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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA**

RASHON HAYES, individually, and on
behalf of other members of the general
public similarly situated and on behalf of
other aggrieved employees pursuant to the
California Private Attorneys General Act;

Plaintiff,

vs.

THE CONTAINER STORE, INC., an
unknown business entity; and DOES 1
through 100, inclusive,

Defendant.

Case No. 20CV363825

Honorable Theodore Zayner
Department 19

CLASS ACTION

**DECLARATION OF ELIZABETH
PARKER-FAWLEY IN SUPPORT OF
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: January 21, 2026
Time: 1:30 PM
Department: 19

Complaint Filed: February 10, 2020
FAC Filed: August 3, 2020
Trial Date: None Set

DECLARATION OF ELIZABETH PARKER-FAWLEY

I, Elizabeth Parker-Fawley, hereby declare as follows:

1. I am an attorney licensed to practice law in the State of California. I am a member of Lawyers *for* Justice, PC, attorneys of record for Plaintiff Rashon Hayes (“Plaintiff”). The facts set forth in this declaration are within my personal knowledge or based on information and belief and, if called as a witness, I could and would competently testify thereto.

LITIGATION AND REPRESENTATIVE AND CLASS ACTION EXPERIENCE

2. For over a decade, Lawyers *for* Justice, PC has almost exclusively focused on the prosecution of consumer and employment representatives and class actions, involving wage-and-hour claims, race discrimination, unfair business practices, or consumer fraud. Currently, Lawyers *for* Justice, PC is the attorney of record in dozens of employment-related putative class actions and representative actions in both state and federal courts in the State of California. Lawyers *for* Justice, PC has successfully litigated cases involving the executive, administrative, and other overtime exemptions to the State of California and federal overtime compensation requirements. During a relatively short time, in association with other law firms, Lawyers *for* Justice, PC has recovered millions of dollars on behalf of thousands of individuals in California.

3. Edwin Aiwarzian is a Managing Member and Shareholder of Lawyers *for* Justice, PC. He received his Bachelor of Arts degree from Pepperdine University in April of 1999 and earned a Juris Doctor degree from Pepperdine University School of Law in May of 2004. He has extensive formal training in dispute resolution and negotiation from the Straus Institute for Dispute Resolution as part of its Masters in Dispute Resolution degree program. In addition, he has previously served as a pro bono mediator for the Los Angeles County Superior Court. In October of 2000, he obtained a Litigation Paralegal Certificate from the UCLA Extension Program. During the summer of 2000, he studied Legal Writing at Harvard University. From approximately September 2002 to approximately December 2002, he served as a Judicial Extern to the Honorable Kim McLane Wardlaw of the United States Court of Appeals for the Ninth Circuit. From approximately June 2002 to approximately August 2002, he served as a Judicial Extern to the Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District.

In December of 2004, he obtained a license to practice law from the California State Bar. For over a decade, through his work at Lawyers *for* Justice, PC, he has almost exclusively focused on the prosecution of consumer and employment class actions. While employed by Lawyers *for* Justice PC, he has argued over one hundred (100) motions, taken or defended over one hundred fifty (150) depositions, prepared dozens of expert witnesses for deposition or trial, and attended over one hundred seventy-five (175) mediations. Together with other attorneys at the firm, and in some cases in conjunction with co-counsel, he has successfully litigated cases involving the executive, administrative, and other overtime exemptions to the State of California and federal overtime compensation requirements. Under his supervision, Lawyers *for* Justice, PC has successfully obtained class certification by contested motion practice in approximately fifteen (15) cases in the last decade and litigated over 1,000 class action or representative action cases.

4. Arby Aiwazian is a Member and Shareholder of Lawyers *for* Justice, PC. He received his Bachelor of Arts degree from University of California, Los Angeles and graduated magna cum laude. He earned a Juris Doctor degree, cum laude, from Southwestern Law School. From approximately May 2007 to approximately July 2007, he served as a Judicial Extern to the Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District. From approximately August 2008 to approximately December 2008, he served as a Judicial Extern to the Honorable Kim McLane Wardlaw of the United State Court of Appeals for the Ninth Circuit. He was admitted to practice law in California in 2010. He is admitted to practice before all courts of the State of California and all United States District Courts in the State of California. He has worked on many wage-and-hour class action and representative action cases, taking the lead in taking and defending depositions, arguing motions, and attending mediations. He has played an integral role in preparing matters for class certification, including and not limited to, successful certification of a class in *Upson v. Sur La Table* (Los Angeles County Superior Court Case No. BC424012), *Montazemi v. Regus Management* (Los Angeles County Superior Court Case No. BC478769), and *Abdulhaqq v. Urban Outfitters* (Alameda County Superior Court Case No. RG13680477). Under his supervision, dozens of class action or representative cases have resulted in settlements that have been granted court approval. He has handled over one hundred and fifty

(150) mediations and worked on over two hundred and fifty (250) class action or representative action cases which have resulted in settlement.

5. Joanna Ghosh is a Managing Member of Lawyers *for* Justice, PC. She received a Bachelor of Arts degree from California State University, Los Angeles in 2006, a Master of Science degree from the London School of Economics in 2007, and a Juris Doctor degree from Georgetown University Law Center in 2010. She is admitted to practice in California (since 2010) and in New York (since 2013), and she is admitted to practice in all U.S. District Courts in California, the U.S. Bankruptcy Court for the Central District of California, and the U.S. Supreme Court. She has taken and defended dozens of depositions and successfully handled motion practice in class action cases regarding discovery (including and not limited to, regarding class contact information), class certification (both contested class certification and stipulated class certification), arbitration agreements, coordination, and intervention. She has successfully handled briefing and oral argument on appeal and obtained notable decisions regarding the Private Attorneys General Act and employer efforts to compel arbitration, e.g., *Betancourt v. Prudential Overall Supply*, 9 Cal.App.5th 439 (Cal. Ct. App., Mar. 7, 2017), cert. denied (Cal., May 24, 2017), cert. denied (U.S., Dec. 11, 2017) and *ZB, N.A. v. Superior Court*, 8 Cal.5th 175 (2019). She has significant experience with class actions, including and not limited to working on cases to obtain class certification through contested motion practice and working on cases in the post-certification stage (e.g., post-certification discovery, appeal, statistical sampling and pilot study, and trial preparation in conjunction with co-counsel in a case involving a certified class consisting of approximately 2,600 individuals). She also has extensive experience with class action and/or representative action settlements, and she has handled this process in over three hundred (300) cases. Under her, Edwin Aiwazian and Arby Aiwazian, Lawyers *for* Justice, PC has handled the class certification and court approval process for hundreds of class action and/or representative action matters that have successfully resolved. She is a member of the California Employment Lawyers Association.

6. I earned my Bachelor of Arts in History at Chapman University in 2011 and my Juris Doctor from the UCLA School of Law in 2014. In December 2014, I obtained a license to

practice law from the California State Bar. I am admitted to practice in all courts in the State of California, as well as the Central, Southern, Northern, and Eastern District Courts of California and the Ninth Circuit Court of Appeal. Since December 2014, I have worked at Lawyers for Justice, PC, and my practice has almost exclusively focused on the prosecution of employment class actions and representative actions, handling cases in all stages of litigation from initial pleadings to assisting with class action trial matters, attending mediations, and preparing class action settlements. As the Senior Director of Litigation, I oversee dozens of attorneys working on hundreds of employment class actions and representative actions and provided internal training for our litigation practice group and post-bar law clerks. In addition, I oversee the litigation practices of the firm, review and advise attorneys on work product and practices, provide training, and supervise cases from their inception to final accounting. I am a member of the California Lawyers Association Labor & Employment Group.

THE SETTLEMENT REACHED IN THE ACTION

8. On February 10, 2020, Plaintiff filed his Class Action Complaint for Damages against Defendant The Container Store, Inc. (“Defendant,” and collectively with Plaintiff, the “Parties”) in Santa Clara County Superior Court (“Court”), Case No. 20-CV-363825.

9. On February 12, 2020, Plaintiff provided notice by electronic upload to the Labor and Workforce Development Agency and written notice by certified mail to Defendant of his intent to pursue civil penalties under California Labor Code section 2698, et seq. for Defendant’s alleged violations of the California Labor Code (“PAGA Notice). A true and correct copy of the PAGA Notice is attached hereto as “**EXHIBIT 1.**”

10. On August 3, 2020, Plaintiff filed the First Amended Complaint to add a claim for Enforcement under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. (“PAGA”) against Defendant (“Operative Complaint”).

11. After the Parties reached a settlement and began finalizing the instant motion to seek preliminary approval of the settlement agreement, Defendant filed a Notice of Bankruptcy Petition and Automatic Stay on December 31, 2024, staying this action pending Defendant’s

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1 bankruptcy proceedings in the United States Bankruptcy Court for the Southern District of Texas
2 Houston Division.

3 12. On April 22, 2025, Plaintiff received notice of the Confirmation of Bankruptcy Plan
4 and Lift of Automatic Stay. Subsequently, Defendant provided written confirmation that it intends
5 to proceed with approving the Settlement Agreement with Plaintiff in this matter.

6 13. Marked and attached hereto as “**EXHIBIT 2**” is a true and correct copy of the fully
7 executed Settlement Agreement and Release of Class and Representative Action Claims
8 (“Settlement”) entered into by: (1) Plaintiff Hayes, individually, on behalf of all others similarly
9 situated and other aggrieved employees, and as a private attorney general on behalf of the State of
10 California; and (2) Defendant The Container Store, Inc. The Parties and their counsel have
11 approved the proposed Notice of Class and Representative Action Settlement (“Class Notice”),
12 which is attached to the Settlement Agreement as “Exhibit 1,” and respectfully request that the
13 Court approve it as well.

14 14. Based on information provided by Defendant, the Class is estimated to consist of
15 approximately 2,456 individuals.

16 15. The effectiveness of Lawyers for Justice, PC (“Class Counsel”) in prosecuting this
17 matter has translated into tangible monetary benefits in the following respects: (1) Class Members,
18 the State of California, and PAGA Settlement Group Members recover over a reasonably short
19 period of time as opposed to waiting additional years for the same, or possibly worse, result; (2) a
20 guaranteed result that compares favorably with other similar complex wage-and-hour class action
21 and/or representative action settlements of this type, given the strengths and weaknesses of the
22 case; and (3) significant savings in attorneys’ fees and/or costs that would have only increased
23 substantially had the case progressed through certification, trial, and/or appeals.

24 16. Class Counsel has vigorously prosecuted the case for over four (4) years while
25 Defendant has vigorously contested it. The Parties have engaged in sufficient investigation and
26 discovery to assess the relative merits of the Class Representative’s claims and the defenses to
27 them. After such discovery, investigation, and prosecution, the Parties attended a full-day
28 mediation with an experienced employment law mediator, Paul Grossman, and thereafter

continued negotiations which culminated in a settlement in principle. Prior to and during the mediation and post-mediation settlement discussions, the Parties exchanged extensive information and engaged in discussions regarding their evaluations of the case and various aspects of the case, including but not limited to, the risk of continued litigation, the difficulties and delays inherent in such litigation, the potential difficulty of obtaining certification of a class as well as trying the claims of a class, the law relating to off-the-clock theory, meal and rest periods, regular rate of pay, PAGA representative actions, and wage-and-hour law and enforcement, as well as the evidence produced and analyzed, and the possibility of appeals, among other things. During all settlement discussions, the Parties conducted their negotiations at arm's length in an adversarial position. Arriving at a settlement that was acceptable to both Parties was not easy. Defendant and its counsel have denied and continues to deny all allegations, claims, charges, and contentions alleged in the Action, and they contend, among other things, that Defendant complied at all times with California law and has dealt legally and fairly with Plaintiff and the Class Members. On the other hand, the Class Representative and Class Counsel believe that the claims, causes of action, allegations, and contentions asserted in the Action have merit and felt strongly about their ability to obtain class certification and prevail at trial. After conducting extensive investigations, formal and informal discovery, exchange of information, and extensive settlement negotiations, the Parties have agreed that the matter is well-suited for settlement given the legal issues relating to Plaintiff's principal claims, as well as the costs and risks to both sides that would attend further litigation. The Settlement is a fair, reasonable, and adequate resolution of the Released Class Claims of Plaintiff and Class Participants, and of the Released PAGA Claims of the PAGA Settlement Class and the State of California, against the Released Parties.

17. Prior to reaching the Settlement, Class Counsel investigated the veracity, strength, and scope of the claims, and were preparing the matter for class certification and trial. Class Counsel conducted significant formal and informal discovery regarding the facts of the Action, including and not limited to, the exchange, review, and analysis of a large volume of information, documents, and data obtained from Defendant, Plaintiff, and other sources. On August 7, 2020, Plaintiff served Special Interrogatories (Sets One and Two), Form Interrogatories—General (Set

One) and Request for Document Production (Set One), and reviewed Defendant's responses thereto. On September 15, 2020, Defendant propounded its Special Interrogatories (Set One) and Requests for Production of Documents (Set One) to Plaintiff, to which Plaintiff responded. On June 10, 2022, Defendant propounded its Requests for Production of Documents (Set Two), to which Plaintiff responded. On June 16, 2023, Defendant propounded its Requests for Production of Documents (Set Three) and Special Interrogatories (Set Two), to which Plaintiff responded. The Parties met and conferred extensively through multiple rounds of supplemental responses, informal discovery conferences, motion practice, and a *Belaire-West* notice administration prior to the production of the class contact information. Additionally, Class Counsel deposed Defendant's persons most knowledgeable, Stephanie Lind and Donald Leary, on December 8, 2021 and March 23, 2022, respectively. Defendant deposed Plaintiff on January 24, 2024. The volume of additional data and documents that Class Counsel reviewed and analyzed included and was not limited to: Plaintiff's employment records, Plaintiff's time and pay data, time and pay data for a sampling of approximately 25% of other Class Members, company policy acknowledgments, forms, procedures and policies (including, but not limited to, Employee Handbook, California Employment Law Guide, Attendance Policy, Paid Time Off Policy, Timekeeping Policy, Predictive Scheduling Policy, Schedule Deviations Process, Attestation Guide, Attestation Premium Process, Travel Expense Policy, Travel and Expense Reimbursement Process, Code of Business Conduct and Ethics, Mutual Agreement to Arbitrate, Change in Status/Exit Form, Workplace Training Forms, and Job Descriptions) among other information and documents. Class Counsel had the opportunity to interview Plaintiff and other Class Members to gather facts and to identify potential witnesses. Counsel for the Parties met and conferred on numerous occasions, e.g., to discuss issues relating to the pleadings, formal and informal discovery, and the production of documents and data prior to the mediation. Class Counsel also drafted Plaintiff's pleadings, discovery motions, and mediation brief and prepared for and attended court proceedings, settlement negotiations, and the mediation, among other tasks.

18. Counsel for the Parties have also invested time researching and investigating the applicable law, which is constantly evolving as it relates to certification, representative PAGA

claims, off-the-clock theory, meal and rest periods, regular rate of pay, wage-and-hour law and enforcement, Plaintiff's claims and damages, and Defendant's defenses thereto, as well as facts discovered. Based on Class Counsel's analysis, the result achieved in this litigation is fair, adequate, and reasonable.

