and distributing tax forms for the Wage Portion and Non-Wage Portion of the Individual Settlement Payments and/or Aggrieved Employees' individual shares of the PAGA Settlement; processing and mailing tax payments to the appropriate state and federal taxing authorities; providing declaration(s) as necessary in support of preliminary and/or final approval of this Settlement; and other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities by among other things, sending a weekly status report to the Parties' counsel stating the date of the mailing, the of number of Elections Not to Participate in Settlement it receives (including the numbers of valid and deficient), and number of objections received.

K. Notice Procedure.

1. Class Data. No later than twenty-one (21) days after the Preliminary Approval Date, Defendant shall provide the Settlement Administrator, subject to a protective order governing confidential information entered by the Court, with

1 the Class Data for purposes of preparing and mailing Notice Packets to the
2 Class Members.

3 2. Notice Packets.

- 4 a) The Notice Packet shall contain the Notice of Class Action Settlement
5 in a form substantially similar to the form attached as Exhibit A. The
6 Notice of Class Action Settlement shall inform Class Members and
7 Aggrieved Employees that they need not do anything in order to
8 receive an Individual Settlement Payment and/or Aggrieved
9 Employees' individual shares of the PAGA Settlement and to keep the
10 Settlement Administrator apprised of their current mailing address, to
11 which the Individual Settlement Payments and/or Aggrieved
12 Employees' individual shares of the PAGA Settlement will be mailed
13 following the Funding Date. The Notice of Class Action Settlement
14 shall set forth the release to be given by all members of the Class who
15 do not request to be excluded from the Settlement Class and/or
16 Aggrieved Employees' in exchange for an Individual Settlement
17 Payment and/or Aggrieved Employees' individual shares of the PAGA
18 Settlement, the number of Workweeks worked by each Class Member
19 during the Class Period and PAGA Period, if any, and the estimated
20 amount of their Individual Settlement Payment if they do not request
21 to be excluded from the Settlement and each Aggrieved Employee's
22 share of the PAGA Settlement, if any. The Settlement Administrator
23 shall use the Class Data to determine Class Members' Workweeks and
24 PAGA Workweeks. The Notice will also advise the Aggrieved
25 Employees that they will release the Released PAGA Claims and will
26 receive their share of the PAGA Settlement regardless of whether they
27 request to be excluded from the Settlement.

1 b) The Notice Packet's mailing envelope shall include the following
2 language: "IMPORTANT LEGAL DOCUMENT- YOU MAY BE
3 ENTITLED TO PARTICIPATE IN A CLASS ACTION
4 SETTLEMENT; A PROMPT REPLY TO CORRECT YOUR
5 ADDRESS IS REQUIRED AS EXPLAINED IN THE ENCLOSED
6 NOTICE."

7 3. Notice by First Class U.S. Mail and Email. Upon receipt of the Class Data,
8 the Settlement Administrator will perform a search based on the National
9 Change of Address Database to update and correct any known or identifiable
10 address changes. No later than fourteen (14) calendar days after receiving the
11 Class Data from Defendant, the Settlement Administrator shall mail and email
12 copies of the Notice Packet to all Class Members via regular First-Class U.S.
13 Mail and electronic mail. The Settlement Administrator shall exercise its best
14 judgment to determine the current mailing address for each Class Member.
15 The address identified by the Settlement Administrator as the current mailing
16 address shall be presumed to be the best mailing address for each Class
17 Member.

18 4. Undeliverable Notices. Any Notice Packets returned to the Settlement
19 Administrator as non-delivered on or before the Response Deadline shall be
20 re-mailed to any forwarding address provided. If no forwarding address is
21 provided, the Settlement Administrator shall promptly attempt to determine a
22 correct address by lawful use of skip-tracing, or other search using the name,
23 address and/or Social Security number of the Class Member involved, and
24 shall then perform a re-mailing, if another mailing address is identified by the
25 Settlement Administrator. In addition, if any Notice Packets, which are
26 addressed to Class Members who are currently employed by Defendant, are
27 returned to the Settlement Administrator as non-delivered and no forwarding
28 address is provided, the Settlement Administrator shall notify Defendant.

1 Defendant will request that the currently employed Class Member provide a
2 corrected address, and transmit to the Administrator any corrected address
3 provided by the Class Member. The Settlement Administrator shall complete
4 the re-mailing process as soon as possible, and in no event later than thirty
5 (30) days after the date of the initial mailing of the Notice Packet. Class
6 Members who received a re-mailed Notice Packet shall have their Response
7 Deadline, including their deadline to opt-out, object, or dispute, extended
8 fifteen (15) days from the original Response Deadline.

9 5. Disputes Regarding Individual Settlement Payments. Class Members will
10 have the opportunity, should they disagree with Defendant's records regarding
11 the start and end dates of employment to provide documentation and/or an
12 explanation to show contrary dates. The Notice of Class Action Settlement
13 contained in the Notice Packet shall state that Class Members who wish to
14 dispute Defendant's records will have 45 days from the date of the mailing of
15 the Notice to do so, subject to an extension of time in the event of remailing.
16 If there is a dispute, the Settlement Administrator will consult with the Parties
17 to determine whether an adjustment is warranted. The Settlement
18 Administrator shall determine the eligibility for, and the amounts of, any
19 Individual Settlement Payments under the terms of this Agreement. The
20 Settlement Administrator's determination of the eligibility for and amount of
21 any Individual Settlement Payment shall be binding upon the Class Member
22 and the Parties, except as provided hereinbelow in Paragraph 6.

23 6. Disputes Regarding Administration of Settlement. Any disputes not resolved
24 by the Settlement Administrator concerning the administration of the
25 Settlement will be resolved by the Court under the laws of the State of
26 California. Before any such involvement of the Court, counsel for the Parties
27 will confer in good faith to resolve the disputes without the necessity of
28 involving the Court.

1 7. Exclusions. The Notice of Class Action Settlement contained in the Notice
2 Packet shall state that Class Members who wish to exclude themselves from
3 the Settlement must submit a written request for exclusion by the Response
4 Deadline. The written request for exclusion must state that the Class Member
5 wishes to exclude himself or herself from the Settlement and (1) must contain
6 the name, address, and the last four digits of the Social Security number of the
7 person requesting exclusion; (2) must be signed by the Class Member; (3)
8 must be postmarked or fax stamped by the Response Deadline and returned to
9 the Settlement Administrator at the specified address or fax telephone number;
10 and (4) contain a typewritten or handwritten notice stating in substance that
11 the Class Member wishes to opt out of the settlement of the class action
12 lawsuit. The request for exclusion will not be valid if it is not timely
13 submitted, if it is not signed by the Class Member, or if it does not contain the
14 name and address and last four digits of the Social Security number of the
15 Class Member. The date of the postmark on the mailing envelope or fax stamp
16 on the request for exclusion shall be the exclusive means used to determine
17 whether the request for exclusion was timely submitted. Any Class Member
18 who requests to be excluded from the Settlement Class will not be entitled to
19 an Individual Settlement Payment and will not be otherwise bound by the
20 terms of the Settlement or have any right to object, appeal or comment
21 thereon. However, any Class Member that submits a timely request for
22 exclusion that is also an Aggrieved Employee will still receive his/her pro rata
23 share of the PAGA Settlement, as specified below, and in consideration, will
24 be bound by the Release by the Aggrieved Employees as set forth herein.
25 Settlement Class Members who fail to submit a valid and timely written
26 request for exclusion on or before the Response Deadline shall be bound by
27 all terms of the Settlement and any final judgment entered in this Action if the
28 Settlement is approved by the Court. No later than fourteen (14) calendar days

1 after the Response Deadline, the Settlement Administrator shall provide
2 counsel for the Parties with a final list of the Class Members who have timely
3 submitted written requests for exclusion. At no time shall any of the Parties
4 or their counsel seek to solicit or otherwise encourage members of the Class
5 to submit requests for exclusion from the Settlement.

6 L. Objections. The Notice of Class Action Settlement contained in the Notice Packet
7 shall state that Class Members who wish to object to the Settlement may submit to the
8 Settlement Administrator a written statement of objection (“Notice of Objection”) by
9 the Response Deadline. The postmark date of mailing shall be deemed the exclusive
10 means for determining that a Notice of Objection was served timely. The Notice of
11 Objection, if in writing, must be signed by the Settlement Class Member and state: (1)
12 the case name and number; (2) the name of the Settlement Class Member; (3) the
13 address of the Settlement Class Member; (4) the last four digits of the Settlement Class
14 Member’s Social Security number; (5) the basis for the objection; and (6) if the
15 Settlement Class Member intends to appear at the Final Approval/Settlement Fairness
16 Hearing. Class Members who fail to make objections in writing in the manner
17 specified above may still make their objections orally at the Final Approval/Settlement
18 Fairness Hearing with the Court’s permission. Settlement Class Members will have a
19 right to appear at the Final Approval/Settlement Fairness Hearing to have their
20 objections heard by the Court regardless of whether they submitted a written objection.
21 At no time shall any of the Parties or their counsel seek to solicit or otherwise
22 encourage Class Members to file or serve written objections to the Settlement or appeal
23 from the Order and Final Judgment. Class Members who submit a written request for
24 exclusion may not object to the Settlement. Class Members may not object to the
25 PAGA Settlement.Funding and Allocation of the Total Settlement Amount. Defendant
26 is required to pay the Total Settlement Amount on or before the Funding Date, plus
27 any employer’s share of payroll taxes as mandated by law within the time specified
28 herein.

1. Calculation of Individual Settlement Payments. Individual Settlement Payments shall be paid from the Net Settlement Amount and shall be paid pursuant to the formula set forth herein. Using the Class Data, the Settlement Administrator shall add up the total number of Workweeks for all Class Members. The respective Workweeks for each Class Member will be divided by the total Workweeks for all Class Members, resulting in the Payment Ratio for each Class Member. Each Class Member's Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Class Member's estimated Individual Settlement Payments. Each Individual Settlement Payment will be reduced by any legally mandated employee tax withholdings (e.g., employee payroll taxes, etc.). Individual Settlement Payments for Class Members who submit valid and timely requests for exclusion will be redistributed to Settlement Class Members who do not submit valid and timely requests for exclusion on a pro rata basis based on their respective Payment Ratios.
2. Calculation of Individual Payments to the Aggrieved Employees. Using the Class Data, the Settlement Administrator shall add up the total number of pay periods for all Aggrieved Employees during the PAGA Period. The respective pay periods for each Aggrieved Employee will be divided by the total pay periods for all Aggrieved Employees, resulting in the "PAGA Payment Ratio" for each Aggrieved Employee. Each Aggrieved Employee's PAGA Payment Ratio will then be multiplied by the Aggrieved Employee Payment to calculate each Aggrieved Employee's estimated share of the PAGA Settlement.
3. Allocation of Individual Settlement Payments. For tax purposes, Individual Settlement Payments shall be allocated as follows: 33% wages ("Wage Portion"); 67% as penalties and interest ("Non-Wage Portion").

- 1 4. Allocation of Aggrieved Employee Payments. For tax purposes, Aggrieved
2 Employee Settlement Payments shall be allocated and treated as 100%
3 penalties and shall be reported on IRS Form 1099.
- 4 5. No Credit Toward Benefit Plans. The Individual Settlement Payments and
5 individual shares of the PAGA Settlement made to Settlement Class Members
6 and/or Aggrieved Employees under this Settlement Agreement, as well as any
7 other payments made pursuant to this Settlement Agreement, will not be
8 utilized to calculate any additional benefits under any benefit plans to which
9 any Class Members may be eligible, including, but not limited to profit-
10 sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans,
11 sick leave plans, PTO plans, and any other benefit plan. Rather, it is the
12 Parties' intention that this Settlement Agreement will not affect any rights,
13 contributions, or amounts to which any Class Members may be entitled under
14 any benefit plans.
- 15 6. All monies received by Settlement Class Members under the Settlement which
16 are attributable to wages shall constitute income to such Settlement Class
17 Members solely in the year in which such monies actually are received by the
18 Settlement Class Members. It is the intent of the Parties that Individual
19 Settlement Payments and individual shares of the PAGA Settlement provided
20 for in this Settlement agreement are the sole payments to be made by Defendant
21 to Settlement Class Members and/or Aggrieved Employees in connection with
22 this Settlement Agreement, with the exception of Plaintiff, and that the
23 Settlement Class Members and/or Aggrieved Employees are not entitled to any
24 new or additional compensation or benefits as a result of having received the
25 Individual Settlement Payments and/or their shares of the PAGA Settlement.
- 26 7. Mailing. Individual Settlement Payments and Aggrieved Employee Payments
27 shall be mailed by regular First-Class U.S. Mail to Settlement Class Members'
- 28

and/or Aggrieved Employees last known mailing address no later than fifteen (15) calendar days after the Funding Date.

