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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO

JESSICA GARCIA, RUDY JIMENEZ,
individually and on behalf of other individuals
similarly situated,

Plaintiffs,

v.

THE MERCHANT OF TENNIS, INC., a
California corporation, dba U.S. Merchants,
and DOES 1 through 100,

Defendants.

Case No. CIVDS2005614

*[Assigned for all purposes to Hon. Joseph B.
Widman, Dept. S36-SBJC]*

**DECLARATION OF PAUL K. HAINES IN
SUPPORT OF PLAINTIFFS' MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

Date: April 23, 2026
Time: 9:00 a.m.
Dept.: S36-SBJC

Complaint Filed: February 26, 2020
Trial Date: None Set

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1 I, PAUL K. HAINES, declare as follows:

2 1. I am a shareholder and principal of the law firm Haines Law Group, APC, and co-
3 counsel for the named Plaintiffs Jessica Garcia and Jose Hernandez Solis (“Plaintiffs”) and the
4 proposed Settlement Class in the above-captioned matter. I am a member in good standing of the
5 bar of the State of California and am admitted to practice in this Court. I have personal knowledge
6 of the facts stated in this declaration and could testify competently to them if called upon to do
7 so.

8 2. I am a 2006 graduate of Pepperdine University School of Law, where I graduated
9 cum laude. During law school, I worked as a law clerk for the appellate firm of Horvitz & Levy,
10 located in Encino, California. I also spent a semester in law school working as an extern for the
11 Honorable Edward Rafeedie, District Judge for the United States District Court for the Central
12 District of California.

13 3. Since graduating from law school, my practice has focused almost exclusively on
14 employment litigation. In September 2007, I began working as an associate attorney at the
15 international law firm of Littler Mendelson P.C., at its Los Angeles office, which according to its
16 website is the “largest U.S.-based law firm exclusively devoted to representing management in
17 every aspect of labor and employment law.” While at Littler Mendelson, I was primarily staffed
18 on wage and hour class actions venued in both state and federal courts, and I also worked on a
19 number of single and multi-plaintiff wage and hour matters as well.

20 4. During my employment at Littler Mendelson, I played a significant role in the
21 class actions that I was staffed on, as I was often the only associate staffed on such cases. In
22 particular, I received a wide-array of wage and hour class action experience performing the
23 following types of tasks: drafting demurrers, motions to strike and/or dismiss; removing actions
24 from state court to federal court; drafting and responding to written discovery; drafting and
25 opposing discovery related motions; arguing discovery related motions; drafting motions to
26 consolidate related matters; interviewing putative class members and obtaining declarations in
27 connection with class certification; drafting oppositions to motions for class certification; drafting
28 motions for decertification following class certification; conducting exposure analyses to assess

1 the strengths and weaknesses of asserted claims, the likelihood of prevailing at class certification
2 and potential damages resulting from such claims; drafting mediation briefs; serving as the
3 primary contact to in-house counsel; deposing named plaintiffs and putative class members;
4 deposing retained expert witnesses; and defending the depositions of corporate witnesses. In
5 short, I played an integral role in all aspects of litigation from the inception of a matter through
6 and beyond class certification. I also supervised the work of several junior attorneys who were
7 staffed on the same wage and hour class actions.

8 5. In June 2011, I voluntarily resigned from Littler Mendelson in order to accept an
9 associate attorney position with the international law firm of Morgan, Lewis & Bockius LLP, at
10 its Los Angeles office, where I began working in July 2011. During my employment at Morgan,
11 Lewis & Bockius LLP, I worked exclusively on the defense of wage and hour class and collective
12 actions. For the vast majority of these cases, I was the only associate staffed on the matter, and I
13 performed the same job duties as described in the immediately preceding paragraph. In addition
14 to working on wage and hour class actions, I also worked on a number of “hybrid” actions
15 asserting nationwide wage and hour claims under the Fair Labor Standards Act (“FLSA”), as well
16 as California-specific claims under Rule 23 of the Rules of Civil Procedure.

17 6. In July 2012, I transitioned into litigating wage and hour class actions from the
18 Plaintiff’s side, first as a Partner with the law firm of Boren, Osher & Luftman, LLP, and since
19 February 2016, as a Shareholder of the Haines Law Group, APC. Currently, over ninety percent
20 (90%) of my practice is dedicated exclusively to the prosecution of wage and hour class actions,
21 and I am currently responsible for prosecuting over one hundred (100) wage and hour class
22 actions filed in both State and Federal courts throughout California. I have been appointed as
23 Class Counsel in over two hundred (200) wage and hour class action settlements in state and
24 federal courts within California. A few examples of the matters in which I have been appointed
25 as Class Counsel, all of which have been granted final approval, include the following: *Sanchez*
26 *v. Res-Care, Inc.*, Case No. BC526175, California Superior Court, County of Los Angeles, Hon.
27 John Shepard Wiley, Jr., presiding; *Prado v. Warehouse Demo Services, Inc.*, Case No. CV14-
28 3170 JFW (Ex), United States District Court, Central District of California, Hon. John F. Walter

1 presiding; *Tesla Motors Wage and Hour Litigation*, JCCP 4792, California Superior Court, Santa
2 Clara County, Hon. Peter H. Kirwan presiding; *Bower v. Cycle Gear, Inc.*, Case No. CV14-2712
3 HSG, United States District Court, Northern District of California, Hon. Haywood S. Gilliam, Jr.
4 presiding; *Longstreth v. PAQ, Inc., dba Food 4 Less*, Case No. 15CV-0206, California Superior
5 Court, County of San Luis Obispo, Hon. Charles S. Crandall presiding; *Nunez v. CompuCom*
6 *Systems, Inc.*, Case No. BC618385, California Superior Court, County of Los Angeles, Hon. John
7 Shepard Wiley, Jr. presiding; *Mansilla v. Haeco Americas Line Services, LLC, et al*, Case No.
8 BC615310, Superior Court of California, County of Los Angeles, Hon. Elihu M. Berle presiding;
9 *Leverage, et al v. Traeger Pellet Grills, LLC, et al*, Case No. 4:16-cv-00784-KAW, United States
10 District Court, Northern District of California, Hon. Kandis A. Westmore presiding.

11 7. I have also moved to certify and have received an order certifying a class action
12 and/or conditionally certifying a collective action, in the following cases:

- 13 • *Medeiros v. Vortex Financial Management Inc.*, Case No. 30-2013-00644741-
14 CU-OE-CXC, California Superior Court, County of Orange, Honorable Judge
15 Gail A. Andler, presiding (certifying a class of employees who were misclassified
16 as independent contractors);
- 17 • *Javine v. San Luis Ambulance Service, Inc.*, Case No. CV13-07480 BRO (SSx),
18 United States District Court, Central District of California, Honorable Judge
19 Beverly Reid O'Connell, presiding (conditionally certifying an unpaid FLSA
20 overtime wage class);
- 21 • *Prado v. Warehouse Demo Services, Inc.*, Case No. CV14-3170 JFW (Ex), United
22 States District Court, Central District of California, Honorable Judge John F.
23 Walter, presiding (certifying a rest period violation class and conditionally
24 certifying a FLSA unpaid overtime wage class);
- 25 • *Bower v. Cycle Gear, Inc.*, Case No. CV14-2712 HSG, United States District
26 Court, Northern District of California, Honorable Judge Haywood S. Gilliam, Jr.,
27 presiding (conditionally certifying an unpaid FLSA overtime wage class);
- 28 • *Vega v. Weatherford U.S., Limited Partnership*, Case No. CV14-1790-JLT, United

1 States District Court, Eastern District of California, Honorable Jennifer L.
2 Thurston, presiding (conditionally certifying an unpaid FLSA overtime wage
3 class);

- 4 • *Galvan v. AMVAC Chemical Corporation*, Case No. 30-2014-00716103-CU-OE-
5 CXC, California Superior Court, County of Orange, Honorable Judge William
6 Claster, presiding (certifying unpaid overtime wage class and waiting time penalty
7 class);

- 8 • *Camacho v. Residential Fire Systems, Inc.*, Case No. 30-2015-775372-CU-OE-
9 CXC, California Superior Court, County of Orange, Honorable Glenda Sanders,
10 presiding (certifying piece rate pay plan classes, expense reimbursement class,
11 wage statement class, and waiting time penalties class);

- 12 • *Ontiveros v. Safelite Fulfillment, Inc., et al*, Case No. CV 15-7118-DMG (RAOx),
13 United States District Court, Central District of California, Honorable Dolly M.
14 Gee presiding (certifying six classes of employees for rest period violations, wage
15 statement violations, meal period violations, and overtime and double-time
16 violations);

- 17 • *Vasquez v. Kraft Heinz Foods Company*, Case No. 16-cv-2749-WQH-BLM,
18 United States District Court, Southern District of California, Honorable William
19 Q. Hayes presiding (certifying classes for automatic meal period deductions,
20 manual time deductions, late meal periods, and derivative wage statement and
21 waiting time penalties);

- 22 • *Caudle, et al. v. Sprint/United Management Company, et al.* Case No. C 17-06874-
23 WHA, United States District Court, Northern District of California, Honorable
24 William H. Alsup presiding (certifying three classes of employees for unlawful
25 wage deduction violations, wage statement violations, and waiting time
26 violations);

- 27 • *Barbara J. Bowlin-Burdick v. Life Care Centers of America, Inc.*, Case No.
28 BC657139, Los Angeles County Superior Court, Honorable Maren E. Nelson,

presiding (certifying classes for late meal period violations, on-remises rest period violations, wage statement violations, and waiting time violations);

- *Staublein v. Wells Fargo Bank, National Association*, Case No. CIVDS1712267, San Bernardino County Superior Court, Honorable David Cohn, presiding (certifying a wage statement class);
- *Danica N. Keich, et al. v. U.S. Healthworks, Inc., et al.*, Case No. 37-2017-00015343-CU-OE-CTL, San Diego County Superior Court, Honorable Eddie C. Sturgeon, presiding (certifying classes for rest period violations, meal period violations, on-call pay violations, wage statement violations, and waiting time violations);
- *George Gomez v. The Bedrock Company*, Case No. CIVDS1824255, San Bernardino County Superior Court, Honorable David Cohn, presiding (certifying claims for unpaid overtime and minimum wage violations, meal period violations, rest period violations, wage statement violations, and waiting time penalties);
- *McDonald, et al. v. Sierra Pacific Industries*, Case No. 191133, Shasta County Superior Court, Hon. Tamara L. Wood (certifying eight classes for meal period violations, rest period violations, unpaid wages, unreimbursed business expenses, wage statement violations, and waiting time penalties); and
- *Aurora Gatica v. Valley Ag, Inc. et al.*, Case No. 19CECG03018, Fresno County Superior Court, Honorable Tyler D. Tharpe, presiding (certifying claims for meal period violations, rest period violations, wage statement violations, and waiting time penalties).

8. In 2015-2017, Thomson Reuters recognized me as a Top Young Attorney in Southern California in the annual Rising Stars Edition of Super Lawyer. This is an honor awarded to no more than two-and-a-half percent of attorneys under the age of forty in Southern California each year. In 2018-2023, Thomson Reuters recognized me as a “Super Lawyer” in the annual Super Lawyer magazine, an honor awarded to no more than five percent of all attorneys in Southern California each year.

1 9. I have also served as lead trial counsel in multiple wage and hour matters that I
2 have successfully taken through trial to judgment. For example, in the matter entitled *Taduran v.*
3 *Glidewell Laboratories*, Case No. 30-2017-00934037-CU-OE-CXC, Orange County Superior
4 Court, Honorable William Claster, presiding, my office successfully took a PAGA case on behalf
5 of thousands of aggrieved employees through trial, which resulted in an award of PAGA civil
6 penalties of \$515,965, including an additional amount paid directly to the employees' consisting
7 of their lost wages, and attorneys' fees and costs. I also served as lead trial counsel in the matter
8 of *Calhoun v. Aqua Tech Water Management*, Case No. BS169815, Los Angeles County Superior
9 Court, Honorable Teresa Traber, presiding, a case alleging that the plaintiff had been misclassified
10 as an independent contractor, in which the court awarded the plaintiff \$117,738.90, in addition to
11 significant attorneys' fees.