19. The Settlement provides for a Gross Settlement Amount of \$2,500,000.00. The Net Settlement Amount is the Gross Settlement Amount less the following amounts, subject to approval by the Court: the Administrative Expenses, the Class Attorneys' Fees and Expenses, the PAGA Payment, and the Incentive Award. Assuming that the amounts allocated under the Settlement toward these payments are awarded by the Court, the Net Settlement Amount that will be available for distribution to the Participating Class Members is currently estimated to be \$1,309,640.19.00. Additionally, 75% of the PAGA Payment, which is \$187,500.00, will be distributed to the Labor and Workforce Development Agency ("LWDA"), and 25% of the PAGA Payment, which is \$62,500.00, will be distributed to the PAGA Settlement Group on a *pro rata* basis. The Net Settlement Amount will be fully distributed in accordance with the terms of the Settlement, and there is no reversion to Defendant.

20. The Parties have agreed to retain Simpluris, Inc. ("Settlement Administrator") to handle the notice and settlement administration process. The Parties respectfully request that the Court appoint Simpluris, Inc. to handle these procedures and serve as the Settlement Administrator. Defendant will provide the Settlement Administrator with an updated list of Class Members and PAGA Settlement Class Members containing names, social security numbers, start and end dates of employment in California during the Class Period and the PAGA Period, last-known addresses, last-known personal email addresses, and last-known personal phone numbers (the "Database"). The Settlement Administrator will calculate each Class Member's estimated *pro rata* share of the Net Settlement Amount ("Individual Settlement Amount") and each PAGA Settlement Class Member's estimated *pro rata* share of the PAGA Payment. The Settlement Administrator will be responsible for the following: printing, distributing, and tracking Class Notices and other documents for this settlement; calculating and distributing payments due under the Settlement; issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings,

withholdings, and remittances; providing necessary reports and declarations; and other duties and responsibilities as set forth in the Settlement. The Administrative Expenses are estimated not to exceed \$21,000.00, subject to approval of the Court.

21. Based on investigation and information discovered, Class Counsel believes that there is sufficient evidence to support the allegations made in the lawsuit, including the allegations that Defendant, with respect to Plaintiff and the Class Members, *inter alia*, failed to pay meal and rest period premiums, failed to pay overtime and minimum wages, failed to timely pay wages during employment and upon termination of employment, failed to provide compliant wage statements, failed to keep requisite pay roll records, and failed to reimburse for all necessary business-related expenses, including but not limited to uniform and dress code expenses, and thereby engaged in unfair business practices in violation of California Business and Professions Code section 17200, *et seq.* and conduct giving rise to penalties recoverable under the Private Attorneys General Act of 2004 (California Labor Code sections 2698, *et seq.*). Plaintiff also asserted that he and the other Class Members and PAGA Settlement Class Members were expected to perform similar job duties and were subject to the same or similar operations and employment policies, practices, and procedures. Plaintiff also contends that Defendant's payroll and recordkeeping practices with respect to Plaintiff, the Class Members, and PAGA Settlement Group Members were substantially the same during the time period at issue. As a result of the alleged uniform practices, Plaintiff claims that he, the Class Members, and PAGA Settlement Group Members were uniformly not paid all compensation due to them from Defendant during the time period at issue. Thus, in Class Counsel's view, it is clear that the outcome of this litigation would be determined by Defendant's uniform operations and employment practices, policies, and procedures that Plaintiff alleges applied across its hourly-paid or non-exempt employees in California during the relevant time period.

22. Class Counsel is aware of the defenses and position of Defendant but believes that Plaintiff could potentially obtain class certification despite many obstacles. Class Counsel has also taken into account the uncertain outcome of the litigation, the risk of continued litigation in complex actions such as this, as well as the difficulties and delays inherent in such litigation, and

the potential difficulty of obtaining certification of a class as well as trying the claims of a class. Class Counsel further recognizes the burdens of proof necessary to establish liability, Defendant's defenses, and the difficulties in establishing entitlement to monetary recovery. Class Counsel has also considered the Parties' settlement discussions, as well as the evaluations of the mediator, who is experienced and well-regarded in complex labor and employment matters.

23. Defendant, on the other hand, denied and continues to deny any liability and wrongdoing of any kind associated with the claims alleged in the lawsuit, and further deny that the lawsuit is appropriate for class treatment or representative adjudication for any purpose other than this Settlement. Defendant believes that it would ultimately succeed in the matter. Because it contends its policies comply with the law and its practices comply with the law. Defendant also contends that the lead Plaintiff made significant admissions at his deposition which it contends would be fatal to achieving class certification and which could lead to summary judgment on the merits.

24. Both sides have also had the opportunity to conduct investigations and gather documents and information relating to Plaintiff's, Class Members', and PAGA Settlement Group Members' employment with Defendant, and Defendant's operations and employment policies, practices, and procedures. Counsel for the Parties also reviewed and analyzed a large volume of information, documents and data to determine the potential value and strength of the claims. The available information enabled Class Counsel to assess the value of the class and PAGA claims and prepare violation, damages, and penalties analyses and models. Accordingly, counsel for the Parties have conducted adequate investigation and discovery to be sufficiently informed of the nature and extent of the class and PAGA claims, and to enable both sides to fully evaluate the Settlement for its fairness, adequacy, and reasonableness. The Settlement takes into account the strengths and weaknesses of each side's position and the uncertainty of how the case might have concluded at certification, trial, and/or appeals.

25. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees in an amount of up to 35% of the Gross Settlement Amount (i.e., \$875,000.00), and reimbursement of litigation costs and expenses, subject to approval by the Court. It should be noted that Class

Counsel has borne all of the risks and costs of litigation and will not receive any compensation until recovery is obtained.

26. The Settlement Agreement provides for payment of up to \$14,000.00 to Plaintiff as an Incentive Award to be paid out of the Gross Settlement Amount, subject to approval by the Court. Plaintiff spent considerable time and effort to produce relevant documents and past employment records and to provide the facts and evidence necessary to attempt to prove the allegations. Plaintiff was available whenever Class Counsel needed him and actively tried to obtain information and documents that would facilitate the prosecution of this matter. Plaintiff responded to voluminous written discovery throughout the pendency of this matter and appeared for his deposition on January 24, 2024. Accordingly, it is appropriate and just for Plaintiff to receive an Incentive Award for his services in this matter on behalf of the Class, State of California, and PAGA Settlement Group, in addition to any distribution to which he may otherwise be entitled to as a Class Participant and PAGA Settlement Group Member.

ESTIMATE OF THE VALUE OF THE CLAIMS

27. Plaintiff's action alleges that Defendant has violated the California Labor Code and Industrial Welfare Commission Wage Orders by engaging in a uniform policy and systematic scheme of wage abuse against Plaintiff and the putative class members, including inter alia, failing to properly compensate overtime and minimum wages, failing to provide compliant meal and rest periods and associated premium pay, failing to timely pay wages during employment, failing to timely pay wages upon termination and associated waiting-time penalties, failing to provide compliant wage statements, failing to maintain requisite payroll records, and failing to reimburse necessary business expenses. Plaintiff further contends that Defendant's aforementioned conduct constitutes unfair business practices (under the California Business and Professions Code ("UCL")) and gives rise to civil penalties recoverable under PAGA.

28. Based on data provided by Defendant and extrapolated by Plaintiff, the total number of Class Members during the Class Period from February 10, 2016 to June 6, 2024 ("relevant time period") was estimated to be approximately 2,456 individuals who worked an estimated total of 182,513 workweeks with an average hourly rate of pay of \$17.30.

29. Plaintiff contended that Defendant required putative class members to perform work before clocking-in and after clocking-out of their scheduled shifts and during meal and rest periods. Plaintiff contended that Defendant discouraged the recordation of overtime hours and required putative class members to perform work off-the-clock. Plaintiff contended that Defendant failed to include non-discretionary bonuses and incentives in the calculation of the regular rate when paying overtime wages. Plaintiff also contended that meal and rest periods were regularly missed, later, shortened, and/or interrupted, that putative class members were required to remain on premises during rest breaks, readily available to assist with work tasks, and that Defendant failed to properly pay premiums for all non-compliant meal and rest periods. Additionally, Plaintiff alleged that Defendant intentionally and willfully failed to pay Plaintiff and putative class members all wages due to them while they were employed by Defendant, within the time period permissible under California law, and that Defendant failed to pay all wages due upon termination, within the time period permissible under California law, thereby triggering waiting-time penalties under California Labor Code section 203. Plaintiff contended that, based on the violations described herein, the wage statements provided by Defendant and the payroll records kept by Defendant were inaccurate. Finally, Plaintiff contended that Defendant failed to reimburse Plaintiff and the other putative class members for necessary business expenses, including, but not limited to, the costs associated with the usage of personal cell phones for work duties, and costs associated with the purchase of blood pressure cuffs, thermometers, and pulse oximeters, and hand sanitizers to perform their work duties.

30. Defendant contended the opposite and that it in fact required employees to accurately record their time and in fact had a procedure set forth for any mistakes to be reported and recorded. Defendant contended that Plaintiff's admissions would preclude recovery on his theories and that he admitted he was paid for his time worked and in fact overpaid.

31. Class Counsel considered defense arguments, e.g., that the employer's practices, policies, and procedures complied with the law, that Defendant paid putative class members over the California minimum wage for all hours worked, that Defendant correctly paid overtime for all overtime hours worked, that no waiting-time penalties were due because waiting-time penalties

only arise from “willful” failure to pay wages due and owing at the time of termination or resignation, that Plaintiff and putative class members suffered no actual injury from the alleged wage statement violations and that this alleged violation and the alleged recordkeeping violation are entirely derivative of the other causes of action, and that a policy and practice of reimbursing employees for necessary business-related expenses exists. Class Counsel also considered the likelihood of Plaintiff’s success in establishing that any of provisions of the California Labor Code, on which the civil penalties under PAGA and the UCL claim are predicated, were violated and that such violations were injurious and/or warranted imposition of civil penalties. Class Counsel also considered that trial courts have wide discretion when assessing penalties under PAGA, and that it could be determined that individual liability issues predominate (e.g., due to purported variation in shifts, locations, job duties, and other circumstances which could raise individualized questions of fact) and could pose challenges to certification, manageability, and the merits of Plaintiff’s claims. Class Counsel also considered Defendant’s position that all or most employees hired after March 2020 entered into binding and enforceable arbitration agreements with respect to the claims alleged in this action. Defendant further argued that these arbitration agreements would therefore exclude those employees—a significant proportion of the Class Members—from any class certification. In addition, Class Counsel considered Defendant’s evidence that it faces financial difficulties that would make it difficult or impossible for Plaintiff and the Class to collect on any judgment rendered against Defendant.

32. Class Counsel considered information, data, and documents obtained from Plaintiff, Defendant, and other sources, and created violation, damages, and penalties valuations and models prior to reaching the Settlement. Based thereon, Plaintiff calculated the potential value of the claims. However, the potential value of each claim assumed an exposure based on the above-captioned action having been certified and Plaintiff having proven all elements of the claims and entitlement to monetary recovery in the above-captioned action (on a class-wide and a representative basis), despite risks associated with obtaining and maintaining certification and demonstrating manageability, risks to establishing liability and any underlying California Labor Code and IWC Wage Order violations and damages, and significant additional costs that would

1 have to be incurred in order to certify the above captioned action and establish liability, damages,
2 and penalties amounts in the cases. Plaintiff faced the risk of the Court finding that individualized
3 issues predominate, such that the cases are not suitable for class treatment. While Class Counsel
4 disagreed with Defendant's arguments and factual contentions, Class Counsel recognized the
5 circumstances and realities of the cases, applicable case law and regulations, the extensive time
6 and pay records produced by Defendant, the costs and expenses of further litigation and
7 certification, and risks to recovery, and applied appropriate discounts for them. Class Counsel
8 calculated the potential and realistic values of each claim as follows:

9 a. Failure to Pay Overtime Wages: The potential value of this claim was estimated to
10 be \$4,736,212.35 (182,513 workweeks x 1 hour of unpaid overtime wages x
11 overtime hourly rate of \$25.95, which is based on the average hourly rate of
12 \$17.30). At this juncture, a discount of 60% was applied to account for the risks
13 associated with obtaining and maintaining class certification (bringing the value of
14 this claim closer to \$1,894,484.94), a discount of 60% was applied to account for
15 the risks associated with succeeding on the merits and establishing liability
16 (bringing the value of this claim closer to \$757,793.98), and a discount of 75% was
17 applied to account for the risks associated with proving the extent of damages,
18 obtaining an award thereof, and collecting on the judgment (bringing the value of
19 this claim closer to \$189,448.50).

20 b. Failure to Pay Minimum Wages: The potential value of this claim was estimated to
21 be \$3,157,474.90 (182,513 workweeks x 1 hour of unpaid minimum wages x
22 average hourly rate of \$17.30). At this juncture, a discount of 60% was applied to
23 account for the risks associated with obtaining and maintaining class certification
24 (bringing the value of this claim closer to \$1,262,989.96), a discount of 60% was
25 applied to account for the risks associated with succeeding on the merits and
26 establishing liability (bringing the value of this claim closer to \$505,195.98), and a
27 discount of 75% was applied to account for the risks associated with proving the
28 extent of damages, obtaining an award thereof, and collecting on the judgment

(bringing the value of this claim closer to \$126,299.00).

c. Failure to Provide Compliant Meal Periods and Associated Premiums: The potential value of this claim was estimated to be \$6,314,949.80 (182,513 workweeks x 2 meal period premium x average hourly rate of \$17.30). At this juncture, a discount of 50% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to \$3,157,474.90), a discount of 75% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$789,368.73), and a discount of 75% was applied to account for the risks associated with proving the extent of damages, obtaining an award thereof, and collecting on the judgment (bringing the value of this claim closer to \$197,342.18).

d. Failure to Provide Compliant Rest Periods and Associated Premiums: The potential value of this claim was estimated to be \$6,314,949.80 (182,513 workweeks x 2 rest period premiums x average hourly rate of \$17.30). At this juncture, a discount of 65% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to \$2,210,232.43), a discount of 65% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$773,581.35), and a discount of 75% was applied to account for the risks associated with proving the extent of damages, obtaining an award thereof, and collecting on the judgment (bringing the value of this claim closer to \$193,395.34).

e. Failure to Timely Pay Wages During Employment: The value of this claim is considered as a part of the valuation of the PAGA claim contained *infra*.

f. Failure to Timely Pay Wages After Termination (and Waiting-Time Penalties): Based on information and data provided by Defendant, it was estimated that approximately 1,427 putative class members had been terminated during the three-year statute of limitations (i.e., from February 10, 2017). Assuming that these

individuals were not timely paid all wages due to them upon termination, the potential value of waiting-time penalties was estimated to be \$5,924,904.00 collectively (1,427 individuals x [30 days x hourly rate of \$17.30 x 8 hours]), or approximately \$4,152.00 per individual. At this juncture, a discount of 60% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to \$2,266,080.00), a discount of 60% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$906,432.00), and a discount of 75% was applied to account for the risks associated with proving the extent of damages, obtaining an award thereof, and collecting on the judgment (bringing the value of this claim closer to \$226,608.00).

g. Failure to Provide Compliant Wage Statements: The potential value of this claim was calculated to be \$5,665,200.00 ([1,702 initial violations x \$50 statutory penalty] + [55,801 subsequent violations x \$100 statutory penalty]). At this juncture, a discount of 60% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to \$2,266,080.00), a discount of 60% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$906,432.00), and a discount of 75% was applied to account for the risks associated with proving the extent of damages, obtaining an award thereof, and collecting on the judgment (bringing the value of this claim closer to \$226,608.00).

h. Failure to Maintain Payroll Records: Arguably, civil penalties would only be recoverable by the Labor Commissioner, therefore, the value of this claim is considered as a part of the valuation of the PAGA claim contained *infra*.

i. Failure to Reimburse Necessary Business Expenses: The potential value of this claim was estimated to be \$1,204,585.80 (182,513 workweeks x \$6.60 unreimbursed business expenses). At this juncture, a discount of 70% was applied

to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to \$361,375.74), a discount of 70% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$108,412.72), and a discount of 75% was applied to account for the risks associated with proving the extent of damages, obtaining an award thereof, and collecting on the judgment (bringing the value of this claim closer to \$27,103.18).

j. PAGA Penalties: The amount of civil penalties at issue, which the Court could determine whether or not to assess and whether or not to reduce based on the facts and circumstances of the case (to avoid an award that is unjust, arbitrary and oppressive, or confiscatory, pursuant to California Labor Code section 2699(e)(2)), were estimated to be approximately \$2,382,800.00 (1,702 aggrieved employees estimated to have worked during one-year statutory period x \$1,400 civil penalties). At this juncture, a discount of 40% was applied to account for the risks associated with possible bifurcation of discovery and/or trial (bringing the value of this claim closer to \$1,429,680.00), a discount of 40% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$857,808.00), and a discount of 75% was applied to account for the risks associated with the Court's discretion to reduce civil penalties, obtaining an award of civil penalties, and collecting on a judgment (bringing the value of this claim closer to \$214,452.00).

