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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

BRANDY GOMES and JAMAR SPENCER,
individually, and on behalf of other members of
the general public similarly situated, and as
aggrieved employee pursuant to the Private
Attorneys General Act (“PAGA”), and on behalf
of the State of California and other aggrieved
employees

Plaintiff,

vs.

KURA SUSHI USA, INC., a Delaware
corporation and DOES 1 through 10, inclusive,

Defendants.

Case No.: 19STCV18977

**JOINT STIPULATION OF CLASS ACTION
SETTLEMENT AND RELEASE**

1 **JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE**

2 This Joint Stipulation of Class Action Settlement and Release (“Settlement” or “Settlement
3 Agreement”) is made and entered into by and between Plaintiffs Brandy Gomes and Jamar Spencer
4 (“Plaintiffs” or “Class Representatives”), as individuals and on behalf of all others similarly situated, and
5 Defendant Kura Sushi USA, Inc. (“Defendant”) (collectively with Plaintiffs, the “Parties”).

6 **DEFINITIONS**

7 The following definitions are applicable to this Settlement Agreement. Definitions contained
8 elsewhere in this Settlement Agreement will also be effective:

9 1. “Action” means *Gomes v. Kura Sushi USA, Inc.*, No. 19STCV18977 (Los Angeles
10 County Superior Court).

11 2. “Attorneys’ Fees and Costs” means attorneys’ fees agreed upon by the Parties and
12 approved by the Court for Class Counsel’s litigation and resolution of the Action, and all out-of-pocket
13 costs incurred and to be incurred by Class Counsel in the Action, including but not limited to
14 expert/consultant fees, investigation costs, and costs associated with documenting the Settlement,
15 providing any notices required as part of the Settlement or Court order, securing the Court’s approval of
16 the Settlement, administering the Settlement, and obtaining entry of a Judgment terminating the Action.
17 Class Counsel will request attorneys’ fees not in excess of one-third (1/3) of the Gross Settlement
18 Amount, or Five Hundred Eighty-Three Thousand Three Hundred Thirty-Three Dollars (\$583,333). The
19 Attorneys’ Fees and Costs will also mean and include the additional reimbursement of any costs and
20 expenses associated with Class Counsel’s litigation and settlement of the Action, up to Fifty Thousand
21 Dollars (\$50,000), subject to the Court’s approval. Defendant has agreed not to oppose Class Counsel’s
22 request for fees and reimbursement of costs as set forth above.

23 3. “Class Counsel” means Capstone Law APC.

24 4. “Class List” means a complete list of all Class Members that Defendant will diligently
25 and in good faith compile from its records and provide to the Settlement Administrator and Class
26 Counsel within twenty (20) calendar days after Preliminary Approval of this Settlement. The Class List
27 will be formatted in Microsoft Office Excel and will include each Class Member’s full name; most
28 recent mailing address and telephone number; Social Security number; dates of employment; and any

1 other relevant information needed to calculate settlement payments.

2 5. "Class Member(s)" or "Settlement Class" means all persons who worked for Defendant
3 as a non-exempt, hourly employee in California at any time from May 30, 2015 through November 24,
4 2021 or the date of Preliminary Approval, whichever is earlier.

5 6. "Class Period" means the period from May 30, 2015 through November 24, 2021 or the
6 date of Preliminary Approval, whichever is earlier.

7 7. "Class Representative Enhancement Payments" means the amounts to be paid to
8 Plaintiffs in recognition of their effort and work in prosecuting the Action on behalf of Class Members,
9 and for their general release of claims. Subject to the Court granting final approval of this Settlement
10 Agreement and subject to the exhaustion of any and all appeals, Plaintiffs will request Court approval of
11 Class Representative Enhancement Payments of Ten Thousand Dollars (\$10,000), each.

12 8. "Court" means the Los Angeles County Superior Court.

13 9. "Defendant" means Defendant Kura Sushi USA, Inc.

14 10. "Effective Date" means the later of: (i) if no timely objections are filed, or are withdrawn
15 prior to Final Approval, then the date of Final Approval; or (ii) if a Class Member files an objection to
16 the Settlement, the Effective Date shall be the sixty-first (61) calendar day after the date of Final
17 Approval, provided no appeal is initiated by an objector; or (iii) if a timely appeal is initiated by an
18 objector, then the Effective Date will be the date of final resolution of that appeal (including any requests
19 for rehearing and/or petitions for certiorari), resulting in final judicial approval of the Settlement.

20 11. "Final Approval" means the date on which the Court enters an order granting final
21 approval of the Settlement Agreement.

22 12. "Gross Settlement Amount" means the Gross Settlement Amount of One Million Seven
23 Hundred Fifty Thousand Dollars (\$1,750,000), to be paid by Defendant in full satisfaction of all
24 Released Class Claims and Released PAGA Claims, which includes all Individual Settlement Payments,
25 Attorneys' Fees and Costs, the Class Representative Enhancement Payments, the PAGA Settlement
26 Amount, and Settlement Administration Costs. This Gross Settlement Amount has been agreed to by
27 Plaintiffs and Defendant based on the aggregation of the agreed-upon settlement value of individual
28 claims. In no event will Defendant be liable for more than the Gross Settlement Amount except as

1 otherwise explicitly set forth herein. There will be no reversion of the Gross Settlement Amount to
2 Defendant. Defendant will be separately responsible for any employer payroll taxes required by law,
3 including the employer FICA, FUTA, and SDI contributions, which shall not be paid from the Gross
4 Settlement Amount.

5 13. "Individual Settlement Payment" means each Participating Class Member's and PAGA
6 Member's respective shares of the Net Settlement Fund and PAGA Fund.

7 14. "Net Settlement Fund" means the portion of the Gross Settlement Amount remaining
8 after deducting the Attorneys' Fees and Costs, the Class Representative Enhancement Payments, the
9 PAGA Settlement Amount, and Settlement Administration Costs. The Net Settlement Fund will be
10 distributed to Participating Class Members. There will be no reversion of the Net Settlement Fund to
11 Defendant.