8. Expiration. Any checks issued to Settlement Class Members and Aggrieved Employees shall remain valid and negotiable for one hundred and eighty (180) days from the date of their issuance. If a Settlement Class Member and/or Aggrieved Employee does not cash his or her settlement check within 90 days, the Settlement Administrator will send a letter to such persons, advising that the check will expire after the 180th day, and invite that Settlement Class Member and/or Aggrieved Employee to request reissuance in the event the check was destroyed, lost or misplaced. In the event an Individual Settlement Payment and/or Aggrieved Employee's individual share of the PAGA Settlement check has not been cashed within one hundred and eighty (180) days, the Settlement Administrator shall escheat those checks to the State Controller's Office, Unclaimed Property Division in the name of the absent employee.

9. Class Representative Service Award. In addition to the Individual Settlement Payment and his individual share of the PAGA Settlement to be paid to Plaintiff, Plaintiff will apply to the Court for an award of not more than \$5,000.00, as the Class Representative Service Award. Defendant does not presently intend to oppose a Class Representative Service Award of not more than \$5,000.00 for Plaintiff. The Settlement Administrator shall pay the Class Representative Service Award, either in the amount stated herein if approved by the Court or some other amount as approved by the Court, to Plaintiff from the Total Settlement Amount no later than fifteen (15) calendar days after the Funding Date. Any portion of the requested Class Representative Service Awards that are not awarded to the Class Representatives shall be part of the Net Settlement Amount and shall be distributed to Settlement Class Members as provided in this Agreement. The Settlement Administrator shall issue an

1 IRS Form 1099 — MISC to Plaintiff for his Class Representative Service
2 Award. Plaintiff shall be solely and legally responsible to pay any and all
3 applicable taxes on his Class Representative Service Award and shall hold
4 harmless the Released Parties from any claim or liability for taxes, penalties,
5 or interest arising as a result of the Class Representative Service Awards. The
6 Class Representative Service Award shall be in addition to Plaintiff's
7 Individual Settlement Payment as a Settlement Class Member. Approval of
8 this Settlement shall not be conditioned on Court approval of the requested
9 amount of the Class Representative Service Award. If the Court reduces or
10 does not approve the requested Class Representative Service Award, Plaintiff
11 shall not have the right to revoke the Settlement, and it will remain binding.

12 10. Class Counsel Award. Defendant understands a motion by Class Counsel for
13 attorneys' fees not to exceed one-third (33.33%) of the Total Settlement
14 Amount currently estimated to be \$158,333.33 plus costs and expenses
15 supported by declaration not to exceed Twenty Thousand Dollars
16 (\$20,000.00), from the Total Settlement Amount will be filed. Any portion of
17 the requested Class Counsel Award that is not awarded to Class Counsel shall
18 be part of the Net Settlement Amount and shall be distributed to Settlement
19 Class Members as provided in this Agreement. The Settlement Administrator
20 shall allocate and pay the Class Counsel Award to Class Counsel from the
21 Total Settlement Amount no later than fifteen (15) calendar days after the
22 Funding Date. Class Counsel shall be solely and legally responsible to pay all
23 applicable taxes on the payment made pursuant to this paragraph. The
24 Settlement Administrator shall issue an IRS Form 1099 — MISC to Class
25 Counsel for the payments made pursuant to this paragraph. In the event that
26 the Court reduces or does not approve the requested Class Counsel Award,
27 Plaintiff and Class Counsel shall not have the right to revoke the Settlement,
28 or to appeal such order, and the Settlement will remain binding.

11. PAGA Settlement. Twenty Thousand Dollars (\$20,000.00) shall be allocated from the Total Settlement Amount for settlement of claims for civil penalties under the Private Attorneys General Act of 2004 (“PAGA Settlement”). The Settlement Administrator shall pay seventy-five percent (75%) of the PAGA Settlement (\$15,000.00) to the California Labor and Workforce Development Agency no later than fifteen (15) calendar days after the Funding Date (hereinafter “LWDA Payment”). Twenty-five percent (25%) of the PAGA Settlement (\$5,000.00) will be distributed to the Aggrieved Employees as described in this Agreement (hereinafter “Aggrieved Employee Payment”). For purposes of distributing the PAGA Settlement to the Aggrieved Employees, each Aggrieved Employee shall receive their pro-rata share of the Aggrieved Employee Payment using the PAGA Payment Ratio as defined above.

12. Settlement Administration Costs. The Settlement Administrator shall be paid for the costs of administration of the Settlement from the Total Settlement Amount. The estimate of the Settlement Administration Costs is \$20,000. The Settlement Administrator shall be paid the Settlement Administration Costs no later than fifteen (15) calendar days after the Funding Date.

M. Final Approval Motion. Class Counsel and Plaintiff shall use best efforts to file with the Court a Motion for Order Granting Final Approval and Entering Judgment, within twenty-eight (28) days following the expiration of the Response Deadline, which motion shall request final approval of the Settlement and a determination of the amounts payable for the Class Representative Service Award, the Class Counsel Award, the PAGA Settlement, and the Settlement Administration Costs.

1. Declaration by Settlement Administrator. No later than seven (7) days after the Response Deadline, the Settlement Administrator shall submit a declaration in support of Plaintiff’s motion for final approval of this Settlement detailing the number of Notice Packets mailed and re-mailed to

1 Class Members, the number of undeliverable Notice Packets, the number of
2 timely requests for exclusion, the number of objections received, the amount
3 of the average Individual Settlement Payment and highest Individual
4 Settlement Payment, the Settlement Administration Costs, and any other
5 information as the Parties mutually agree or the Court orders the Settlement
6 Administrator to provide.

7 2. Final Approval Order and Judgment. Class Counsel shall present an Order
8 Granting Final Approval of Class Action Settlement to the Court for its
9 approval, and Judgment thereon, at the time Class Counsel files the Motion
10 for Final Approval. Following the Court's entry of an Order Granting Final
11 Approval of Class Action Settlement, and Judgment thereon, Plaintiff shall
12 provide notice to the California Labor & Workforce Development Agency in
13 accordance with Cal. Lab. Code section 2699(1)(3).

14 N. Defendant's Option to Revoke Settlement. Defendant has the unilateral right to revoke
15 the Settlement and Defendant shall have, in its sole discretion, the option to terminate
16 this Settlement if, after the Response Deadline, the number of Settlement Class
17 Members who submitted timely and valid written requests for exclusion from the
18 Settlement is at least ten percent (10%) of all Settlement Class Members. If Defendant
19 exercises the option to terminate this Settlement, Defendant shall: (a) provide written
20 notice to Class Counsel within five (5) calendar days after (i) providing the Class Data
21 to the Settlement Administrator or (ii) the Settlement Administrator provides
22 information regarding opt outs (which is to occur no later than fourteen (14) calendar
23 days after the Response Deadline, and (b) pay all Settlement Administration Costs
24 incurred up to the date or as a result of the termination; and the Parties shall proceed
25 in all respects as if this Agreement had not been executed

26 O. Review of Motions for Preliminary and Final Approval. Class Counsel will provide
27 an opportunity for Counsel for Defendant to review the Motions for Preliminary and
28 Final Approval, including the Order Granting Final Approval of Class Action

1 Settlement, and Judgment before filing with the Court. The Parties and their counsel
2 will cooperate with each other and use their best efforts to affect the Court's approval
3 of the Motions for Preliminary and Final Approval of the Settlement, and entry of
4 Judgment.

5 P. Cooperation. The Parties and their counsel will cooperate with each other and use
6 their best efforts to implement the Settlement.

7 Q. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action,
8 except such proceedings necessary to implement and complete the Settlement, pending
9 the Final Approval/Settlement Fairness Hearing to be conducted by the Court

10 R. Amendment or Modification. This Agreement may be amended or modified only by
11 a written instrument signed by counsel for all Parties or their successors-in-interest.

12 S. Entire Agreement. This Agreement and any attached Exhibit constitute the entire
13 Agreement among these Parties, and no oral or written representations, warranties or
14 inducements have been made to any Party concerning this Agreement or its Exhibit
15 other than the representations, warranties and covenants contained and memorialized
16 in this Agreement and its Exhibit, and except as provided in the separate independent
17 individual settlement agreement between Plaintiff and Defendant.

18 T. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
19 represent they are expressly authorized by the Parties whom they represent to negotiate
20 this Agreement and to take all appropriate Action required or permitted to be taken by
21 such Parties pursuant to this Agreement to effectuate its terms, and to execute any
22 other documents required to effectuate the terms of this Agreement. The persons
23 signing this Agreement on behalf of Defendant represents and warrants that he/she is
24 authorized to sign this Agreement on behalf of Defendant. Plaintiff represents and
25 warrants that he is authorized to sign this Agreement and that he has not assigned any
26 claim, or part of a claim, covered by this Settlement to a third-party.

27 U. No Public Comment: The Parties and their counsel agree that they will not issue any
28 press releases, initiate any contact with the press, respond to any press inquiry, or have

1 any communication with the press about the fact, amount or terms of the Settlement
2 Agreement. Class Counsel further agrees not to use the Settlement Agreement or any
3 of its terms for any marketing or promotional purposes. Nothing herein will restrict
4 Class Counsel from including publicly available information regarding this settlement
5 in future judicial submissions regarding Class Counsel's qualifications and experience.
6 Further, Class Counsel will not include, reference or use the Settlement Agreement for
7 any marketing or promotional purposes, either before or after the Motion for
8 Preliminary Approval is filed.

9 V. Binding on Successors and Assigns. This Agreement shall be binding upon, and inure
10 to the benefit of, the successors or assigns of the Parties, as previously defined.

11 W. California Law Governs. All terms of this Agreement and the Exhibit and any disputes
12 shall be governed by and interpreted according to the laws of the State of California.

13 X. Counterparts. This Agreement may be executed in one or more counterparts. All
14 executed counterparts and each of them shall be deemed to be one and the same
15 instrument provided that counsel for the Parties to this Agreement shall exchange
16 among themselves copies or originals of the signed counterparts.

17 Y. This Settlement Is Fair, Adequate and Reasonable. The Parties believe this Settlement
18 is a fair, adequate and reasonable settlement of this Action and have arrived at this
19 Settlement after extensive arms-length negotiations, taking into account all relevant
20 factors, present and potential.

21 Z. Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction with
22 respect to the interpretation, implementation and enforcement of the terms of this
23 Agreement and all orders and judgments entered in connection therewith, and the
24 Parties and their counsel submit to the jurisdiction of the Court for purposes of
25 interpreting, implementing and enforcing the settlement and all orders and judgments
26 entered in connection with this Agreement.

27 AA. Invalidity of Any Provision. Before declaring any provision of this Agreement invalid,
28 the Court shall 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.

BB. No Unalleged Claims. Plaintiff and Class Counsel represent that they do not currently intend to pursue any claims against the Released Parties, including, but not limited to, any and all claims relating to or arising from Plaintiff's employment with Defendant, regardless of whether Class Counsel is currently aware of any facts or legal theories upon which any claims or causes of action could be brought against Released Parties, including those facts or legal theories alleged in the operative complaint in this Action. The Parties further acknowledge, understand and agree that this representation is essential to the Agreement and that this Agreement would not have been entered into were it not for this representation.

CC. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class certification for purposes of this settlement only.

DD. No Admissions by the Parties. Plaintiff has claimed and continues to claim that the Released Claims have merit and give rise to liability on the part of Defendant. Defendant claims that the Released Claims have no merit and do not give rise to liability. This Agreement is a compromise of disputed claims. Nothing contained in this Agreement and no documents referred to and no action taken to carry out this Agreement may be construed or used as an admission by or against the Defendant or Plaintiff or Class Counsel as to the merits or lack thereof of the claims asserted. Other than as may be specifically set forth herein, each Party shall be responsible for and shall bear its/his own attorney's fees and costs.

EE. Plaintiff's Individual Settlement. Plaintiff is entering into an individual settlement agreement, which shall provide for an Individual Settlement Payment, and which shall provide for a broad release, including a waiver of Civil Code Section 1542. This release, waiver and discharge of all claims shall include, but will not be limited to, any and all claims arising out of the Action, as well as additional claims described in the Individual Settlement Agreement and claims alleged in DFEH Complaint No. 202105-

1 13577117 dated May 17, 2021. The Individual Settlement Agreement shall be
2 confidential, but may be submitted to the Court for in-camera review for purposes of
3 approval of this Settlement.

4 IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:

5
6 DATED: Jul 27, 2022


Sergio Abundis (Jul 27, 2022 13:38 PDT)
SERGIO ABUNDIS

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9
10 IT IS SO AGREED, FORM AND CONTENT, BY DEFENDANT:

11
12 DATED: _____

IMAGE 2000, a California Corporation

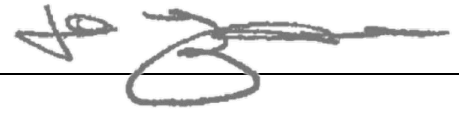
13
14 _____
Printed Name

15
16 _____
Title

17
18 IT IS SO AGREED AS TO FORM BY COUNSEL:

19
20 DATED: July 27, 2022

JCL LAW FIRM, A.P.C.