12 10. In approximately 2018, I was selected to be a member of the Los Angeles Superior
13 Court, Complex Civil Department Ad Hoc Wage and Hour Committee, which was chaired by the
14 Honorable Judge Amy D. Hogue and Honorable Judge David S. Cunningham. The committee
15 was comprised of 8 plaintiff's attorneys and 8 defense attorneys, and was consulted for
16 recommendations regarding wage and hour class action cases, including preparing model class
17 action and PAGA action settlement agreements which are now publicly available at
18 <http://www.lacourt.org/forms/all>

19 11. Sean M. Blakely, who is also counsel of record for Plaintiffs in this matter, is a
20 2008 graduate of Southwestern Law School. Mr. Blakely was admitted to the California State
21 Bar in September 2009. Since that time, Mr. Blakely has practiced almost exclusively in the area
22 of employment litigation, with significant experience prosecuting wage and hour class and
23 representative PAGA actions. Mr. Blakely has been an attorney at my law firm since November
24 2016, and a Partner since 2020, and is currently staffed on more than sixty (60) active wage and
25 hour class actions in which he plays a significant role. Mr. Blakely has been appointed as class
26 counsel in dozens of wage and hour class action settlements in state and federal courts throughout
27 California. In addition, Mr. Blakely was named as class counsel in the *Ontiveros*, *Vasquez*, and
28 *McDonald* actions listed in Paragraph 7 of my declaration. In each year from 2018 through 2023,

1 Thomson Reuters and Los Angeles Magazine recognized Mr. Blakely as a Top Young Attorney
2 in Southern California in the annual Rising Star Edition of Super Lawyers. This is an honor
3 awarded to no more than two-and-a-half percent (2.5%) of attorneys under the age of forty in
4 Southern California each year. In 2024 and 2025, Thomson Reuters recognized Mr. Blakely as a
5 “Super Lawyer” in the annual Super Lawyer magazine, an honor awarded to no more than five
6 percent of all attorneys in Southern California each year.

7 12. Alexandra R. McIntosh, who is also counsel of record for Plaintiffs in this matter,
8 is a 2017 graduate of the University of California, Irvine School of Law. Ms. McIntosh was
9 admitted to the California State Bar in June 2018. Since that time, Ms. McIntosh has practiced
10 almost exclusively in the area of employment litigation. Ms. McIntosh has been an Associate at
11 my firm since April 2020 and is currently staffed on approximately thirty (30) active wage and
12 hour class actions in which she plays a significant role. Ms. McIntosh has been appointed as class
13 counsel in numerous class action settlements that have received final approval in California
14 courts. In addition, Ms. McIntosh was named as class counsel in the *McDonald* action listed in
15 Paragraph 7 of my declaration.

16 13. As co-counsel for Plaintiffs and the proposed Settlement Class, I have been
17 intimately involved in this case, and I believe that the proposed Settlement is an excellent result
18 for the Settlement Class.

19 14. Defendant The Merchant of Tennis, Inc. (“MOT”) is a plastic mold injection
20 company that manufactures various items such as packaging, display and crates.

21 15. On February 26, 2020, Plaintiff Garcia filed a class action complaint against MOT
22 in San Bernardino County Superior Court, *entitled Jessica Garcia, et al. v. The Merchant of*
23 *Tennis, Inc.*, Case No. CIVDS2005614 (the “Action”), alleging class action claims against
24 Defendant under the California Labor Code. On February 25, 2020, Plaintiff Garcia sent her
25 PAGA notification letter to the Labor & Workforce Development Agency (“LWDA”). Attached
26 hereto as **Exhibit B** is a true and correct copy of Plaintiff Garcia’s February 25, 2020 LWDA
27 letter. On February 19, 2021, Plaintiff Garcia filed a Second Amended Complaint in this Action,
28 which included a claim under the Private Attorneys General Act, Labor Code § 2698, et seq.

1 (“PAGA”).

2 16. On March 15, 2021, Plaintiff Solis filed a class and collective action in the United
3 States District Court for the Central District of California, entitled *Jose Hernandez Solis v. The*
4 *Merchant of Tennis, Inc.*, Case No. 5:21-CV-00459 (the “Solis Class Action”), alleging class and
5 collective claims against Defendant under the California Labor Code and Fair Labor Standards
6 Act. On March 22, 2021, Plaintiff Solis sent his PAGA notification letter to the Labor &
7 Workforce Development Agency (“LWDA”). Attached hereto as **Exhibit C** is a true and correct
8 copy of Plaintiff Solis’ March 22, 2021 LWDA letter. On June 9, 2021, Plaintiff Solis filed a
9 representative action in San Bernardino County Superior Court, entitled *Jose Hernandez Solis v.*
10 *The Merchant of Tennis, Inc.*, Case No. CIV SB 2116264 (the “Solis PAGA Action”), alleging a
11 claim against Defendant for civil penalties under PAGA.

12 17. On August 30, 2021, the Parties in both the *Garcia* and *Solis* actions attended a
13 full-day mediation with Jeffrey L. Krivis, Esq., an experienced wage and hour class action
14 mediator, in an effort to resolve all of the above referenced actions. During mediation, the Parties
15 vigorously debated their legal positions, the likelihood of certification of Plaintiffs’ claims, and
16 the legal bases for the claims and defenses. The Parties were not able to reach a settlement at the
17 August 30, 2021 mediation.

18 18. By way of stipulation, the parties agreed to consolidate the *Garcia* action pending
19 in Superior Court with the *Solis* Class Action pending in federal court and the *Solis* PAGA Action
20 in Superior Court, in this action. On May 6, 2022, the Garcia and Solis Plaintiffs filed the Third
21 Amended Complaint in this action which is the operative Complaint.

22 19. The Parties also engaged in extensive formal discovery and motion practice.
23 Plaintiffs served multiple sets of written discovery seeking, among other items, timekeeping and
24 payroll records for Class Members, MOT’s written wage and hour policies and procedures, and
25 contact information for the Class Members. Plaintiffs obtained a sampling of timekeeping and
26 payroll records for Class Members, MOT’s written wage and hour policies and procedures, as
27 well as the contact information for Class Members. In the following months, Plaintiffs’ counsel
28 interviewed dozens of Class Members regarding their work experiences with MOT.

1 20. MOT took the deposition of Plaintiff Garcia over the course of two days, on
2 November 17, 2020 and June 4, 2021. MOT took the deposition of Plaintiff Solis on October 26,
3 2021. Plaintiffs also took multiple depositions of MOT's Person(s) Most Qualified regarding
4 MOT's wage and hour policies and practices on February 4, 2022 March 24, 2023. Plaintiffs also
5 took the deposition of MOT's general manager on March 20, 2023. In total, there were
6 approximately 25 depositions taken in this case.

7 21. On January 27, 2023, MOT filed Motions for Summary Judgment against
8 Plaintiffs Garcia and Solis. Plaintiffs retained a labor economist to analyze Plaintiffs' timekeeping
9 and payroll records in support of their Opposition to MOT's Motion for Summary Judgment. On
10 February 20, 2024, the Court denied MOT's Motions for Summary Judgment, with the exception
11 of a couple of claims that Plaintiffs voluntarily agreed to dismiss.

12 22. On May 30, 2024, Plaintiffs filed their Motion for Class Certification. In support
13 of their Motion for Class Certification, Plaintiffs submitted declarations from Plaintiffs and 8
14 putative class members as well as Expert Reports from Plaintiffs' retained labor economist and
15 mechanical engineer who conducted site visits where she measured various walking distances
16 across MOT's facilities.

17 23. In support of its Opposition to Plaintiffs' Motion for Class Certification, MOT
18 deposed many of Plaintiffs' declarants and Plaintiffs' retained experts. Additionally, shortly after
19 the filing of Plaintiffs' Motion for Class Certification, MOT began extending individual
20 settlement offers to hundreds of Class Members. Upon learning that MOT was offering individual
21 settlement agreements to putative class members, Plaintiffs served written discovery seeking the
22 information provided to these Class Members about the settlement offers being extended by
23 MOT. Plaintiffs also took the depositions of many putative class members who submitted
24 declarations in support of MOT's Opposition to Plaintiffs' Motion for Class Certification.

25 24. After this extensive discovery was completed, on November 12, 2024, Plaintiffs
26 filed their Reply Brief in Support of Plaintiffs' Motion for Class Certification. On that same date,
27 Plaintiffs filed their Motion to Invalidate Settlement Agreements Obtained from Approximately
28 954 Putative Class Members as well as Plaintiffs' Motion to Strike Seventeen of Defendant's

Employee Declarations Filed in Support of Defendant's Opposition to Plaintiff's Motion for Class Certification.

25. On January 23, 2025, the Court granted, in part, Plaintiffs' Motion to Invalidate Settlement Agreements Obtained from Approximately 954 Putative Class Members, ordering that the individual settlement agreements were voidable at the election of each settling putative class member, and the Court further ordered the Parties to meet and confer regarding a curative notice to be sent to putative class members who signed the individual settlement agreements. The Court continued the hearings on Plaintiffs' Motion for Class Certification and Defendant's Motion to Strike Three Declarations of Putative Class Members Filed in Support of Plaintiffs' Motion for Class Certification and MOT's Motion for Leave to File Amended Answer to Plaintiffs' Third Amended Consolidated Class Action Complaint, pending the completion of the curative notice process.

26. On February 28, 2025, after a hearing on the curative notice, the Court issued an Order detailing the contents of the curative notice to be sent to employees who signed individual settlement agreements. The Court's curative notice informed employees that if they choose to revoke their acceptance to the settlement agreement, any amount paid may be treated as an offset to any other recovery, and further informed employees that they would not be required to return any payment they previously received from MOT.

27. On March 24, 2025, MOT filed a Petition for Writ of Mandate, Prohibition, and/or Other Appropriate Relief regarding the Court's February 28, 2025 Order. On March 27, 2025, the Court of Appeal stayed this Action pending determination of MOT's writ petition. While this Action was stayed pending determination of MOT's writ, the Parties agreed to attend a second mediation session on December 7, 2025 with Monique Ngo-Bonnici, Esq., an experienced wage and hour class action mediator. Prior to attending the second mediation session, Plaintiffs were provided with additional information, including the total number of putative class members employed during the Class Period, the total number of putative class members who signed *Pick-Up-Stix* release agreements as well as the amounts paid to them, and the total aggregate number of workweeks worked by putative class members during the Class Period. On December 7, 2025,

the Parties attended a second full-day mediation with Monique Ngo-Bonnici, Esq., an experienced wage and hour class action mediator. During mediation, the Parties vigorously debated their legal positions, the likelihood of certification of Plaintiffs' claims, and the legal bases for the claims and defenses. Following the conclusion of mediation, Ms. Ngo-Bonnici issued a mediator's proposal that was ultimately accepted by the Parties. With the assistance of Ms. Ngo-Bonnici, the Parties were able to reach a tentative classwide settlement of this Action. During the months that followed, the Parties negotiated and finalized the terms of the Settlement and executed the long-form Settlement Agreement now before the Court. On January 14, 2026, after the Parties reached the tentative classwide settlement, the Court of Appeal, Fourth Appellate District, issued its ruling regarding MOT's writ of mandate.

28. A true and correct copy of the Class Action and PAGA Settlement Agreement is attached hereto as **Exhibit A**. The proposed Notice of Settlement of Class Action ("Class Notice") is attached as **Exhibit 1** to the Settlement Agreement.

29. The monetary terms of the Settlement are summarized below:

Gross Settlement Amount ("GSA"):	\$8,375,328.22
Minus prior <i>Pick-Up-Stix</i> payments:	\$875,328.22
Minus Court-approved attorneys' fees:	\$2,931,364.87
Minus Court-approved verified costs (up to):	\$400,000.00
Minus Court-approved Service Payments:	\$20,000.00
Minus amount set aside as PAGA penalties:	\$200,000.00
<u>Minus estimated Settlement Administration costs:</u>	<u>\$35,000.00</u>

Net Settlement Amount ("NSA"): at least \$3,913,635.13

30. According to MOT, there are approximately 3,917 Settlement Class members. Thus, the average Individual Class Payment from the NSA is estimated to be approximately \$1,222.07. Further, there are approximately 3,912 Aggrieved Employees who worked during the PAGA Period. Therefore, the average payment from the PAGA Amount is estimated to be approximately \$12.78, representing 25% of the civil penalties payable to aggrieved employees.