12 15. "Notice of Objection" means a Class Member's valid and timely written objection to the
13 Settlement Agreement. For the Notice of Objection to be valid, it must include: (i) the objector's full
14 name, signature, address, and telephone number, (ii) a written statement of all grounds for the objection
15 accompanied by any legal support for such objection; (iii) copies of any papers, briefs, or other
16 documents upon which the objection is based; and (iv) a statement whether the objector intends to appear
17 at the final fairness hearing. Any Class Member who does not submit a timely written objection to the
18 Settlement, or who fails to otherwise comply with the specific and technical requirements of this section,
19 will be foreclosed from objecting to the Settlement and seeking any adjudication or review of the
20 Settlement, by appeal or otherwise.

21 16. "Notice Packet" means the Notice of Class Action Settlement, substantially in the form
22 attached as Exhibit A.

23 17. "PAGA Members" means all persons who worked for Defendant as a non-exempt,
24 hourly employee in California at any time from May 30, 2018 through November 24, 2021 or the date of
25 Preliminary Approval, whichever is earlier.

26 18. "PAGA Period" means the period from May 30, 2018 through November 24, 2021 or
27 the date of Preliminary Approval, whichever is earlier.

28 19. "PAGA Settlement Amount" means the amount that the Parties have agreed to pay to

1 the Labor and Workforce Development Agency (“LWDA”) and PAGA Members in connection with
2 Plaintiffs’ claim under the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698,
3 *et seq.*, “PAGA”) (“PAGA Settlement”). The Parties have agreed that Fifty Thousand Dollars (\$50,000)
4 of the Gross Settlement Amount will be allocated to the PAGA Settlement. Pursuant to PAGA, Seventy-
5 Five Percent (75%), or Thirty Seven Thousand Five Hundred Dollars (\$37,500), of the PAGA
6 Settlement Amount will be paid to the California Labor and Workforce Development Agency (“Labor
7 and Workforce Development Agency Payment”), and Twenty-Five Percent (25%), or Twelve Thousand
8 Five Hundred Dollars (\$12,500), of the PAGA Settlement Amount will be disbursed to PAGA
9 Members, and regardless whether they request to be excluded from the Settlement Class.

10 20. “Parties” means Plaintiffs and Defendant collectively.

11 21. “Participating Class Members” means all Class Members who do not submit timely and
12 valid Requests for Exclusion.

13 22. “Plaintiffs” means Plaintiffs Brandy Gomes and Jamar Spencer.

14 23. “Preliminary Approval” means the date on which the Court enters an order granting
15 preliminary approval of the Settlement Agreement.

16 24. “Released Class Claims” means all claims, rights, demands, liabilities, and causes of
17 action, arising from, or related to, the same set of operative facts as those set forth in the operative
18 complaint during the Class Period, including: (i) all claims for unpaid overtime; (ii) all claims for meal
19 and rest break violations; (iii) all claims for unpaid minimum wages; (iv) all claims for the failure to
20 timely pay wages upon termination based on the preceding claims; (v) all claims for the failure to timely
21 pay wages during employment based on the preceding claims; (vi) all claims for wage statement
22 violations based on the preceding claims; (vii) all claims for the failure to reimburse for necessary
23 business expenses; and (viii) all claims asserted through California Business & Professions Code §§
24 17200, *et seq.*

25 25. “Released PAGA Claims” means all claims asserted through California Labor Code §§
26 2698, *et seq.*, that arise out of or are related to the Released Class Claims during the PAGA Period.

27 26. “Released Parties” means Defendant, its past or present officers, directors, shareholders,
28 employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and

1 reinsurers, and its respective successors and predecessors in interest, subsidiaries, affiliates, parents and
2 attorneys, if any.

3 27. "Request for Exclusion" means a timely letter submitted by a Class Member indicating a
4 request to be excluded from the Settlement Class. The Request for Exclusion must: (i) set forth the name,
5 address, telephone number and last four digits of the Social Security Number of the Class Member
6 requesting exclusion; (ii) be signed by the Class Member; (iii) be returned to the Settlement
7 Administrator; (iv) clearly state that the Class Member does not wish to be included in the Settlement;
8 and (v) be faxed or postmarked on or before the Response Deadline.

9 28. "Response Deadline" means the deadline by which Class Members must postmark or
10 fax to the Settlement Administrator Requests for Exclusion, postmark or fax disputes concerning the
11 calculation of Individual Settlement Payments, or postmark Notices of Objection to the Settlement
12 Administrator. The Response Deadline will be forty-five (45) calendar days from the initial mailing of
13 the Notice Packet by the Settlement Administrator, unless the forty-fifth (45th) calendar day falls on a
14 Sunday or State holiday, in which case the Response Deadline will be extended to the next day on which
15 the U.S. Postal Service is open.

16 29. "Settlement Administration Costs" means the costs payable from the Gross Settlement
17 Amount to the Settlement Administrator for administering this Settlement, including, but not limited to,
18 printing, distributing, and tracking documents for this Settlement, tax reporting, distributing the Gross
19 Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The
20 Settlement Administration Costs will be paid from the Gross Settlement Amount, including, if necessary,
21 any such costs in excess of the amount represented by the Settlement Administrator as being the
22 maximum costs necessary to administer the Settlement. Based on an estimated Settlement Class of
23 approximately 3,000 Class Members, the Settlement Administration Costs are currently estimated to be
24 Twenty Five Thousand Dollars (\$25,000).

25 30. "Settlement Administrator" means CPT Group, Inc., or any other third-party class action
26 settlement administrator agreed to by the Parties and approved by the Court for the purposes of
27 administering this Settlement. The Parties each represent that they do not have any financial interest in
28 the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that

1 could create a conflict of interest.

2 31. “Workweeks” means the number of days of employment for each Class Member during
3 the Class Period, subtracting days on leave of absence (if any), dividing by seven (7), and rounding up to
4 the nearest whole number. All Class Members will be credited with at least one Workweek during the
5 Class Period, and all PAGA Members will be credited with at least one Workweek during the PAGA
6 Period.