21 By: 

22 Attorneys for Plaintiff and the Settlement Class
23 Members

24
25 DATED: July 27, 2022

ZAKAY LAW GROUP, APLC

26 By: 

27 Attorneys for Plaintiff and the Settlement Class
28 Members

1 13577117 dated May 17, 2021. The Individual Settlement Agreement shall be
2 confidential, but may be submitted to the Court for in-camera review for purposes of
3 approval of this Settlement.

4 IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:

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6 DATED: _____

7 SERGIO ABUNDIS

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10 IT IS SO AGREED, FORM AND CONTENT, BY DEFENDANT:

11
12 DATED: 7/27/22

13 
14 IMAGE 2000, a California Corporation

15 Richard Campbell
16 Printed Name

17 President
18 Title

19 IT IS SO AGREED AS TO FORM BY COUNSEL:

20 DATED: _____

JCL LAW FIRM, A.P.C.

21 By: _____

22 Attorneys for Plaintiff and the Settlement Class
23 Members

24
25 DATED: _____

ZAKAY LAW GROUP, APLC

26 By: _____

27 Attorneys for Plaintiff and the Settlement Class
28 Members

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DATED: July 27, 2022

BRANDON R. MCKELVEY
MEDINA MCKELVEY, LLP

By:  _____

Attorneys for Defendant

EXHIBIT A

**NOTICE OF PENDENCY OF CLASS ACTION SETTLEMENT
AND FINAL HEARING DATE**

(Abundis, et al., v. Image 2000, County of Los Angeles Superior Court Case No. 21STCV19193)

**YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT ACT. PLEASE
READ THIS NOTICE CAREFULLY.**

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	To receive a cash payment from the Settlement, you do not have to do anything. Your estimated Settlement Share is: \$<<[REDACTED]>>. See the explanation below. After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, please notify the Settlement Administrator as explained below. In exchange for the settlement payment, you will release claims against the Defendant as detailed below.
Exclude Yourself	If you wish to exclude yourself from the Settlement, you must send a written request for exclusion to the Settlement Administrator as provided below. If you request exclusion, you will receive no money from the Settlement, except that if you are also an Aggrieved Employee, you will still receive your pro rata share of the PAGA Settlement. Instructions are set forth below.
Object	You may write to the Court about why you believe the settlement should not be approved. You may also appear at the final approval hearing to object. Directions are provided below.

1. Why did I get this Notice?

A proposed class action settlement (the “Settlement”) of this lawsuit pending in the Superior Court for the State of California, County of Los Angeles (the “Court”) has been reached between Plaintiff Sergio Abundis (“Plaintiff”) and Defendant Image 2000, a California Corporation, (hereinafter “Defendant”). The Court has granted preliminary approval of the Settlement. **You may be entitled to receive money from this Settlement.**

You have received this Class Notice because you have been identified as a member of the Class, which is defined as:

All persons who worked for Defendant in California as an hourly paid or non-exempt employee during the Class Period.

The “Class Period” is the period of time running from May 20, 2017 to January 21, 2022.

This Class Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

On May 20, 2021, Plaintiff filed a Complaint against Defendant in the Superior Court of the State of California, County of Los Angeles. Plaintiff asserted claims that Defendant: (a) Violated California Business and Professions Code § 17200 *et seq.*; (b) Failed to pay minimum wages in violation of California Labor Code §§ 1194, 1197, and 1197.1; (c) Failed to pay overtime wages in violation of California Labor Code §§ 510, *et seq.*; (d) Failed to provide required meal periods in violation of California Labor Code §§ 226.7 & 512, and the applicable IWC Wage Order; (e) Failed to provide required rest periods in violation of California Labor Code §§ 226.7 & 512, and the applicable IWC Wage Order; (f) Failed to reimburse employees for required expenses in violation of Cal. Lab. Code section 2802; (g) Failed to provide accurate and complete itemized wage statements in violation of California Labor Code § 226; (h) Failed to provide wages when due in violation of California Labor Code §§ 201, 202, and 203; (i) failed to pay sick leave and failed to provide paid sick leave balance in violation of Cal. Lab. Code sections 245, *et seq.*; (j) retaliation in violation of Cal. Lab. Code section 1102.5; (k) wrongful termination in violation of public policy; and (l) Violations of the Private Attorney General Act (Cal. Lab. Code §§2698 *et seq.*

Defendant denies and disputes all claims asserted in the Action. Specifically, Defendant contended (and continues to contend) that the Action could not properly be maintained as a class action; that Defendant properly paid members of the class all wages and overtime that was due; that Defendant provided members of the class with all legally required meal breaks and rest breaks; that Defendants paid any members of the class all wages due them at the time of their terminations; that Defendant provided accurate, itemized wage statements to members of the class; that Defendant did not violate California Business and Professions Code section 17200 *et seq.*; and that Defendant is not liable for any of the penalties claimed or that could be claimed in the Action.

On November 19, 2021, the Parties participated in an all-day mediation with Hon. Brian C. Walsh (Ret.) a respected jurist and an experienced mediator of wage and hour class actions. The mediation concluded with a settlement, after both sides agreed to a Mediator's proposal. The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved the Plaintiff to serve as the Class Representative, and the law firms of JCL Law Firm, APC and Zakay Law Group, APC to serve as Class Counsel.

3. What are the terms of the Settlement?

Total Settlement Amount. Defendant has agreed to pay an “all in” amount of Four Hundred Seventy-Five Thousand Dollars (\$475,000) (the “Total Settlement Amount”) to fund the settlement. The Total Settlement Amount includes the payment of all Settlement Shares to Participating Class Members, Class Counsel's attorneys' fees and costs, Settlement Administration Expenses, the LWDA Payment, PAGA Shares, and the Class Representative Service Payments to the Plaintiff.

After the Judgment becomes Final, Defendant will pay the Gross Settlement Amount by depositing the money with the Settlement Administrator. “Final” means the date the Judgment is no longer subject to appeal, or if an appeal is filed, the date the appeal process is completed and the Judgment is affirmed.

Amounts to be Paid From the Gross Settlement Amount. The Settlement provides for certain payments to be made from the Gross Settlement Amount, which will be subject to final Court approval, and which will be deducted from the Gross Settlement Amount before settlement payments are made to Class Members, as follows:

- Settlement Administration Expenses. Payment to the Settlement Administrator, estimated not to exceed \$20,000.00 for expenses, including expenses of sending this Notice, processing opt outs, and distributing settlement payments.
- Attorneys' Fees and Costs. Payment to Class Counsel of an award of a Class Counsel Fees Payment of no more than 1/3 of the Gross Settlement Amount (currently \$158,333.33) and a Class Counsel Litigation Expenses Payment of not more than \$20,000.00 for all expenses incurred as documented in Class Counsel's billing records, both subject to Court approval. Class Counsel have been prosecuting the Actions on behalf of Plaintiff and the Class on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. Class Counsel's Fees Payment will be divided equally between Class Counsel (50% to Zakay Law Group, APC and 50% to The JCL Law Firm, APC).
- Class Representative Service Payment. Class Representative Service Payment of up to five Thousand Dollars (\$5,000.00) to Plaintiff, or such lesser amount as may be approved by the Court, to compensate him for services on behalf of the Class in initiating and prosecuting the Action, and for the risks he undertook.
- PAGA Payment. A payment of \$20,000 relating to Plaintiff's claim under the Private Attorneys General Act ("PAGA"), \$15,000.00 of which will be paid to the State of California's Labor and Workforce Development Agency ("LWDA") and the remaining \$5,000.00 will be distributed to PAGA Employees as part of the Net PAGA Amount.
- Calculation of Payments to Participating Class Members. After all the above payments of the court-approved Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Class Representative Service Payments, the LWDA Payment, and the Settlement Administration Expenses are deducted from the Gross Settlement Amount, the remaining portion, called the "Net Settlement Amount," shall be distributed to class members who do **not** request exclusion ("Participating Class Members"). The Settlement Share for each Participating Class Member will be calculated by dividing the Net Settlement Amount by the total number of workweeks for all Participating Class Members that occurred during the Class Period and multiplying the result by each individual Participating Class Member's workweeks that occurred during the Class Period. A "workweek" is defined as a normal seven-day week of work during the Class Period in which, according to Defendant's records, a member of the class worked at least one-day during any such workweek.
- Calculation of PAGA Penalties Payments to PAGA Employees. The Net PAGA Amount shall be distributed to PAGA Employees irrespective of whether they exclude themselves or opt-out. The Net PAGA Amount will be divided by the total number of pay periods worked by all PAGA Employees during the PAGA Period, and then taking that number and multiplying it by the number of pay periods worked by each respective PAGA Employee during the PAGA Period. "PAGA Employees" means all persons who worked for Defendant in California as an hourly paid or non-exempt employee during the PAGA Period. The PAGA Period means the period of February 8, 2020 to January 21, 2022.

If the Settlement is approved by the Court, you will automatically be mailed a check for your Settlement Share to the same address as this Class Notice. You do not have to do anything to receive a payment. If your address has changed, you must contact the Settlement Administrator to inform them of your correct address to insure you receive your payment.

Tax Matters. 33% of each Settlement Share is allocated to wages. Taxes are withheld from this amount, and each Participating Class Member will be issued an Internal Revenue Service Form W-2 for such payment. 67% of each Settlement Share is allocated to interest, penalties and other non-wage payments, and no taxes will be withheld, and each Participating Class Member will be issued an Internal Revenue Service Form 1099 for such

payment. In addition, no taxes will be withheld from the PAGA Penalties paid to PAGA Employees, and each PAGA Employee will be issued an Internal Revenue Service Form 1099 for such payment. Neither Class Counsel nor Defendant's counsel intend anything contained in this Settlement to constitute advice regarding taxes or taxability. You 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 judgment.

4. What Do I Release Under the Settlement?

Released Claims. Upon entry of final judgment and funding in full of the Gross Settlement Amount by Defendant, Plaintiff and the Participating Class Members shall release all Released Class Claims that occurred during the Class Period as to the Released Parties. Released Class Claims means any and all claims asserted in the operative class complaint and all claims that could have been asserted in the operative complaint based on the same operative facts alleged in the operative complaint, including state wage and hour claims for any and all violation of California's Labor code and Unfair Competition law based on Defendant's failure to pay all wages due (including minimum wages, straight time wages, and overtime wages), failure to provide complaint meal periods, failure to authorize and permit complaint rest periods, failure to provide accurate and itemized wage statements, failure to timely pay all wages due at the time of termination, failure to reimburse employees for all business-related expenses, violations of the Business and Professions Code section 17200 predicated on the Labor Code violations alleged in the operative complaint, and all damages, interest, penalties, attorneys' fees, costs, and other amounts recoverable under said causes of action under California law, to the extent permissible, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and claims outside the Class Period. The Released PAGA Claims shall be released as follows. As of the Settlement Effective Date and upon funding in full of the Gross Settlement Amount by Defendant, all Aggrieved Employees shall release all Released PAGA Claims, irrespective of whether they opted-out of the class settlement, and will be bound by this PAGA Release (the "PAGA Release"). "Released PAGA Claims" means any and all claims for PAGA claims alleged in the operative complaint and Plaintiff's PAGA notice to the LWDA which occurred during the PAGA Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and claims outside the PAGA Period.

This means that, if you do not timely and formally exclude yourself from the settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant about the legal issues resolved by this Settlement. It also means that all of the Court's orders in this Action will apply to you and legally bind you.

5. How much will my payment be?

Defendant's records reflect that you have << _____ >> Workweeks worked during the Class Period (May 20, 2017 to January 21, 2022).

Based on this information, your estimated Settlement Share is << _____ >>.

Defendant's records reflect that you have << _____ >> pay periods worked during the PAGA Period (February 8, 2020 to January 21, 2022).

Based on this information, your estimated PAGA Settlement Share is << _____ >>.

If you wish to challenge/dispute the information set forth above, then you must submit a written, signed dispute challenging the information along with supporting documents, to the Settlement Administrator at the address

provided in this Notice no later than _____ [forty-five (45) days after the Notice or fifteen (15) days after the re-mailed Notice].

6. How can I get a payment?

To get money from the settlement, you do not have to do anything. A check for your settlement payment will be mailed automatically to the same address as this Notice. If your address is incorrect or has changed, you must notify the Settlement Administrator. The Settlement Administrator is: _____. (800) _____.

The Court will hold a hearing on _____ to decide whether to finally approve the Settlement. If the Court approves the Settlement and there are no objections or appeals, payments will be mailed within a few months after this hearing. If there are objections or appeals, resolving them can take time, perhaps more than a year. Please be patient. After entry of the Judgment, the Settlement Administrator will provide notice of the final judgment to the Class Members by posting a copy of the Judgment on the administrator's website at www._____.com

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or "opt out." **If you opt out, you will receive NO money from the Settlement, and you will not be bound by its terms, except as provided as follows.** Irrespective of whether you exclude yourself from the Settlement or "opt out," you will be bound by the PAGA Release, you will be deemed to have released the Released PAGA Claims, and you will receive a share of the Net PAGA Amount.