31. Plaintiffs allege that MOT systemically failed to provide its non-exempt employees with legally compliant meal periods in two distinct ways. First, Plaintiffs allege that MOT routinely failed to provide first meal periods before the start of the sixth hour of work, resulting in late meal periods. Plaintiffs allege that MOT's supervisors informed employees when

1 it was time to take their meal periods and therefore controlled when they were taken. As a result,
2 Plaintiffs contend that MOT is responsible for the many late meal periods evidenced by
3 employees' timekeeping records. Second, Plaintiffs allege MOT's policies and practices resulted
4 in habitually short meal periods of less than 30 minutes because they required employees to be
5 back at their workstations punctually at the end of the 30-minute meal period, causing employees
6 to cut their meal periods short. Because it can take several minutes to walk from the time clock
7 back to the workstation, Plaintiffs allege employees necessarily take less than 30 minutes of actual
8 meal break time in order to comply with MOT's policies. As a result, Plaintiffs allege that MOT
9 is liable for meal period premiums under Labor Code § 226.7. Based on Plaintiffs' review of
10 employee timekeeping records, approximately 23.5% of all meal period eligible shifts reflected a
11 late first meal period, and approximately 56.2% of first meal periods were less than 30 minutes.
12 In total, Plaintiffs estimate there were approximately 1,019,913 non-compliant first meal periods
13 during the Class Period. Accordingly, Plaintiffs calculated MOT's maximum exposure for meal
14 period violations at approximately \$17,848,477 (1,019,913 non-compliant first meal periods *
15 \$17.50 average meal period premium). MOT counters it has maintained compliant written meal
16 period policies throughout the Class Period and has always provided compliant meal periods in
17 line with those policies. MOT contends that under *Brinker*, it is only required to "provide" the
18 opportunity to take meal periods, not "ensure" meal periods are taken. Therefore, MOT maintains
19 that any short, missed, or late first meal periods were the result of lawful employee waiver or
20 choice, thereby precluding liability. MOT contends that Class Members did not have to be
21 "released" by their supervisors to take a meal period. MOT points to declarations submitted by
22 Class Members in support of its Opposition to Plaintiff's Motion for Class Certification which
23 show that employees took timely first meal periods and were reminded by MOT to take meal
24 periods by the fifth hour of work. MOT further argues that Plaintiffs did not experience meal
25 period violations, and therefore, are not typical of those Class Members who timekeeping records
26 reflect non-compliant meal periods. As for Plaintiffs' claims that MOT provided short meal
27 periods, MOT argues that it provided a full thirty minutes – and sometimes longer, without
28 reprimand. Lastly, MOT argues that individualized inquiries will be required to determine why

1 each meal period was taken late or short or missed by each employee, and whether there was a
2 valid waiver, thereby making class certification of this claim unlikely. Additionally, many of the
3 Class Members signed arbitration agreements, which could potentially bar them from any class
4 recovery absent settlement. Based on these defenses, Plaintiffs discounted the maximum amount
5 recovery by 60% for risk of non-certification and potential inability to proceed on a classwide
6 basis due to the arbitration agreements, and an additional 50% or risk of losing on the merits or
7 failing to recover the full amount sought, to arrive at an estimated exposure of approximately
8 \$3,569,696.

9 32. Plaintiffs allege that MOT failed to authorize and permit legally compliant rest
10 periods because: (1) MOT's policies/practices do not provide employees with sufficient time to
11 take 10 minutes of "net rest" in an area appropriate for rest away from the workstation because
12 MOT requires employees to be back at their work stations by the end of the 10-minute period and
13 the time it takes to walk to and from rest areas significantly shortens the rest periods, and (2)
14 MOT requires employees to remain on-premises during rest periods. Based on Plaintiffs' analysis
15 and extrapolation of employee timekeeping records, Plaintiffs estimated there were
16 approximately 1,279,690 shifts with a rest period violation during the Class Period. As indicated
17 above, Plaintiffs allege that MOT failed to provide for a "net rest" of 10 minutes for each and
18 every shift during the Class Period. Therefore, Plaintiffs estimated the maximum potential
19 exposure for this claim at approximately \$22,394,575 (1,279,690 rest period violations * \$17.50
20 average premium). MOT counters that it maintained compliant written rest period policies
21 throughout the Class Period and has always authorized and permitted employees a 10-minute rest
22 period for each four (4) hours worked, or major fraction thereof, as required under the Wage
23 Order, and that any failure to take rest periods was a result of employee choice, rather than any
24 MOT policy and/or practice. MOT argues that MOT allowed for additional walk time which
25 exceeded the ten minutes for rest periods and contends that employees took rest periods at
26 different places, some of which do not require any walk time from their workstations. As for
27 Plaintiffs' on-premises theory, MOT argues that it did not prohibit employees from leaving MOT
28 premises during rest periods. MOT also argues that Plaintiffs' rest period claim is not amenable

1 to class treatment, since individual inquiries would be required to determine which Class
2 Members failed to take rest periods, how many rest periods they failed to take, and the reasons
3 why each employee failed to take rest period(s) on a particular shift. These manageability
4 concerns are especially present with respect to rest period claims, MOT argues, given that rest
5 periods are not recorded. In light of these defenses, Plaintiffs assessed a 70% risk of non-
6 certification and potential inability to proceed on a classwide basis due to the arbitration
7 agreements, and discounted an additional 65% for risk of being unsuccessful on the merits or
8 failure to recover the full amount sought, to arrive at a projected exposure of approximately
9 \$2,351,430.

10 33. Plaintiffs allege that MOT failed to pay Class Members all wages owed due to: (1)
11 unlawful time rounding policies for a small portion of the Class Period; (2) failure to compensate
12 for mandatory off-the-clock security checks; and (3) failure to compensate for mandatory off-the-
13 clock COVID-19 screenings. With respect to the unlawful time rounding, Plaintiffs contend that
14 from June 8, 2019 to September 9, 2019, MOT utilized an unlawful time rounding practice that
15 systemically underpaid wages. During this period, Plaintiff alleges MOT required employees to
16 accurately record their time worked to the minute; however, MOT would thereafter round
17 employees' recorded time to the quarter-hour, which resulted in consistent underpayment. With
18 respect to off-the-clock security checks, Plaintiffs contend that MOT required Class Members to
19 participate in mandatory bag checks before exiting MOT's Ontario and Eastvale facilities, and
20 that MOT failed to compensate employees for this time, which could take several minutes to
21 complete. With respect to off-the-clock COVID screenings, Plaintiffs contend that from
22 approximately May 2020 through July 2021, MOT required its non-exempt employees to undergo
23 mandatory COVID-19 screenings, which could take several minutes, before clocking in for the
24 beginning of their shifts, but MOT did not compensate employees for this time. Based on
25 Plaintiffs' analysis of MOT's records, Plaintiffs estimate that MOT underpaid Class Members by
26 approximately 4,855 hours during the time period in which MOT was rounding employee time
27 punches (June 8, 2019 - September 9, 2019). Because most employees worked shifts of at least
28 eight (8) hours, Plaintiffs contend these unpaid wages should be paid at an overtime rate of pay.

1 Accordingly, Plaintiffs calculated MOT's maximum exposure for this theory of liability at
2 approximately \$127,444 (4,855 unpaid hours * \$26.25 average overtime rate). Plaintiffs also
3 estimate that Class Members were underpaid for approximately 22,656 hours for undergoing
4 COVID screenings while the practice was in effect between approximately May 2020 and July
5 2021 (approximately 271,880 shifts * 5 minutes unpaid time), and approximately 43,690 hours
6 (approximately 524,280 shifts * 5 minutes unpaid time) for undergoing security checks.
7 Therefore, Plaintiffs calculated MOT's maximum exposure for these two theories of liability at
8 approximately \$1,741,609 (66,347 unpaid hours * \$26.25 average overtime rate of pay). In total,
9 Plaintiffs estimate MOT's maximum exposure for unpaid wages to be approximately \$1,869,053.
10 MOT argues that its timekeeping policies/practices complied with California law and that MOT
11 compensated Class Members for all hours worked throughout the Class Period. MOT also argues
12 that it changed its timekeeping policies/practices in September 2019, and began to compensate
13 employees to the minute, thereby cutting off its potential liability for this claim. With respect to
14 the security checks and COVID screenings, MOT argues that the time spent on these were
15 minimal and that they occurred when employees were on the clock. Finally, MOT argues that
16 Plaintiffs would be unable to certify these claims since its timekeeping policies/practices are
17 facially neutral and individualized inquiries would be necessary as to whether employees were in
18 fact underpaid for each workday in question (including whether they were actually working when
19 they were clocked in), whether and how long they waited for security checks and COVID
20 screenings, and whether they were on the clock for them, resulting in an unmanageable series of
21 mini-trials. MOT also contends that many of its employees during the Class Period signed valid
22 arbitration agreements that could have potentially limited their damages only to the employees'
23 share of PAGA civil penalties. Based on these defenses, Plaintiffs discounted the maximum
24 exposure by 70% to account for the risk of non-certification and potential inability to proceed on
25 a classwide basis due to the arbitration agreements, and an additional 50% to account for MOT's
26 defenses on the merits, to arrive at an estimated exposure of approximately \$280,358.

27 34. As a result of the unpaid wages and unpaid meal and rest period premium wages
28 described above, Plaintiffs allege that MOT is liable for wage statement penalties. Those penalties

are calculated as \$50 for each “initial” violation and \$100 for each “subsequent” violation, with a maximum of \$4,000 per employee. Plaintiffs’ analysis reflected that there were approximately 3,917 unique employees and approximately 124,650 pay periods worked during the liability period applicable to Plaintiffs’ wage statement claim. The maximum possible exposure for all Class Members is calculated at approximately \$12,269,150 ([3,917 “initial” violations * \$50] + [120,733 “subsequent” violations * \$100]). MOT argues any alleged wage statement violations were not “knowing and intentional,” and Plaintiffs cannot show that they or other employees “suffer[ed] injury” due to the alleged wage statement violations, as required by Labor Code § 226(e) for the imposition of penalties. MOT further contends its wage statements always accurately reflected hours worked and amounts paid as well as all other required information, precluding liability for wage statement penalties. In light of these defenses, Plaintiffs discounted the maximum exposure by 70% for risk of non-certification and potential inability to proceed on a classwide basis due to the arbitration agreements, and an additional 70% for a risk of being unsuccessful on the merits or of failing to recover the full amount sought, to arrive at an estimated realistic exposure of approximately \$1,104,223.

35. As a further result of the unpaid wages and unpaid meal and rest period premium wages described above, Plaintiffs allege that MOT failed to comply with its final pay obligations set forth in Labor Code §§ 201-203. Based on data produced by MOT, there are approximately 2,895 Class Members who separated their employment from MOT and are therefore eligible for waiting time penalties. Plaintiffs estimated an average waiting time penalty of approximately \$4,200 (\$17.50/hr. * 8 hrs. * 30 days), and calculated MOT’s maximum waiting time penalty exposure at approximately \$12,159,000 (2,895 former employees * \$4,200 average waiting time penalty). MOT argues that it possesses strong, good-faith defenses to Plaintiffs’ underlying claims, thus precluding recovery of waiting time penalties, which are only available for the “willful” failure to pay wages. MOT further asserts that Plaintiffs’ waiting time penalty exposure was grossly inflated as not every former employee experienced the alleged Labor Code violations. Based on these defenses, Plaintiffs discounted MOT’s maximum exposure by 70% for risk of non-certification and potential inability to proceed on a classwide basis due to the arbitration

1 agreements, and by an additional 65% for risk of being unsuccessful on the merits or failure to
2 recover the full amount sought, to arrive at an estimated total of approximately \$1,276,695.