7 **TERMS OF AGREEMENT**

8 The Plaintiffs, on behalf of themselves and the Settlement Class, and Defendant agree as
9 follows:

10 32. Funding of the Gross Settlement Amount. Defendant will make a one-time deposit of
11 the Gross Settlement Amount of One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000) into
12 a Qualified Settlement Account to be established by the Settlement Administrator. Defendant will pay
13 the employer’s share of payroll taxes separately. After the Effective Date, the Gross Settlement Amount
14 will be used for: (i) Individual Settlement Payments; (ii) the Labor and Workforce Development Agency
15 Payment; (iii) the Class Representative Enhancement Payments; (iv) Attorneys’ Fees and Costs; and (v)
16 Settlement Administration Costs. Defendant will deposit the Gross Settlement Amount and the
17 employer’s share of payroll taxes within fifteen (15) calendar days after the Effective Date (“Funding
18 Date”).

19 33. Attorneys’ Fees and Costs. Defendant agrees not to oppose or impede any application or
20 motion by Class Counsel for Attorneys’ Fees and Costs of not more than Five Hundred Eighty-Three
21 Thousand Three Hundred Thirty-Three Dollars (\$583,333), plus the reimbursement of all out-of-pocket
22 costs and expenses associated with Class Counsel’s litigation and settlement of the Action (including
23 expert/consultant fees, investigations costs, etc.), not to exceed Fifty Thousand Dollars (\$50,000), both of
24 which will be paid from the Gross Settlement Amount.

25 34. Class Representative Enhancement Payment. In exchange for a general release, and in
26 recognition of their effort and work in prosecuting the Action on behalf of Class Members, Defendant
27 agrees not to oppose or impede any application or motion for Class Representative Enhancement
28 Payments of Ten Thousand Dollars (\$10,000), each, to Plaintiffs. The Class Representative

Enhancement Payments will be paid from the Gross Settlement Amount and will be in addition to Plaintiffs' Individual Settlement Payment paid pursuant to the Settlement. Plaintiffs will be solely and legally responsible to pay any and all applicable taxes on the Class Representative Enhancement Payments.

35. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Gross Settlement Amount, which is currently estimated to be Twenty Five Thousand Dollars (\$25,000). These costs, which will be paid from the Gross Settlement Amount, will include, *inter alia*, the required tax reporting on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, distributing Notice Packets, calculating and distributing the Gross Settlement Amount, and providing necessary reports and declarations.

36. PAGA Settlement Amount. Subject to Court approval, the Parties agree that the amount of Fifty Thousand Dollars (\$50,000) from the Gross Settlement Amount will be designated for satisfaction of Plaintiffs' PAGA claim. Pursuant to PAGA, Seventy-Five Percent (75%), or Thirty-Seven Thousand Five Hundred Dollars (\$37,500), of this sum will be paid to the LWDA and Twenty-Five Percent (25%), or Twelve Thousand Five Hundred Dollars (\$12,500), will be paid to PAGA Members in proportion to the number of Workweeks worked during the PAGA Period.

37. No Right to Exclusion or Objections by Representative Action Members. Because this settlement resolves claims and actions brought pursuant to PAGA by Plaintiffs acting as proxies and as Private Attorneys General of, and for, the State of California and the LWDA, the Parties agree that no PAGA Member has the right to exclude himself or herself from the Settlement. PAGA Members will be bound by the terms of the Settlement Agreement, upon its approval by the Court, regardless of whether he or she cashes any payment received as a result of this Settlement. The Parties also agree that no PAGA Member has the right to object to the terms of the Settlement Agreement.

38. Net Settlement Fund. The entire Net Settlement Fund will be distributed to Participating Class Members. No portion of the Net Settlement Fund will revert to or be retained by Defendant.

39. PAGA Fund. The entire PAGA Fund will be distributed to all PAGA Members. No portion of the PAGA Fund will revert to or be retained by Defendant.

1 40. Individual Settlement Payment Calculations. Individual Settlement Payments will be
2 calculated and apportioned from the Net Settlement Fund and PAGA Fund based on the number of
3 Workweeks a Class Member worked during the Class Period and PAGA Period. Specific calculations of
4 Individual Settlement Payments will be made as follows:

5 40(a) Payments from the Net Settlement Fund. The Settlement Administrator will
6 calculate the total number of Workweeks worked by each Class Member
7 during the Class Period and the aggregate total number of Workweeks
8 worked by all Class Members during the Class Period based on the data
9 provided by Defendant. To determine each Class Member's estimated
10 "Individual Settlement Payment" from the Net Settlement Fund, the
11 Settlement Administrator will use the following formula: The Net
12 Settlement Fund will be divided by the aggregate total number of
13 Workweeks, resulting in the "Workweek Value." Each Class Member's
14 "Individual Settlement Payment" will be calculated by multiplying each
15 individual Class Member's total number of Workweeks by the Workweek
16 Value. The Individual Settlement Payment will be reduced by any required
17 deductions for each Participating Class Member as specifically set forth
18 herein, including employee-side tax withholdings or deductions. The entire
19 Net Settlement Fund will be disbursed to all Class Members who do not
20 submit timely and valid Requests for Exclusion. If there are any valid and
21 timely Requests for Exclusion, the Settlement Administrator shall
22 proportionately increase the Individual Settlement Payment for each
23 Participating Class Member according to the number of Workweeks
24 worked, so that the amount actually distributed to the Settlement Class
25 equals 100% of the Net Settlement Fund.