33. The foregoing discussion assumes that there would be liability, and taking into account the size of any class and the work weeks, the facts confirm that the amount of the Settlement is adequate in light of Plaintiff's allegations and causes of action, Defendant's defenses, the evidence at issue with respect to those allegations and causes of action, and legal and factual arguments and circumstances which pose challenges to certification, manageability, merits, and monetary recovery. The conclusion to be drawn from the foregoing analysis is that neither class certification, manageability, liability, nor the ability to adjudicate and/or recover monetary relief

on a class-wide or representative basis is clear-cut, which is why the Parties elected to settle this matter. Class Counsel also recognized that additional discounts could be made to the risk-adjusted value to account for the costs and expenses associated with further litigation and the present value of obtaining a settlement now as opposed to monetary recovery, if any, that may be obtained in the future after further litigation. Class Counsel recognized the circumstances and realities of the case, applicable case law and regulations, and risks to recovery and applied appropriate discounts.

34. Class Counsel submits that the Settlement is fair, reasonable, and adequate, and is in the best interest of Plaintiff, Class Members, PAGA Settlement Group Members, and the State of California. Class Counsel further submits that the Settlement is within an acceptable range of recovery for this type of litigation given the strengths and weaknesses of the case, the inherent costs and risks of further litigation, and the costs and risks associated with class certification, representative adjudication, trial, and/or appeals.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 5th day of September 2025, at Glendale, California.



Elizabeth Parker-Fawley

EXHIBIT 1

February 12, 2020

BY ONLINE SUBMISSION

California Labor & Workforce Development Agency
PAGAfilings@dir.ca.gov

Re: THE CONTAINER STORE, INC.

Dear Representative:

We have been retained to represent Rashon Hayes against The Container Store, Inc. (including any and all affiliates, subsidiaries, parents, directors, officers, and employees) (collectively referred to as "The Container Store") for violations of California wage-and-hour laws. Mr. Hayes seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA") and all other remedies available under PAGA.

Mr. Hayes seeks these remedies on behalf of the State of California and "aggrieved employees," as defined herein. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

The Container Store employed Mr. Hayes as an hourly-paid, non-exempt employee from approximately April 2019 to approximately June 2019, in the State of California.

The "aggrieved employees" that Mr. Hayes may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California.

Based on the following facts and theories, The Container Store has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Order 7-2001.

The Container Store required aggrieved employees to perform work before their scheduled shifts, after their scheduled shifts, during off-the-clock meal breaks, and/or during rest breaks and failed to compensate aggrieved employees for this time. Such work included, but was not limited to, taking out garbage, and answering work relate inquiries from managers/supervisors.

California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During

the relevant time period, Mr. Hayes and other aggrieved employees worked in excess of 8 hours in a day and 40 hours in a week. Therefore, Mr. Hayes and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each meal or rest period that is not provided. During the relevant time period, The Container Store required Mr. Hayes and other aggrieved employees to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods.

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. During the relevant time period, The Container Store failed to pay Mr. Hayes and other aggrieved employees all wages due to them within any time period specified by California Labor Code sections 201 and 202, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, The Container Store failed to pay Mr. Hayes and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, The Container Store did not provide Mr. Hayes and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from The Container Store were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Mr. Hayes and other aggrieved employees, including time spent working off-the-clock and during meal and rest periods as discussed above.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day's rest in a seven-day workweek, that no employer of labor shall cause his employees to work more than six days in a workweek, and that an employer shall pay a civil

penalty in the amounts of fifty dollars (\$50) for each aggrieved employee per pay period for the initial violation and one hundred dollars (\$100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Mr. Hayes and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Mr. Hayes and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Mr. Hayes and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Mr. Hayes and the aggrieved employees accumulated days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

California Labor Code sections 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case shall be kept on file for not less than two years. During the relevant time period, The Container Store failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages earned by Mr. Hayes and other aggrieved employees, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code sections 1194, 1197, and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, The Container Store did not provide Mr. Hayes and other aggrieved employees with the minimum wages to which they were entitled for work performed "off-the-clock."

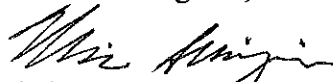
California Labor Code section 1198 provides that "The employment of any employee ... under conditions of labor prohibited by the [Industrial Wage Orders] is unlawful." The applicable Industrial Wage Orders, including *inter alia*, Wage Order 7-2001, require that for each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay. Further, if an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, said employee shall be paid for two (2) hours at the employee's regular rate of pay. During the relevant time period, The Container Store failed to pay Mr. Hayes and other aggrieved employees half the usual or scheduled day's work in an amount no less than two (2) hours nor more than four (4) hours at the employee's regular rate of pay for workdays in which Mr. Hayes and the other aggrieved employees reported to work and were furnished less than half the usual or scheduled day's work. During the relevant time period, The Container Store failed to pay Mr. Hayes and other aggrieved employees for two (2) hours at the employee's regular rate of pay on days in which Mr. Hayes and the other aggrieved employees were required to report for work a second time in one workday and were furnished less than two (2) hours of work upon the second reporting.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant time period, Mr. Hayes and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by The Container Store. These costs include, but are not limited to, the use of a personal cell phone for work related purposes, and the purchasing of gloves for work related purposes.

Therefore, on behalf of all aggrieved employees, Mr. Hayes seeks all applicable penalties arising out of the above-referenced wage, hour, and payroll practices, or which could be assessed and collected by the Labor and Workforce Development Agency, for violation of the California Labor Code pursuant to PAGA.

If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

With kind regards,



Edwin Aiwazian, Esq.

Cc: (By U.S. Certified Mail / Return Receipt Requested)

The Container Store, Inc.
c/o Cogency Global, Inc.
Agent for Service of Process
1325 J St, Suite 1550
Sacramento, CA 95814

(By U.S. Mail – Under Separate Cover with Filing Fee Enclosed)

Department of Industrial Relations Accounting Unit
455 Golden Gate Avenue, 10th Floor
San Francisco, California 94102

EXHIBIT 2

Edwin Aiwazian (SBN 232943)
Arby Aiwazian (SBN 269827)
Elizabeth Parker-Fawley (SBN 301592)
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Attorneys for Defendant

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA**

RASHON HAYES, individually, and on behalf of
other members of the general public similarly
situated and on behalf of other aggrieved
employees pursuant to the California Private
Attorneys General Act;

Plaintiff,

vs.

THE CONTAINER STORE, INC., an unknown
business entity; and DOES 1 through 100,
inclusive,

Defendant.

Case No. 20CV363825

Honorable Theodore Zayner
Department 19

CLASS ACTION

**SETTLEMENT AGREEMENT AND
RELEASE OF CLASS AND
REPRESENTATIVE ACTION CLAIMS**

Complaint Filed: February 10, 2020
FAC Filed: August 3, 2020
Jury Trial: None Set

SETTLEMENT AGREEMENT AND RELEASE

OF CLASS AND REPRESENTATIVE ACTION CLAIMS

This Settlement Agreement and Release of Class and Representative Action Claims (“Settlement Agreement”) is made and entered into by: (1) Plaintiff Rashon Hayes (“Plaintiff”), individually and in his representative capacity on behalf of the Settlement Class, as defined below, and as a private attorney general on behalf of the State of California; and (2) Defendant The Container Store, Inc. (“Defendant”). Plaintiff and Defendant are collectively referred to herein as the “Parties,” or individually, a “Party.” This Settlement Agreement is subject to the approval of the Court pursuant to California Code of Civil Procedure section 382 and is made for the sole purpose of attempting to consummate settlement of the action on a class-wide basis subject to the following terms and conditions. As detailed below, and subject to the terms of Section 1.52.1 below, in the event the Court does not enter an order granting final approval of this Settlement Agreement or the conditions precedent are not met for any reason, this Settlement Agreement shall be void and of no force or effect whatsoever.

1.1. DEFINITIONS

As used in this Settlement Agreement, the following terms shall have the meanings specified below. To the extent terms or phrases used in this Settlement Agreement are not specifically defined in this section immediately below, but are defined elsewhere in this Settlement Agreement, they are incorporated by reference into this definition section.

1.1.1. ACTION

“Action” shall mean the following civil action: *Rashon Hayes v. The Container Store, Inc.*, No. 20CV363825, currently pending before the Superior Court of the State of California for the County of Santa Clara.

1.1.2. ADMINISTRATIVE EXPENSES

“Administrative Expenses” shall include all reasonable costs and expenses associated with and paid to the Settlement Administrator not to exceed \$21,000.00.

1.1.3. CLASS ATTORNEYS’ FEES AND EXPENSES

“Class Attorneys’ Fees and Expenses” shall mean the portion of the Gross Settlement Amount attributable to Class Counsel’s attorneys’ fees and litigation expenses. The Parties agree that the

amount of fees and costs payable to Class Counsel shall be determined by the Court. However, in no event will Class Counsel request attorneys' fees of more than 35% of the Gross Settlement Amount (*i.e.*, \$875,000.00).

1.1.4. CLASS COUNSEL

"Class Counsel" shall mean Edwin Aiwasian, Arby Aiwasian, and Elizabeth Parker-Fawley of Lawyers for Justice, PC.

1.1.5. CLASS DATA

"Class Data" shall mean information regarding Class Members that Defendant will in good faith compile from its records and provide to the Settlement Administrator. The Class Data shall be formatted as a Microsoft Excel spreadsheet and shall include: each Class Member's full name; last known address; Social Security Number; and information sufficient to calculate the number of Workweeks each Class Member worked during the Class Period. The Class Data shall remain confidential, be marked "Confidential – Settlement Administrator's Eyes Only," and shall not be disclosed to Class Counsel or any other person or entity other than the Settlement Administrator for the purposes set forth herein.

1.1.6. CLASS MEMBER

"Class Member" shall mean any person who is a member of the Settlement Class, or, if such person is incompetent or deceased, the person's legal guardian, executor, administrator, heir, or successor-in-interest.

1.1.7. CLASS NOTICE

"Class Notice" shall mean the Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval, as set forth in the form of **Exhibit 1** attached hereto, or as otherwise approved by the Court, which is to be mailed to Class Members.

1.1.8. CLASS PARTICIPANTS

"Class Participants" shall mean all Class Members who do not timely request exclusion from the Class Settlement.

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1.1.9. CLASS PERIOD

“Class Period” shall mean the period from February 10, 2016, through the earlier of June 6, 2024 or the Preliminary Approval Date.

1.1.10. CLASS REPRESENTATIVE

“Class Representative” shall mean Plaintiff Rashon Hayes.

1.1.11. CLASS SETTLEMENT

“Class Settlement” shall mean the settlement of the Released Class Claims embodied in this Settlement Agreement, which is subject to the Court’s approval.

1.1.12. COMPLAINT

“Complaint” shall mean the currently operative complaint in the Action.

1.1.13. COURT

“Court” shall mean the Superior Court of the State of California for the County of Santa Clara.

1.1.14. DEFENDANT

“Defendant” shall mean Defendant The Container Store, Inc.

1.1.15. DEFENSE COUNSEL

“Defense Counsel” shall mean Defendant’s counsel of record in the Action, Wendy M. Lazerson and Natali Wyson of Sidley Austin LLP.

1.1.16. EFFECTIVE DATE

“Effective Date” shall be the date when all of the following events have occurred: (a) this Settlement Agreement has been executed by all Parties and by Class Counsel and Defense Counsel; (b) the Court has given preliminary approval to the Class Settlement; (c) notice has been given to the Settlement Class providing them with an opportunity to request exclusion from, and/or to object to, the Class Settlement; (d) the Court has held a Final Approval and Fairness Hearing and entered a final order and judgment certifying the Settlement Class and approving this Settlement Agreement; and (e) the later of the following events: (i) the expiration of the period for filing any appeal, writ, or other appellate proceeding opposing the Class Settlement has elapsed without any appeal, writ, or other appellate proceeding having been filed; (ii) the dismissal of any appeal, writ, or other appellate proceeding opposing the Class Settlement with no right to pursue further remedies or relief; or (iii) any decision

on any appeal, writ, or the issuance of such other final appellate order upholding the Court’s final order with no right to pursue further remedies or relief. In this regard, it is the intention of the Parties that the Class Settlement shall not become effective until the Court’s order approving the Class Settlement is completely final and there is no further recourse by an appellant or objector who seeks to contest the Class Settlement. In the event no objections are filed, the Effective Date shall be the date steps (a) through (d) are completed (*i.e.*, the date that the court has entered a final order and judgment certifying the Settlement Class and approving this Settlement Agreement).

1.1.17. EMPLOYER TAXES

“Employer Taxes” shall mean the employer’s share of any taxes or withholding arising from settlement payments made under this Settlement Agreement to be paid in addition to the Gross Settlement Amount.

1.1.18. FINAL APPROVAL AND FAIRNESS HEARING

“Final Approval and Fairness Hearing” shall mean the final hearing held to ascertain the fairness, reasonableness, and adequacy of the Class Settlement.