To opt out, you must submit to the Settlement Administrator, by First Class Mail, a written, signed and dated request for exclusion postmarked no later than _____. The address for the Settlement Administrator is _____. The request for exclusion should indicate clearly that you wish to opt out of the class action and settlement of the case. The request for exclusion must contain your name, address, signature and the last four digits of your Social Security Number for verification purposes. The request for exclusion must be signed by you. No other person may opt out for a member of the Class.

Written requests for exclusion that are postmarked after _____, or are incomplete or unsigned will be rejected, and those Class Members will remain bound by the Settlement and the release described above.

8. How do I tell the Court that I would like to challenge the Settlement?

Any Class Member who has not opted out and believes that the Settlement should not be finally approved by the Court for any reason, may object to the proposed Settlement. Objections may be in writing and state the Class Member's name, current address, telephone number, and describe why you believe the Settlement is unfair and whether you intend to appear at the final approval hearing. All written objections or other correspondence must also state the name and number of the case, which *Abundis, et al., v. Image 2000, Case No. 21STCV19193*. You may also object without submitting a written objection by appearing at the final approval hearing scheduled as described in Section 9 below.

To object to the Settlement, you cannot opt out. If the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object. Any Class Member who does not object in the manner provided in this Class Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

Written objections must be delivered or mailed to the Settlement Administrator no later than _____. The address for the Settlement Administrator is _____.

The addresses for the Parties' counsel are as follows:

Class Counsel:

Jean-Claude Lapuyade, Esq.
JCL Law Firm, APC
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Tel.: (619) 599-8292
Fax: (619) 599-2891
E-Mail: jlapyade@jcl-lawfirm.com

Class Counsel:

Shani O. Zakay, Esq.
Zakay Law Group, APLC
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Tel: (619) 255-9047
Email: shani@zakaylaw.com
Website: www.zakaylaw.com

Counsel for Defendant:

Brandon R. McKelvey
Medina McKelvey LLP
925 Highland Pointe Dr., Suite 300
Roseville, CA 95678
Tel.: (916) 960-2211
Fax : (916) 742-5488
E-Mail: brandon@medinamckelvey.com

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

The Court will hold a Final Approval Hearing at **00:00 AM/PM on** , at the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012, before Judge Yvette M. Palazuelos. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement. If there are objections, the Court will consider them. The Court will listen to people who have made a timely written request to speak at the hearing or who appear at the hearing to object. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

You may attend in person, but you may also attend remotely if you wish. Remote appearances may be scheduled through "LA Court Connect" for a small fee. <https://www.lacourt.org/lacc/>

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

You may call the Settlement Administrator at _____ or write to *Abundis, et al., v. Image 2000, Case No. 21STCV19193*, Settlement Administrator, c/o _____.

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 writing to JCL Law firm, APC, 5440 Morehouse Drive, Suite 3600, San Diego, CA 92121.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.
- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall pay all funds from such uncashed checks to the State Controller's Office, Unclaimed Property Division in the name of the absent employee. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

1 JEAN-CLAUDE LAPUYADE, ESQ. (SBN 248676)
2 **JCL LAW FIRM, APC**
3 5440 MOREHOUSE DRIVE, SUITE 3600
4 SAN DIEGO, CA 92121
5 TEL: 619-599-8292
6 FAX: 619-599-8291

7 **ZAKAY LAW GROUP, APLC**
8 SHANI O. ZAKAY (SBN 277924)
9 5440 MOREHOUSE DRIVE, SUITE 3600
10 SAN DIEGO, CA 92121
11 TEL: (619) 255-9047

12 ATTORNEYS FOR PLAINTIFF AND THE PUTATIVE CLASS

13 **SUPERIOR COURT OF CALIFORNIA**

14 **COUNTY OF LOS ANGELES**

15 SERGIO ABUNDIS, on behalf of himself
16 and on behalf of all persons similarly
17 situated,

18 PLAINTIFF,

19 vs.

20 IMAGE 2000, a California Corporation; and
21 DOES 1 through 50, Inclusive;

22 DEFENDANT.

Case No. 21STCV19193

[Action Filed 05/20/2021]

**SECOND AMENDED STIPULATION OF
SETTLEMENT OF CLASS ACTION
CLAIMS AND RELEASE OF CLAIMS**

Judge: Honorable Yvette M. Palazuelos
Dept.: 9

1 This Stipulation of Class Action Settlement and Release of Claims is entered into by and
2 between Plaintiff SERGIO ABUNDIS (hereinafter “Plaintiff”), individually and on behalf of the
3 Settlement Class, and in his representative capacity on behalf of the State of California and the
4 Aggrieved Employees, and Defendant IMAGE 2000, a California Corporation (hereinafter
5 “Defendant”):

6 **I. DEFINITIONS**

- 7 A. “Action” shall mean the putative class action lawsuit designated *Abundis v. Image*
8 *2000*, Los Angeles County Superior Court, Case No. 21STCV19193, filed May 20,
9 2021.
- 10 B. “Aggrieved Employees” shall mean all persons who worked for Defendant in
11 California as an hourly paid or non-exempt employee during the PAGA Period.
- 12 C. “Agreement” or “Settlement Agreement” means this Stipulation of Settlement of
13 Class Action and Release of Claims.
- 14 D. “Class Counsel” shall mean Jean-Claude Lapuyade, Esq. of JCL Law Firm, APC, and
15 Shani Zakay of Zakay Law Group, APLC.
- 16 E. “Class Counsel Award” means the award of fees and expenses that the Court
17 authorizes to be paid to Class Counsel for the services they have rendered to Plaintiff
18 and the Settlement Class in the Action, consisting of attorneys’ fees currently not to
19 exceed one-third (33.33%) of the Total Settlement Amount currently estimated to be
20 \$158,333.33 out of \$475,000.00 plus costs of up to \$20,000.00. Class Counsel’s
21 award for attorneys’ fees will be equally divided between Class Counsel (50% to
22 JCL Law Firm, APC and 50% to Zakay Law Group, APLC).
- 23 F. “Class Data” means information regarding Class Members that Defendant will in
24 good faith compile from its records and provide directly to the Settlement
25 Administrator. It shall be formatted as a Microsoft Excel spreadsheet and shall
26 include: each Class Member’s full name; last known address; Social Security
27 Number; start dates and end dates of employment.

- 1 G. "Class Members" or the "Class" means all persons who worked for Defendant in
2 California as an hourly paid or non-exempt employee during the Class Period.
- 3 H. "Class Period" means the period from May 20, 2017 to January 21, 2022.
- 4 I. "Class Representative Service Award" means the amount that the Court authorizes to
5 be paid to the Class Representative, in addition to his Individual Settlement Payment
6 and his pro-rata share of the PAGA Settlement, in recognition of his efforts and risks
7 in assisting with the prosecution of the Action and in exchange for executing a
8 General Release.
- 9 J. "Class Representative" shall mean plaintiff SERGIO ABUNDIS.
- 10 K. "Court" means the Superior Court for the State of California, County of Los Angeles
11 currently presiding over the Action.
- 12 L. "Defendant" shall mean IMAGE 2000, a California Corporation.
- 13 M. "Effective Date" means the earliest date, following entry by the Court of an order
14 and judgment finally approving this Settlement, upon which one of the following have
15 occurred: (i) if no objection is filed to the settlement and no objector appears at the
16 hearing on final approval, the date of the Court's entry of the order granting final
17 approval, (ii) if an objection is filed to the settlement, or an objector appears at the
18 hearing on final approval, then the later of the following: (a) the expiration of all
19 potential appeal periods without a filing of a notice of appeal of the final approval
20 order or judgment; (b) final affirmance of the final approval order and judgment by
21 an appellate court as a result of any appeal(s), or (c) final dismissal or denial of all
22 such appeals (including any petition for review, rehearing, certiorari, etc.) such that
23 the final approval order and judgment is no longer subject to further judicial review.
- 24 N. "Funding Date" shall mean thirty (30) calendar days after the Effective Date and is
25 the date Defendant transfers the Total Settlement Amount into the QSF in accord with
26 the terms of this Agreement.
- 27
28

- 1 O. "Individual Settlement Payment" means the amount payable from the Net Settlement
2 Amount to each Settlement Class Member and excludes any amounts distributed to
3 Aggrieved Employees pursuant to PAGA.
- 4 P. "Net Settlement Amount" or "NSA" means the Total Settlement Amount, less Class
5 Counsel Award, Class Representative Service Award, PAGA Settlement, and
6 Settlement Administration Costs.
- 7 Q. "Notice Packet" means the Class Notice to be provided to the Class Members by the
8 Settlement Administrator in the form set forth as Exhibit A to this Agreement (other
9 than formatting changes to facilitate printing by the Settlement Administrator).
- 10 R. "PAGA" means the California Labor Code Private Attorneys General Act of 2004,
11 Labor Code § 2698 *et seq.*
- 12 S. "PAGA Payment Ratio" means the respective pay periods during the PAGA Period
13 for each Aggrieved Employee divided by the sum total of the pay periods for all
14 Aggrieved Employees during the PAGA Period.
- 15 T. "PAGA Period" means the period of February 8, 2020 to January 21, 2022.
- 16 U. "PAGA Settlement" shall mean Twenty Thousand Dollars (\$20,000) to be allocated
17 from the Total Settlement Amount.
- 18 V. "Parties" means Plaintiff and Defendant, collectively, and "Party" shall mean either
19 Plaintiff or Defendant, individually.
- 20 W. "Payment Ratio" means the respective Workweeks for each Class Member divided by
21 the sum total Workweeks for all Class Members.
- 22 X. "Plaintiff" shall mean SERGIO ABUNDIS.
- 23 Y. "QSF" means the Qualified Settlement Fund established, designated and maintained
24 by the Settlement Administrator to fund the Total Settlement Amount.
- 25 Z. "Released Class Claims" means any and all claims asserted in the operative class
26 complaint and all claims that could have been asserted in the operative complaint
27 based on the same operative facts alleged in the operative complaint, including state
28 wage and hour claims for any and all violation of California's Labor code and Unfair

1 Competition law based on Defendant's failure to pay all wages due (including
2 minimum wages, straight time wages, and overtime wages), failure to provide
3 compliant meal periods, failure to authorize and permit compliant rest periods, failure
4 to provide accurate and itemized wage statements, failure to timely pay all wages due
5 at the time of termination, failure to reimburse employees for all business-related
6 expenses, violations of the Business and Professions Code section 17200 predicated
7 on the Labor Code violations alleged in the operative complaint, and all damages,
8 interest, penalties, attorneys' fees, costs, and other amounts recoverable under said
9 causes of action under California law, to the extent permissible, and expressly
10 excluding all other claims, including claims for vested benefits, wrongful termination,
11 unemployment insurance, disability, social security, workers' compensation, and
12 claims outside the Class Period.

13 AA. "Released PAGA Claims" means any and all claims for PAGA penalties alleged in
14 the operative complaint and Plaintiff's PAGA notice to the LWDA which occurred
15 during the PAGA Period, and expressly excluding all other claims, including claims
16 for vested benefits, wrongful termination, unemployment insurance, disability, social
17 security, workers' compensation, and claims outside the PAGA Period.

18 BB. "Released Parties" shall mean Defendant.

19 CC. "Response Deadline" means the date forty-five (45) days after the Settlement
20 Administrator mails Notice Packets to Class Members and the last date on which
21 Class Members may submit requests for exclusion or objections to the Settlement.

22 DD. "Settlement" means the disposition of the Action pursuant to this Agreement.

23 EE. "Settlement Administrator" means ILYM Group Inc., 14771 Plaza Drive, Ste. L,
24 Tustin, CA 92780; Tel: 1-888-250-6810; Fax: 1-888-845-6185. The Settlement
25 Administrator establishes, designates and maintains, as a QSF under Internal Revenue
26 Code section 468B and Treasury Regulation section 1.468B-1, into which the amount
27 of the Total Settlement Amount is deposited for the purpose of resolving the claims
28 of Settlement Class Members. The Settlement Administrator shall maintain the funds

1 until distribution in an account(s) segregated from the assets of Defendant and any
2 person related to Defendant. ***All accrued interest generated in the QSF account shall***
3 ***be paid and distributed to the Settlement Class Members as part of their respective***
4 ***Individual Settlement Payment.*** Defendant will not be required to pay an additional
5 funds associated with residue and the interest (as mentioned above) is the interest
6 earned in the account established by the Settlement Administrator.

7 FF. “Settlement Class Members” or “Settlement Class” means all Class Members who
8 have not submitted a timely and valid request for exclusion as provided in this
9 Agreement.