26 40(b) Payments from the PAGA Fund. The Settlement Administrator will
27 calculate the total number of Workweeks worked by each PAGA Member
28 during the PAGA Period and the aggregate total number of Workweeks

1 worked by all PAGA Members during the PAGA Period based on the data
2 provided by Defendant. To determine each PAGA Member's estimated
3 "Individual Settlement Payment," the Settlement Administrator will use the
4 following formula: The PAGA Fund will be divided by the aggregate total
5 number of Workweeks, resulting in the "PAGA Workweek Value." Each
6 PAGA Member's "Individual Settlement Payment" will be calculated by
7 multiplying each individual PAGA Member's total number of Workweeks
8 by the PAGA Workweek Value. The entire PAGA Fund will be disbursed
9 to all PAGA Members.

10 41. No Credit Toward Benefit Plans. The Individual Settlement Payments made to
11 Participating Class Members under this Settlement, as well as any other payments made pursuant to this
12 Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any
13 Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k)
14 plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan.
15 Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions,
16 or amounts to which any Class Members may be entitled under any benefit plans.

17 42. Administration Process. The Parties agree to cooperate in the administration of the
18 settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in
19 administration of the Settlement.

20 43. Delivery of the Class List. Within twenty (20) calendar days after Preliminary Approval,
21 Defendant will provide the Class List to the Settlement Administrator and to Class Counsel.

22 44. Notice by First-Class U.S. Mail. Within ten (10) calendar days after receiving the Class
23 List from Defendant, the Settlement Administrator will mail a Notice Packet to all Class Members via
24 regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class
25 List.

26 45. Confirmation of Contact Information in the Class Lists. Prior to mailing, the Settlement
27 Administrator will perform a search based on the National Change of Address Database for information
28 to update and correct for any known or identifiable address changes. Any Notice Packets returned to the

1 Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly
2 via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement
3 Administrator will indicate the date of such re-mailing on the Notice Packet. If no forwarding address is
4 provided, the Settlement Administrator will promptly attempt to determine the correct address using a
5 skip-trace, or other search using the name, address and/or Social Security number of the Class Member
6 involved, and will then perform a single re-mailing. Those Class Members who receive a re-mailed
7 Notice Packet, whether by skip-trace or by request, will have either (i) an additional fifteen (15) calendar
8 days or (ii) until the Response Deadline, whichever is later, to submit a Request for Exclusion or an
9 objection to the Settlement.

10 46. Notice Packets. All Class Members will be mailed a Notice Packet. Each Notice Packet
11 will provide: (i) information regarding the nature of the Action; (ii) a summary of the Settlement's
12 principal terms; (iii) the Settlement Class and PAGA Member definitions; (iv) the total number of
13 Workweeks each respective Class Member and PAGA Member worked for Defendant during the Class
14 Period and PAGA Period; (v) each Class Member's and PAGA Member's estimated Individual
15 Settlement Payment and the formula for calculating Individual Settlement Payments; (vi) the dates which
16 comprise the Class Period and PAGA Period; (vii) instructions on how to submit Requests for Exclusion
17 or Notices of Objection; (viii) the deadlines by which the Class Member must postmark or fax Request
18 for Exclusions, or postmark Notices of Objection to the Settlement; and (ix) the claims to be released.

19 47. Disputed Information on Notice Packets. Class Members will have an opportunity to
20 dispute the information provided in their Notice Packets. To the extent Class Members dispute their
21 employment dates or the number of Workweeks on record, Class Members may produce evidence to the
22 Settlement Administrator showing that such information is inaccurate. Defendant's records will be
23 presumed correct, but the Settlement Administrator shall contact the Parties regarding the dispute and the
24 Parties will work in good faith to resolve it. All disputes must be submitted by the Response Deadline,
25 and will be decided within ten (10) business days after the Response Deadline.

26 48. Defective Submissions. If a Class Member's Request for Exclusion is defective as to the
27 requirements listed herein, that Class Member will be given an opportunity to cure the defect(s). The
28 Settlement Administrator will mail the Class Member a cure letter within three (3) business days of

1 receiving the defective submission to advise the Class Member that his or her submission is defective
2 and that the defect must be cured to render the Request for Exclusion valid. The Class Member will have
3 until (i) the Response Deadline or (ii) fifteen (15) calendar days from the date of the cure letter,
4 whichever date is later, to postmark or fax a revised Request for Exclusion. If the revised Request for
5 Exclusion is not postmarked or received by fax within that period, it will be deemed untimely.

6 49. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
7 Settlement Agreement must sign and fax or postmark a written Request for Exclusion to the Settlement
8 Administrator within the Response Deadline. In the case of Requests for Exclusion that are mailed to the
9 Settlement Administrator, the postmark date will be the exclusive means to determine whether a Request
10 for Exclusion has been timely submitted.

11 50. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member
12 who does not affirmatively opt-out of the Settlement Agreement by submitting a timely and valid
13 Request for Exclusion will be bound by all of its terms, including those pertaining to the Released Class
14 Claims, as well as any Judgment that may be entered by the Court if it grants final approval to the
15 Settlement.

16 51. Releases by Participating Class Members. Upon the Funding Date, and except as to such
17 rights or claims as may be created by this Settlement Agreement, each Participating Class Member,
18 together and individually, on their behalf and on behalf of their respective heirs, executors,
19 administrators, agents, and attorneys, shall fully and forever release and discharge all of the Released
20 Parties, or any of them, from each of the Released Class Claims arising during the Class Period.

21 52. Releases by PAGA Members. Upon the Funding Date, and except as to such rights or
22 claims as may be created by this Settlement Agreement, each PAGA Member, together and individually,
23 on their behalf and on behalf of their respective heirs, executors, administrators, agents, and attorneys,
24 shall fully and forever release and discharge all of the Released Parties, or any of them, from each of the
25 Released PAGA Claims during the PAGA Period.