1.1.19. GROSS SETTLEMENT AMOUNT

“Gross Settlement Amount” is the agreed upon non-reversionary settlement amount totaling two million five hundred thousand dollars (\$2,500,000.00) to be paid by Defendant in full settlement of the Released Class Claims and Released PAGA Claims asserted in this Action, inclusive of the Administrative Expenses, the Class Attorneys’ Fees and Expenses, the Incentive Award, and PAGA Payment. Notwithstanding the foregoing definition, Defendant shall be responsible to pay the Employer Taxes due with each payment made under this Settlement Agreement separately and in addition to the Gross Settlement Amount.

1.1.20. HEARING ON PRELIMINARY APPROVAL

“Hearing on Preliminary Approval” shall mean the hearing held on the motion for preliminary approval of the Class Settlement.

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1 **1.1.21. INCENTIVE AWARD**

2 “Incentive Award” shall mean any additional monetary payment from the Gross Settlement Amount
3 that is in addition to the Individual Settlement Amount and Individual PAGA Payment provided to the
4 Class Representative for his efforts and risks on behalf of the Settlement Class in this Action.

5 **1.1.1. INDIVIDUAL PAGA PAYMENT**

6 “Individual PAGA Payment” shall mean the *pro rata* share of the employee portion of the PAGA
7 Payment for each PAGA Settlement Group Member.

8 **1.1.2. INDIVIDUAL SETTLEMENT AMOUNT**

9 “Individual Settlement Amount” shall mean each Class Member’s *pro rata* share of the Net Settlement
10 Amount. The Individual Settlement Amount does not include any portion of the PAGA Payment.

11 **1.1.3. INDIVIDUAL SETTLEMENT PAYMENT**

12 “Individual Settlement Payment” shall mean the amount which is ultimately distributed to each Class
13 Participant in payment for the Class Settlement, which is their Individual Settlement Amount net
14 employee side withholding taxes.

15 **1.1.4. NET SETTLEMENT AMOUNT**

16 “Net Settlement Amount” shall mean the Gross Settlement Amount minus: the Administrative
17 Expenses; the Class Attorneys’ Fees and Expenses; the PAGA Payment; and the Incentive Award.

18 **1.1.5. OPT OUT**

19 “Opt Out” shall refer to the process of a Class Member submitting a timely and valid request for
20 exclusion from the Class Settlement in accordance with the terms of the Class Notice and no later than
21 the Response Deadline; provided, however, that PAGA Settlement Group Members shall not be
22 eligible to opt out of the PAGA Settlement.

23 **1.1.6. OPT-OUTS**

24 “Opt-Outs” shall mean all Class Members who timely and validly request exclusion from the Class
25 Settlement in accordance with the terms of the Class Notice and no later than the Response Deadline.

26 **1.1.7. PAGA PAYMENT**

27 “PAGA Payment” means the amount of the Gross Settlement Amount allocated to penalties pursuant
28 to the California Labor Code Private Attorney General Act of 2004 (“PAGA”), codified at Labor Code

sections 2698 through 2699, that the Parties have agreed is a reasonable sum to be paid in settlement of the PAGA claims included in the Action, which is two hundred fifty thousand dollars (\$250,000.00) (*i.e.*, ten (10) percent of the Gross Settlement Amount). The PAGA Payment is subject to approval by the Court pursuant to Labor Code section 2699(1)(2) and shall be distributed as follows: seventy-five percent (75%) (*i.e.*, \$187,500.00) to the California Labor and Workforce Development Agency (“LWDA”) and twenty-five percent (25%) (*i.e.*, \$62,500.00) to the PAGA Settlement Group. Class Counsel shall give timely notice of this Settlement Agreement to the LWDA pursuant to Labor Code section 2699, subdivision (1)(2). In the event that the Court alters the sum allocated to PAGA penalties, the same 75/25% percentages shall apply.

1.1.8. PAGA PERIOD

“PAGA Period” shall mean the period from February 12, 2019, through the earlier of June 6, 2024 or the Preliminary Approval Date.

1.1.9. PAGA SETTLEMENT

“PAGA Settlement” shall mean the settlement of the PAGA claims embodied in this Settlement Agreement, which is subject to the Court’s approval.

1.1.10. PAGA SETTLEMENT GROUP

“PAGA Settlement Group” shall mean all individuals who are or were employed by Defendant as an hourly-paid or non-exempt employee in California from February 12, 2019 to June 6, 2024. For purposes of this Settlement Agreement, Defendant represents that the PAGA Settlement Group consists of approximately 1,702 employees who worked a total of approximately 57,503 pay periods during the PAGA Period.

1.1.11. PAGA SETTLEMENT GROUP MEMBER

“PAGA Settlement Group Member” shall mean any individual who is a member of the PAGA Settlement Group, or, if such person is incompetent or deceased, the person’s legal guardian, executor, administrator, heir, or successor-in-interest.

1.1.12. PAGA GROUP MEMBER DATA

“PAGA Group Member Data” shall mean information regarding PAGA Settlement Group Members that Defendant will in good faith compile from its records and provide to the Settlement

Administrator. The PAGA Group Member Data shall be formatted as a Microsoft Excel spreadsheet and shall include: each PAGA Settlement Group Member's full name; last known address; Social Security Number; and information sufficient to calculate the number of Pay Periods each PAGA Settlement Group Member worked during the PAGA Period. The PAGA Group Member Data shall remain confidential, be marked "Confidential – Settlement Administrator's Eyes Only," and shall not be disclosed to Class Counsel or any other person or entity other than the Settlement Administrator for the purposes set forth herein.

1.1.13. PAY PERIOD

"Pay Period" shall mean the number of pay periods in which a PAGA Settlement Group Member worked at least one day for Defendant in California during the PAGA Period.

1.1.14. PRELIMINARY APPROVAL DATE

"Preliminary Approval Date" shall mean the date upon which the Court enters an order preliminarily approving this Settlement Agreement.

1.1.15. RELEASED CLASS CLAIMS

"Released Class Claims" shall mean those claims arising out of or related to the allegations set forth in the Complaint, including any and all claims arising from the same nucleus of facts that were or could have been raised in the Complaint, which arose at any time during the Class Period, including but not limited to claims for: (1) unpaid overtime in violation of Labor Code sections 510 and 1198; (2) unpaid meal period premiums in violation of Labor Code sections 226.7 and 512(a); (3) unpaid rest period premiums in violation of Labor Code section 226.7; (4) unpaid minimum wages in violation of Labor Code sections 1194, 1197, and 1197.1; (5) final wages not being timely paid in violation of Labor Code sections 201-203; (6) wages not being timely paid during employment in violation of Labor Code section 204; (7) non-compliant wage statements in violation of Labor Code section 226(a); (8) failure to keep requisite payroll records in violation of Labor Code 1174(d); (9) unreimbursed business expenses in violation of Labor Code sections 2800 and 2802, including but not limited to expenses incurred for uniform and dress code, internet service, telephone service, telecommunications equipment, cost of any home office equipment (such as, without limitation, computers, printers, scanners, monitors, and headsets, et cetera), office supplies, electricity and other utility bills, rental

value of home office space, and late payment charges or fees assessed to corporate credit cards; (10) deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); (11) statutory penalties based on the foregoing pursuant to Labor Code sections 210, 218.5, 558, 2699 and Code of Regulations Title 8 section 11010, et seq.; and (12) liquidated damages, penalties, interest, attorneys' fees, and costs based on the foregoing. The period of the release set forth in Section 1.11.1 below shall extend through the entire Class Period. The *res judicata* effect of the Judgment will be the same as that of the Class Release. Except as provided herein, the definition of Released Class Claims shall not be limited in any way by the possibility that Plaintiff or Settlement Class Members may discover new facts or legal theories or legal arguments not alleged in the Complaint but which might serve as an alternative basis for pursuing claims, causes of action, or legal theories of relief falling within the definition of Released Class Claims.

Except as set forth in Section 1.11.3 below, this Settlement Agreement will not release any person, Party, or entity from claims, if any, by Class Members for workers' compensation, unemployment, or disability benefits of any nature. Nor does it release any claims, actions, or causes of action which may be possessed by Class Members other than Plaintiff under state or federal discrimination statutes, including, without limitation, the California Fair Employment and Housing Act (Gov. Code, §§ 12900–12996); the Unruh Civil Rights Act (Civ. Code, § 51); the California Constitution; Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000, et seq.); the Americans with Disabilities Act (42 U.S.C. § 12101, et seq.); the Employee Retirement Income Security Act of 1974 (29 U.S.C. § 1001 et seq.); and all of their implementing regulations and interpretive guidelines.

1.1.16. RELEASED PAGA CLAIMS

“Released PAGA Claims” shall mean any and all claims for civil penalties under the PAGA arising out of or related to the allegations set forth in the Complaint and/or PAGA notice to the LWDA, including any and all claims arising from the same nucleus of facts that were or could have been raised in the PAGA notice to the LWDA, which arose at any time during the PAGA Period, including but not limited to claims for: (1) unpaid overtime in violation of Labor Code sections 510 and 1198; (2) unpaid meal period premiums in violation of Labor Code sections 226.7 and 512(a); (3) unpaid rest period premiums

in violation of Labor Code section 226.7; (4) unpaid minimum wages in violation of Labor Code sections 1194, 1197, and 1197.1; (5) final wages not being timely paid in violation of Labor Code sections 201-203; (6) wages not being timely paid during employment in violation of Labor Code section 204; (7) non-compliant wage statements in violation of Labor Code section 226(a); (8) failure to keep requisite payroll records in violation of Labor Code 1174(d); and (9) unreimbursed business expenses in violation of Labor Code sections 2800 and 2802, including but not limited to expenses incurred for uniform and dress code, internet service, telephone service, telecommunications equipment, cost of any home office equipment (such as, without limitation, computers, printers, scanners, monitors, and headsets, et cetera), office supplies, electricity and other utility bills, rental value of home office space, and late payment charges or fees assessed to corporate credit cards.

1.1.17. RELEASED PARTIES

“Released Parties” shall mean Defendant and all of Defendant’s current or former parent companies, subsidiaries, affiliates, and otherwise related entities, and any of their past, present and/or future direct and/or indirect officers, directors, shareholders, agents, executive-level employees, representatives, attorneys, insurers, partners, investors, administrators, members, agents, predecessors, successors, assigns, divisions and joint venturers.

1.1.18. RELEASING PARTIES

“Releasing Parties” shall mean every Class Participant and PAGA Settlement Group Member and all persons purporting to act on their behalf or purporting to assert a claim under or through them, including, but not limited to, their dependents, heirs, assigns, beneficiaries, devisees, legatees, executors, administrators, agents, trustees, conservators, guardians, personal representatives, and successors-in-interest, whether individual, class, representative, legal, equitable, direct or indirect, or any other type or in any other capacity.

1.1.19. RESPONSE DEADLINE

“Response Deadline” shall mean the date sixty (60) days following the date on which the Settlement Administrator first mails the Class Notice to the Class Members. The Response Deadline shall be the last day on which Class Members may submit a request for exclusion and/or objection to the Class Settlement.

1.1.20. SETTLEMENT ADMINISTRATOR

“Settlement Administrator” shall mean Simpluris, Inc. (or other administrator agreed upon by the Parties) which the Parties have agreed will be responsible for administration of the Class Settlement and related matters.

1.1.21. SETTLEMENT CLASS

“Settlement Class” shall mean all individuals who are or were employed by Defendant as an hourly-paid or non-exempt employee in California during the Class Period. For purposes of this Settlement Agreement, Defendant represents that the Settlement Class consists of approximately 2,456 Class Members who worked a total of approximately 182,513 workweeks during the Class Period.

“Settlement Class Member” shall mean any individual who is a part of the Settlement Class.

1.1.22. TAXES

“Taxes” shall mean all taxes arising with respect to the Gross Settlement Amount, including any taxes or tax detriments that may be imposed upon the Parties or their counsel with respect to any income earned by the Gross Settlement Amount for any period during which the Gross Settlement Amount does not qualify as a “Qualified Settlement Fund” for federal or state income tax purposes.

1.1.23. WORKWEEK(S)

“Workweek” or “Workweeks” shall mean the number of workweeks in which a Settlement Class Member worked at least one day for Defendant in California during the Class Period.

1.2. FACTUAL AND PROCEDURAL BACKGROUND

1.2.1. PLAINTIFF’S CLAIMS

Plaintiff, individually and in his representative capacity on behalf of the Settlement Class, and as a private attorney general on behalf of the State of California, has alleged the following: (1) unpaid overtime in violation of Labor Code sections 510 and 1198; (2) unpaid meal period premiums in violation of Labor Code sections 226.7 and 512(a); (3) unpaid rest period premiums in violation of Labor Code section 226.7; (4) unpaid minimum wages in violation of Labor Code sections 1194, 1197, and 1197.1; (5) final wages not being timely paid in violation of Labor Code sections 201 and 202; (6) wages not being timely paid during employment in violation of Labor Code section 204; (7) non-compliant wage statements in violation of Labor Code section 226(a); (8) failure to keep requisite

payroll records in violation of Labor Code 1174(d); (9) unreimbursed business expenses, including but not limited to uniform and dress code expenses; (10) deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); (11) statutory penalties based on the foregoing pursuant to PAGA (Lab. Code, §§ 2698–2699.6); and (12) liquidated damages, penalties, interest, attorneys' fees, and costs based on the foregoing.

1.2.2. DISCOVERY, INVESTIGATION, RESEARCH, AND MEDIATION

Class Counsel have conducted significant formal and informal discovery during the prosecution of the Action. Class Counsel and the Class Representative have vigorously prosecuted this case, and Defendant has vigorously contested it. The Parties have engaged in sufficient investigation and discovery to assess the relative merits of the claims of the Class Representative and of the defenses to them. After such discovery, investigation, and prosecution, the Parties attended a full-day mediation with an experienced employment law mediator, Paul Grossman, and thereafter continued negotiations with the assistance of the mediator which culminated in a settlement in principle, the terms of which are elaborated in this Settlement Agreement.

1.2.3. ALLEGATIONS OF THE CLASS REPRESENTATIVE AND BENEFITS OF CLASS SETTLEMENT

The documents and data exchanged in this matter, as well as discussions between counsel, have been adequate to give the Class Representative and Class Counsel a sound understanding of the merits of their positions and to enable them to evaluate the value of the claims of the Settlement Class. The discovery conducted in this Action is sufficient to assess the merits of the Parties' respective positions reliably and to compromise the issues on a fair and equitable basis.

The Class Representative and Class Counsel believe that the claims, causes of action, allegations, and contentions asserted in the Action have merit. However, the Class Representative and Class Counsel recognize and acknowledge the expense and delay of continued lengthy proceedings necessary to prosecute the Action against Defendant through trial and through appeals. Class Counsel have taken into account the uncertain outcome of the litigation, the risk of continued litigation in complex actions such as this, as well as the difficulties and delays inherent in such litigation, and the potential difficulty

of obtaining certification of a class as well as trying the claims of a class. Class Counsel are mindful of the potential problems of proof under, and possible defenses to, the claims alleged in the Action. The Class Representative and Class Counsel believe that the settlement set forth in this Settlement Agreement confers substantial benefits upon Plaintiff and the Settlement Class and that an independent review of this Settlement Agreement by the Court in the approval process will confirm this conclusion. Based on their own independent investigation and evaluation, Class Counsel have determined that the settlement set forth in this Settlement Agreement is in the best interests of Plaintiff and the Class Members.