3 36. As a result of the foregoing Labor Code violations, Plaintiffs allege that MOT is
4 liable for civil penalties under the PAGA. Plaintiffs estimated a maximum PAGA exposure of
5 \$12,465,000 (approximately 124,650 pay periods during PAGA Period * \$100 “initial” violation
6 rate). Since Plaintiffs’ PAGA claim is derivative of Plaintiffs’ underlying wage claims, MOT
7 asserts that the PAGA claim would fail with those claims. MOT further maintains that given its
8 good-faith defenses, the Court would substantially reduce any PAGA penalties if it were to find
9 MOT liable for any of Plaintiffs’ claims. Thus, Plaintiffs discounted the maximum figure by 70%
10 for risk of losing on the merits and/or not recovering a PAGA penalty for each and every pay
11 period, and by an additional 85% for risk of the Court reducing penalties, for an estimated
12 exposure of approximately \$560,925.

13 37. Using these figures, Plaintiffs estimated the realistic total recovery for the
14 Settlement Class would be approximately \$9,143,327. The proposed \$8,375,328.22 Gross
15 Settlement Amount represents approximately 91.6% of Plaintiffs’ reasonably forecasted
16 recovery. Preliminary approval is appropriate since the Settlement will provide significant
17 monetary relief to the Settlement Class, which is consistent with what Plaintiffs’ counsel believes
18 could have been recovered had the case proceeded through trial.

19 38. Although the parties engaged in significant discovery, they had not completed all
20 formal discovery that would be required for trial, which would have required the expenditure of
21 substantial time and resources by all Parties. Plaintiffs filed a Motion for Class Certification
22 supported by extensive evidence, including expert reports, deposition testimony from MOT’s
23 PMQ witnesses, and declarations and deposition testimony of putative class members. However,
24 class certification had not yet been granted, and MOT vigorously opposed certification. Even if
25 Plaintiffs obtained certification, the parties would have incurred considerable attorneys’ fees and
26 costs through possible decertification motions, trial, and additional appeals. The Settlement
27 avoids those risks and the accompanying delay and expense, and thus, this factor supports
28 preliminary approval.

1 39. Plaintiffs will apply for Class Representative Service Payments at final approval
2 in the amount of \$10,000.00 for each Plaintiff for their service to the Settlement Class. As will be
3 fully briefed at the time of final approval, Plaintiffs' requested Service Payments are intended to
4 recognize the time and effort Plaintiffs expended on behalf of the Settlement Class, including
5 providing substantial factual information and documents to Class Counsel, discussing the claims
6 and theories at issue in the litigation, actively participating in the prosecution of their claims,
7 preparing for and attending full-day depositions and responding to formal discovery requests, as
8 well as the significant risks Plaintiffs undertook by agreeing to serve as named plaintiffs in this
9 case, and the fact that Plaintiffs agreed to a general release of all claims subject to a waiver of
10 Civil Code § 1542.

11 40. At final approval, Plaintiffs' counsel will request an attorneys' fees award of
12 thirty-five percent (35%) of the GSA, and up to \$400,000 in verified litigation costs. Plaintiffs
13 submit the requested fee is fair compensation for undertaking complex, risky, expensive, and
14 time-consuming litigation on a contingent basis. Plaintiffs' counsel has expended significant time
15 conducting pre-filing investigation, legal research, analyzing Plaintiffs' claims, analyzing
16 employee timekeeping and payroll records and other data and documents, engaging in extensive
17 formal discovery and motion practice including taking and defending approximately 25
18 depositions, developing a comprehensive damages model, preparing for and attending two
19 mediations, defeating MOT's summary judgment motions, fully briefing Plaintiffs' motion for
20 class certification, moving to invalidate MOT's *Pick-Up-Stix* releases, litigating this action at the
21 appellate level through a published Court of Appeal decision, negotiating and preparing the Class
22 Action and PAGA Settlement Agreement, preparing this Motion, and otherwise litigating this
23 case. Counsel anticipates incurring additional fees in appearing at the hearing on this Motion,
24 supervising the Notice process, and preparing the Final Approval motion and appearing at the
25 Final Approval Hearing.

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1 I declare under penalty of perjury under the laws of the State of California that the
2 foregoing is true and correct. Executed on March 5, 2026, at El Segundo, California.

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5 Paul K. Haines
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EXHIBIT A

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiffs Jessica Garcia (“Garcia”), Rudy Jimenez (“Jimenez”), Jose Hernandez Solis (collectively, “Plaintiffs” or “Class Representatives”), as individuals and on behalf of all members of the Settlement Class (defined below) and Defendant The Merchant of Tennis, Inc. (“Defendant”), on the other hand. The Agreement refers to Plaintiffs and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1 “Action” means Plaintiffs lawsuit alleging wage and hour violations against Defendant entitled *Jessica Garcia, et al., v. The Merchant of Tennis, Inc.*, San Bernardino County Superior Court, Case No. CIVDS2005614, filed on February 26, 2020 and pending in the Court.

1.2 “Administrator” means Apex Class Action LLC, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4 “Aggrieved Employee” means Plaintiffs and all non-exempt, hourly employees who worked for Defendant in California at any time from June 9, 2019 to December 10, 2025.

1.5 “Class” means Plaintiffs and all non-exempt, hourly employees who worked for Defendant in California at any time from June 8, 2019 through December 10, 2025.

1.6 “Class Counsel” means Paul K. Haines, Sean M. Blakely, and Alexandra R. McIntosh of Haines Law Group, APC and Marcus J. Bradley and Kiley L. Grombacher of Bradley/Grombacher, LLP.

1.7 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.

1.8 “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

1.9 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.10 “Address Search” means the Administrator’s investigation and search for current Class Member or Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members or Aggrieved Employees.

1.11 “Class Notice” means the “COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL,” to be mailed to Class Members in English with a Spanish translation, if applicable in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.12 “Class Period” means the period from June 8, 2019 through December 10, 2025.

1.13 “Class Representatives” means the named Plaintiffs in the operative complaint in the Action seeking Court approval to serve as class representatives.

1.14 “Class Representative Service Payments” means the payments to the Class Representatives for initiating the Action and providing services in support of the Action.

1.15 “Court” means the Superior Court of California, County of San Bernardino.

1.16 “The Merchant of Tennis, Inc.” means named Defendant.

1.17 “Defense Counsel” means ArentFox Schiff LLP.

1.18 “Effective Date” means the date on which both the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement and (b) the Judgment becomes final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.19 “Final Approval” means the Court’s order granting final approval of the Settlement.

1.20 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

1.21 “Gross Settlement Amount” means \$8,375,328.22, which includes the \$875,328.22 in payments previously made to Defendant to Class Members as a result of the filing of this litigation. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payments, and Administration Expenses Payment.

1.22 “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.23 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of the 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.

1.24 “Installment Payments” means the two installment payments that Defendant shall provide to the Settlement Administrator, which collectively equals \$7,500,00.00 (Gross Settlement of \$8,375,328.22 minus the \$875,328.22 in payments previously made by Defendant to Class Members as a result of the filing of this litigation). The “First Installment Payment” shall be in the amount of \$3,750,000.00. The “Second Installment Payment” shall be \$3,750,000.00.

1.25 “Judgment” means the judgment entered by the Court based upon the Final Approval Order.

1.26 “LWDA” means the California Labor and Workforce Development Agency.

1.27 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).

1.28 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, LWDA PAGA Payment, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.29 “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.30 “PAGA Period” means the period from June 9, 2019 through December 10, 2025.

1.31 “PAGA” means the Private Attorneys General Act (Lab. Code, § 2698 et seq.).

1.32 “PAGA Notice” means Plaintiffs’ PAGA letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).

1.33 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and 75% to the LWDA in settlement of PAGA claims.

1.34 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.35 “Plaintiffs” means Garica, Jimenez and Solis, the named plaintiffs in the Action.

1.36 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

1.37 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

1.38 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.

1.39 “Released Parties” means Defendant and each of its parent companies, subsidiaries, affiliates, current and former management companies, shareholders, members, agents (including any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees), owners, predecessors, successors, and assigns, including, but not limited to, any Defendant-related entity that employed any Class Member at any time during the Class Period and/or the PAGA Period.

1.40 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.41 “Response Deadline” means 60 days after the Administrator mails the Class Notice and shall be the last date on which Class Members may: (a) fax, email or mail Requests for Exclusion, (b) fax, email or mail objections to the Settlement, or (c) fax, email or mail a challenge to the number of Workweeks allocated to the Class Member in the Class Notice. Class Members to whom Class Notices are resent after having been returned undeliverable to the Administrator shall have their deadline extended an additional 14 calendar days beyond the Response Deadline.

1.42 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.43 “Workweeks” means for each Settlement Class Member or Aggrieved Employee any workweek during the Class Period or the PAGA Period, as applicable, in which the Settlement Class Member or Aggrieved Employee was employed by Defendant as a non-exempt employee in California and worked at least one shift during the designated workweek. Workweeks will be calculated based on Defendant’s business records. This information shall be treated as confidential. Workweeks of Non-Participating Class Members will not be included in the total number of Workweeks that are reported to the Settlement Administrator to calculate and distribute Individual Settlement Payments to Participating Class Members. The number of full workweeks that a Participating Class Member was on a leave of absence, sick time, or vacation during the Class Period shall be excluded from the total number of Workweeks and from the Workweeks attributed to that Participating Class Member, regardless of whether the Class Member was paid during those Workweeks.

2. RECITALS.

2.1 On February 26, 2020, Plaintiff Garcia filed a class action complaint against Defendant in San Bernardino County Superior Court, *entitled Jessica Garcia, et al. v. The Merchant of Tennis, Inc.*, Case No. CIVDS 2005614 (the “Garcia Action”), alleging class action claims against Defendant under the California Labor Code.

2.2 On February 19, 2021, Plaintiff Garcia filed a Second Amended Complaint in the Garcia Action, which included a claim under the Private Attorneys General Act, Labor Code § 2698, et seq. (“PAGA”).

2.3 On March 15, 2021, Plaintiff Solis filed a class and collective action in the United States District Court for the Central District of California, entitled *Jose Hernandez Solis v. The Merchant of Tennis, Inc.*, Case No. 5:21-CV-00459 (the “Solis Class Action”), alleging class and collective claims against Defendant under the California Labor Code and Fair Labor Standards Act.

2.4 On June 9, 2021, Plaintiff Solis filed a representative action in San Bernardino County Superior Court, entitled *Jose Hernandez Solis v. The Merchant of Tennis, Inc.*, Case No. CIV SB 2116264 (the “Solis PAGA Action”), alleging a claim against Defendant for civil penalties under the PAGA.

2.5 On May 6, 2022, Plaintiffs filed a Third Amended Consolidated Class Action Complaint (“TAC”) in the Garcia Action, which consolidated the Garcia Action, Solis Class Action, and Solis PAGA Action, added Plaintiff Solis as a named Plaintiff, and alleged causes of action against Defendant for (i) failure to pay all wages; (ii) failure to provide all lawful meal periods; (iii) failure to authorize and permit all lawful rest periods; (iv) failure to timely pay all final wages; (v) failure to issue accurate itemized wage statements; (vi) failure to adopt standards that minimize excessive indoor heat; (vii) failure to comply with California’s unfair competition laws, (viii) civil penalties under the PAGA; and (ix) violations of the Fair Labor Standards Act. On April 27, 2023, pursuant to stipulation by the Parties, Plaintiffs’ claims for Failure to Adopt Standards that Minimize Excessive Indoor Heat and violations under the Fair Labor Standards Act were dismissed from the Garcia Action. As set forth above, the Garcia Action, as amended, shall be referred to as the “Action.”

2.6 On December 7, 2025, the Parties participated in an all-day mediation presided over by Monique Ngo-Bonnici. Following the conclusion of mediation, Ms. Ngo-Bonnici issued a mediator’s proposal that was accepted by the Parties.

2.7 Before mediation and negotiating the Settlement, Plaintiffs obtained, through formal and informal discovery, all relevant Class and PAGA data needed for negotiating the Settlement, including, but not limited to, timekeeping and pay records for Plaintiffs, the Class and Aggrieved employees, and Defendant’s policies and procedures. Plaintiffs’ investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and Kullar v. Foot Locker Retail, Inc. (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).

2.8 The Court has not granted class certification.

2.9 The Parties are aware of another pending matter or action asserting claims that will be extinguished or affected by the Settlement: Andrew Tarigan v. The Merchant of Tennis, Inc., San Bernardino County Superior Court, Case No. CIVSB2229009.