10 GG. “Total Settlement Amount” means Four Hundred Seventy-Five Thousand Dollars
11 (\$475,000.00) that Defendant must pay into the QSF in connection with this
12 Settlement, inclusive of the sum of the Individual Settlement Payments, the Class
13 Representative Service Awards, the Class Counsel Award, PAGA Settlement and the
14 Settlement Administration Costs and ***exclusive*** of the employer’s share of payroll tax,
15 if any, triggered by any payment under this Settlement.

16 HH. “Workweeks”, for purposes of calculating the distribution of the Net Settlement
17 Amount, means the number of weeks of employment during the Class Period that
18 each Class Member was employed by Defendant in California.

19 **II. RECITALS**

20 A. On February 8, 2021, Plaintiff Abundis filed a Notice of Violations with the Labor
21 and Workforce Development Agency (LWDA) and served the same on Defendant.

22 B. On May 20, 2021, Plaintiff Abundis filed the class action lawsuit for:

- 23 1. Unfair Competition in Violation of Bus. and Prof. Code sections 17200 *et seq*;
- 24 2. Failure to pay minimum wages in violation of California Labor Code sections
25 1194, 1197 & 1197.1;
- 26 3. Failure to pay overtime wages in violation of California Labor Code sections
27 510 *et seq*;

4. Failure to provide required meal periods in violation of California Labor Code sections 226.7 and 512 and the applicable IWC wage order;
5. Failure to provide required rest periods in violation of California Labor Code sections 226.7 and 512 and the applicable IWC wage order;
6. Failure to reimburse employees for required expenses in violation of Cal. Lab. Code section 2802;
7. Failure to provide accurate itemized wage statements in violation of California Labor Code sections 226 and 226.2;
8. Failure to provide wages when due in violation of Cal. Lab. Code sections 201, 202 and 203;
9. Unpaid sick pay and failure to provide paid sick leave balance in violation of Cal. Lab. Code sections 246, *et seq*;
10. Retaliation in violation of Cal. Lab. Code section 1102.5;
11. Wrongful termination in violation of public policy; and
12. Violation of the Private Attorneys General Act [Labor Code section 2698, *et seq.*].

C. The Class Representative believes he has meritorious claims based on alleged violations of the California Labor Code, and the Industrial Wage Commission Orders, and that class certification is appropriate because the prerequisites for class certification can be satisfied in the Action, and this action is manageable as a PAGA representative action.

D. Defendant denies any liability or wrongdoing of any kind associated with the claims alleged in the Action, disputes any wages, damages and penalties claimed by the Class Representative are owed, and further contend that, for any purpose other than settlement, the Action is not appropriate for class or representative action treatment. Defendant contends, among other things, that at all times they complied with the California Labor Code and the Industrial Wage Commission Orders.

1 E. The Class Representative is represented by Class Counsel. Class Counsel conducted
2 an investigation into the facts relevant to the Action, including conducting an
3 independent investigation as to the allegations, reviewing documents and information
4 exchanged through informal discovery, and reviewing documents and information
5 provided by Defendant pursuant to informal requests for information to prepare for
6 mediation. Defendant produced for the purpose of settlement negotiations certain
7 employment data concerning the Settlement Class, which Class Counsel reviewed
8 and analyzed. Based on their own independent investigation and evaluation, Class
9 Counsel are of the opinion that the Settlement with Defendant is fair, reasonable and
10 adequate, and is in the best interest of the Settlement Class in light of all known facts
11 and circumstances, including the risks of significant delay, defenses asserted by
12 Defendant, uncertainties regarding class certification, and numerous potential
13 appellate issues. Although it denies any liability, Defendant is agreeing to this
14 Settlement solely to avoid the inconveniences and cost of further litigation. The
15 Parties and their counsel have agreed to settle the claims on the terms set forth in this
16 Agreement.

17 F. On November 19, 2021, the Parties participated in mediation presided over by Hon.
18 Brian C. Walsh (Ret.), a respected jurist and mediator. The mediation concluded with
19 a settlement based on Judge Walsh's mediator proposal. The agreement was
20 memorialized in the form of a Memorandum of Understanding.

21 G. This Agreement replaces and supersedes the Memorandum of Understanding and any
22 other agreements, understandings, or representations between the Parties. This
23 Agreement represents a compromise and settlement of highly disputed claims.
24 Nothing in this Agreement is intended or will be construed as an admission by
25 Defendant that the claims in the Action of Plaintiff or the Class Members have merit
26 or that Defendant bears any liability to Plaintiff or the Class on those claims or any
27 other claims, or as an admission by Plaintiff that Defendant's defenses in the Action
28 have merit.

1 H. The Parties believe that the Settlement is fair, reasonable and adequate. The
2 Settlement was arrived at through arm's-length negotiations, taking into account all
3 relevant factors. The Parties recognize the uncertainty, risk, expense and delay
4 attendant to continuing the Action through trial and any appeal. Accordingly, the
5 Parties desire to fully, finally, and forever settle, compromise and discharge all
6 disputes and claims arising from or relating to the Action.

7 I. The Parties agree to certification of the Class for purposes of this Settlement only. If
8 for any reason the settlement does not become effective, Defendant reserves the right
9 to contest certification of any class for any reason and reserves all available defenses
10 to the claims in the Action.

11 Based on these Recitals that are a part of this Agreement, the Parties agree as follows:

12 **III. TERMS OF AGREEMENT**

13 A. Settlement Consideration and Settlement Payments by Defendant.

- 14 1. Settlement Consideration. In full and complete settlement of the Action, and
15 in exchange for the releases set forth below, Defendant and the Released
16 Parties will pay the sum of the Individual Settlement Payment, the Class
17 Representative Service Award, the Class Counsel Award, PAGA Settlement,
18 and the Settlement Administration Costs, as specified in this Agreement, equal
19 to the Total Settlement Amount of Four Hundred Seventy-Five Thousand
20 Dollars (\$475,000.00). The Parties agree that this is a non-reversionary
21 Settlement and that no portion of the Total Settlement Amount shall revert to
22 Defendant. Other than the Defendant's share of employer payroll taxes, or as
23 otherwise specified in the Agreement, Defendant shall not be required to pay
24 more than the Total Settlement Amount, except as provided for hereinbelow.
- 25 2. Class Size. At the time of mediation, Defendant estimated that the Settlement
26 Class was comprised of 184 individuals who collectively worked
27 approximately 19,500 workweeks ("Projected Workweeks") between May
28 20, 2017, through August 31, 2021. In regard hereto, Defendant will provide

1 details on the number of applicable Class Members and dates of employment
2 during the applicable Class Period such that the Settlement Administrator can
3 calculate and confirm the total number of workweeks. If the number of
4 workweeks estimated between May 20, 2017 and August 31, 2021, increases
5 by more than 10% of the estimate stated herein, the Settlement Amount will
6 increase proportionally for the number of workweeks over 110% of 19,500
7 (or over 21,450).

8 3. Settlement Payment. Defendant shall pay, via wire transfer, the Total
9 Settlement Amount to the Settlement Administrator on the Funding Date.

10 4. Defendant's Share of Payroll Taxes. Defendant's share of employer side
11 payroll taxes is in addition to the Total Settlement Amount and shall be paid
12 together with the Total Settlement Amount.

13 B. Release by Settlement Class Members. As of the Funding Date, in exchange for the
14 consideration set forth in this Agreement, Plaintiff and the Settlement Class Members
15 release the Released Parties from the Released Class Claims for the Class Period.

16 C. Release by the Aggrieved Employees. As of the Funding Date, in exchange for the
17 consideration set forth in this Agreement, the Plaintiff, the LWDA and the State of
18 California release the Released Parties from the PAGA Released Claims for the PAGA
19 Period. As a result of this release, the Aggrieved Employees shall be precluded from
20 bringing claims against Defendant for the PAGA Release Claims.

21 D. Conditions Precedent: This Settlement will become final and effective only upon the
22 occurrence of all of the following events:

- 23 1. The Court enters an order granting preliminary approval of the Settlement;
- 24 2. The Court enters an order granting final approval of the Settlement and a Final
25 Judgment;
- 26 3. If an objector appears at the final approval hearing, the time for appeal of the
27 Final Judgment and Order Granting Final Approval of Class Action
28 Settlement expires; or, if an appeal is timely filed, there is a final resolution of

any appeal from the Judgment and Order Granting Final Approval of Class Action Settlement; and

4. Defendant fully funds the Total Settlement Amount.

E. Nullification of Settlement Agreement. In the event that this Settlement Agreement is not preliminarily or finally approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court, or in any way prevents or prohibits Defendant from obtaining a complete resolution of the Released Claims, or if Defendant fails to fully fund the Total Settlement Amount:

1. This Settlement Agreement shall be void *ab initio* and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural;

2. The conditional class certification (obtained for any purpose) shall be void *ab initio* and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural; and

3. None of the Parties to this Settlement will be deemed to have waived any claims, objections, defenses or arguments in the Action, including with respect to the issue of class certification.

4. Defendant shall bear the sole responsibility for any cost to issue or reissue any curative notice to the Settlement Class Members and all Settlement Administration Costs incurred to the date of nullification.

F. Certification of the Settlement Class. The Parties stipulate to conditional class certification of the Class for the Class Period for purposes of settlement only. In the event that this Settlement is not approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court, or in any way prevents or prohibits Defendant from obtaining a complete resolution of the Released Claims, the conditional class certification (obtained for any purpose) shall be void *ab initio* and of

no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural.

G. Tax Liability. The Parties make no representations as to the tax treatment or legal effect of the payments called for, and Class Members and/or Aggrieved Employees are not relying on any statement or representation by the Parties in this regard. Class Members and/or Aggrieved Employees understand and agree that they will be responsible for the payment of any taxes and penalties assessed on the Individual Settlement Payments and/or Aggrieved Employees' individual shares of the PAGA Settlement described and will be solely responsible for any penalties or other obligations resulting from their personal tax reporting of Individual Settlement Payments and/or Aggrieved Employees' individual shares of the PAGA Settlement.

H. 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 advisers, 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 United States Treasury Department circular 230 (31 CFR 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 adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging party, and (3) no attorney or adviser 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.

I. Preliminary Approval Motion. At the earliest practicable time, Plaintiff shall file with the Court a Motion for Order Granting Preliminary Approval and supporting papers, which shall include this Settlement Agreement. Plaintiff will provide Defendant with a draft of the Motion at least 3 business days prior to the filing of the Motion to give Defendant an opportunity to propose changes or additions to the Motion.

J. Settlement Administrator. The Settlement Administrator shall be responsible for: establishing and administering the QSF; calculating, processing and mailing payments to the Class Representatives, Class Counsel, LWDA and Class Members; printing and mailing the Notice Packets to the Class Members as directed by the Court; receiving and reporting the objections and requests for exclusion; calculating, deducting and remitting all legally required taxes from Individual Settlement Payments and distributing tax forms for the Wage Portion and Non-Wage Portion of the Individual Settlement Payments and/or Aggrieved Employees' individual shares of the PAGA Settlement; processing and mailing tax payments to the appropriate state and federal taxing authorities; providing declaration(s) as necessary in support of preliminary and/or final approval of this Settlement; and other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities by among other things, sending a weekly status report to the Parties' counsel stating the date of the mailing, the of number of Elections Not to Participate in Settlement it receives (including the numbers of valid and deficient), and number of objections received.

K. Notice Procedure.

1. Class Data. No later than twenty-one (21) days after the Preliminary Approval Date, Defendant shall provide the Settlement Administrator, subject to a protective order governing confidential information entered by the Court, with

1 the Class Data for purposes of preparing and mailing Notice Packets to the
2 Class Members.

3 2. Notice Packets.

- 4 a) The Notice Packet shall contain the Notice of Class Action Settlement
5 in a form substantially similar to the form attached as Exhibit A. The
6 Notice of Class Action Settlement shall inform Class Members and
7 Aggrieved Employees that they need not do anything in order to
8 receive an Individual Settlement Payment and/or Aggrieved
9 Employees' individual shares of the PAGA Settlement and to keep the
10 Settlement Administrator apprised of their current mailing address, to
11 which the Individual Settlement Payments and/or Aggrieved
12 Employees' individual shares of the PAGA Settlement will be mailed
13 following the Funding Date. The Notice of Class Action Settlement
14 shall set forth the release to be given by all members of the Class who
15 do not request to be excluded from the Settlement Class and/or
16 Aggrieved Employees' in exchange for an Individual Settlement
17 Payment and/or Aggrieved Employees' individual shares of the PAGA
18 Settlement, the number of Workweeks worked by each Class Member
19 during the Class Period and PAGA Period, if any, and the estimated
20 amount of their Individual Settlement Payment if they do not request
21 to be excluded from the Settlement and each Aggrieved Employee's
22 share of the PAGA Settlement, if any. The Settlement Administrator
23 shall use the Class Data to determine Class Members' Workweeks and
24 PAGA Workweeks. The Notice will also advise the Aggrieved
25 Employees that they will release the Released PAGA Claims and will
26 receive their share of the PAGA Settlement regardless of whether they
27 request to be excluded from the Settlement.