1.2.4. DEFENDANT'S DENIALS OF WRONGDOING AND LIABILITY

Defendant has denied and continues to deny all allegations, claims, and contentions alleged by Plaintiff in the Action. Defendant has expressly denied and continues to deny all charges and allegations of wrongdoing or liability of any kind arising out of any of the conduct, statements, acts, or omissions alleged in the Action. Defendant contends, among other things, that it complied at all times with California law, and that it has dealt legally and fairly with Plaintiff and the Class Members. Defendant further denies that, for any purpose other than settling this Action, the claims in the Action are appropriate for class or representative treatment. Nonetheless, Defendant has concluded that further proceedings in the Action would be protracted and expensive and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in this Settlement Agreement to permit the operation of Defendant's business without further expensive litigation and the distraction and diversion of its personnel with respect to matters at issue in the Action. Defendant has also taken into account the uncertainty and risks inherent in any litigation, especially in complex cases such as the Action. Defendant has, therefore, determined that it is desirable and beneficial to them that the Action be settled in the manner and upon the terms and conditions set forth in this Settlement Agreement.

1.2.5. INTENT OF THE CLASS SETTLEMENT

The Class Settlement set forth herein intends to achieve the following: (1) entry of an order approving the Class Settlement; (2) entry of judgment of the Action; and (3) discharge and release of the Released Parties from liability for any and all of the Released Class Claims and Released PAGA Claims.

1.3. CONDITIONAL CERTIFICATION OF THE SETTLEMENT CLASS

For the purposes of this Settlement Agreement and the Class Settlement of this Action only, the Parties agree to conditional class certification of the Settlement Class. Defense Counsel believe this conditional certification is appropriate because the Released Class Claims are being compromised without the need to establish the elements of those claims on which liability turns. The certification of the Settlement Class shall not constitute, in this or any other proceeding, an admission of any kind by Defendant, including without limitation, that certification of a class for trial purposes is or would be warranted, appropriate or proper; or that Plaintiff could establish any of the requisite elements for class treatment of any of the claims in the Action. Nor does Defendant concede or waive any rights to dispute that this matter, should it have proceeded, is properly brought as a representative action or that Plaintiff or any PAGA Settlement Group Members are aggrieved employees as defined by PAGA.

In the event that the Settlement Agreement is not finally approved by the Court, a final Effective Date is not achieved, or the Class Settlement is rejected, terminated, or otherwise rendered null and void as set forth herein, then, except as set forth in Section 1.52.1 below, certification of the Settlement Class shall be automatically vacated, shall be void *ab initio*, of no force or effect, and shall not constitute evidence or a binding determination that the requirements for certification of a class for trial purposes (or for any other purpose) in this Action or in any other action have been, are, or can be satisfied. Further, if the Agreement does not reach a final Effective Date, Plaintiff agrees that Plaintiff will not argue, claim, reference, or otherwise raise any preliminary approval of the Settlement Class in connection with any later proceeding before the Court or any court.

1.4. APPOINTMENT OF CLASS COUNSEL

For purposes of this Settlement Agreement and subject to the Court's approval, the Parties agree to the appointment of Class Counsel as counsel for the Settlement Class and the effectuation of the Class Settlement pursuant to this Settlement Agreement.

1.5. CONSIDERATION

1.5.1. SETTLEMENT AMOUNT

The Parties agree to settle this Action for the Gross Settlement Amount of two million five hundred thousand dollars (\$2,500,000.00). Subject to the terms of Section 1.9.1 below, there shall be no

reversion to Defendant. Defendant shall pay the Gross Settlement Amount as set forth in Section 1.6.2 below. The Gross Settlement Amount and other actions and forbearances taken by Defendant shall constitute adequate consideration for the Class Settlement and will be made in full and final settlement of: the Released Class Claims, the Released PAGA Claims, the Class Attorneys' Fees and Expenses, the Administrative Expenses, the Incentive Award, the PAGA Payment (and any payments to individual PAGA Settlement Group Members resulting from the PAGA Payment), and any other obligation of Defendant under this Settlement Agreement.

1.5.2. INCENTIVE AWARD FOR PLAINTIFF

Plaintiff may petition the Court to approve an Incentive Award in an amount not to exceed \$14,000.00 to acknowledge his efforts on behalf of the Settlement Class, PAGA Settlement Group, and State of California in this Action, including assisting in the investigation, consulting with Class Counsel, and providing crucial documents to Class Counsel. The amount of the Incentive Award shall be determined by the Court. Any Incentive Award approved by the Court shall be paid to Plaintiff from the Gross Settlement Amount and shall be in addition to any distribution to which he may otherwise be entitled as a Class Participant and PAGA Settlement Group Member. Any Incentive Award approved by the Court shall not be considered wages, and the Settlement Administrator shall issue to Plaintiff an IRS Form 1099 reflecting such payment. Plaintiff shall be solely responsible for the payment of all taxes with respect to any Incentive Award approved by the Court.

1.5.3. PAYMENT TO CLASS PARTICIPANTS

Each Class Member shall be eligible to receive payment of his, her, or their Individual Settlement Amount if (i) he, she, or they do/does not Opt Out; and (ii) the Settlement Agreement takes effect as a result of the passing of the Effective Date. Each Class Participant's Individual Settlement Amount shall be calculated by determining his, her, or their *pro rata* share of the Net Settlement Amount based on the Class Member's Workweeks compared to the total number of Workweeks worked by all Class Members. Each Class Participant's Individual Settlement Payment shall be calculated by determining his, her, or their Individual Settlement Amount as described above and netting out employee-side tax withholdings or deductions.

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1.5.4. PAYMENT TO PAGA SETTLEMENT GROUP

Provided that the Settlement Agreement takes effect as a result of the passing of the Effective Date, each PAGA Settlement Group Member shall be entitled to receive an Individual PAGA Payment. The portion of the PAGA Payment allocated to the PAGA Settlement Group shall be distributed to the PAGA Settlement Group based on the *pro rata* number of Pay Periods worked by each particular PAGA Settlement Group Member as compared to the total number of Pay Periods worked by all PAGA Settlement Group Members during the PAGA Period.

1.5.5. PAYMENT TO THE LWDA

Provided that the Settlement Agreement takes effect as a result of the passing of the Effective Date, the Administrator shall distribute seventy-five percent (75%) of the PAGA Payment (*i.e.*, \$187,500.00) to the LWDA.

1.5.6. TAX TREATMENT AND PAYMENT

The Parties agree to treat the Gross Settlement Amount as being at all times a “Qualified Settlement Fund,” also referred to throughout this Settlement Agreement as “QSF,” within the meaning of Treas. Reg. § 1.468B-1. The Settlement Administrator shall timely make such elections as necessary or advisable to carry out the provisions of this Section, including the “relation-back election” (as defined in Treas. Reg. § 1.468B-1) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Settlement Administrator to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filings to occur.

For purposes of § 468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the “administrator” shall be the Settlement Administrator. The Settlement Administrator shall timely and properly file all informational and other tax returns necessary or advisable with respect to administering this Settlement Agreement. Such returns (as well as the election described in this Section) shall be consistent with this paragraph and in all events shall reflect that any and all Taxes (including any estimated Taxes, interest, or penalties but not including employer-side taxes) on the Gross Settlement Amount will be paid out of the Gross Settlement Amount as provided

in this Section.

Any and all (a) Taxes, and (b) expenses and costs incurred in connection with the operation and implementation of this Section (including, without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing (or failing to file) the returns described in this Section) (“Tax Expenses”), shall be paid out of the Gross Settlement Amount, with the exception of the Employer Taxes which shall be paid by Defendant in addition to the Gross Settlement Amount. In all events, except as otherwise provided for in this Settlement Agreement, the Parties and their counsel shall have no liability or responsibility for the Taxes or the Tax Expenses. The Gross Settlement Amount and associated Employer Taxes shall indemnify and hold Defendant, the Released Parties, and their counsel harmless for Taxes and Tax Expenses (including, without limitation, Taxes payable by reason of any such indemnification). Further, Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Gross Settlement Amount and shall be timely paid by the Settlement Administrator out of the Gross Settlement Amount without prior order from the Court, and the Settlement Administrator shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to Class Participants any funds necessary to pay such amounts, including the establishment of adequate reserves for any Taxes or Tax Expenses (as well as any amounts that may be required to be withheld under Treas. Reg. § 1.468B-2(l)(2)); neither Defendant, the Released Parties, nor their counsel are responsible nor shall they have any liability therefor. The Parties hereto agree to cooperate with the Settlement Administrator, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this Section.

Each Individual Settlement Amount will be allocated as follows: twenty percent (20%) as wages and eighty percent (80%) as penalties, interest, and non-wage damages. The Settlement Administrator will withhold the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Amounts, and issue checks to Class Participants for their Individual Settlement Payments (i.e., payment of their Individual Settlement Amount net of these taxes and withholdings). The Settlement Administrator shall issue to each Class Participant an IRS Form W-2 reflecting the wage portion and an IRS Form 1099 reflecting the non-wage portion of his, her, or their Individual

Settlement Amount. The Parties understand that Plaintiff and the Class Participants who receive any payment pursuant to this Settlement Agreement shall be ultimately responsible for any and all individual tax obligations. Notwithstanding the foregoing, in the event that a different portion of the settlement payments under this Settlement must be treated as wages, Defendant shall remain responsible for paying the employer's share of any taxes or withholding arising from those payments. With respect to the Individual PAGA Payments made to PAGA Settlement Group Members, all such payments shall be treated as payments owed for alleged penalties and interest thereon and shall not be considered wages. The Settlement Administrator shall issue to each member of the PAGA Settlement Group an IRS Form 1099 reflecting such payment. Each PAGA Settlement Group Member, including Plaintiff, shall be solely responsible for the payment of all taxes with respect to any PAGA payments made to them.

1.5.7. NO EFFECT ON EMPLOYEE BENEFIT PLANS

Neither the Class Settlement nor any amounts paid pursuant to this Settlement Agreement will modify any previously credited hours, days, or weeks of service under any employee benefit plan, policy or bonus program sponsored by or available to employees of Defendant. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Defendant's sponsored benefit plans, policies, or bonus programs. The payments made under the terms of this Settlement Agreement shall not be applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of any of Defendant's benefit plans, policies, or bonus programs. Defendant retains the right to modify the language of its benefits plans, policies, and bonus programs to reflect this intent and to make clear that any amounts paid pursuant to this Settlement Agreement are not for "hours worked," "weeks worked," "weeks paid," "weeks of service," "years of service" or any similar measuring term as defined by applicable plans, policies, and bonus programs for purpose of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by or by virtue of the payments to be made pursuant to this Settlement Agreement. Defendant does not consider the Class Settlement payments "compensation" for purposes of determining eligibility for, or benefit accrual within, any benefit plans, policies, or bonus programs, or any other plan sponsored by Defendant or in which employees of

Defendant may participate. None of the payments called for by this Settlement Agreement shall be subject to matching contributions or included as benefits-eligible earnings under any benefit plan or policy applicable to any of the Released Parties' employees.

1.5.8. CLASS ATTORNEYS' FEES AND EXPENSES

As part of the motion for final approval of the Class Settlement, Class Counsel may apply for an award of Class Attorneys' Fees and Expenses with the fee portion not to exceed 35% of the Gross Settlement Amount (*i.e.*, \$875,000.00) and an award of costs and expenses incurred by Class Counsel. Notwithstanding the foregoing, the Court shall determine the amount of fees and costs payable to Class Counsel.

As a condition of this Class Settlement, Class Counsel have agreed to pursue fees only in the manner reflected by this subsection. Any Class Attorneys' Fees and Expenses awarded by the Court shall be paid from the Gross Settlement Amount prior to arriving at the Net Settlement Amount and shall not constitute payment to any Class Member. If Class Counsel voluntarily reduce the request for Class Attorneys' Fees and Expenses or the Court's award of Class Attorneys' Fees and Expenses is less than set forth above, the Net Settlement Amount shall be recalculated to reflect the actual Class Attorneys' Fees and Expenses awarded.

The Class Attorneys' Fees and Expenses approved by the Court shall reflect: (a) all work performed and costs and expenses incurred by, or at the direction of, the attorneys purporting to represent the Settlement Class through the date of this Settlement Agreement; (b) all work to be performed and costs to be incurred in connection with approval by the Court of the Class Settlement; (c) all work to be performed and costs and expenses, if any, incurred in connection with administering the Class Settlement through the Effective Date and final judgment; and (d) may be based on the "catalyst theory" and/or the "common fund doctrine."

1.6. SETTLEMENT ADMINISTRATION

1.6.1. COSTS AND EXPENSES

Subject to Court approval, all costs and expenses due to the Settlement Administrator in connection with its administration of the Class Settlement, including for the responsibilities set forth in Section 1.8 below, shall be paid from the Gross Settlement Amount.

1.6.2. PAYMENT BY DEFENDANT

Defendant shall issue a check or otherwise make payment of an amount equal to 50% of the Gross Settlement Amount (*i.e.*, \$1,250,000.00) and the associated Employer Taxes in a lump sum to the QSF to be administered by the Settlement Administrator no later than thirty (30) days after the Effective Date, and the Settlement Administrator shall, in turn, deposit that amount in an interest-bearing account for the benefit of the Class; provided, however, that such amount shall revert to Defendant in accordance with Section 1.9.1 below if the circumstances described in that Section occur. Defendant shall issue a check or otherwise make payment of the remaining 50% of the Gross Settlement Amount (*i.e.*, \$1,250,000.00) and the associated Employer Taxes in a lump sum to the QSF no later than 365 days after the Court enters a final order and judgment certifying the Settlement Class and approving this Settlement Agreement, and the Settlement Administrator shall, in turn, deposit that amount in an interest-bearing account for the benefit of the Class; provided, however, that such amount shall revert to Defendant in accordance with Section 1.9.1 below if the circumstances described in that Section occur. In no event shall Defendant's obligations under this Settlement Agreement exceed \$2,500,000.00 plus the Employer Taxes. Plaintiff and Class Counsel acknowledge that Defendant has provided publicly-available financial information sufficient to justify the necessity of the payment schedule described herein.