2.10 Given the uncertainty of litigation, Plaintiffs and Defendant wish to settle both individually and on behalf of the Settlement Class Members and Aggrieved Employees.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Defendant agrees to pay \$8,375,328.22, which includes a credit of the Eight Hundred Seventy-Five Thousand Three Hundred Twenty-Eight Dollars and Twenty-Two Cents (\$875,328.22) in payments previously made by Defendant to Class Members as a result of the filing of this litigation. The total amount of money that Defendant agrees to provide to the Settlement Administrator is \$7,500,000.00. Defendant agrees to pay any and all employer payroll taxes owed on the Wage Portions (as defined below) of the Individual Class Payments in addition to the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) before the deadline stated in Paragraph 4.2. The Administrator will disburse \$7,500,000.00 (which represents the Gross Settlement Amount minus the credit of \$875,328.22) without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1 To Plaintiffs: Class Representative Service Payment of not more than \$10,000.00 each (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiffs' request for Class Representative Service Payments that do not exceed this amount. As part of the Motion for Final Approval, Plaintiffs will seek Court approval for any Class Representative Service Payments. If the Court approves Class Representative Service Payments less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payments.

3.2.2 Credit: Defendant has a credit of Eight Hundred Seventy-Five Thousand Three Hundred Twenty-Eight Dollars and Twenty-Two Cents (\$875,328.22) that was previously paid to Class Members as a result of the filing of this Litigation. This credit has already been provided to those Class Members that accepted those

funds during the course of this Litigation and will not be provided to the Settlement Administrator.

3.2.3 To Class Counsel: A Class Counsel Fees Payment of not more than 35% of the Gross Settlement Amount, which is currently estimated to be \$2,931,364.87, and a Class Counsel Litigation Expense Payment of not more than \$400,000.00 related to the Action as supported by declaration(s). Defendant will not oppose requests for these payments provided they do not exceed these amounts. As part of the Motion for Final Approval, Plaintiffs and/or Class Counsel may seek Court approval of a Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment. In support of the Class Counsel Litigation Expenses Payment, Class Counsel must submit a cost ledger listing each expense incurred during the Action. If the Court approves a Class Counsel Fees Payment or a Class Counsel Litigation Expenses Payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant from any dispute or controversy regarding any division or sharing of any of these payments.

3.2.4 To the Administrator: An Administration Expenses Payment not to exceed \$35,000.00 except as first agreed to by the Parties and then approved by the Court. To the extent the Administration Expenses are less than or the Court approves payment less than \$35,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.5 To Each Participating Class Member: From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class Member's Individual Class Payment based on the following formula: (i) Each Settlement Class Member who did not accept Defendant's settlement offer as part of the Pick-Up-Stix process that amounted in Defendant paying a total of Eight Hundred Seventy-Five Thousand Three Hundred Twenty-Eight Dollars and Twenty-Two Cents (\$875,328.22), shall be paid an amount equal to the amount that was or would have been offered to him/her by Defendant as part of the Pick-Up-Stix process from the Net Settlement Amount; (2) the remainder of the Net Settlement Amount shall be allocated to Class Members by dividing the remaining Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and multiplying the result by Each Participating Class Member's Workweeks. Settlement Class Members are not required to submit a claim form to receive a payment ("Individual Class Payment") from the Settlement. Individual Class Payments will be determined and paid as follows:

3.2.5.1 Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

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

3.2.6 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$200,000.00 to be paid from the Gross Settlement Amount, with 75% (\$150,000.00) allocated to the LWDA PAGA Payment and 25% (\$50,000.00) allocated to the Individual PAGA Payments.

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

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

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Size Estimates. Based on a review of its records to date, Defendant estimates there are 3,917 Class Members and 3,912 Aggrieved Employees. Class Members collectively worked a total of 259,891 Workweeks during the Class Period. Aggrieved Employees collectively worked a total of 101,269 pay periods during PAGA Period.

4.2 Funding of Gross Settlement Amount. Defendant agrees to pay \$8,375,328.22, which includes a credit of the Eight Hundred Seventy-Five Thousand Three Hundred Twenty-Eight Dollars and Twenty-Two Cents (\$875,328.22) in payments previously made by Defendant to Class Members as a result of the filing of this litigation. The total amount of money that Defendant agrees to provide to the Settlement Administrator is \$7,500,000.00. The \$7,500,000.00 will be provided

by Defendant to the Administrator in two separate Installment Payments. The First Installment Payment shall be paid by Defendant no later than thirty (30) calendar days after the Effective Date. The Second Installment Payment shall be paid by Defendant no later than ninety-two (92) calendar days after the First Installment Payment is made. If Defendant fails to timely pay the Installment Payments within the timeframes stated in this Paragraph, Defendant shall be obligated to pay the legal rate of interest for late payment on all amounts due and owing until the Instalment Payment(s) is transferred to the Administrator in full.

4.3 Payments from the Gross Settlement Amount. Within fourteen (14) calendar days after Defendant funds the Gross Settlement Amount (First Installment Payment and Second Installment Payment), the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.3.1 The Administrator will issue checks for the Individual Class Payments and Individual PAGA Payments and send them to the Class Members and Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members who are also Aggrieved Employees a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.3.2 The Administrator must conduct an Address Search for all Class Members and Aggrieved Employees whose checks are returned undelivered without a United States Postal Service ("USPS") forwarding address. Within seven (7) days of receiving a returned check the Administrator must re-mail the check to the USPS forwarding address provided or to an address ascertained through the Address Search. The Administrator need not take further steps to deliver checks to Class Members or Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member or Aggrieved Employee whose original check was lost or misplaced, as requested by the Class Member or Aggrieved Employee before the void date.

4.3.3 For any Class Member whose Individual Class Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such a check to the California Controller's Unclaimed Property Fund in the name of the Class Member.

4.3.4 For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such check to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee thereby leaving no "unpaid residue" subject to the requirements of Code of Civil Procedure section 384, subdivision (b).

4.3.5 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members or Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, Aggrieved Employees, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiffs' Release. Except for claims or causes of action that cannot be released as a matter of law without court or agency approval, such as worker's compensation claims, Plaintiffs agree to completely release and discharge the Released Parties from any and all individual claims or causes of action that they may have against them, including other claims or causes of action that they may have with respect to their employment with Defendant, including the separation of that employment. Plaintiffs release and discharge Released Parties from such claims or causes of action on behalf of themselves and their respective spouses, domestic partners, marital community, children, estates, trusts, attorneys, heirs, successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, assigns, and representatives. This individual release is in addition to Plaintiffs' release of Released Class Claims and Released PAGA Claims with respect to themselves through this Agreement. It extends to any and all further claims concerning any other alleged liabilities, obligations, promises, agreements, contracts, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, and expenses (including for back wages, statutory penalties, civil penalties, liquidated damages, exemplary damages, interest, attorneys' fees, and costs) of any nature whatsoever, from the beginning of time through the execution of this Agreement, whether known or unknown, suspected or unsuspected, concealed or hidden. Plaintiffs agree not to seek any further compensation or relief from the Released Parties with respect to any of these other released claims or causes of action. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

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

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

5.2 Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Action that are alleged to have occurred during the Class Period. The Released Class Claims are all claims asserted in the operative Complaint in the Action, or which could have been asserted in the Action based on the facts alleged, including all claims for failure to timely pay wages under Labor Code section 204 (including for penalties under Labor Code section 210), failure to pay overtime wages (including failure to pay overtime at the correct regular rate of pay), failure to provide meal, rest, or recovery rest breaks as required or pay premium pay under Labor Code section 226.7, subdivision (c), providing inaccurate wage statements (and penalties under Labor Code section 226), waiting time penalties under Labor Code section 203, and unfair business practices. The Released Class Claims include all claims arising under Labor Code sections 200, 201 through 203, 204, 210, 218.5, 226, subdivision (a), 226, subdivision (e), 226.3, 226.7, 510, 512, 1174, 1174.4, 1194, 1197.1, and 1199, the applicable Industrial Wage Commission wage order, and Business and Professions Code section 17200 as they relate to the underlying claims and allegations in the Action. The Released Claims further include all other claims for wages, penalties, civil penalties, liquidated damages, interest, attorneys' fees, litigation costs, restitution, declaratory relief, equitable relief, or additional damages that allegedly may arise out of these claims.

5.3 Release by Aggrieved Employees:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors and assigns, the Released Parties from all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Action that are alleged to have occurred during the PAGA Period and the PAGA Notice, including any and all claims for civil penalties pursuant to PAGA based on the allegations stated in the PAGA Notice and that were pled in the operative Complaint based on the facts alleged therein, including claims for civil penalties for the alleged violation of Labor Code sections 201, 202, 203, 204, 226.7, 210, 226, 510, 516, 558, 1182.12, 1194, 1197, and 1198.

6. MOTION FOR PRELIMINARY APPROVAL. Plaintiffs' Counsel will prepare the Motion for Preliminary Approval of the Settlement, subject to review and comment by Defendant's counsel.

6.1 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval within five (5) court days of the deadline to file the Motion for Preliminary Approval. The documents that Plaintiffs will prepare and deliver to Defense Counsel, including: (i) a draft of the notice and memorandum in support of the Motion for Preliminary Approval that includes an analysis of the Settlement under Dunk/Kullar and a request for approval of the PAGA Settlement under Labor Code section 2699, subdivision (f)(2); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and the Administrator; (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; and its timely transmission to the LWDA of all necessary PAGA documents (PAGA Notice (Lab. Code, § 2699.3, subd. (a)), the Action (Lab. Code, § 2699, subd. (l)(1)), and the Agreement (Lab. Code, § 2699, subd. (l)(2)); and (vii) all facts relevant to any actual or potential conflict of interest with Class Members, and/or the Administrator. In their declarations, Plaintiffs and Class Counsel shall aver whether they are aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of Counsel. Class Counsel are responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval Order to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together by meeting in person or by telephone and in good faith to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected Apex Class Action LLC to serve as the Administrator and verified that, as a condition of appointment, Apex Class Action LLC agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the Administration Expense Payment.

The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund under US Treasury Regulation section 468B-1.

7.4 Notice to Class Members.

7.4.1 Not later than thirty (30) days after the Court grants Preliminary Approval, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted Class Member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. The Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks and PAGA Pay Periods in the Class Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and Individual PAGA Payment (if applicable) payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 Not later than three (3) business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to

locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 The deadline for Class Members' written objections, challenges to Workweeks, and Requests for Exclusion will be extended for Class Members whose notices are re-mailed. Class Members to whom Class Notices are resent after having been returned undeliverable to the Administrator shall have their deadline extended an additional fourteen (14) calendar days beyond the Response Deadline. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

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

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves from (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than the Response Deadline. A Request for Exclusion is a letter from a Class Member or the Class Member's representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating

Class Members' Release under Paragraph 5.2 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have until the Response Deadline to challenge the number of Workweeks allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges to the number of Workweeks. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct if they are consistent with the Class Data. The Administrator's determination of allocations of Workweeks is final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide to Defense Counsel and Class Counsel copies of all challenges to calculation of Workweeks and the Administrator's determination of the challenges.

7.7 Objections to Settlement.

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

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email or mail no later than the Response Deadline. Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present oral objections at the Final Approval Hearing.

7.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.8 Administrator Duties. The Administrator has a duty to perform all tasks to be performed by the Administrator set forth in this Agreement or otherwise.

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish, maintain, and use a website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and

copies of the Agreement, Motion for Preliminary Approval, the Preliminary Approval Order, the Class Notice, the Motion for Final Approval, the Final Approval Order, and the Final Judgment. The Administrator will maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for Exclusion submitted (whether valid or invalid).

7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.4 Administrator’s Declaration. Not later than fourteen (14) days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion it received (both valid or invalid), and the number of written objections. The declaration shall attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.

7.8.5 Final Report by Settlement Administrator. Within ten (10) days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its

disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.** Based on its records, Defendant estimates that, as of the date of December 10, 2025, (1) there are 259,891 Workweeks during the Class Period; and (2) there are 180,728 Workweeks during the PAGA Period.