26 53. Objection Procedures. To object to the Settlement Agreement, a Class Member may
27 either postmark a valid Notice of Objection to the Settlement Administrator on or before the Response
28 Deadline, or appear in person at the Final Approval Hearing. Class Members who fail to object either by

1 submitting a valid Notice of Objection or appearing in person at the Final Approval Hearing will be
2 deemed to have waived all objections to the Settlement and will be foreclosed from making any
3 objections, whether by appeal or otherwise, to the Settlement Agreement. At no time will any of the
4 Parties or their counsel seek to solicit or otherwise encourage Class Members to submit written
5 objections to the Settlement Agreement or appeal from the final approval order and judgment. Class
6 Counsel will not represent any Class Members with respect to any such objections to this Settlement. If a
7 Class Member timely submits both a Notice of Objection and a Request for Exclusion, the Request for
8 Exclusion will be given effect and considered valid, the Notice of Objection shall be rejected, and the
9 Class Member shall not participate in or be bound by the Settlement.

10 54. Certification Reports Regarding Individual Settlement Payment Calculations. The
11 Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly report that
12 certifies the number of Class Members who have submitted valid Requests for Exclusion or objections to
13 the Settlement, and whether any Class Member has submitted a challenge to any information contained
14 in their Notice Packet. Additionally, the Settlement Administrator will provide to counsel for both Parties
15 any updated reports regarding the administration of the Settlement Agreement as needed or requested.

16 55. Distribution Timing of Individual Settlement Payments. Within ten (10) calendar days
17 of the Funding Date, the Settlement Administrator will issue payments to: (i) Participating Class
18 Members and PAGA Members; (ii) the Labor and Workforce Development Agency; (iii) Plaintiffs; and
19 (iv) Class Counsel. The Settlement Administrator will also issue a payment to itself for Court-approved
20 services performed in connection with the Settlement.

21 56. Un-cashed Settlement Checks. Funds represented by Individual Settlement Payment
22 checks returned as undeliverable and Individual Settlement Payment checks remaining un-cashed for
23 more than one hundred and eighty (180) calendar days after issuance will be tendered to Worksafe. The
24 Parties do not have a connection to or a relationship with Worksafe that could reasonably create the
25 appearance of impropriety as between the selection of Worksafe as the recipient of the unclaimed
26 residuals and the interests of the class.

27 57. Certification of Completion. Upon completion of administration of the Settlement, the
28 Settlement Administrator will provide a written declaration under oath to certify such completion to the

1 Court and counsel for all Parties.

2 58. Treatment of Individual Settlement Payments. All Individual Settlement Payments will
3 be allocated as follows: (i) Twenty-Five Percent (25%) of each Individual Settlement Payment will be
4 allocated as wages for which IRS Forms W-2 will be issued; and (ii) Seventy-Five (75%) will be
5 allocated as non-wages for which IRS Forms 1099-MISC will be issued.

6 59. Administration of Taxes by the Settlement Administrator. The Settlement Administrator
7 will be responsible for issuing to Plaintiffs, Participating Class Members, PAGA Members, and Class
8 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to
9 this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes
10 and penalties to the appropriate government authorities.

11 60. Tax Liability. Defendant makes no representation as to the tax treatment or legal effect
12 of the payments called for hereunder, and Plaintiffs and Participating Class Members are not relying on
13 any statement, representation, or calculation by Defendant or by the Settlement Administrator in this
14 regard.

15 61. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES
16 OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS
17 AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”)
18 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND
19 NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES
20 OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR
21 WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED
22 OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
23 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
24 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS
25 OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
26 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS
27 AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY
28 ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY

1 UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO
2 ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
3 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
4 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF
5 ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER
6 SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
7 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
8 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
9 AGREEMENT.

10 62. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
11 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
12 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of
13 action or right herein released and discharged.

14 63. Nullification of Settlement Agreement. In the event that: (i) the Court does not finally
15 approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other
16 reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null
17 and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will
18 likewise be treated as void from the beginning.

19 64. Preliminary Approval Hearing. Plaintiffs will obtain a hearing before the Court to
20 request the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval
21 Order for: (i) conditional certification of the Settlement Class for settlement purposes only, (ii)
22 preliminary approval of the proposed Settlement Agreement, (iii) setting a date for a final fairness
23 hearing. The Preliminary Approval Order will provide for the Notice Packet to be sent to all Class
24 Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiffs will
25 submit this Settlement Agreement, which sets forth the terms of this Settlement, and will include the
26 proposed Notice of Class Action Settlement, attached as Exhibit A. Class Counsel will be responsible for
27 drafting all documents necessary to obtain preliminary approval.

28 65. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the

1 deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with the
2 Court's permission, a final fairness hearing will be conducted to determine the Final Approval of the
3 Settlement Agreement along with the amounts properly payable for: (i) Attorneys' Fees and Costs; (ii)
4 the Class Representative Enhancement Payments; (iii) Individual Settlement Payments; (iv) the Labor
5 and Workforce Development Agency Payment; (v) all Settlement Administration Costs. The final
6 fairness hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Class
7 Counsel will be responsible for drafting all documents necessary to obtain final approval. Class Counsel
8 will also be responsible for drafting the attorneys' fees and costs application to be heard at the final
9 approval hearing.

10 66. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the
11 Court or after the final fairness hearing, the Parties will present the Judgment to the Court for its
12 approval. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of
13 addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) Settlement
14 administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or
15 as set forth in this Settlement Agreement. A copy of the Judgment will be posted to the Settlement
16 Administrator's website.

17 67. Release by Plaintiffs. Upon the Funding Date, in addition to the claims being released by
18 all Participating Class Members, Plaintiffs will release and forever discharge the Released Parties, to the
19 fullest extent permitted by law, of and from any and all claims, known and unknown, asserted and not
20 asserted, which Plaintiffs have or may have against the Released Parties as of the date of execution of
21 this Settlement Agreement. To the extent the foregoing release is a release to which Section 1542 of the
22 California Civil Code or similar provisions of other applicable law may apply, Plaintiffs expressly waive
23 any and all rights and benefits conferred upon them by the provisions of Section 1542 of the California
24 Civil Code or similar provisions of applicable law which are as follows:

25 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
26 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
27 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE
28 AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY

1 AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED
2 PARTY.

3 68. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the
4 terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth
5 herein. Any Exhibits to this Settlement Agreement are an integral part of the Settlement.