1.7. NOTICE TO CLASS MEMBERS AND CLAIMS ADMINISTRATION
PROCESS

1.7.1. THE SETTLEMENT ADMINISTRATOR

In addition to performing the functions set forth in Section 1.8, the Settlement Administrator will be responsible for the administration of all other aspects of the settlement contemplated by this Settlement Agreement and/or required by the Court, including but not limited to the following responsibilities: mailing the Class Notice (**Exhibit 1**) to Class Members; conducting an initial verification of Class Member addresses through the NCOA database; performing a skip trace search and seeking address corrections for any Class Member whose Class Notice is returned as undelivered by the United States Postal Service, and re-mailing such Class Notice to the corrected address (provided, however, that the Settlement Administrator shall attempt to re-mail such Class Notice only once); handling inquiries

from Class Members concerning the Class Notice; determining Individual Settlement Amounts; determining Individual PAGA Payment amounts for members of the PAGA Settlement Group; maintaining the settlement funds in an appropriate interest-bearing account; preparing, administering, and distributing Individual Settlement Payments to Class Participants; preparing, administering, and distributing Individual PAGA Payments to PAGA Settlement Group Members; distributing the portion of the PAGA Payment payable to the LWDA; issuing a final report and performing such other duties as the Parties may direct. Additionally, the Settlement Administrator will handle all tax document preparation and reporting, including state and federal tax forms, if any.

On a weekly basis, the Settlement Administrator will provide reports to Class Counsel and Defense Counsel with summary information updating them as to the number of validated and timely objections, Workweek Disputes, and Opt Out requests. The Settlement Administrator will serve on Class Counsel and Defense Counsel via e-mail date-stamped copies of any Opt Out requests and objections no later than seven (7) days after their receipt.

No later than thirty (30) days prior to the Final Approval and Fairness Hearing, the Settlement Administrator will compile and deliver to Class Counsel and Defense Counsel a report with summary information regarding: (a) the total amount of the estimated Individual Settlement Amounts to be paid to each Class Participant; (b) the number of Class Participants to receive such payments, and (c) the final number of Opt-Outs and objections received.

1.7.2. NOTICE TO CLASS MEMBERS

Notice shall be provided to Class Members in the following manner: within twenty-eight (28) days after the Preliminary Approval Date, Defendant shall provide the Settlement Administrator with the Class Data and the PAGA Group Member Data for purposes of preparing and mailing notices and otherwise administering claims.

Within forty-two (42) days following the Preliminary Approval Date, the Settlement Administrator shall determine the number of Workweeks worked by each Class Member and the number of Pay Periods worked by each PAGA Settlement Group Member, populate the data in the Class Notice for each Class Member accordingly, and send each Class Member the Class Notice via first-class, United States mail. The Class Notice shall also contain an easily understood statement agreed upon by the

Parties alerting the Class Member that, unless he or she elects to Opt Out of the Class Settlement, the Class Member is releasing and waiving all Released Class Claims against the Released Parties.

1.7.3. WORKWEEK DISPUTES

Class Members may dispute the Workweeks and/or Pay Periods identified by the Settlement Administrator on their respective Class Notices (“Workweeks Dispute”). Class Member Workweeks and Pay Periods shall be calculated by the Settlement Administrator using the employment and payroll records of Defendant, which presumptively shall be deemed to be full, complete, and accurate for purposes of this Settlement Agreement. To overcome that presumption, any Class Member disputing the accuracy of the number of Workweeks and/or Pay Periods must submit documentary evidence, such as pay stubs or other written employment records, to the Settlement Administrator. Any such Workweeks Dispute must be mailed or faxed to the Settlement Administrator, postmarked or fax-stamped on or before the Response Deadline. The Settlement Administrator shall immediately provide copies of all Workweek Disputes to Defense Counsel, shall inform Class Counsel of the Workweeks Dispute without disclosing the identity of the Class Member making the dispute, and shall immediately attempt to resolve all such disputes directly with relevant Class Members with the assistance of Defendant, Defense Counsel, and Class Counsel. If the Workweeks Dispute cannot be resolved, it shall be submitted to the Settlement Administrator for decision, subject to Court approval. The Settlement Administrator shall use its best efforts to resolve all Workweeks Disputes prior to the Final Approval and Fairness Hearing. If, however, a Workweeks Dispute arises or is not resolved until after the Gross Settlement Amount has been distributed, the initial calculation shall stand (as Defendant shall be under no obligation to pay any amounts in excess of the Gross Settlement Amount under this Settlement Agreement).

1.7.4. OPT OUT PROCEDURE

To Opt Out of the Class Settlement, a Class Member must submit a letter to the Settlement Administrator by the Response Deadline. The Opt Out request must be signed and must state the Class Member’s name, address, and telephone number. The Opt Out request should state something to the effect of:

1 “I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE
2 *RASHON HAYES V. THE CONTAINER STORE, INC.* LAWSUIT. I UNDERSTAND
3 THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL
4 NOT RECEIVE ANY MONEY FROM THE CLASS SETTLEMENT OF THIS
5 LAWSUIT AND WILL NOT BE RELEASING ANY CLAIMS I MAY HAVE.”

6 Any Opt Out request that is not postmarked or fax-stamped by the Response Deadline will be invalid.
7 In the event that, prior to the Response Deadline, any Class Notice mailed to a Class Member is returned
8 as having been undelivered by the United States Postal Service, the Settlement Administrator shall
9 perform a skip trace search and seek an address correction for such Class Member, and a second Class
10 Notice will be sent to any new or different address obtained. Such Class Members shall have an
11 additional five (5) days from the Response Deadline in which to Opt Out.

12 It will be presumed that, if an envelope containing the Class Notice has not been returned within thirty
13 (30) days of the mailing, the Class Member received the Class Notice. At least twenty-one (21) days
14 prior to the Final Approval and Fairness Hearing, the Settlement Administrator shall provide Class
15 Counsel and Defense Counsel with a Declaration of Due Diligence and Proof of Mailing with regard
16 to the mailing of the Class Notice and its attempts to locate Class Members. The declaration shall
17 specify the number of Class Members to whom the Class Notice was sent and the number of Class
18 Members to whom the Class Notice was not delivered, as well as information relating to the number
19 of Opt-Outs and objections received. Class Counsel shall file this declaration with the Court.

20 If the Settlement Administrator determines that an Opt Out request returned by a Class Member before
21 the Response Deadline is deficient, then the Settlement Administrator shall mail a deficiency letter to
22 that Class Member identifying the problem. If a Class Member submits both a dispute of his, her, or
23 their Workweeks and an Opt Out request, the Settlement Administrator shall make reasonable attempts
24 to clarify the inconsistency with the Class Member. If the Class Member fails to resolve the
25 inconsistency, the Opt Out request shall be deemed deficient and disregarded, the claim will be paid,
26 and the Class Member will become bound by the judgment.

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Class Participants will be bound by the Release of Released Class Claims set forth in the definition of “Released Class Claims” provided in this Settlement Agreement. The Release of Released Class Claims shall be described in the Class Notice.

A request to Opt Out of the Class Settlement shall *not* serve to exclude the Class Member from participation in the PAGA Settlement Group. Opt-Outs shall still be entitled to their share of the PAGA Payment. Class Members who are also PAGA Settlement Group Members shall have no right or ability to opt out of the portion of this Settlement Agreement releasing the Released PAGA Claims.

1.7.5. OBJECTION PROCEDURE

The Class Notice shall inform the Class Members of their right to object to the Class Settlement. Any Class Member who wishes to object to the Class Settlement may submit a written objection to the Court no later than the Response Deadline. Only Class Participants may object to the Settlement. The objection should include (a) the case name and number, (b) the objector’s full name, signature, address, telephone number, and the last four digits of their Social Security number, and (c) must set forth, in clear and concise terms, a statement of the reasons why the objector believes that the Court should find that the proposed Class Settlement is not in the best interest of the Settlement Class and the reasons why the Class Settlement should not be approved, including the legal and factual arguments supporting the objection. If an objector also wishes to appear at the Final Approval and Fairness Hearing, in person or through an attorney, he or she may, but is not required to, do so.

1.8. CLASS SETTLEMENT FUNDING AND DISTRIBUTION

1.8.1. CALCULATION OF THE INDIVIDUAL SETTLEMENT AMOUNTS FOR CLASS PARTICIPANTS

For purposes of calculating the estimated Individual Settlement Amounts, the Settlement Administrator shall calculate the estimated Net Settlement Amount prior to sending the Class Notice to the Class Members. If any Class Member timely and validly Opts Out, his, her, or their share of the Class Settlement will be included in the final Net Settlement Amount used to calculate the final Individual Settlement Amounts and included in the distribution to the Class Participants. Prior to final distribution, the Settlement Administrator shall recalculate the final Net Settlement Amount, and the Individual

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Settlement Amounts to be paid to Class Participants shall be paid from the final Net Settlement Amount.

Defendant will provide the Settlement Administrator with any information reasonably necessary to perform the calculation of number of Workweeks for each Class Member, and any other reasonably required information the Settlement Administrator requests to perform the calculations required under this Settlement Agreement. Defendant shall have no responsibility for deciding the validity of the Individual Settlement Amounts or any other payments made pursuant to this Settlement Agreement.

1.8.2. CALCULATION OF THE INDIVIDUAL PAYMENTS FOR PAGA SETTLEMENT GROUP MEMBERS

Each PAGA Settlement Group Member shall be entitled to receive a portion of the PAGA Payment. Defendant will provide the Settlement Administrator with any information reasonably necessary to perform the calculation of the number of Pay Periods worked by each PAGA Settlement Group Member during the PAGA Period, and any other reasonably required information the Settlement Administrator requests to perform the calculations required under this Settlement Agreement. Defendant shall have no responsibility for deciding the validity of the individual payment amounts allocated to each PAGA Settlement Group Member or any other payments made pursuant to this Settlement Agreement.

1.8.3. TIME FOR PAYMENT OF ATTORNEY FEES AND EXPENSES

The Settlement Administrator shall distribute to Class Counsel any attorneys' fees and expenses approved by the Court no later than ten (10) days after Defendant has paid the second 50% of the Gross Settlement Amount into the QSF and in keeping with the procedures described in Section 1.5.6.

1.8.4. TIME FOR PAYMENT OF INCENTIVE AWARD

The Settlement Administrator shall distribute to Plaintiff the Incentive Award approved by the Court no later than ten (10) days after Defendant has paid the first 50% of the Gross Settlement Amount into the QSF and in keeping with the procedures described in Section 1.5.6.

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1.8.5. TIME FOR PAYMENT OF PAGA PAYMENT TO THE LWDA

The Settlement Administrator shall distribute to the LWDA the portion of the PAGA Payment due to it and approved by the Court no later than ten (10) days after Defendant has paid the first 50% of the Gross Settlement Amount into the QSF and in keeping with the procedures described in Section 1.5.6.

1.8.6. TIME FOR PAYMENT OF INDIVIDUAL SETTLEMENT AMOUNTS

The Settlement Administrator shall make every effort to mail payment of 50% of the Individual Settlement Payment owed to each Class Participant, by first-class United States mail, to the last-known address no later than ten (10) days after Defendant issues the first 50% payment of the Gross Settlement Amount and shall make every effort to mail payment of the remaining 50% of the Individual Settlement Payment owed to each Class Participant, by first-class United States mail, to the last-known address no later than ten (10) days after Defendant issues the second 50% payment of the Gross Settlement Amount, and in keeping with the procedures described in Section 1.5.6. If the Settlement Administrator is not able to do so within the time period set forth above, it shall so inform Class Counsel and Defense Counsel and provide an approximate date by which the Individual Settlement Payments will be mailed. Under no circumstances shall the Settlement Administrator distribute checks to Class Participants until all Individual Settlement Amounts have been considered, calculated, and accounted for, and all of the remaining monetary obligations have been calculated and accounted for.

Within two hundred and ten (210) days of mailing the Individual Settlement Payments and Individual PAGA Payments to Class Participants and PAGA Settlement Group Members, the Settlement Administrator shall provide to Class Counsel a declaration of payment for filing with the Court. In the event that any Class Participant is deceased, payment shall be made payable to the estate of that Class Participant and delivered to the executor or administrator of that estate, unless the Settlement Administrator has received an affidavit or declaration pursuant to California Probate Code section 13101, in which case payment shall be made to the affiant(s) or declarant(s).

1.8.7. NON-NEGOTIATED SETTLEMENT CHECKS

Any checks that have not been negotiated within one hundred eighty (180) days of issuance will become void, and the amounts therefrom will be paid to the *cy pres*, Legal Aid at Work, in accordance with California Code of Civil Procedure section 384. Pursuant to Code of Civil Procedure section 384,

the Court shall set a date when Plaintiff shall report to the Court the total amount that was actually paid to Class Participants and PAGA Settlement Group Members. After this report is received, the Court shall amend the judgment and direct the Settlement Administrator to pay the sum of the unpaid residue or unclaimed or abandoned funds associated with cancelled checks, plus interest that has accrued on those funds (if any), to Legal Aid at Work. The Parties and their counsel each represent that they do not have any financial interest in the *cy pres* recipient or otherwise have a relationship with the *cy pres* recipient that could create a conflict of interest. The Settlement Administrator shall undertake amended and/or supplemental tax filings and reporting, required under applicable local, state, and federal tax laws, that are necessitated due to the cancellation of any Individual Settlement Payment checks or Individual PAGA Payment checks. For the purposes of determining whether Defendant has met its financial obligation under the Class Settlement, Defendant will be deemed to have fulfilled its obligation upon payment of the Gross Settlement Amount and Employer Taxes to the QSF, regardless of whether any Class Participant subsequently negotiates his, her, or their check.

1.9. NULLIFICATION OF THIS SETTLEMENT AGREEMENT

1.9.1. NON-APPROVAL OF THIS SETTLEMENT AGREEMENT

The Class Settlement and conditional class certification shall be considered null and void, and neither the Class Settlement, conditional class certification, nor any of the related negotiations or proceedings, shall be of any force or effect, and all Parties to the Class Settlement shall stand in the same position, without prejudice, as if the Class Settlement had been neither entered into nor filed with the Court, if any of the following occurs: (a) the Court should for any reason fail to approve this Settlement Agreement in the form agreed to by the Parties, except as set forth in Section 1.13.1 below; (b) the Court should for any reason fail to enter a judgment dismissing the Action with prejudice, or (c) the approval of the Class Settlement and/or judgment is reversed, modified, or declared or rendered void. Notwithstanding the foregoing, the Parties may attempt in good faith to cure any perceived defects in this Settlement Agreement.

Further, if the Effective Date should fail to occur for any reason—including, without limitation, because an appellate court reverses, invalidates, modifies, declares or renders void, or otherwise sets aside the Court’s final order and judgment certifying the Settlement Class and approving this

Settlement Agreement—then any and all amounts that Defendant shall have previously paid to the QSF in accordance with Section 1.6.2 above, together with any interest earned, shall revert to Defendant, and the Settlement Administrator shall return such payment to Defendant within fourteen (14) days of the event that causes the Effective Date not to occur.

1.9.2. DEFENDANT’S RIGHT TO VOID CLASS SETTLEMENT

If 5% or more members of the Settlement Class timely submit Opt Out requests, Defendant shall have the unilateral right (but not the obligation) to void this Settlement Agreement.

1.9.3. PLAINTIFF’S RIGHT TO VOID CLASS SETTLEMENT

Defendant has represented that the workweeks between February 10, 2016 and February 15, 2024 are approximately 186,000. If the actual number of workweeks during this timeframe exceeds 186,000 by more than 10% (e.g. the actual number of workweeks is 204,601 or higher), Plaintiff shall have the unilateral right (but not the obligation) to void this Settlement Agreement.