8.1.1 Increase in Workweeks. If the number of Workweeks increases beyond 259,891 for Class Members during the Class Period by more than 10% (i.e., if there are 285,881 or more aggregate workweeks worked by all Settlement Class members during the Class Period), Defendant shall increase the Gross Settlement Amount proportionately. For example, if the number of Workweeks increases by 11%, Defendant shall have the option to increase the Gross Settlement Amount by 1%. If Defendant elects not to increase the Gross Settlement Amount proportionately, Defendant shall notify Class Counsel of its decision in writing within ten (10) days of receiving the number of Workweeks from the Administrator. Within ten (10) days of receipt of such written notice from Defendant, Plaintiffs shall have the option to terminate this Agreement via written notice to Defense Counsel and the Parties will be restored to their positions prior to the Settlement and the Settlement shall be null and void

9. **DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio and have no force or effect whatsoever, and neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than ten (10) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval that includes a request for approval of the PAGA settlement under Labor Code section 2699, subdivision (l), a proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than five (5) court days before filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days before the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement or Judgment, (ii) addressing settlement administration matters and (iii) addressing such post-Judgment matters as are permitted by law.

10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, the Parties, their respective counsel and all Participating Class Members who did not object to the Settlement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the Net Settlement Amount.

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

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

12. **ADDITIONAL PROVISIONS.**

12.1 No Admission of Liability. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be

construed as an admission by Defendant that any of the allegations in the Action have merit or that Defendant has any liability for any claims asserted; nor is it intended or should be construed as an admission by Plaintiffs that Defendant defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If for any reason the Court does not grant Preliminary Approval, grant Final Approval, or enter Judgment, Defendant reserves the right to contest certification of any class for any reason, Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

12.2 Confidentiality Before Preliminary Approval. Plaintiffs, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval is filed, they and each of them will not disclose, disseminate, publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency or other entity except: (1) to the Parties' attorneys, accountants or spouses, all of whom will be instructed to keep this Agreement confidential; (2) to counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect.

12.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants or inducements made to or by any Party.

12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts in good faith to implement the Settlement by, among other things, modifying the Settlement Agreement and submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator or the Court for resolution.

12.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right released and discharged by the Party in this Settlement.

12.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

12.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed or waived only by an express written instrument signed by all Parties or their representatives and approved by the Court.

12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

12.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without regard to conflict of law principles.

12.12 Cooperation in Drafting. The Parties have cooperated in drafting and preparing this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

12.13 Confidentiality. To the extent permitted by law, all agreements made and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or the Settlement, may be used only with respect to this Settlement and for no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or the California Rules of Court. Not later than ninety (90) days after the date when the Court discharges the Administrator's obligation to provide a declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy all paper and electronic versions of Class Data received from Defendant unless, before the Court's

discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.

12.15 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

12.16 Calendar Days. Unless otherwise noted, all references to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

12.17 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

Paul K. Haines of Haines Law Group, APC
2155 Campus Drive, Suite 180, El Segundo, CA 90245
phaines@haineslawgroup.com

Marcus J. Bradley of Bradley/Grombacher, LLP
31365 Oak Crest Drive, Suite 240, Westlake Village, CA 91361
mbradley@bradleygrombacher.com

To Defendant:

John S. Purcell of ArentFox Schiff LLP
555 South Flower Street, 43rd Floor, Los Angeles, CA 90071
john.purcell@afslaw.com

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

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

IN WITNESS THEREOF, the Parties to this Agreement each acknowledge that they have

read the foregoing Agreement, accept and agree to the provisions contained herein, and hereby execute it voluntarily and with full understanding of its consequences.

Dated: 3/11/2026

PLAINTIFF JESSICA GARCIA

By: Jessica Garcia
435370D64CA0474...
Plaintiff and Settlement Class Representative

Dated: _____

PLAINTIFF JOSE HERNANDEZ SOLIS

By: _____
Plaintiff and Settlement Class Representative

Dated: 3/6/2026

DEFENDANT THE MERCHANT OF TENNIS, INC.

By: [Signature]
Name: JOFF GLENN
Title: PRESIDENT

read the foregoing Agreement, accept and agree to the provisions contained herein, and hereby execute it voluntarily and with full understanding of its consequences.

Dated: _____

PLAINTIFF JESSICA GARCIA

By: _____
Plaintiff and Settlement Class Representative

Dated: Mar 10, 2026

PLAINTIFF JOSE HERNANDEZ SOLIS

By: Jose Hernandez solis
Plaintiff and Settlement Class Representative

Dated: 3/6/2026

DEFENDANT THE MERCHANT OF TENNIS, INC.

By: [Signature]
Name: JOFF GLENN
Title: PRESIDENT

APPROVED AS TO FORM:

Dated: March 13, 2026

HAINES LAW GROUP, APC

By: 
Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiffs

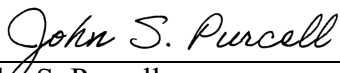
Dated: _____

BRADLEY/GROMBACHER, LLP

By: _____
Marcus J. Bradley
Lirit L. Grombacher
Attorneys for Plaintiffs

Dated: 03/17/2026

ARENTFOX SCHIFF LLP

By: 
John S. Purcell
Jeffrey B. Weston
Attorneys for Defendant

Signature: 
Jose Hernandez (Mar 10, 2026 12:02:22 PDT)
Email: alponcho_64@yahoo.com

APPROVED AS TO FORM:

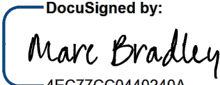
Dated: _____

HAINES LAW GROUP, APC

By: _____
Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiffs

Dated: 3/12/2026

BRADLEY/GROMBACHER, LLP

By: _____
DocuSigned by:

4EC77CC0440240A...
Marcus J. Bradley
Lirit L. Grombacher
Attorneys for Plaintiffs

Dated: _____

ARENTFOX SCHIFF LLP

By: _____
John S. Purcell
Jeffrey B. Weston
Attorneys for Defendant

EXHIBIT 1

NOTICE OF SETTLEMENT OF CLASS ACTION

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

Jessica Garcia, et al., v. The Merchant of Tennis, Inc.
Superior Court of the State of California, County of San Bernardino
Case No. CIVDS2005614

THIS NOTICE IS BEING SENT IN ENGLISH AND SPANISH

To: All non-exempt, hourly employees who worked for The Merchant of Tennis, Inc. (the “Company”) in California at any time from June 8, 2019, through December 10, 2025 (the “Class”):

THIS NOTICE is about a proposed settlement of a class action lawsuit, and an announcement of a court hearing that you may choose to attend. Your rights may be affected by the legal proceedings in this action. The Court will conduct a Final Approval Hearing on [REDACTED], 2026 to address whether the proposed settlement should be approved (“Final Approval Hearing”). You are eligible to receive payment under the terms of this class action settlement contained in the Settlement Agreement, which documents the terms of the settlement that the Court has preliminarily approved (the “Settlement”). You are eligible to participate in this settlement and receive payment, even if you previously entered into an individual settlement agreement with the Company. Any settlement amount that the Company previously paid you will be applied against your share of this settlement. Your previous settlement agreement with the Company, if you entered into one, remains valid regardless of what action you take here.

[IDENTIFYING CLASS MEMBER INFORMATION]

You have been identified as a Class Member in the above lawsuit. Under the terms of the proposed settlement, you are estimated to receive approximately **\$INSERT AMOUNT** as your share of the Net Settlement Amount, should the Court approve the Settlement. Please note that this is only an estimate. Your actual share of the Net Settlement Amount may be more or less than this estimate, following final calculations. Your estimate is based on the number of workweeks you performed any work for the Company (referenced herein as “Workweeks”) in California between June 8, 2019, through December 10, 2025 (the “Class Period”). Here, Workweeks mean any workweek in which you were employed by the Company as a non-exempt employee in California and worked at least one shift during the designated workweek. Workweeks do not include any full workweek during which you were on an approved leave of absence, utilizing sick leave, or on vacation, irrespective of whether you received compensation during such workweeks.

Additionally, the lawsuit seeks civil penalties under the California Labor Code Private Attorneys’ General Act (“PAGA”) for all current and former non-exempt, hourly employees who worked for the Company in California at any time from June 9, 2019, through December 10, 2025 (the “PAGA Period”), who are referred to as “Aggrieved Employees.”

Your options and eligibility requirements for receiving payments are described below.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT (SEE SECTION VI FOR MORE DETAILS)	
DO NOTHING	Receive a settlement payment and give up your right to sue the Company as to the Released Class Claims described in Section IV. This settlement does <u>not</u> require a claims process to receive a payment. Therefore, there is <u>no</u> claim form for you to complete should you wish to receive payment. You are automatically included and eligible to receive a payment once the Court finally approves the settlement.
EXCLUDE YOURSELF	You may “opt-out” of any connection with this case including any right to a settlement payment. If you choose to opt-out, you must submit a Request for Exclusion by [REDACTED], 2026 (see Section VI). All persons who validly and timely opt-out of this Settlement will <u>not</u> receive any settlement payment and will preserve Released Class Claims described in Section IV, except that Class Members who worked during the PAGA Period are nevertheless bound by the release of the PAGA claims. If you previously entered

QUESTIONS? CALL _____ TOLL FREE [NUMBER]
Please do not call the Court directly.

	into an individual settlement agreement with the Company, that previous agreement stands and you can keep your previous payment, regardless of whether you opt out of this Settlement and receiving a further settlement payment.
OBJECT	Write to the Court and Settlement Administrator about why you do not like the Settlement by completing and submitting an Objection by [REDACTED], 2026 (see Section VI) or make an objection at the Final Approval Hearing.
GO TO A HEARING	Ask to speak in Court about the terms of the Settlement. The next scheduled hearing is the Final Approval Hearing on [REDACTED] in Department S36 of the San Bernardino County Superior Court, located at 247 West 3rd Street, San Bernardino, California 92415.

I. Why should I read this Notice?

The Court has granted preliminary approval of a proposed settlement (the “Settlement”) in *Jessica Garcia, et al., v. The Merchant of Tennis, Inc.*, San Bernardino County Superior Court, Case No. CIVDS2005614, filed on February 26, 2020 (the “Lawsuit”). Because your rights may be affected by the Settlement, it is important that you read this notice carefully.

The Company’s records show that you were employed in California as a non-exempt, hourly employee (meaning you were paid hourly or otherwise eligible for overtime pay) at some point between June 8, 2019, through December 10, 2025 (“Class Period”). The Court ordered this Notice be sent to you because you may be eligible to receive money under this Settlement and because the Settlement affects your legal rights.

NO ACTION NEEDS TO BE TAKEN TO RECEIVE MONEY UNDER THE SETTLEMENT: If you were employed by the Company as a non-exempt, hourly employee in California during the Class Period, you are automatically included in the Settlement and do not need to take any further action to receive a payment.

The purpose of this Notice is to provide you with a brief description of the Lawsuit, to inform you of the terms of the proposed Settlement, and to discuss your rights and options in connection with the Lawsuit and the Settlement.

II. What is this lawsuit about?

On February 26, 2020, Plaintiff Garcia filed a class action complaint against the Company in San Bernardino County Superior Court, entitled *Jessica Garcia, et al. v. The Merchant of Tennis, Inc.*, Case No. CIVDS2005614 (the “Garcia Action”), alleging class action claims against the Company under the California Labor Code. On February 19, 2021, Plaintiff Garcia filed a Second Amended Complaint in the Garcia Action, which included a claim under the Private Attorneys General Act, Labor Code § 2698, et seq. (“PAGA”). On March 15, 2021, Plaintiff Solis filed a class and collective action in the United States District Court for the Central District of California, entitled *Jose Hernandez Solis v. The Merchant of Tennis, Inc.*, Case No. 5:21-CV-00459 (the “Solis Class Action”), alleging class and collective claims against the Company under the California Labor Code and Fair Labor Standards Act. On June 9, 2021, Plaintiff Solis filed a representative action in San Bernardino County Superior Court, entitled *Jose Hernandez Solis v. The Merchant of Tennis, Inc.*, Case No. CIVSB2116264 (the “Solis PAGA Action”), alleging a claim against the Company for civil penalties under the PAGA. On May 6, 2022, Plaintiffs filed a Third Amended Consolidated Class Action Complaint (“TAC”) in the Garcia Action, which consolidated the Garcia Action, Solis Class Action, and Solis PAGA Action, added Plaintiff Solis as a named Plaintiff, and alleged causes of action against the Company for (i) failure to pay all wages; (ii) failure to provide all lawful meal periods; (iii) failure to authorize and permit all lawful rest periods; (iv) failure to timely pay all final wages; (v) failure to issue accurate itemized wage statements; (vi) failure to adopt standards that minimize excessive indoor heat; (vii) failure to comply with California’s unfair competition laws, (viii) civil penalties under the PAGA; and (ix) violations of the Fair Labor Standards Act. On April 27, 2023, pursuant to stipulation by the Parties, Plaintiffs’ claims for Failure to Adopt Standards that Minimize Excessive Indoor Heat and violations under the Fair Labor Standards Act were dismissed from the Garcia Action. As set forth above, the Garcia Action, as amended, shall be referred to as the “Action.”