1 b) The Notice Packet's mailing envelope shall include the following
2 language: "IMPORTANT LEGAL DOCUMENT- YOU MAY BE
3 ENTITLED TO PARTICIPATE IN A CLASS ACTION
4 SETTLEMENT; A PROMPT REPLY TO CORRECT YOUR
5 ADDRESS IS REQUIRED AS EXPLAINED IN THE ENCLOSED
6 NOTICE."

7 3. Notice by First Class U.S. Mail and Email. Upon receipt of the Class Data,
8 the Settlement Administrator will perform a search based on the National
9 Change of Address Database to update and correct any known or identifiable
10 address changes. No later than fourteen (14) calendar days after receiving the
11 Class Data from Defendant, the Settlement Administrator shall mail and email
12 copies of the Notice Packet to all Class Members via regular First-Class U.S.
13 Mail and electronic mail. The Settlement Administrator shall exercise its best
14 judgment to determine the current mailing address for each Class Member.
15 The address identified by the Settlement Administrator as the current mailing
16 address shall be presumed to be the best mailing address for each Class
17 Member.

18 4. Undeliverable Notices. Any Notice Packets returned to the Settlement
19 Administrator as non-delivered on or before the Response Deadline shall be
20 re-mailed to any forwarding address provided. If no forwarding address is
21 provided, the Settlement Administrator shall promptly attempt to determine a
22 correct address by lawful use of skip-tracing, or other search using the name,
23 address and/or Social Security number of the Class Member involved, and
24 shall then perform a re-mailing, if another mailing address is identified by the
25 Settlement Administrator. In addition, if any Notice Packets, which are
26 addressed to Class Members who are currently employed by Defendant, are
27 returned to the Settlement Administrator as non-delivered and no forwarding
28 address is provided, the Settlement Administrator shall notify Defendant.

1 Defendant will request that the currently employed Class Member provide a
2 corrected address, and transmit to the Administrator any corrected address
3 provided by the Class Member. The Settlement Administrator shall complete
4 the re-mailing process as soon as possible, and in no event later than thirty
5 (30) days after the date of the initial mailing of the Notice Packet. Class
6 Members who received a re-mailed Notice Packet shall have their Response
7 Deadline, including their deadline to opt-out, object, or dispute, extended
8 fifteen (15) days from the original Response Deadline.

9 5. Disputes Regarding Individual Settlement Payments. Class Members will
10 have the opportunity, should they disagree with Defendant's records regarding
11 the start and end dates of employment to provide documentation and/or an
12 explanation to show contrary dates. The Notice of Class Action Settlement
13 contained in the Notice Packet shall state that Class Members who wish to
14 dispute Defendant's records will have 45 days from the date of the mailing of
15 the Notice to do so, subject to an extension of time in the event of re-mailing.
16 If there is a dispute, the Settlement Administrator will consult with the Parties
17 to determine whether an adjustment is warranted. The Settlement
18 Administrator shall determine the eligibility for, and the amounts of, any
19 Individual Settlement Payments under the terms of this Agreement. The
20 Settlement Administrator's determination of the eligibility for and amount of
21 any Individual Settlement Payment shall be binding upon the Class Member
22 and the Parties, except as provided hereinbelow in Paragraph 6.

23 6. Disputes Regarding Administration of Settlement. Any disputes not resolved
24 by the Settlement Administrator concerning the administration of the
25 Settlement will be resolved by the Court under the laws of the State of
26 California. Before any such involvement of the Court, counsel for the Parties
27 will confer in good faith to resolve the disputes without the necessity of
28 involving the Court.

1 7. Exclusions. The Notice of Class Action Settlement contained in the Notice
2 Packet shall state that Class Members who wish to exclude themselves from
3 the Settlement must submit a written request for exclusion by the Response
4 Deadline. The written request for exclusion must state that the Class Member
5 wishes to exclude himself or herself from the Settlement and (1) must contain
6 the name, address, and the last four digits of the Social Security number of the
7 person requesting exclusion; (2) must be signed by the Class Member; (3)
8 must be postmarked or fax stamped by the Response Deadline and returned to
9 the Settlement Administrator at the specified address or fax telephone number;
10 and (4) contain a typewritten or handwritten notice stating in substance that
11 the Class Member wishes to opt out of the settlement of the class action
12 lawsuit. The request for exclusion will not be valid if it is not timely
13 submitted, if it is not signed by the Class Member, or if it does not contain the
14 name and address and last four digits of the Social Security number of the
15 Class Member. The date of the postmark on the mailing envelope or fax stamp
16 on the request for exclusion shall be the exclusive means used to determine
17 whether the request for exclusion was timely submitted. Any Class Member
18 who requests to be excluded from the Settlement Class will not be entitled to
19 an Individual Settlement Payment and will not be otherwise bound by the
20 terms of the Settlement or have any right to object, appeal or comment
21 thereon. However, any Class Member that submits a timely request for
22 exclusion that is also an Aggrieved Employee will still receive his/her pro rata
23 share of the PAGA Settlement, as specified below, and in consideration, will
24 be bound by the Release by the Aggrieved Employees as set forth herein.
25 Settlement Class Members who fail to submit a valid and timely written
26 request for exclusion on or before the Response Deadline shall be bound by
27 all terms of the Settlement and any final judgment entered in this Action if the
28 Settlement is approved by the Court. No later than fourteen (14) calendar days

1 after the Response Deadline, the Settlement Administrator shall provide
2 counsel for the Parties with a final list of the Class Members who have timely
3 submitted written requests for exclusion. At no time shall any of the Parties
4 or their counsel seek to solicit or otherwise encourage members of the Class
5 to submit requests for exclusion from the Settlement.

6 L. Objections. The Notice of Class Action Settlement contained in the Notice Packet
7 shall state that Class Members who wish to object to the Settlement may submit to the
8 Settlement Administrator a written statement of objection (“Notice of Objection”) by
9 the Response Deadline. The postmark date of mailing shall be deemed the exclusive
10 means for determining that a Notice of Objection was served timely. The Notice of
11 Objection, if in writing, must be signed by the Settlement Class Member and state: (1)
12 the case name and number; (2) the name of the Settlement Class Member; (3) the
13 address of the Settlement Class Member; (4) the last four digits of the Settlement Class
14 Member’s Social Security number; (5) the basis for the objection; and (6) if the
15 Settlement Class Member intends to appear at the Final Approval/Settlement Fairness
16 Hearing. Class Members who fail to make objections in writing in the manner
17 specified above may still make their objections orally at the Final Approval/Settlement
18 Fairness Hearing with the Court’s permission. Settlement Class Members will have a
19 right to appear at the Final Approval/Settlement Fairness Hearing to have their
20 objections heard by the Court regardless of whether they submitted a written objection.
21 At no time shall any of the Parties or their counsel seek to solicit or otherwise
22 encourage Class Members to file or serve written objections to the Settlement or appeal
23 from the Order and Final Judgment. Class Members who submit a written request for
24 exclusion may not object to the Settlement. Class Members may not object to the
25 PAGA Settlement.Funding and Allocation of the Total Settlement Amount. Defendant
26 is required to pay the Total Settlement Amount on or before the Funding Date, plus
27 any employer’s share of payroll taxes as mandated by law within the time specified
28 herein.

- 1 1. Calculation of Individual Settlement Payments. Individual Settlement
2 Payments shall be paid from the Net Settlement Amount and shall be paid
3 pursuant to the formula set forth herein. Using the Class Data, the Settlement
4 Administrator shall add up the total number of Workweeks for all Class
5 Members. The respective Workweeks for each Class Member will be divided
6 by the total Workweeks for all Class Members, resulting in the Payment Ratio
7 for each Class Member. Each Class Member's Payment Ratio will then be
8 multiplied by the Net Settlement Amount to calculate each Class Member's
9 estimated Individual Settlement Payments. Each Individual Settlement
10 Payment will be reduced by any legally mandated employee tax withholdings
11 (e.g., employee payroll taxes, etc.). Individual Settlement Payments for Class
12 Members who submit valid and timely requests for exclusion will be
13 redistributed to Settlement Class Members who do not submit valid and timely
14 requests for exclusion on a pro rata basis based on their respective Payment
15 Ratios.
- 16 2. Calculation of Individual Payments to the Aggrieved Employees. Using the
17 Class Data, the Settlement Administrator shall add up the total number of pay
18 periods for all Aggrieved Employees during the PAGA Period. The respective
19 pay periods for each Aggrieved Employee will be divided by the total pay
20 periods for all Aggrieved Employees, resulting in the "PAGA Payment Ratio"
21 for each Aggrieved Employee. Each Aggrieved Employee's PAGA Payment
22 Ratio will then be multiplied by the Aggrieved Employee Payment to calculate
23 each Aggrieved Employee's estimated share of the PAGA Settlement.
- 24 3. Allocation of Individual Settlement Payments. For tax purposes, Individual
25 Settlement Payments shall be allocated as follows: 33% wages ("Wage
26 Portion"); 67% as penalties and interest ("Non-Wage Portion").
- 27
28

- 1 4. Allocation of Aggrieved Employee Payments. For tax purposes, Aggrieved
2 Employee Settlement Payments shall be allocated and treated as 100%
3 penalties and shall be reported on IRS Form 1099.
- 4 5. No Credit Toward Benefit Plans. The Individual Settlement Payments and
5 individual shares of the PAGA Settlement made to Settlement Class Members
6 and/or Aggrieved Employees under this Settlement Agreement, as well as any
7 other payments made pursuant to this Settlement Agreement, will not be
8 utilized to calculate any additional benefits under any benefit plans to which
9 any Class Members may be eligible, including, but not limited to profit-
10 sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans,
11 sick leave plans, PTO plans, and any other benefit plan. Rather, it is the
12 Parties' intention that this Settlement Agreement will not affect any rights,
13 contributions, or amounts to which any Class Members may be entitled under
14 any benefit plans.
- 15 6. All monies received by Settlement Class Members under the Settlement which
16 are attributable to wages shall constitute income to such Settlement Class
17 Members solely in the year in which such monies actually are received by the
18 Settlement Class Members. It is the intent of the Parties that Individual
19 Settlement Payments and individual shares of the PAGA Settlement provided
20 for in this Settlement agreement are the sole payments to be made by Defendant
21 to Settlement Class Members and/or Aggrieved Employees in connection with
22 this Settlement Agreement, with the exception of Plaintiff, and that the
23 Settlement Class Members and/or Aggrieved Employees are not entitled to any
24 new or additional compensation or benefits as a result of having received the
25 Individual Settlement Payments and/or their shares of the PAGA Settlement.
- 26 7. Mailing. Individual Settlement Payments and Aggrieved Employee Payments
27 shall be mailed by regular First-Class U.S. Mail to Settlement Class Members'
28

and/or Aggrieved Employees last known mailing address no later than fifteen (15) calendar days after the Funding Date.

8. Expiration. Any checks issued to Settlement Class Members and Aggrieved Employees shall remain valid and negotiable for one hundred and eighty (180) days from the date of their issuance. If a Settlement Class Member and/or Aggrieved Employee does not cash his or her settlement check within 90 days, the Settlement Administrator will send a letter to such persons, advising that the check will expire after the 180th day, and invite that Settlement Class Member and/or Aggrieved Employee to request reissuance in the event the check was destroyed, lost or misplaced. In the event an Individual Settlement Payment and/or Aggrieved Employee's individual share of the PAGA Settlement check has not been cashed within one hundred and eighty (180) days, the Settlement Administrator shall escheat those checks to the State Controller's Office, Unclaimed Property Division in the name of the absent employee.

9. Class Representative Service Award. In addition to the Individual Settlement Payment and his individual share of the PAGA Settlement to be paid to Plaintiff, Plaintiff will apply to the Court for an award of not more than \$5,000.00, as the Class Representative Service Award. Defendant does not presently intend to oppose a Class Representative Service Award of not more than \$5,000.00 for Plaintiff. The Settlement Administrator shall pay the Class Representative Service Award, either in the amount stated herein if approved by the Court or some other amount as approved by the Court, to Plaintiff from the Total Settlement Amount no later than fifteen (15) calendar days after the Funding Date. Any portion of the requested Class Representative Service Awards that are not awarded to the Class Representatives shall be part of the Net Settlement Amount and shall be distributed to Settlement Class Members as provided in this Agreement. The Settlement Administrator shall issue an

1 IRS Form 1099 — MISC to Plaintiff for his Class Representative Service
2 Award. Plaintiff shall be solely and legally responsible to pay any and all
3 applicable taxes on his Class Representative Service Award and shall hold
4 harmless the Released Parties from any claim or liability for taxes, penalties,
5 or interest arising as a result of the Class Representative Service Awards. The
6 Class Representative Service Award shall be in addition to Plaintiff's
7 Individual Settlement Payment as a Settlement Class Member. Approval of
8 this Settlement shall not be conditioned on Court approval of the requested
9 amount of the Class Representative Service Award. If the Court reduces or
10 does not approve the requested Class Representative Service Award, Plaintiff
11 shall not have the right to revoke the Settlement, and it will remain binding.