Defendant has further represented that it has entered into arbitration agreements with individual Class Members representing approximately forty percent (40%) of the estimated 186,000 workweeks. If this representation is materially false, Plaintiff shall have the unilateral right (but not the obligation) to void this Settlement Agreement.

1.9.4. INVALIDATION

Except as set forth in Section 1.13.1 below, invalidation of any material portion of this Settlement Agreement shall invalidate the Class Settlement in its entirety, unless the Parties subsequently agree in writing that the remaining provisions of the Class Settlement are to remain in full force and effect. In the event that a court rules that any non-material provision of this Settlement Agreement is invalid or unenforceable, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Settlement Agreement.

1.9.5. STAY ON APPEAL

In the event of a timely appeal from the approval of the Class Settlement and judgment, the Parties shall proceed as though the judgment were stayed, and Defendant shall not be obligated to take any actions otherwise required by this Settlement Agreement unless the Effective Date occurs.

1.10. MOTIONS FOR COURT APPROVAL

1.10.1. PRELIMINARY APPROVAL

As soon as practicable after execution of this Settlement Agreement, Class Counsel will submit this Settlement Agreement to the Court along with a Motion for Preliminary Approval of the Class Settlement. Each Party shall cooperate to present the Class Settlement to the Court for preliminary approval in a timely fashion. As set forth in Section 1.12.3 below, Class Counsel will provide a reasonable opportunity for Defense Counsel to review the Motion for Preliminary Approval prior to filing with the Court.

1.10.2. FINAL APPROVAL

The Final Approval and Fairness Hearing shall be held before the Court. At the Final Approval and Fairness Hearing, Plaintiff shall move the Court for the entry of the final order approving the Settlement Agreement as being fair, reasonable, and adequate within the meaning of California Code of Civil Procedure section 382, and for the entry of a final judgment of the Action consistent with the terms of the Settlement Agreement and California Code of Civil Procedure section 382. Class Counsel and Defense Counsel shall submit to the Court such pleadings and/or evidence as may be required for the Court's determination. As set forth in Section 1.12.3 below, Class Counsel will provide a reasonable opportunity for Defense Counsel to review the Motion for Final Approval, including the [Proposed] Order Granting Final Approval of Class and Representative Action Settlement, and Judgment thereon, prior to filing with the Court.

1.11. RELEASES AND WAIVERS

1.11.1. RELEASE OF CLASS CLAIMS BY THE SETTLEMENT CLASS

Upon the Effective Date, Plaintiff and each Class Participant shall be deemed to release the Released Parties, and each of them, of and from any and all Released Class Claims. It is the desire of the Parties and the Releasing Parties to fully, finally, and forever settle, compromise, and discharge the Released Class Claims. Plaintiff and each Class Participant, will be bound by the release of Released Class Claims as a result of the Class Settlement and to the terms of the final judgment and the satisfaction of such judgment.

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1.11.2. RELEASE OF CLAIMS BY THE PAGA SETTLEMENT GROUP

Upon the Effective Date, the State of California, Plaintiff, and, to the maximum extent permitted by law, each of the PAGA Settlement Group Members, shall be deemed to release the Released Parties, and each of them, of and from the Released PAGA Claims relating or pursuant to PAGA during the PAGA Period. The State of California, Plaintiff, and, to the maximum extent permitted by law, each PAGA Settlement Group Member, will be bound by the release of the Released PAGA Claims as a result of the PAGA Settlement and to the terms of the final judgment and the satisfaction of such judgment. PAGA Settlement Group Members shall have no right or ability to opt out of the release of the Released PAGA Claims.

1.11.3. RELEASE OF CLAIMS BY PLAINTIFF

Plaintiff, individually and on behalf of himself and his dependents, heirs and assigns, beneficiaries, devisees, legatees, executors, administrators, agents, trustees, conservators, guardians, personal representatives, and successors-in-interest, whether individual, class, representative, legal, equitable, direct or indirect, or any other type or in any other capacity, shall and does hereby forever release, discharge and agree to hold harmless the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses (including attorneys' fees and costs), known or unknown, at law or in equity, which exist or may exist on Plaintiff's behalf as of the date he signs this Settlement Agreement, arising out of or in any way connected with Plaintiff's employment with Defendant including but not limited to the Released Class Claims, the Released PAGA Claims, claims that were asserted or could have been asserted in the Complaint, and any and all transactions, occurrences, or matters between the Parties occurring prior to the date Plaintiff executes this Settlement Agreement. Without limiting the generality of the foregoing, this release shall include, but not be limited to, any and all claims under: (a) the Americans with Disabilities Act; (b) Title VII of the Civil Rights Act of 1964; (c) the Civil Rights Act of 1991; (d) 42 U.S.C. § 1981; (e) the Age Discrimination in Employment Act; (f) the Fair Labor Standards Act; (g) the Equal Pay Act; (h) the Employee Retirement Income Security Act, as amended; (i) the Consolidated Omnibus Budget Reconciliation Act; (j) the Rehabilitation Act of 1973; (k) the Family and Medical Leave Act; (l) the Civil Rights Act

of 1966; (m) the California Fair Employment and Housing Act; (n) the California Constitution; (o) the California Labor Code; (p) the California Government Code; (q) the California Civil Code; and (r) any and all other federal, state, and local statutes, ordinances, regulations, rules, and other laws, and any and all claims based on constitutional, statutory, common law, or regulatory grounds, as well as any other claims based on theories of wrongful or constructive discharge, breach of contract or implied contract, fraud, misrepresentation, promissory estoppel, or intentional infliction of emotional distress, negligent infliction of emotional distress, or damages under any other federal, state, or local statutes, ordinances, regulations, rules, or laws. This release is for any and all relief, no matter how denominated, including, but not limited to, back pay, front pay, vacation pay, bonuses, compensatory damages, tortious damages, liquidated damages, punitive damages, interest, damages for pain and suffering, and attorneys' fees and costs, and Plaintiff hereby forever releases, discharges and agrees to hold harmless Defendant and the Released Parties from any and all claims for attorneys' fees and costs arising out of the matters released in this Settlement Agreement.

Plaintiff specifically acknowledges that he is aware of and familiar with the provisions of California Civil Code section 1542, which provides as follows:

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

Plaintiff, being aware of California Civil Code section 1542, hereby expressly waives and relinquishes all rights and benefits he may have under section 1542 as well as any other statutes or common law principles of a similar effect. Plaintiff may hereafter discover facts in addition to or different from those which he now knows or believes to be true with respect to the subject matter of all the claims referenced herein, but agrees that, upon the Effective Date, Plaintiff shall and hereby does fully, finally, and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, contingent or non-contingent, that were asserted or could have been asserted upon any

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theory of law or equity without regard to the subsequent discovery of existence of such different or additional facts.

1.11.4. CIRCULAR 230 DISCLAIMER

Each Party to this Settlement Agreement (for purposes of this subsection, the “Acknowledging Party”; and each Party to this Settlement Agreement other than the Acknowledging Party, an “Other Party”) acknowledges and agrees that (1) no provision of this Settlement 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 C.F.R. Part 10); (2) the Acknowledging Party (a) has relied exclusively upon his, her or its own independent legal and tax advisers for advice (including tax advice) in connection with this Settlement Agreement, (b) has not entered into this Settlement 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 Settlement Agreement.

1.12. DUTIES OF THE PARTIES

1.12.1. MUTUAL FULL COOPERATION

The Parties agree to cooperate fully with one another to accomplish and implement the terms of this Settlement Agreement. Such cooperation shall include, but not be limited to, execution of such other documents and the taking of such other actions as may reasonably be necessary to fulfill the terms of this Settlement Agreement. The Parties shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by court order or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable after execution of this Settlement Agreement, Class Counsel, with the cooperation of Defendant and

Defense Counsel, shall take all necessary and reasonable steps to secure the Court's final approval of this Settlement Agreement.

1.12.2. DUTY TO SUPPORT AND DEFEND THE CLASS SETTLEMENT

The Parties agree to abide by all of the terms of this Settlement Agreement in good faith and to support the Class Settlement fully and to use their best efforts to defend this Class Settlement from any legal challenge, whether by appeal or collateral attack.

1.12.3. DUTIES PRIOR TO COURT APPROVAL

Class Counsel shall promptly submit this Settlement Agreement to the Court for preliminary approval and determination by the Court as to its fairness, adequacy, and reasonableness. Promptly upon execution of this Settlement Agreement, Class Counsel shall apply to the Court for the entry of a preliminary order scheduling a hearing on the question of whether the proposed Class Settlement should be approved as fair, reasonable, and adequate as to the Class Members, approving as to form and content the proposed Class Notice attached hereto as **Exhibit 1** and directing the mailing of the Class Notice to Class Members. Class Counsel will provide a reasonable opportunity for Defense Counsel to review the Motions for Preliminary and Final Approval, including the [Proposed] Order Granting Final Approval of Class and Representative Action Settlement, and Judgment thereon, prior to filing with the Court. The Parties and their counsel will cooperate with each other and use their best efforts to effect the Court's approval of the Motions for Preliminary and Final Approval of the Settlement, and entry of judgment.

1.13. MISCELLANEOUS PROVISIONS

1.13.1. COURT'S DISCRETION REGARDING ATTORNEYS' FEES, INCENTIVE AWARD, AND PAGA ALLOCATION

The Court, in its discretion, shall decide (A) the amount of fees and costs payable to Class Counsel; (B) the amount of any Incentive Award payable to Plaintiff; (C) the amount of Administrative Expenses payable to the Settlement Administrator, and (D) whether to allocate greater than ten (10) percent of the Gross Settlement Payment to the PAGA Payment. The Parties agree that such decision(s) shall not render this Settlement Agreement, or the conditional class certification, null and void or invalid, and

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neither the Parties, Class Counsel, nor Defense Counsel will argue otherwise. Nothing in this Section shall be construed to permit the Court to change the amount of the Gross Settlement Amount.

1.13.2. DIFFERENT FACTS

The Parties acknowledge that, except for matters expressly represented herein, the facts in relation to the dispute and all claims released by the terms of this Settlement Agreement may turn out to be different from the facts now known by each Party and/or its counsel, or believed by such Party or counsel to be true, and each Party therefore expressly assumes the risk of the existence of different or presently unknown facts, and agrees that this Settlement Agreement shall be in all respects effective and binding despite such difference.

1.13.3. NO PRIOR ASSIGNMENTS

The Parties represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right herein released and discharged except as set forth herein.

1.13.4. NON-ADMISSION

Nothing in this Settlement Agreement shall be construed as or deemed to be an admission by any Party of any liability, culpability, negligence, or wrongdoing toward any other Party, or any other person, and the Parties specifically disclaim any liability, culpability, negligence, or wrongdoing toward each other or any other person. Each of the Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and contingencies. Nothing herein shall constitute any admission by Defendant and/or any of the Released Parties of wrongdoing or liability, or of the truth of any factual allegations in the Action. Nothing herein shall constitute any admission by Defendant and/or any of the Released Parties regarding the merits of the claims in this Action, including but not limited to claims for reimbursement for business expenses or violations under California or federal law. Nothing herein shall constitute an admission by Defendant and/or any of the Released Parties, other than for settlement purposes, that the Action was properly brought as a class or representative action. To the contrary, Defendant and the Released Parties have denied and continue to deny each and every material factual allegation and all claims. To this end, the

Class Settlement of the Action, the negotiation and execution of this Settlement Agreement, and all acts performed or documents executed pursuant to or in furtherance of this Settlement Agreement or the Class Settlement are not, shall not be deemed to be, and may not be used as, an admission or evidence of any wrongdoing or liability on the part of Defendant and/or any of the Released Parties or of the truth of any of the factual allegations in the Complaint in the Action; and are not, shall not be deemed to be, and may not be used as, an admission or evidence of any fault or omission on the part of Defendant and/or any of the Released Parties in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal.

1.13.5. NON-EVIDENTIARY USE

Neither this Settlement Agreement nor any of its terms, nor any statements or conduct in the negotiation or drafting of it, shall be offered or used as evidence by Plaintiff, any Class Member (including any individual who may request to be excluded from the Settlement Class), Defendant, or its, her, his, or their respective counsel, in the Action or in any other action, except as is reasonably necessary to effectuate the Settlement Agreement's purpose and terms. This Settlement Agreement may, however, be used by Defendant and the Released Parties to prove or defend against any claim released herein by any Class Member in any judicial, quasi-judicial, administrative, or governmental proceeding.

1.13.6. COMMUNICATIONS

Plaintiff and Defendant, and their respective counsel, agree that they will not issue any press releases or make affirmative efforts to contact reporters in connection with the Settlement. Any and all advertisements on any websites, social media, and/or promotional materials shall be limited to publicly available information.

1.13.7. NON-RETALIATION

Defendant understands and acknowledges that it has a legal obligation not to retaliate against any Class Member who elects to participate in the Class Settlement or elects to Opt Out of the Class Settlement.

1.13.8. CONSTRUCTION

The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arms-length, non-collusive negotiations between the Parties and that this Settlement Agreement is not to be construed in favor of or against any Party by reason of the extent to which any

1 Party or its counsel participated in the drafting of this Settlement Agreement. If any of the dates in this
2 Settlement Agreement fall on a weekend, bank or court holiday, the time to act shall be extended to the
3 next business day.

4 **1.13.9. GOVERNING LAW**

5 This Settlement Agreement is intended to and shall be governed by the laws of the State of California,
6 without regard to conflict of law principles, in all respects, including execution, interpretation,
7 performance, and enforcement.

8 **1.13.10. NOTICES**

9 Except for Class Notices required to be made by the Settlement Administrator, all notices or other
10 communications required or permitted under this Settlement Agreement shall be in writing and shall
11 be sufficiently given if delivered in person to the Party or their counsel by U.S. certified mail, postage
12 prepaid, e-mail, facsimile, or overnight delivery addressed to the address of the Party appearing in this
13 Settlement Agreement.

14 **1.13.11. CAPTIONS AND INTERPRETATIONS**

15 Section titles or captions contained herein are inserted as a matter of convenience and for reference
16 only and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any
17 provision thereof.

18 **1.13.12. MODIFICATION**

19 Except as set forth in Section 1.13.1, this Settlement Agreement may not be changed, altered, or
20 modified, except in writing signed by the Parties. If preliminary or final approval of this Settlement
21 Agreement has been granted by the Court, then any such amendments or modifications to this
22 Settlement Agreement shall be approved by the Court. This Settlement Agreement may not be
23 discharged except by performance in accordance with its terms or by a writing signed by the Parties.

24 **1.13.13. INTEGRATION CLAUSE**

25 This Settlement Agreement contains the entire agreement between the Parties relating to the Class
26 Settlement of the Action and the transactions contemplated thereby, and all prior or contemporaneous
27 agreements, understandings, representations, and statements, whether oral or written, and whether by

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a Party or such Party's legal counsel, are hereby superseded. No rights under this Settlement Agreement may be waived except in writing as provided above.