The Company denies these allegations and contends that it has done nothing wrong. The Company denies that it owes any wages, expenses, restitution, penalties, or other damages. Accordingly, this Settlement constitutes a compromise

QUESTIONS? CALL [REDACTED] TOLL FREE [REDACTED]
Please do not call the Court directly.

of disputed claims and should not be construed as an admission of liability on the part of the Company, which expressly denies any and all liability.

The Court has not ruled on the merits of Plaintiffs' claims. And, by approving the Settlement and issuing this Notice, the Court is not suggesting which side would win or lose this case if it went to trial. However, to avoid additional expense, inconvenience, and risks of continued litigation, the Company and Plaintiffs have concluded that it is in their respective best interests and the interests of the Settlement Class to settle the Lawsuit on the terms summarized in this Notice. After extensive discovery and providing information to Class Counsel, the Settlement was reached following an arm's length mediation.

The Class Representatives and Class Counsel support this Settlement. Among the reasons for their support are the defenses to liability potentially available to the Company, the risk of denial of class certification, the inherent risk of trial on the merits, and the delays and uncertainties associated with litigation.

If you are still employed by the Company, this Settlement will not affect your employment. California law strictly prohibits unlawful retaliation. Further, the Company will not take any adverse action against or otherwise target, retaliate, or discriminate against any Class Member because of the Class Member's participation or decision not to participate in this Settlement. If a Class Member does not participate, his/her share will be paid to those who do participate.

III. Who are the attorneys representing Plaintiffs and the Class Members?

Paul K. Haines (SBN 248226)
phaines@haineslawgroup.com
Sean M. Blakely (SBN 264384)
sblakely@haineslawgroup.com
Alexandra R. McIntosh (SBN 320904)
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Fax: (424) 292-2355

Marcus J. Bradley (SBN 174156)
mbradley@bradleygrombacher.com
Kiley L. Grombacher (SBN 245960)
kgrombacher@bradleygrombacher.com
BRADLEY/GROMBACHER, LLP
31365 Oak Crest Drive, Suite 240
Westlake Village, California 91361

IV. What are the terms of the Settlement?

On [PA DATE], the Court certified a class, for settlement purposes only, of all non-exempt, hourly employees who worked for the Company in California at any time from June 8, 2019, through December 10, 2025 (the "Settlement Class"). Individuals who do not opt out of the Settlement Class, pursuant to the procedures set forth in this Notice, ("Class Members") will be mailed Settlement checks and in exchange be bound by the Settlement and release of the Released Class Claims. Again, if you previously entered into an individual settlement agreement with the Company, that agreement stands and you keep any previous settlement payment. However, you are eligible to receive an additional payment as part of this Settlement, with any settlement that the Company previously paid you credited against your individual share of the Settlement.

Without admitting any wrongdoing, the Company has agreed to pay \$8,375,328.22 (the "Gross Settlement Amount") to fully resolve all claims in the Action. The Gross Settlement Amount includes a credit of the Eight Hundred Seventy-

QUESTIONS? CALL _____ TOLL FREE [NUMBER]
Please do not call the Court directly.

Five Thousand Three Hundred Twenty-Eight Dollars and Twenty-Two Cents (\$875,328.22) in payments previously made by the Company to Class Members as a result of the filing of this litigation, payments for Individual Class Payments to eligible Class Members, attorneys' fees and costs, payments to the California Labor Workforce and Development Agency ("LWDA") and PAGA aggrieved employees, Settlement Administration Costs, and Class Representative Service Payments.

The Gross Settlement Amount includes: (1) Individual Class Payments to all Participating Class Members; (2) service payments to Plaintiffs in the amount of \$10,000.00 each, for a total of \$20,000.00, for serving as class representatives; (3) \$2,931,364.87 in attorneys' fees (amounting to 35% of the Gross Settlement Amount) and up to \$400,000.00 in litigation costs and expenses; (4) a \$200,000.00 settlement of claims under PAGA, which includes a \$150,000.00 payment to the state Labor and Workforce Development Agency and a \$50,000.00 payment to be divided among all Aggrieved Employees; and (5) Settlement Administrator costs not to exceed \$35,000.00.

Calculation of Individual Class Payments to Participating Class Members. After deducting the amounts above, the balance will form the Net Settlement Amount for distribution to the participating Class Members (who are Class Members who do not opt-out). The Net Settlement Amount for class claims will total approximately \$_____. Individual Class Payments will be calculated based on the following formula: (i) Each Class Member who did not accept the Company's settlement offer as part of the Pick-Up-Stix process that amounted in the Company paying a total of Eight Hundred Seventy-Five Thousand Three Hundred Twenty-Eight Dollars and Twenty-Two Cents (\$875,328.22), shall be paid an amount equal to the amount that was or would have been offered to him/her by the Company as part of the Pick-Up-Stix process from the Net Settlement Amount; (2) the remainder of the Net Settlement Amount shall be allocated to Class Members by dividing the remaining Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and multiplying the result by the number of Workweeks worked by each Class Member. If any individual in the Settlement Class opts-out of the Settlement, his/her Individual Class Payment will be distributed among all Participating Class Members (i.e., those who do not opt-out). Similarly, the Individual PAGA Payments will be determined by dividing the \$50,000.00 PAGA payment by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period, and multiplying the result by each Aggrieved Employee's PAGA Pay Periods. All PAGA aggrieved employees will receive a proportional share of the \$50,000.00 PAGA Payment, regardless of whether they opt out of the Settlement Class.

Currently, your projected Individual Class Payment is \$_____ and your projected PAGA payment is \$_____.

For each Class Member, the Workweeks at the Company during the Class Period will be calculated from the Company's records. The Company's records indicate that you worked for [TOTAL WORKWEEKS] Workweeks during the Class Period (i.e., June 8, 2019, through December 10, 2025). If you disagree with this number, you may submit by mail, fax or email evidence to the Settlement Administrator on or before _____, 2026, with documentation to establish the number of workweeks you claim to have actually worked for Company in California during the Class Period.

Send the dispute directly to the Settlement Administrator, by mail to [ADDRESS], by fax to [FAX NUMBER], or email to [EMAIL] no later than _____, 2026.

DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED; DO NOT SEND ORIGINALS. The Parties and Administrator will evaluate the evidence submitted by the Class Member and discuss in good faith how many Workweeks should be credited to each Class Member. If the Parties are unable to agree, the Settlement Administrator will render a final decision.

Payments to Class Members. After the Court grants Final Approval of the Settlement, Judgment is entered, and the time to file an appeal has expired, settlement checks will be mailed to all participating Class Members who did not timely request to be excluded. Participating Class Members will have 180 days from issuing the last check to cash all of the checks. If any Class Member fails to timely cash a settlement check, the Administrator shall transmit the funds represented by such a check to the California Controller's Unclaimed Property Fund in the name of the Class Member.

Allocation and Taxes. Twenty percent (20%) of the Individual Class Payment paid to each participating Class Member will be considered and reported as "wages" (W-2 reporting). Eighty percent (80%) of the Individual Class Payments

QUESTIONS? CALL _____ TOLL FREE [NUMBER]
Please do not call the Court directly.

will be paid to each participating Class Member as “interest” and “penalties” without tax withholding (Form 1099 reporting). The Settlement Administrator shall take all usual and customary deductions from the Settlement payments that are distributed as wages, including, but not limited to, state and federal tax withholding, disability premiums, and unemployment insurance premiums. There will be no deduction taken from the interest or penalty distribution; however, it will be reported to the IRS on Form 1099 as income. The Company will be responsible for paying its portion of any state and federal taxes, separately from, and in addition to, the Gross Settlement Amount. Class Members are responsible for the proper income tax treatment of the Settlement Amounts. The Settlement Administrator, Company and its counsel, and Class Counsel cannot provide tax advice and make no representations as to the tax treatment or legal effect of the Individual Class Payments. Participating Class Members will be solely responsible for the payment of any taxes and penalties assessed on their Individual Class Payments. Accordingly, Class Members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. Once the Court approves the proposed Settlement, enters Judgment, and the Company funds the Gross Settlement Amount, then the Settlement Agreement will bind all participating Class Members who have not opted out of the Settlement and will bar them from bringing certain claims against the Company as described below. Specifically, after Final Approval by the Court, participating Class Members, for themselves and their respective former and present representatives, agents, attorneys, administrators, successors and assigns, release the Company, and each of its parent companies, subsidiaries, affiliates, current and former management companies, shareholders, members, agents (including any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees), owners, predecessors, successors, and assigns, including, but not limited to, any Company-related entity that employed any Class Member at any time during the Class Period (“the “Released Parties”), from all claims that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Action that are alleged to have occurred during the Class Period. The Released Class Claims are the claims asserted in the operative Complaint in the Action, or which could have been asserted in the Action based on the facts alleged, including all claims for failure to timely pay wages under Labor Code section 204 (including for penalties under Labor Code section 210), failure to pay overtime wages (including failure to pay overtime at the correct regular rate of pay), failure to provide meal, rest, or recovery rest breaks as required or pay premium pay under Labor Code section 226.7, subdivision (c), providing inaccurate wage statements (and penalties under Labor Code section 226), waiting time penalties under Labor Code section 203, and unfair business practices. These Released Class Claims include all claims arising under Labor Code sections 200, 201 through 203, 204, 210, 218.5, 226, subdivision (a), 226, subdivision (e), 226.3, 226.7, 510, 512, 1174, 1174.4, 1194, 1197.1, and 1199, the applicable Industrial Wage Commission wage order, and Business and Professions Code section 17200 as they relate to the underlying claims and allegations in the Action. The Released Claims further include all other claims for wages, penalties, civil penalties, liquidated damages, interest, attorneys’ fees, litigation costs, restitution, declaratory relief, equitable relief, or additional damages that allegedly may arise out of these claims.

These released claims are hereinafter referred to as “Released Class Claims.” The time period governing these Released Class Claims shall be at any time from June 8, 2019, through December 10, 2025 (“Class Period”). Any Class Member who timely requests exclusion in compliance with these requirements will not be bound by this Release, except that Class Members who worked during the PAGA Period are nevertheless bound by the release of the PAGA claims.

Additionally, the “Released PAGA Claims” shall include any and all claims for civil and statutory penalties pursuant to PAGA that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Action that are alleged to have occurred during the PAGA Period and the PAGA Notice, including all claims for civil penalties pursuant to PAGA based on the allegations stated in the PAGA Notice and that were pled in the operative Complaint based on the facts alleged therein, including claims for civil penalties for the alleged violation of Labor Code sections 201, 202, 203, 204, 226.7, 210, 226, 510, 516, 558, 1182.12, 1194, 1197, and 1198.

V. How can I claim money from the settlement?

You are automatically included as a Class Member to receive an Individual Class Payment, provided that you do not exercise your right to opt-out as explained below, and do not have to take any further action. It is the responsibility of all Class Members to ensure that the Settlement Administrator has your current address on file, or you may not receive

QUESTIONS? CALL _____ TOLL FREE [NUMBER]
Please do not call the Court directly.

important information or an Individual Class Payment. If you wish to update your current address, please contact the Settlement Administrator, Apex Class Action LLC at [ADDRESS], [WEBSITE], or [PHONE NUMBER].

VI. What other options do I have?

- A. **Do Nothing and Participate in the Settlement.** Under the Settlement, you will automatically receive an Individual Class Payment unless you exclude yourself from the settlement by following the exclusion procedure set forth below. If you disagree with the number of Workweeks, as described in this Notice, you may dispute the allocation of the Settlement without excluding yourself or objecting, as described above.