12 10. Class Counsel Award. Defendant understands a motion by Class Counsel for
13 attorneys' fees not to exceed one-third (33.33%) of the Total Settlement
14 Amount currently estimated to be \$158,333.33 plus costs and expenses
15 supported by declaration not to exceed Twenty Thousand Dollars
16 (\$20,000.00), from the Total Settlement Amount will be filed. Any portion of
17 the requested Class Counsel Award that is not awarded to Class Counsel shall
18 be part of the Net Settlement Amount and shall be distributed to Settlement
19 Class Members as provided in this Agreement. The Settlement Administrator
20 shall allocate and pay the Class Counsel Award to Class Counsel from the
21 Total Settlement Amount no later than fifteen (15) calendar days after the
22 Funding Date. Class Counsel shall be solely and legally responsible to pay all
23 applicable taxes on the payment made pursuant to this paragraph. The
24 Settlement Administrator shall issue an IRS Form 1099 — MISC to Class
25 Counsel for the payments made pursuant to this paragraph. In the event that
26 the Court reduces or does not approve the requested Class Counsel Award,
27 Plaintiff and Class Counsel shall not have the right to revoke the Settlement,
28 or to appeal such order, and the Settlement will remain binding.

11. PAGA Settlement. Twenty Thousand Dollars (\$20,000.00) shall be allocated from the Total Settlement Amount for settlement of claims for civil penalties under the Private Attorneys General Act of 2004 (“PAGA Settlement”). The Settlement Administrator shall pay seventy-five percent (75%) of the PAGA Settlement (\$15,000.00) to the California Labor and Workforce Development Agency no later than fifteen (15) calendar days after the Funding Date (hereinafter “LWDA Payment”). Twenty-five percent (25%) of the PAGA Settlement (\$5,000.00) will be distributed to the Aggrieved Employees as described in this Agreement (hereinafter “Aggrieved Employee Payment”). For purposes of distributing the PAGA Settlement to the Aggrieved Employees, each Aggrieved Employee shall receive their pro-rata share of the Aggrieved Employee Payment using the PAGA Payment Ratio as defined above.

12. Settlement Administration Costs. The Settlement Administrator shall be paid for the costs of administration of the Settlement from the Total Settlement Amount. The estimate of the Settlement Administration Costs is \$20,000. The Settlement Administrator shall be paid the Settlement Administration Costs no later than fifteen (15) calendar days after the Funding Date.

M. Final Approval Motion. Class Counsel and Plaintiff shall use best efforts to file with the Court a Motion for Order Granting Final Approval and Entering Judgment, within twenty-eight (28) days following the expiration of the Response Deadline, which motion shall request final approval of the Settlement and a determination of the amounts payable for the Class Representative Service Award, the Class Counsel Award, the PAGA Settlement, and the Settlement Administration Costs.

1. Declaration by Settlement Administrator. No later than seven (7) days after the Response Deadline, the Settlement Administrator shall submit a declaration in support of Plaintiff’s motion for final approval of this Settlement detailing the number of Notice Packets mailed and re-mailed to

1 Class Members, the number of undeliverable Notice Packets, the number of
2 timely requests for exclusion, the number of objections received, the amount
3 of the average Individual Settlement Payment and highest Individual
4 Settlement Payment, the Settlement Administration Costs, and any other
5 information as the Parties mutually agree or the Court orders the Settlement
6 Administrator to provide.

7 2. Final Approval Order and Judgment. Class Counsel shall present an Order
8 Granting Final Approval of Class Action Settlement to the Court for its
9 approval, and Judgment thereon, at the time Class Counsel files the Motion
10 for Final Approval. Following the Court's entry of an Order Granting Final
11 Approval of Class Action Settlement, and Judgment thereon, Plaintiff shall
12 provide notice to the California Labor & Workforce Development Agency in
13 accordance with Cal. Lab. Code section 2699(1)(3).

14 N. Defendant's Option to Revoke Settlement. Defendant has the unilateral right to revoke
15 the Settlement and Defendant shall have, in its sole discretion, the option to terminate
16 this Settlement if, after the Response Deadline, the number of Settlement Class
17 Members who submitted timely and valid written requests for exclusion from the
18 Settlement is at least ten percent (10%) of all Settlement Class Members. If Defendant
19 exercises the option to terminate this Settlement, Defendant shall: (a) provide written
20 notice to Class Counsel within five (5) calendar days after (i) providing the Class Data
21 to the Settlement Administrator or (ii) the Settlement Administrator provides
22 information regarding opt outs (which is to occur no later than fourteen (14) calendar
23 days after the Response Deadline, and (b) pay all Settlement Administration Costs
24 incurred up to the date or as a result of the termination; and the Parties shall proceed
25 in all respects as if this Agreement had not been executed

26 O. Review of Motions for Preliminary and Final Approval. Class Counsel will provide
27 an opportunity for Counsel for Defendant to review the Motions for Preliminary and
28 Final Approval, including the Order Granting Final Approval of Class Action

1 Settlement, and Judgment before filing with the Court. The Parties and their counsel
2 will cooperate with each other and use their best efforts to affect the Court's approval
3 of the Motions for Preliminary and Final Approval of the Settlement, and entry of
4 Judgment.

5 P. Cooperation. The Parties and their counsel will cooperate with each other and use
6 their best efforts to implement the Settlement.

7 Q. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action,
8 except such proceedings necessary to implement and complete the Settlement, pending
9 the Final Approval/Settlement Fairness Hearing to be conducted by the Court

10 R. Amendment or Modification. This Agreement may be amended or modified only by
11 a written instrument signed by counsel for all Parties or their successors-in-interest.

12 S. Entire Agreement. This Agreement and any attached Exhibit constitute the entire
13 Agreement among these Parties, and no oral or written representations, warranties or
14 inducements have been made to any Party concerning this Agreement or its Exhibit
15 other than the representations, warranties and covenants contained and memorialized
16 in this Agreement and its Exhibit, and except as provided in the separate independent
17 individual settlement agreement between Plaintiff and Defendant.

18 T. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
19 represent they are expressly authorized by the Parties whom they represent to negotiate
20 this Agreement and to take all appropriate Action required or permitted to be taken by
21 such Parties pursuant to this Agreement to effectuate its terms, and to execute any
22 other documents required to effectuate the terms of this Agreement. The persons
23 signing this Agreement on behalf of Defendant represents and warrants that he/she is
24 authorized to sign this Agreement on behalf of Defendant. Plaintiff represents and
25 warrants that he is authorized to sign this Agreement and that he has not assigned any
26 claim, or part of a claim, covered by this Settlement to a third-party.

27 U. No Public Comment: The Parties and their counsel agree that they will not issue any
28 press releases, initiate any contact with the press, respond to any press inquiry, or have

any communication with the press about the fact, amount or terms of the Settlement Agreement. Class Counsel further agrees not to use the Settlement Agreement or any of its terms for any marketing or promotional purposes. Nothing herein will restrict Class Counsel from including publicly available information regarding this settlement in future judicial submissions regarding Class Counsel's qualifications and experience. Further, Class Counsel will not include, reference or use the Settlement Agreement for any marketing or promotional purposes, either before or after the Motion for Preliminary Approval is filed.

V. Binding on Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of the Parties, as previously defined.

W. California Law Governs. All terms of this Agreement and the Exhibit and any disputes shall be governed by and interpreted according to the laws of the State of California.

X. Counterparts. This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument provided that counsel for the Parties to this Agreement shall exchange among themselves copies or originals of the signed counterparts.

Y. This Settlement Is Fair, Adequate and Reasonable. The Parties believe this Settlement is a fair, adequate and reasonable settlement of this Action and have arrived at this Settlement after extensive arms-length negotiations, taking into account all relevant factors, present and potential.

Z. Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction with respect to the interpretation, implementation and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties and their counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing and enforcing the settlement and all orders and judgments entered in connection with this Agreement.

AA. Invalidity of Any Provision. Before declaring any provision of this Agreement invalid, the Court shall 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.

BB. No Unalleged Claims. Plaintiff and Class Counsel represent that they do not currently intend to pursue any claims against the Released Parties, including, but not limited to, any and all claims relating to or arising from Plaintiff's employment with Defendant, regardless of whether Class Counsel is currently aware of any facts or legal theories upon which any claims or causes of action could be brought against Released Parties, including those facts or legal theories alleged in the operative complaint in this Action. The Parties further acknowledge, understand and agree that this representation is essential to the Agreement and that this Agreement would not have been entered into were it not for this representation.

CC. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class certification for purposes of this settlement only.

DD. No Admissions by the Parties. Plaintiff has claimed and continues to claim that the Released Claims have merit and give rise to liability on the part of Defendant. Defendant claims that the Released Claims have no merit and do not give rise to liability. This Agreement is a compromise of disputed claims. Nothing contained in this Agreement and no documents referred to and no action taken to carry out this Agreement may be construed or used as an admission by or against the Defendant or Plaintiff or Class Counsel as to the merits or lack thereof of the claims asserted. Other than as may be specifically set forth herein, each Party shall be responsible for and shall bear its/his own attorney's fees and costs.

EE. Plaintiff's Individual Settlement. Plaintiff is entering into an individual settlement agreement, which shall provide for an Individual Settlement Payment, and which shall provide for a broad release, including a waiver of Civil Code Section 1542. This release, waiver and discharge of all claims shall include, but will not be limited to, any and all claims arising out of the Action, as well as additional claims described in the Individual Settlement Agreement and claims alleged in DFEH Complaint No. 202105-

1 13577117 dated May 17, 2021. The Individual Settlement Agreement shall be
2 confidential, but may be submitted to the Court for in-camera review for purposes of
3 approval of this Settlement.

4 IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:

5
6 DATED: _____

7 SERGIO ABUNDIS
8
9

10 IT IS SO AGREED, FORM AND CONTENT, BY DEFENDANT:

11
12 DATED: _____

13 IMAGE 2000, a California Corporation
14
15

16 Printed Name
17

18 Title
19

20 IT IS SO AGREED AS TO FORM BY COUNSEL:

21 DATED: _____

22 JCL LAW FIRM, A.P.C.
23

24 By: _____
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26 Attorneys for Plaintiff and the Settlement Class
27 Members
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DATED: _____

ZAKAY LAW GROUP, APLC

By: _____

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Attorneys for Plaintiff and the Settlement Class
Members

DATED: _____

BRANDON R. MCKELVEY
MEDINA MCKELVEY, LLP

By: _____

Attorneys for Defendant

EXHIBIT B

**NOTICE OF PENDENCY OF CLASS ACTION SETTLEMENT
AND FINAL HEARING DATE**

(Abundis, et al., v. Image 2000, County of Los Angeles Superior Court Case No. 21STCV19193)

**YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT ACT. PLEASE
READ THIS NOTICE CAREFULLY.**

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	To receive a cash payment from the Settlement, you do not have to do anything. Your estimated Settlement Share is: \$<< [REDACTED] >>. See the explanation below. After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, please notify the Settlement Administrator as explained below. In exchange for the settlement payment, you will release claims against the Defendant as detailed below.
Exclude Yourself	If you wish to exclude yourself from the Settlement, you must send a written request for exclusion to the Settlement Administrator as provided below. If you request exclusion, you will receive no money from the Settlement, <u>except that if you are also an Aggrieved Employee, you will still receive your pro rata share of the PAGA Settlement.</u> Instructions are set forth below.
Object	You may write to the Court about why you believe the settlement should not be approved. <u>You may also appear at the final approval hearing to object.</u> Directions are provided below.

1. Why did I get this Notice?

A proposed class action settlement (the “Settlement”) of this lawsuit pending in the Superior Court for the State of California, County of Los Angeles (the “Court”) has been reached between Plaintiff Sergio Abundis (“Plaintiff”) and Defendant Image 2000, a California Corporation, (hereinafter “Defendant”). The Court has granted preliminary approval of the Settlement. **You may be entitled to receive money from this Settlement.**

You have received this Class Notice because you have been identified as a member of the Class, which is defined as:

All persons who worked for Defendant in California as an hourly paid or non-exempt employee during the Class Period.

The “Class Period” is the period of time running from May 20, 2017 to January 21, 2022.