6 69. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the
7 entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements
8 may be deemed binding on the Parties. The Parties expressly recognize California Civil Code Section
9 1625 and California Code of Civil Procedure Section 1856(a), which provide that a written agreement is
10 to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and
11 the Parties agree that no such extrinsic oral or written representations or terms will modify, vary or
12 contradict the terms of this Settlement Agreement.

13 70. Amendment or Modification. No amendment, change, or modification to this Settlement
14 Agreement will be valid unless in writing and signed, either by the Parties or their counsel.

15 71. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
16 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
17 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
18 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
19 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each
20 other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to
21 reach agreement on the form or content of any document needed to implement the Settlement, or on any
22 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties
23 may seek the assistance of the Court to resolve such disagreement.

24 72. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
25 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

26 73. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto
27 will be governed by and interpreted according to the laws of the State of California.

28 74. Execution and Counterparts. This Settlement Agreement is subject only to the execution

1 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
2 executed counterparts and each of them, including electronic (e.g., DocuSign), facsimile, and scanned
3 copies of the signature page, will be deemed to be one and the same instrument.

4 75. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
5 Settlement Agreement is a fair, adequate and reasonable settlement of the Action and have arrived at this
6 Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account
7 all relevant factors, present and potential. The Parties further acknowledge that they are each represented
8 by competent counsel and that they have had an opportunity to consult with their counsel regarding the
9 fairness and reasonableness of this Settlement.

10 76. Invalidity of Any Provision. Before declaring any provision of this Settlement
11 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
12 possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement
13 valid and enforceable.

14 77. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class
15 certification for purposes of this Settlement only; except, however, that Plaintiffs or Class Counsel may
16 appeal any reduction to the Attorneys' Fees and Costs below the amount they request from the Court,
17 and either party may appeal any court order that materially alters the Settlement Agreement's terms.

18 78. Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate to
19 class action certification for purposes of the Settlement only. If, for any reason, the Settlement is not
20 approved, the stipulation to certification will be void. The Parties further agree that certification for
21 purposes of the Settlement is not an admission that class action certification is proper under the standards
22 applied to contested certification motions and that this Settlement Agreement will not be admissible in
23 this or any other proceeding as evidence that either (i) a class action should be certified or (ii) Defendant
24 is liable to Plaintiffs or any Class Member, other than according to the Settlement's terms.

25 79. Non-Admission of Liability. The Parties enter into this Settlement to resolve the dispute
26 that has arisen between them and to avoid the burden, expense and risk of continued litigation. In
27 entering into this Settlement, Defendant does not admit, and specifically denies, that it violated any
28 federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or

1 any other applicable laws, regulations or legal requirements; breached any contract; violated or breached
2 any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with
3 respect to its employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any
4 of the negotiations connected with it, will be construed as an admission or concession by Defendant of
5 any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to
6 enforce the terms of this Settlement, this Settlement Agreement and its terms and provisions will not be
7 offered or received as evidence in any action or proceeding to establish any liability or admission on the
8 part of Defendant or to establish the existence of any condition constituting a violation of, or a non-
9 compliance with, federal, state, local or other applicable law.

10 80. No Public Comment: The Parties and their counsel agree that they will not issue any
11 press releases, initiate any contact with the press, respond to any press inquiry, or have any
12 communication with the press about the fact, amount or terms of the Settlement.

13 81. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement
14 or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or
15 constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

16 82. Enforcement Actions. In the event that one or more of the Parties institutes any legal
17 action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement
18 or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be
19 entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including
20 expert witness fees incurred in connection with any enforcement actions.

21 83. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
22 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed
23 more strictly against one party than another merely by virtue of the fact that it may have been prepared
24 by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations
25 between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

26 84. Representation By Counsel. The Parties acknowledge that they have been represented
27 by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and
28 that this Settlement Agreement has been executed with the consent and advice of counsel. Further,

1 Plaintiffs and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

2 85. All Terms Subject to Final Court Approval. All amounts and procedures described in
3 this Settlement Agreement herein will be subject to final Court approval.

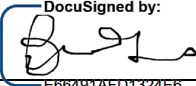
4 86. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good
5 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this
6 Settlement Agreement.

7 87. Binding Agreement. The Parties warrant that they understand and have full authority to
8 enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully
9 enforceable and binding on all parties, and agree that it will be admissible and subject to disclosure in
10 any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that
11 otherwise might apply under federal or state law.

12 **READ CAREFULLY BEFORE SIGNING**

13 **PLAINTIFF**

14
15 Dated: 10/25/2021

DocuSigned by:

E66497AFD1324E6...

Brandy Gomes

17 **PLAINTIFF**

18
19 Dated: _____

Jamar Spencer

21 **DEFENDANT**

22
23 Dated: _____

[Name of Authorized Signatory]
Kura Sushi USA, Inc.

Plaintiffs and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

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READ CAREFULLY BEFORE SIGNING

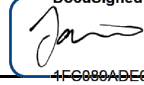
PLAINTIFF

Dated: _____

Brandy Gomes

PLAINTIFF

Dated: 1/26/2022

DocuSigned by:


Jamar Spencer

DEFENDANT

Dated: _____

[Name of Authorized Signatory]
Kura Sushi USA, Inc.

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10 any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that
11 otherwise might apply under federal or state law.

12 **READ CAREFULLY BEFORE SIGNING**

13 **PLAINTIFF**

14
15 Dated: _____

16 _____
Brandy Gomes

17 **PLAINTIFF**

18
19 Dated: _____

20 _____
Jamar Spencer

21 **DEFENDANT**

22
23 Dated: 11/1/2021

24 _____
[Name of Authorized Signatory]
Kura Sushi USA, Inc.