1.13.14. SUCCESSORS AND ASSIGNS

This Settlement Agreement shall be binding on and inure to the benefit of the Parties and Class Participants and their respective present and former heirs, trustees, executors, administrators, representatives, officers, directors, shareholders, agents, employees, insurers, attorneys, accountants, auditors, advisors, consultants, pension plans, welfare benefit plans, fiduciaries, parent companies, subsidiaries, affiliates, related companies, joint ventures, predecessors, successors, and assigns.

1.13.15. CORPORATE SIGNATORIES

Any person executing this Settlement Agreement or any such related document on behalf of a corporate signatory or on behalf of a partnership hereby warrants and promises, for the benefit of all Parties hereto, that such person has been duly authorized by such corporation or partnership to execute this Settlement Agreement or any such related document.

1.13.16. EXECUTION IN COUNTERPARTS

This Settlement Agreement shall become effective upon its execution by all of the undersigned. The Parties may execute this Settlement Agreement in counterparts, and execution of counterparts shall have the same force and effect as if all Settling Parties had signed the same instrument.

1.13.17. ATTORNEYS' FEES, COSTS, AND EXPENSES

Except as otherwise specifically provided for herein, each Party shall bear his or its own attorneys' fees, costs, and expenses, taxable or otherwise, incurred by them in or arising out of the Action and shall not seek reimbursement thereof from any other Party to this Settlement Agreement.

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1.14. EXECUTION

The Parties and their counsel have executed this Settlement Agreement on the date adjacent to their signatures. The date of this Settlement Agreement shall be the date of the latest signature.

Approval and Execution by Parties

CLASS REPRESENTATIVE:

Dated: 10/19/2024

Electronically Signed: 2024-10-19 03:59:17 UTC - 172.56.34.224
Nintex AssureSign® 22414ec1-f2af-4064-9f45-b20d014c77a

Rashon Hayes
Plaintiff and Class Representative

DEFENDANT:

Dated: 10/18/2024

The Container Store, Inc.

Tasha Grinnell

By: Tasha Grinnell
Title: Chief Legal Officer

APPROVED AS TO FORM BY COUNSEL

CLASS COUNSEL:

Dated: October 21, 2024

LAWYERS *for* JUSTICE, PC

Elz MF

Edwin Aiwasian
Arby Aiwasian
Elizabeth Parker-Fawley
Attorneys for Plaintiff

DEFENDANT'S COUNSEL:

Dated: 10/18/2024

Sidley Austin LLP

Natali Wyson

Wendy Lazerson
Natali Wyson
Attorneys for Defendant

EXHIBIT 1

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

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

Hayes v. The Container Store, Inc., Santa Clara Superior Court Case No. 20CV363825

You may be eligible to receive money from an employee class action and Private Attorneys General Act lawsuit ("Action") against The Container Store, Inc. ("The Container Store" or "Defendant") for alleged wage and hour violations. The Action was filed by a former employee, Rashon Hayes ("Plaintiff"), and seeks payment of unpaid wages, statutory and civil penalties, reimbursement of business expenses, and other relief for a class of individuals who worked for Defendant as hourly-paid or non-exempt employees in California during the Class Period (February 10, 2016 to June 6, 2024)("Class Members").

The proposed Settlement is a class and Private Attorneys General Act ("PAGA") Settlement requiring The Container Store to fund Individual Settlement Amounts and PAGA Payments.

Based on The Container Store's records, and the Parties' current assumptions, **your Individual Settlement Amount is estimated to be \$_____ (less withholding)**. The actual amount you may receive likely will be different and will depend on a number of factors.

Based on The Container Store's records, and the Parties' current assumptions, **your Individual PAGA Amount is estimated to be \$_____**. The actual amount you may receive likely will be different and will depend on a number of factors.

The above estimates are based on The Container Store's records showing that **you worked _____ Workweeks** during the Class Period (February 10, 2016 to June 6, 2024) and _____ **Pay Periods** during PAGA Period (February 12, 2019 to June 6, 2024). If you believe that you worked more workweeks during this period, you can submit a challenge by the Response Deadline. See Section 4 of this Notice.

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

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

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Settlement Amount. As a Class Participant, though, you will give up your right to assert the Released Class Claims against The Container Store.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement

(Opt Out) by submitting a written request for exclusion or otherwise notifying the Administrator, defined below, in writing. If you opt-out of the Settlement, you will not receive an Individual Settlement Amount. You will, however, preserve your right to personally pursue Class Period wage claims against The Container Store.

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Class Participant, eligible for an Individual Settlement Amount. In exchange, you will give up your right to assert the wage claims against The Container Store that are covered by this Settlement (Released Class Claims).
You Can Opt-Out of the Class Settlement The Response Deadline is _____	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written request for exclusion. Once excluded, you will be a Non-Class Participant and no longer eligible for an Individual Settlement Amount. Non-Class Participants cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. PAGA Settlement Group Members cannot opt out of or object to the PAGA Settlement, will be eligible to receive an Individual PAGA Payment, and will release the Released PAGA Claims.
Class Participants Can Object to the Class Settlement Written Objections Must be Submitted by _____	All Class Members who do not opt-out ("Class Participants") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Class Participants. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the _____ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend, but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Class Participants can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks and/or Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Settlement Amount and/or Individual PAGA Payment depends on how many Workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period. The number of Workweeks and Pay Periods you worked according to The Container Store's records is stated on the first page of this Notice. If you disagree with these numbers, you must challenge them by _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former The Container Store employee. The Action alleges that The Container Store violated California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination and reimbursable expenses and failing to provide meal periods, rest breaks and accurate itemized wage statements. Plaintiff is represented by attorneys in the Action: Edwin Aiwarzian, Arby Aiwarzian, and Elizabeth Parker-Fawley of Lawyers for Justice, PC (“Class Counsel”).

The Container Store strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws. The Container Store is represented by attorneys Wendy Lazerson, Natali Wyson and Sophie Green of Sidley Austin LLP.

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

So far, the Court has made no determination whether The Container Store or Plaintiff is correct on the merits. In the meantime, Plaintiff and The Container Store hired an experienced, neutral mediator, Paul Grossman, in an effort to resolve the Action by negotiating a settlement rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. Plaintiff and The Container Store have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, The Container Store does not admit to any violations of the law or concede the merit of any alleged claims.

The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

- i. The Container Store Will Pay \$2,500,000 as the Gross Settlement Amount (“Gross Settlement”). The Container Store has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement in two (2) installments. The Administrator will use the Gross Settlement Amount to pay the Individual Settlement Amounts, Class Representative Incentive Award, Class Attorney’s Fees and Expenses, and the Administrative Expenses. Assuming the Court grants Final Approval, The Container Store will fund 50% of the Gross Settlement not more than 30 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Class Participants object to the proposed Settlement or the Judgment is appealed. The Container Store will fund the remaining 50% of the Gross Settlement not more than 365 days after the Judgment becomes final.
- ii. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$875,000 (35% of the Gross Settlement) to Class Counsel for attorneys’ fees and their litigation costs and expenses incurred. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$14,000.00 as an Incentive Award for Plaintiff for filing the Action, working with Class Counsel, and representing the Class. The Incentive Award will be the only monies Plaintiff will receive other than Plaintiff’s Individual Settlement Amount and any Individual PAGA Payment.

C. Up to \$21,000.00 to the Administrator for services administering the Settlement.

D. Up to \$250,000.00 for the PAGA Payment, to be distributed 75% to the California Labor and Workforce Development Agency (“LWDA”) and 25% to the PAGA Settlement Group.

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

iii. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by calculating Individual Settlement Amounts to Class Participants based on their Class Period Workweeks.

iv. Taxes Owed on Payments to Class Members. Plaintiff and The Container Store are asking the Court to approve an allocation of 20% of each Individual Settlement Amount to taxable wages (“Wage Portion”) and 80% to statutory penalties, non-wage damages, and interest (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. The Container Store will separately pay employer payroll taxes it owes on the Wage Portion. The Administrator will report the Non-Wage Portions of the Individual Settlement Amounts on IRS 1099 Forms.

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

v. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Settlement Amounts will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will irrevocably lost to you because they will be paid to a non-profit organization or foundation (“Cy Pres”).

vi. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Class Participant, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than , that you wish to opt-out. The Request for Exclusion must be a signed letter from a Class Member or his/her representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Opt Outs will not receive Individual Settlement Amounts, but will preserve their rights to personally pursue wage and hour claims against The Container Store.

vii. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and The Container Store have agreed that, in either case, the Settlement will be void: The Container Store will not pay any money and Class Members will not release any claims against The Container Store.

viii. Administrator. The Court has appointed a neutral company, Simpluris, Inc. (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Opt-Outs. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks

necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.

- ix. Class Participants' Release. After the Judgment is final and The Container Store has fully funded the Gross Settlement and separately paid all employer payroll taxes, Class Participants will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against The Container Store or related entities for claims based on the Class Period facts, as alleged in the Action and resolved by this Settlement. The Class Participants will be bound by the following release:

"Released Class Claims" shall mean those claims arising out of or related to the allegations set forth in the Complaint, including any and all claims arising from the same nucleus of facts that were or could have been raised in the Complaint, which arose at any time during the Class Period, including but not limited to claims for alleged : (1) unpaid overtime in violation of Labor Code sections 510 and 1198; (2) unpaid meal period premiums in violation of Labor Code sections 226.7 and 512(a); (3) unpaid rest period premiums in violation of Labor Code section 226.7; (4) unpaid minimum wages in violation of Labor Code sections 1194, 1197, and 1197.1; (5) final wages not being timely paid in violation of Labor Code sections 201-203; (6) wages not being timely paid during employment in violation of Labor Code section 204; (7) non-compliant wage statements in violation of Labor Code section 226(a); (8) failure to keep requisite payroll records in violation of Labor Code 1174(d); (9) unreimbursed business expenses in violation of Labor Code sections 2800 and 2802, including but not limited to expenses incurred for uniform and dress code, internet service, telephone service, telecommunications equipment, cost of any home office equipment (such as, without limitation, computers, printers, scanners, monitors, and headsets, et cetera), office supplies, electricity and other utility bills, rental value of home office space, and late payment charges or fees assessed to corporate credit cards; (10) deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); and (11) statutory penalties based on the foregoing pursuant to Labor Code sections 210, 218.5, 558, 2699 and Code of Regulations Title 8 section 11010, et seq.; and (12) liquidated damages, penalties, interest, attorneys' fees, and costs based on the foregoing.

- x. PAGA Settlement Group Release. After the Judgment is final and The Container Store has fully funded the Gross Settlement, PAGA Settlement Group Members will be legally barred from asserting any of the claims released under the Settlement. If you are a PAGA Settlement Group Member, even if you validly opted out of the Class Settlement, you will be bound by the following release:

"Released PAGA Claims" shall mean any and all claims for civil penalties under the PAGA arising out of or related to the allegations set forth in the

Complaint and/or PAGA notice to the LWDA, including any and all claims arising from the same nucleus of facts that were or could have been raised in the Complaint and/or PAGA notice to the LWDA, which arose at any time during the PAGA Period, including but not limited to claims for: (1) unpaid overtime in violation of Labor Code sections 510 and 1198; (2) unpaid meal period premiums in violation of Labor Code sections 226.7 and 512(a); (3) unpaid rest period premiums in violation of Labor Code section 226.7; (4) unpaid minimum wages in violation of Labor Code sections 1194, 1197, and 1197.1; (5) final wages not being timely paid in violation of Labor Code sections 201-203; (6) wages not being timely paid during employment in violation of Labor Code section 204; (7) non-compliant wage statements in violation of Labor Code section 226(a); (8) failure to keep requisite payroll records in violation of Labor Code 1174(d); and (9) unreimbursed business expenses in violation of Labor Code sections 2800 and 2802, including but not limited to expenses incurred for uniform and dress code, internet service, telephone service, telecommunications equipment, cost of any home office equipment (such as, without limitation, computers, printers, scanners, monitors, and headsets, et cetera), office supplies, electricity and other utility bills, rental value of home office space, and late payment charges or fees assessed to corporate credit cards.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

Individual Settlement Amounts. The Administrator will calculate Individual Settlement Amounts by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Class Participants, and (b) multiplying the result by the number of Workweeks worked by each individual Class Participant.

Workweek Challenges. The number of Class Workweeks you worked during the Class Period, as recorded in The Container Store's records, are stated in the first page of this Notice. You have until to challenge the number of Workweeks. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

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

5. HOW WILL I GET PAID?

The Administrator will send, by U.S. mail, a single check to every Class Participant (i.e., every Class Member who doesn't opt-out) and PAGA Settlement Group Member.

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

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

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

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Class Participants have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and The Container Store are asking the Court to approve. At least [REDACTED] days before the [REDACTED] Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. You can also view these documents on the Administrator's Website [REDACTED] or the Court's website

_____. You may object to the proposed settlement in writing. You may also appear at the Final Approval Hearing at your expense, either in person, telephonically, or through an attorney, provided you notify the Court of your intention to do so. All written objections, supporting papers and/or notices of intent to appear at the Final Approval Hearing must (a) clearly identify the case name and number, *Hayes v. The Container Store, Inc.*, Case Number 20CV363825, (b) be submitted to the Court either by mailing the objection to: Clerk of the Court, Superior Court of California, County of Santa Clara, 191 N. 1st Street, San Jose, California 95113, or by filing in person at the same location; (c) also be mailed to the Administrator identified in Section 9 below, and (d) be filed or postmarked on or before [REDACTED]. Your objection must also state (i) what you object to, (ii) the legal and factual arguments supporting your objection, and (iii) your name, current address, telephone number, and the last four digits of your Social Security Number, and your signature.

A Class Participant who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is [REDACTED].** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Hayes v. The Container Store, Inc.* and include your name, current address, telephone number, and approximate dates of employment for The Container Store, and sign the objection.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [REDACTED] at [REDACTED] in

Department 19 of the Santa Clara Superior Court, located at 161 North First Street, San Jose, California 95113. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel, and Defense Counsel before making a decision. You can attend (or hire a lawyer, at your own expense, to attend). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Court's website (<https://portal.sccscourt.org/search>) beforehand to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you are referred to the detailed Settlement Agreement, which is on file with the Clerk of the Court. The pleadings and other records in this litigation, including the Settlement Agreement, may be examined at (a) Simpluris's website at [REDACTED], (b) online on the Superior Court of California, County of Santa Clara's Electronic Filing and Service Website at <https://portal.sccscourt.org/search> and entering the Case Number for the Action, Case No. 20CV363825, or (c) in person at Records, Superior Court of California, County of Santa Clara, 191 N. 1st Street, San Jose, California 95113, between the hours of 8:30 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays and closures, or you may contact Class Counsel or the Settlement Administrator.

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

<u>Class Counsel:</u> Edwin Aiwasian Arby Aiwasian Elizabeth Parker-Fawley LAWYERS for JUSTICE, PC 450 North Brand Blvd., Suite 900 Glendale, CA 91203 (818) 265-1020	<u>Settlement Administrator:</u> Simpluris, Inc. Email Address: [REDACTED] Mailing Address: [REDACTED] Telephone: [REDACTED]
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10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you will have no way to recover the money.

11. WHAT IF I CHANGE MY ADDRESS?

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