This Class Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

On May 20, 20202021, Plaintiff filed a Complaint against Defendant in the Superior Court of the State of California, County of Los Angeles. Plaintiff asserted claims that Defendant: (a) Violated California Business and Professions Code § 17200 *et seq.*; (b) Failed to pay minimum wages in violation of California Labor Code §§ 1194, 1197, and 1197.1; (c) Failed to pay overtime wages in violation of California Labor Code §§ 510, *et seq.*; (d) Failed to provide required meal periods in violation of California Labor Code §§ 226.7 & 512, and the applicable IWC Wage Order; (e) Failed to provide required rest periods in violation of California Labor Code §§ 226.7 & 512, and the applicable IWC Wage Order; (f) Failed to reimburse employees for required expenses in violation of Cal Lab. Code section 2802; (g) Failed to provide accurate and complete itemized wage statements in violation of California Labor Code § 226; (h) Failed to provide wages when due in violation of California Labor Code §§ 201, 202, and 203; (i) failed to pay sick leave and failed to provide paid sick leave balance in violation of Cal. Lab. Code sections 245, *et seq.*; (j) retaliation in violation of Cal. Lab. Code section 1102.5; (k) wrongful termination in violation of public policy; and (l) Violations of the Private Attorney General Act (Cal. Lab. Code §§2698 *et seq.*

Defendant denies and disputes all claims asserted in the Action. Specifically, Defendant contended (and continues to contend) that the Action could not properly be maintained as a class action; that Defendant properly paid members of the class all wages and overtime that was due; that Defendant provided members of the class with all legally required meal breaks and rest breaks; that Defendants paid any members of the class all wages due them at the time of their terminations; that Defendant provided accurate, itemized wage statements to members of the class; that Defendant did not violate California Business and Professions Code section 17200 *et seq.*; and that Defendant is not liable for any of the penalties claimed or that could be claimed in the Action.

On November 19, 2021, the Parties participated in an all-day mediation with Hon. Brian C. Walsh (Ret.) a respected jurist and an experienced mediator of wage and hour class actions. The mediation ~~concluding~~ concluded with a settlement, after both sides agreed to a Mediator's proposal. The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved the Plaintiff to serve as the Class Representative, and the law firms of JCL Law Firm, APC and Zakay Law Group, APC to serve as Class Counsel.

3. What are the terms of the Settlement?

Total Settlement Amount. Defendant has agreed to pay an "all in" amount of Four Hundred Seventy-Five Thousand Dollars (\$475,000) (the "Total Settlement Amount") to fund the settlement. The Total Settlement Amount includes the payment of all Settlement Shares to Participating Class Members, Class Counsel's attorneys' fees and costs, Settlement Administration Expenses, the LWDA Payment, PAGA Shares, and the Class Representative Service Payments to the Plaintiff.

After the Judgment becomes Final, Defendant will pay the Gross Settlement Amount by depositing the money with the Settlement Administrator. "Final" means the date the Judgment is no longer subject to appeal, or if an appeal is filed, the date the appeal process is completed and the Judgment is affirmed.

Amounts to be Paid From the Gross Settlement Amount. The Settlement provides for certain payments to be made from the Gross Settlement Amount, which will be subject to final Court approval, and which will be deducted from the Gross Settlement Amount before settlement payments are made to Class Members, as follows:

- Settlement Administration Expenses. Payment to the Settlement Administrator, estimated not to exceed \$20,000.00 for expenses, including expenses of sending this Notice, processing opt outs, and distributing settlement payments.
- Attorneys' Fees and Costs. Payment to Class Counsel of an award of a Class Counsel Fees Payment of no more than 1/3 of the Gross Settlement Amount (currently \$158,333.33) and a Class Counsel Litigation Expenses Payment of not more than \$20,000.00 for all expenses incurred as documented in Class Counsel's billing records, both subject to Court approval. Class Counsel have been prosecuting the Actions on behalf of Plaintiff and the Class on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. Class Counsel's Fees Payment will be divided equally between Class Counsel (50% to Zakay Law Group, APC and 50% to The JCL Law Firm, APC).
- Class Representative Service Payment. Class Representative Service Payment of up to five Thousand ~~Hundred~~ Dollars (\$5,000.00) to Plaintiff, or such lesser amount as may be approved by the Court, to compensate him for services on behalf of the Class in initiating and prosecuting the Action, and for the risks he undertook.
- PAGA Payment. A payment of \$20,000 relating to Plaintiff's claim under the Private Attorneys General Act ("PAGA"), \$15,000.00 of which will be paid to the State of California's Labor and Workforce Development Agency ("LWDA") and the remaining \$5,000.00 will be distributed to PAGA Employees as part of the Net PAGA Amount.
- Calculation of Payments to Participating Class Members. After all the above payments of the court-approved Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Class Representative Service Payments, the LWDA Payment, and the Settlement Administration Expenses are deducted from the Gross Settlement Amount, the remaining portion, called the "Net Settlement Amount," shall be distributed to class members who do **not** request exclusion ("Participating Class Members"). The Settlement Share for each Participating Class Member will be calculated by dividing the Net Settlement Amount by the total number of workweeks for all Participating Class Members that occurred during the Class Period and multiplying the result by each individual Participating Class Member's workweeks that occurred during the Class Period. A "workweek" is defined as a normal seven-day week of work during the Class Period in which, according to Defendant's records, a member of the class worked at least one-day during any such workweek.
- Calculation of PAGA Penalties Payments to PAGA Employees. The Net PAGA Amount shall be distributed to PAGA Employees irrespective of whether they exclude themselves or opt-out. The Net PAGA Amount will be divided by the total number of pay periods worked by all PAGA Employees during the PAGA Period, and then taking that number and multiplying it by the number of pay periods worked by each respective PAGA Employee during the PAGA Period. "PAGA Employees" means all persons who worked for Defendant in California as an hourly paid or non-exempt employee during the PAGA Period. The PAGA Period means the period of February 8, 2020 to January 21, 2022.

If the Settlement is approved by the Court, you will automatically be mailed a check for your Settlement Share to the same address as this Class Notice. You do not have to do anything to receive a payment. If your address has changed, you must contact the Settlement Administrator to inform them of your correct address to insure you receive your payment.

Tax Matters. ~~4/333%~~ of each Settlement Share is allocated to wages. Taxes are withheld from this amount, and each Participating Class Member will be issued an Internal Revenue Service Form W-2 for such payment. ~~2/367%~~ of each Settlement Share is allocated to interest, penalties and other non-wage payments, and no taxes will be withheld, and each Participating Class Member will be issued an Internal Revenue Service Form 1099 for such

payment. In addition, no taxes will be withheld from the PAGA Penalties paid to PAGA Employees, and each PAGA Employee will be issued an Internal Revenue Service Form 1099 for such payment. Neither Class Counsel nor Defendant's counsel intend anything contained in this Settlement to constitute advice regarding taxes or taxability. You 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 judgment.

4. What Do I Release Under the Settlement?

Released Claims. Upon entry of final judgment and funding in full of the Gross Settlement Amount by Defendant, Plaintiff and the Participating Class Members shall release all Released Class Claims that occurred during the Class Period as to the Released Parties. Released Class Claims means any and all claims asserted in the operative class complaint; and all claims that could have been asserted in the operative complaint based on the same operative facts alleged in the operative complaint, including state wage and hour claims for any and all violation of California's Labor code and Unfair Competition law based on Defendant's failure to pay all wages due (including minimum wages, straight time wages, and overtime wages), failure to provide complaint meal periods, failure to authorize and permit complaint rest periods, failure to provide accurate and itemized wage statements, failure to timely pay all wages due at the time of termination, failure to reimburse employees for all business-related expenses, violations of the Business and Professions Code section 17200 predicated on the Labor Code violations alleged in the operative complaint, and all damages, interest, penalties, attorneys' fees, costs, and other amounts recoverable under said causes of action under California law, to the extent permissible, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and claims outside the Class Period. The Released PAGA Claims shall be released as follows. As of the Settlement Effective Date and upon funding in full of the Gross Settlement Amount by Defendant, all Aggrieved Employees shall release all Released PAGA Claims, irrespective of whether they opted-out of the class settlement, and will be bound by this PAGA Release (the "PAGA Release"). "Released PAGA Claims" means any and all claims for PAGA claims alleged in the operative complaint and Plaintiff's PAGA notice to the LWDA which occurred during the PAGA Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and claims outside the PAGA Period.

This means that, if you do not timely and formally exclude yourself from the settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant about the legal issues resolved by this Settlement. It also means that all of the Court's orders in this Action will apply to you and legally bind you.

5. How much will my payment be?

Defendant's records reflect that you have <<____>> Workweeks worked during the Class Period (May 20, 2017 to January 21, 2022).

Based on this information, your estimated Settlement Share is <<____>>.

Defendant's records reflect that you have <<____>> pay periods worked during the PAGA Period (February 8, 2020 to January 21, 2022).

Based on this information, your estimated PAGA Settlement Share is <<____>>.

If you wish to challenge/dispute the information set forth above, then you must submit a written, signed dispute challenging the information along with supporting documents, to the Settlement Administrator at the address

provided in this Notice no later than _____ [forty-five (45) days after the Notice or **fifteen (15) days after the** re-mailed Notice].

6. How can I get a payment?

To get money from the settlement, you do not have to do anything. A check for your settlement payment will be mailed automatically to the same address as this Notice. If your address is incorrect or has changed, you must notify the Settlement Administrator. The Settlement Administrator is: _____. (800) _____.

The Court will hold a hearing on _____ to decide whether to finally approve the Settlement. If the Court approves the Settlement and there are no objections or appeals, payments will be mailed within a few months after this hearing. If there are objections or appeals, resolving them can take time, perhaps more than a year. Please be patient. After entry of the Judgment, the Settlement Administrator will provide notice of the final judgment to the Class Members by posting a copy of the Judgment on the administrator's website at www._____.com.

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or "opt out." **If you opt out, you will receive NO money from the Settlement, and you will not be bound by its terms, except as provided as follows.** Irrespective of whether you exclude yourself from the Settlement or "opt out," you will be bound by the PAGA Release, you will be deemed to have released the Released PAGA Claims, and you will receive a share of the Net PAGA Amount.

To opt out, you must submit to the Settlement Administrator, by First Class Mail, a written, signed and dated request for exclusion postmarked no later than _____. The address for the Settlement Administrator is _____. The request for exclusion should indicate clearly that you wish to opt out of the class action and settlement of the case. The request for exclusion must contain your name, address, signature and the last four digits of your Social Security Number for verification purposes. The request for exclusion must be signed by you. No other person may opt out for a member of the Class.

Written requests for exclusion that are postmarked after _____, or are incomplete or unsigned will be rejected, and those Class Members will remain bound by the Settlement and the release described above.

8. How do I tell the Court that I would like to challenge the Settlement?

Any Class Member who has not opted out and believes that the Settlement should not be finally approved by the Court for any reason, may object to the proposed Settlement. Objections may be in writing and state the Class Member's name, current address, telephone number, and describe why you believe the Settlement is unfair and whether you intend to appear at the final approval hearing. All written objections or other correspondence must also state the name and number of the case, which *Abundis, et al., v. Image 2000, Case No. 21STCV19193*. You may also object without submitting a written objection by appearing at the final approval hearing scheduled as described in Section 9 below.

To object to the Settlement, you cannot opt out. If the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object. Any Class Member who does not object in the manner provided in this Class Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

Written objections must be delivered or mailed to the Settlement Administrator no later than _____. The address for the Settlement Administrator is _____.

The addresses for the Parties' counsel are as follows:

Class Counsel:

Jean-Claude Lapuyade, Esq.
JCL Law Firm, APC
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Tel.: (619) 599-8292
Fax: (619) 599-2891
E-Mail: jlapuyade@jcl-lawfirm.com

Class Counsel:

Shani O. Zakay, Esq.
Zakay Law Group, APLC
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Email: shani@zakaylaw.com
Website: www.zakaylaw.com

Counsel for Defendant:

Brandon R. McKelvey
Medina McKelvey LLP
925 Highland Pointe Dr., Suite 300
Roseville, CA 95678
Tel.: (916) 960-2211
Fax : (916) 742-5488
E-Mail: brandon@medinamckelvey.com

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

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The Court will hold a Final Approval Hearing at 00:00 AM/PM on _____, at the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012, before Judge Yvette M. Palazuelos. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement. If there are objections, the Court will consider them. The Court will listen to people who have made a timely written request to speak at the hearing or who appear at the hearing to object. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

You may attend in person, but you may also attend remotely if you wish. Remote appearances may be scheduled through "LA Court Connect" for a small fee. <https://www.lacourt.org/lacc/>

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

You may call the Settlement Administrator at _____ or write to *Abundis, et al., v. Image 2000, Case No. 21STCV19193*, Settlement Administrator, c/o _____.

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 writing to JCL Law firm, APC, 5440 Morehouse Drive, Suite 3600, San Diego, CA 92121.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.
- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall pay all funds from such uncashed checks to the State Controller's Office, Unclaimed Property Division in the name of the absent employee ~~Participating Class Members who cashed his or her Settlement Share check using the same work shift formula used for distribution of the Net Settlement Amount.~~ If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.