25 Steven H. Beards
26 CFO

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APPROVED AS TO FORM

CAPSTONE LAW APC

January 26, 2022
Dated: _____

By:  _____
Raul Perez

Attorneys for Plaintiff Brandy Gomes and Jamar
Spencer

SQUIRE PATTON BOGGS

November 1, 2021
Dated: _____

By:  _____
Marisol C. Mork

Attorneys for Defendant Kura Sushi USA, Inc.

Exhibit A

Gomes v. Kura Sushi USA, Inc., No. 19STCV18977
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF LOS ANGELES
NOTICE OF CLASS ACTION SETTLEMENT

You are not being sued. This notice affects your rights. Please read it carefully

To: All persons who worked for Defendant Kura Sushi USA, Inc. (“Defendant”) as a non-exempt, hourly employee in California at any time from May 30, 2015 through November 24, 2021 (“Class Members”).

All persons who worked for Defendant as a non-exempt, hourly employee in California at any time from May 30, 2018 through November 24, 2021 (“PAGA Members”).

On _____, the Honorable Maren Nelson of the Los Angeles County Superior Court granted preliminary approval of this class action settlement and ordered the litigants to notify all Class Members of the settlement. **You have received this notice because Defendant’s records indicate that you are a Class Member, and therefore entitled to a payment from the settlement.**

Unless you choose to opt out of the settlement by following the procedures described below, you will be deemed a Class Member and, if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement fund. The Final Fairness Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at ____:00 __.m. on _____, 2022 in Department 17 of the Los Angeles County Superior Court located at 312 North Spring Street, Los Angeles, California 90012.

You are not required to attend the hearing, but if you wish to attend, you may attend the hearing telephonically (remotely), which can be set up through LA Court Connect (www.lacourt.org/lacc/). A prescheduled appointment is currently necessary to review any documents in the clerk’s office.

Please note that face masks and/or facial coverings are required and mandatory at all times to enter any courthouse or courtroom and must be worn covering the nose and mouth. This policy applies to attorneys, parties, witnesses, court staff, Judges, Commissioners, vendors and the general public. The only exceptions to this policy will be for a documented medical condition or excuse, or an ADA accommodation approved by the Court. If an exception is granted, admittance into the courthouse may be restricted to a specific time of the day. If necessary, the time allotted for any granted exception may require the individual to wait until later in the day or schedule an appointment for admittance. Visit http://www.lacourt.org/pdf/recovery_social_distancing.pdf for more information about the Court’s social distancing protocol. Please also note that the Final Fairness Hearing may be rescheduled by the Court to another date and/or time. Please visit [settlement website] for any scheduling changes.

If you move, you must send the Settlement Administrator your new address; otherwise, you may never receive your settlement payment. It is your responsibility to keep a current address on file with the Settlement Administrator.

Summary of the Litigation

Plaintiffs Brandy Gomes and Jamar Spencer, on their behalf and on behalf of other current and former non-exempt employees in California, allege that Defendant violated California state labor laws as a result of its alleged failure to, among other things: (1) pay minimum and overtime wages to employees for all hours worked; (2) provide employees with meal and rest breaks; (3) reimburse for necessary business expenses; (4) timely pay all wages owed to employees during each pay period and upon termination of their employment; and (5) provide employees with accurate, itemized wage statements.

After the exchange of relevant information and evidence, the parties agreed to enter into settlement negotiations in an attempt to informally resolve the claims in the case. On September 24, 2021, the parties participated in a second mediation with Mr. David Rotman, Esq. With Mr. Rotman’s guidance, the parties were able to negotiate a complete settlement of Plaintiffs’ claims.

Counsel for Plaintiffs, and the attorneys appointed by the Court to represent the class, Capstone Law APC (“Class Counsel”), have investigated and researched the facts and circumstances underlying the issues raised in the case and the applicable law. While Class Counsel believe that the claims alleged in this lawsuit have merit, Class Counsel also recognize that the risk and expense of continued litigation justify settlement. Based on the foregoing, Class Counsel believe the proposed settlement is fair, adequate, reasonable, and in the best interests of Class Members.

Defendant has denied, and continues to deny the factual and legal allegations in the case and believes that it has valid defenses to Plaintiffs’ claims. By agreeing to settle, Defendant is not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action. Defendant has agreed to settle the case as a way to avoid the expense and uncertainty of continued litigation.

Summary of The Proposed Settlement Terms

Plaintiffs and Defendant have agreed to settle the underlying class claims in exchange for a Gross Settlement Amount of \$1,750,000. This amount is inclusive of: (1) individual settlement payments to all Participating Class Members; (2) Class Representative Enhancement Payments of \$10,000, each, to Brandy Gomes and Jamar Spencer for their services on behalf of the class, and for a release of all claims arising out of their employment with Defendant; (3) \$583,333 in attorneys’ fees and up to \$50,000 in litigation costs and expenses; (4) a \$50,000 settlement of claims under the Labor Code Private Attorneys General Act of 2004 (“PAGA”), inclusive of a \$37,500 payment to the California Labor and Workforce Development Agency (“LWDA”) in connection with the PAGA, and a \$12,500 payment (“PAGA Fund”) to all PAGA Members; and (5) reasonable Settlement Administrator’s fees and expenses currently estimated at \$25,000. After deducting the above payments, a total of approximately \$_ will be allocated to Class Members who do not opt out of the Settlement Class (“Net Settlement Fund”). Additionally, all PAGA Members will receive a proportional share of the \$12,500 PAGA Fund, regardless whether they opt out of the Settlement Class.

Payments from Net Settlement Fund. Based on data provided by Defendant, the Settlement Administrator will calculate the total number of Workweeks worked by each Class Member from May 30, 2015 through November 24, 2021 (“Class Period”) and the aggregate total number of Workweeks worked by all Class Members during the Class Period. To determine each Class Member’s estimated share of the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks, resulting in the “Workweek Value.” Each Class Member’s share of the Net Settlement Fund will be calculated by multiplying each individual Class Member’s total number of Workweeks by the Workweek Value. The Individual Settlement Payment will be reduced by any required deductions for each Class Member as specifically set forth herein, including employee-side tax withholdings or deductions. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase each Participating Class Member’s share of the Net Settlement Fund according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Fund.

According to Defendant’s records, you worked during the Class Period in a non-exempt position for a total of ____ Workweeks. Accordingly, your estimated payment from the Net Settlement Fund is approximately \$ ____.

Payments from PAGA Fund. Based on data provided by Defendant, the settlement administrator will calculate the total number of Workweeks worked by each PAGA Member from May 30, 2018 through November 24, 2021 (“PAGA Period”) and the aggregate total number of Workweeks worked by all PAGA Members during the PAGA Period. To determine each PAGA Member’s estimated share of the PAGA Fund, the Settlement Administrator will use the following formula: The PAGA Fund will be divided by the aggregate total number of Workweeks, resulting in the “PAGA Workweek Value.” Each PAGA Member’s share of the PAGA Fund will be calculated by multiplying each individual Participating PAGA Member’s total number of Workweeks by the PAGA Workweek Value. A Request for Exclusion does not exclude a PAGA Member from the release of claims under California Labor Code §§ 2698, *et seq.* and the PAGA Member will receive their portion of the PAGA fund even if he or she submits a valid Request for Exclusion.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

According to Defendant's records, you worked during the PAGA Period in a non-exempt position for a total of ____ Workweeks. Accordingly, your estimated payment from the PAGA Fund is approximately \$ ____.

Your Estimated Payment: Based on the above, your estimated payment from the settlement is approximately \$ _____. If you believe the Workweek information provided above is incorrect, please contact the Settlement Administrator to dispute the calculation. You must attach all documentation in support of your dispute (such as check stubs, W2s, or letters from HR). All disputes must be postmarked or faxed on or before [insert date of Response Deadline] and must be sent to:

Settlement Administrator

c/o _____

Fax No. _____

If you dispute the information stated above, Defendant's records will control unless you are able to provide documentation that establishes otherwise.

Taxes on Settlement Payments. IRS Forms W-2 and 1099 will be distributed to participating Class Members and the appropriate taxing authorities reflecting the payments they receive under the settlement. Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this settlement, 25% of each settlement payment will be allocated as wages for which IRS Forms W-2 will be issued, and 75% will be allocated as non-wages for which IRS Forms 1099-MISC will be issued.

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

If you want to receive your payment from the settlement, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1**, and if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement funds. In addition, you will be deemed to have released or waived the Released Class Claims and Released PAGA Claims:

Released Class Claims: All claims, rights, demands, liabilities, and causes of action, arising from, or related to, the same set of operative facts as those set forth in the operative complaint during the Class Period, including: (i) all claims for unpaid overtime; (ii) all claims for meal and rest break violations; (iii) all claims for unpaid minimum wages; (iv) all claims for the failure to timely pay wages upon termination based on the preceding claims; (v) all claims for the failure to timely pay wages during employment based on the preceding claims; (vi) all claims for wage statement violations based on the preceding claims; (vii) all claims for the failure to reimburse for necessary business expenses; and (viii) all claims asserted through California Business & Professions Code §§ 17200, *et seq.*

Released PAGA Claims: All claims asserted through California Labor Code §§ 2698, *et seq.*, that arise out of or are related to the Released Class Claims during the PAGA Period.

Option 2 – Opt Out of the Settlement

If you do not wish to participate in the settlement, you may exclude yourself from participating by submitting a written request to the Settlement Administrator expressly and clearly indicating that you have received this Notice of Class Action Settlement, decided not to participate in the settlement, and desire to be excluded from the settlement. The written request for exclusion must include your name, signature, address, telephone number, and last four digits of your Social Security Number. Sign, date, and mail the request for exclusion by First Class U.S. Mail or equivalent, to the address below.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

Settlement Administrator
c/o _____

The Request for Exclusion must be postmarked or faxed not later than _____, 2022. If you submit a Request for Exclusion which is not postmarked or faxed by _____, 2022, your Request for Exclusion will be rejected, and you will be included in the settlement class.

If you choose **Option 2**, you will no longer be a Class Member, and you will:

- Not Receive a Payment from the Net Settlement Fund.
- Not release the Released Class Claims.
- You will, however, release the Released PAGA Claims, and will receive a payment from the PAGA Fund.

Option 3 – Object to the Settlement

If you decide to object to the settlement because you find it unfair or unreasonable, you may submit a written objection stating why you object to the settlement, or you may instead appear at the Final Fairness Hearing to object to the Settlement. Written objections must provide: (1) your full name, signature, address, and telephone number, (2) a written statement of all grounds for the objection accompanied by any legal support for such objection; (3) copies of any papers, briefs, or other documents upon which the objection is based; and (4) a statement about whether you intend to appear at the Fairness Hearing. The objection must be mailed to the administrator at [administrator's address].

All written objections must be received by the administrator by not later than _____ 2022. By submitting an objection, you are not excluding yourself from the settlement. To exclude yourself from the settlement, you must follow the directions described above. Please note that you cannot both object to the settlement and exclude yourself. You must choose one option only.

You may also, if you wish, appear at the Final Fairness Hearing set for _____ at _____ a.m./p.m. in the Superior Court of the State of California, for the County of Los Angeles and discuss your objection with the Court and the Parties at your own expense. You may also retain an attorney to represent you at the hearing.

If you choose **Option 3**, you will still be entitled to the money from the settlement. If the Court overrules your objection, you will be deemed to have released the Released Claims.

Additional Information

This Notice of Class Action Settlement is only a summary of the case and the settlement. For a more detailed statement of the matters involved in the case and the settlement, you may refer to the pleadings, the settlement agreement, and other papers filed in the case. All inquiries by Class Members regarding this Class Notice and/or the settlement should be directed to the Settlement Administrator or Class Counsel.

Raul Perez
Capstone Law APC
1875 Century Park E., Suite 1000
Los Angeles, CA 90067
Phone: 1 (888) 622-0837

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, DEFENDANT'S ATTORNEYS WITH INQUIRIES.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******