If you are a current employee, your decision as to whether or not to participate in this Settlement will not be considered by the Company and the Company will not take any adverse employment action against you based on your participation in the Settlement.

- B. **Exclude Yourself from the Settlement.** If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator a “Request for Exclusion from the Class Action Settlement” letter/card postmarked no later than [REDACTED], 2026 with your full name, address, telephone number, last four digits of your Social Security number or your date of birth, and signature. The Request for Exclusion should state:

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *JESSICA GARCIA, ET AL., V. THE MERCHANT OF TENNIS, INC.* LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE CURRENT SETTLEMENT OF THE CLASS CLAIMS IN THIS LAWSUIT. IF I PREVIOUSLY ENTERED INTO AN INDIVIDUAL SETTLEMENT WITH THE COMPANY, I UNDERSTAND THAT OPTING OUT WILL NOT VOID MY PREVIOUS SETTLEMENT AND I WILL NOT HAVE TO RETURN THE MONEY THAT I PREVIOUSLY RECEIVED FOR IT, BUT THAT I WILL NOT RECEIVE ANY ADDITIONAL MONEY AS PART OF THIS FURTHER SETTLEMENT.”

Send the Request for Exclusion directly to the Settlement Administrator, by mail to [ADDRESS], by fax to [FAX NUMBER], or email to [EMAIL] no later than [REDACTED], 2026. Any person who submits a timely Request for Exclusion from the Class Action Settlement, upon receipt: (1) will not have any rights under this Settlement, including the right to object, appeal or comment on the Settlement; (2) will not be entitled to receive any Individual Class Payment from the class action settlement; and (3) will not be bound by this Settlement, or the Judgment, except that Class Members who worked during the PAGA Period are nevertheless bound by the release of the PAGA claims.

- C. **Object to Settlement.** You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the proposed Settlement, or any portion of it, you may submit a written objection stating your full name, address, telephone number, dates of employment at the Company, the case name and number, the name and address of your attorney(s) if you are represented, each specific reason in support of your objection, and any legal support for each objection. You may also include any documentation or evidence in support of the objection, if any. Objections can be in writing and must be mailed to the Settlement Administrator to [ADDRESS], by fax to [FAX NUMBER], or email to [EMAIL], by no later than [REDACTED], 2026. You may also object to the Settlement by appearing in Court at the Final Approval Hearing to present oral objections to the Settlement.

You need not object to the Settlement if you only dispute the number of Workweeks. You may dispute your Workweeks by submitting evidence to the Settlement Administrator regarding your employment at the Company. The Settlement Administrator and ultimately the Court will determine the validity of your dispute.

If you choose to object to the Settlement, you may also appear at the Final Approval Hearing scheduled for [REDACTED], 2026, at 8:30 a.m. in Department S36 of the San Bernardino County Superior Court, located

QUESTIONS? CALL [REDACTED] TOLL FREE [NUMBER]
Please do not call the Court directly.

at 247 West 3rd Street, San Bernardino, California 92415. You have the right to appear either in person or through your own attorney at this hearing. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before [REDACTED], 2026. All objections or other correspondence must state the name and number of the case. If you wish to appear at the Final Approval Hearing, please contact Class Counsel or the Settlement Administrator in advance of the scheduled hearing to ensure that the hearing has not been continued by the Court.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as participating Class Members who do not object.

VII. What is the effect of the settlement?

Released Rights and Claims. The Settlement is intended to settle all claims against the Released Parties that were asserted or could have been asserted in the Action regarding the alleged violations of wage and hour laws. If you were employed by the Company in California at any time during the Class Period and do not elect to exclude yourself from the Settlement Class, you will be deemed to have entered into the Released Class Claims as described above. If the Settlement is not approved by the Court or does not become final for some other reason, the Lawsuit may continue, and the releases will not take effect.

Again, if you previously entered into an individual settlement with the Company, that individual settlement agreement stands and you keep the previous payment regardless.

VIII. What is the next step?

The Court will hold a Final Approval Hearing regarding the adequacy, reasonableness, and fairness of the Settlement, Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses, and the Service Payments to the Class Representatives on [REDACTED], 2026 at 8:30 a.m. in Department S36 of the San Bernardino County Superior Court, located at 247 West 3rd Street, San Bernardino, California 92415. The Final Approval Hearing may be postponed without further notice to the Settlement Class.

You may also consult the Superior Court website to access documents by going to (cap.sb-court.org/search) and entering the Case Number for the Action, Case No. CIVDS2005614.

To confirm the date and location of the hearing, please visit the Court website below and enter the case number: CIVDS2005614.

You are not required to attend the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

IX. How can I get additional information?

This Notice is only a summary of the Lawsuit and the Settlement. For more information, you may inspect the Court's files and the Class Action and PAGA Settlement Agreement (the Settlement Agreement) at Office of the Clerk, San Bernardino County Superior Court, located at 247 West 3rd Street, San Bernardino, California 92415 during regular court hours. You may also contact Class Counsel or the Settlement Administrator using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE THE COURT FOR INFORMATION ABOUT THIS SETTLEMENT.

EXHIBIT B

February 25, 2020

Labor and Workforce Development Agency
Attn: PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102
*Filed Online and Courtesy Copy Delivered
via Certified Mail with \$75 Check*

Re: Written Notice – Private Attorney General Act (“PAGA”) –
California Labor Code § 2698 et seq.
Garcia v. The Merchant of Tennis, Inc. dba U.S. Merchants

PAGA Administrator:

Notice is hereby provided that, pursuant to California *Labor Code* §2699.3, Jessica Garcia (“Employee”) contends that, The Merchant of Tennis, Inc. dba U.S. Merchants (“Merchant of Tennis”) has violated, and continues to violate, provisions of the California *Labor Code* and wage orders promulgated by the Industrial Welfare Commission (“IWC Wage Order”), including, but not limited to, California *Labor Code* §§ 200, 201-203, 226, 226(a), 226.7, 510, 512, 1194, 6720, and the applicable wage order.

In accordance with the required notice under California *Labor Code* § 2699.3 of the Private Attorney General Act (“PAGA”), this letter shall serve as formal written notice to the Labor and Workforce Development Agency (“LWDA”).

Employee was a full-time, non-exempt, hourly employee of Merchant of Tennis from approximately July 18, 2019 through January 6, 2020. Employee was hired by Merchant of Tennis and worked in receiving at both Ontario and Mira Loma, California warehouses. Employee made approximately \$12 an hour.

The Merchant of Tennis, is a California corporation that does business in California. Merchant of Tennis has its principal place of business in Los Angeles, and provides “just in time” packaging and distribution services to suppliers of products to wholesale clubs.

Employee and aggrieved employees seek unpaid wages, penalties and other compensation from Merchant of Tennis for the relevant time period because Merchant of Tennis:

1. Failed to pay Employee and other aggrieved employees for all hours worked (California *Labor Code* §§ 1194, 1194.2, 1197 & 1198 and Wage Order section 12);
2. Failed to provide Employee and other aggrieved employees with timely meal breaks (California *Labor Code* §§226, 226.7, 512, 1198 and IWC Wage Order section 12);
3. Failed to provide Employee and other aggrieved employees with timely rest breaks (California *Labor Code* §§226, 226.7, 512, 1198 and IWC Wage Order section 12);
4. Failed to provide Employee and other aggrieved employees with proper wage statements (California *Labor Code* § 226(a));
5. Failed to pay Employee and other aggrieved employees all final wages in a timely fashion (California *Labor Code* §§201-203); and
6. Failed to minimize excessive indoor heat (California *Labor Code* § 6720).

Employee is an “aggrieved employee” as defined in California *Labor Code* § 2699, subdivision (a) and brings this action on behalf of herself and all other aggrieved employees of Merchant of Tennis. Employee, also on behalf of herself and all other aggrieved employees, seeks penalties under PAGA for Merchant of Tennis’ violations.

Below please find the relevant facts and legal theories to support the aforementioned violations. In addition, a copy of the Complaint is attached hereto.

Failure to Pay for All Hours Worked

Merchant of Tennis violated California *Labor Code* §§ 510, 512, 1182.12, 1194, 1197, 1197.1, 1198 by failing to pay Employee and other aggrieved employees at least the minimum wage for all hours worked as detailed below. As a matter of policy and/or practice, Merchant of Tennis failed to compensate Employee and other aggrieved employees for all hours worked and thus, failed to pay minimum wage for each hour Employee and other aggrieved employees worked in violation of California law.

Security Checks

Merchant of Tennis violated California *Labor Code* §§ 200, 226, 1197, and 1198, by failing to pay Employee and other aggrieved employees for the time spent during mandatory security checks.

Pursuant to a uniform policy originated by Merchant of Tennis, all hourly employees are subject to a security check before leaving for their meal break and at the end of their shift after they had already clocked out. Hourly employees were and are required to wait in line and be searched for potential or possible items or merchandise taken without permission and/or other contraband. Thus, at the discretion and control of Merchant of Tennis and solely for their benefit, Employee and other aggrieved employees were and are required to leave their work station and

walk to the security check, approximately a three-minute wait. This daily uncompensated waiting time during security checks was done in order to undergo searches for possible contraband and/or pilferage of inventory. Because such screening is designed to prevent and deter employee theft, a concern that stems from the nature of the employee's work, the security checks and consequential wait time are necessary to the employee's primary work and done solely for Merchant of Tennis' benefit.

Specifically, Employee alleges that the wait in the security line is approximately three (3) minutes and there are approximately four (4) to five (5) other employees in line ahead of Employee. Employee also alleges that the security guard checks bags by hand. As a result of the line and manual searches, Employee must wait for a substantial period of time, each shift, and is not compensated.

Accordingly, Employee now seeks civil penalties for these *Labor Code* violations that Merchant of Tennis has committed against him and aggrieved employees.

Rounding

Merchant of Tennis did not compensate their hourly non-exempt employees for all the minutes that they worked as described above, including but not limited to the time that the employees were subject to the control and direction of Merchant of Tennis; and/or the time that the employees were suffered or permitted to work.

Merchant of Tennis rounded Employee and other aggrieved employees' time to their detriment. Merchant of Tennis uses a timekeeping software to record its employee work hours. Employees are required to "punch" into the system at the beginning and end of their shifts, as well as for meal breaks. A punch shows the actual time (to the minute) when the employee punched into the system, Merchant of Tennis calculated an employee's pay based on his or her punch times subject to a rounding policy where in and out punches are rounded up or down to the nearest tenth of an hour. E.g. if an employee punches in at 2:57, it would round up to 3:00 and if an employee punched out at 7:03, it would round down to 7:00.

Merchant of Tennis' routine policy of rounding all hours deprived Employee and other aggrieved employees of the compensation they should have received for all actual hours worked. Merchant of Tennis' rounding policy continued until September 9, 2019

Failure to Provide Compliant Rest Breaks

At all times, relevant hereto, California *Labor Code* § 226.7 and IWC Wage Order, section 12, required employers to authorize, permit, and provide a ten (10) minute paid rest for each four (4) hours of work, during which employees are relieved of all duty.

At all times, relevant hereto, California *Labor Code* § 226.7(b) and IWC Wage Order, section 12 required employers to pay one hour of additional pay at the regular rate of compensation for each employee and each workday that a proper rest period is not provided.

Employee is informed and believes, and based thereon alleges, that Merchant of Tennis failed to effectively communicate California rest period requirements to Employee and other aggrieved employees. Employee is further informed and believes and based thereon alleges that throughout the relevant time period Merchant of Tennis failed to provide rest periods.

Employee alleges the walk time to break rooms was lengthy. Specifically, the break room in the Mira Loma warehouse was a three (3) minute walk each way, and the break room at the Ontario warehouses was even farther and required even more walking time.

Employee alleges that herself, along with other aggrieved employees would remain at their worksites because if they went to the break rooms, the majority of their rest break would be spent walking.

Employee alleges that Merchants of Tennis regularly:

- a. Failed to provide paid rest periods of ten (10) minutes during which Employee and other aggrieved employees were relieved of all duty for each four (4) hours of work and able to take rest periods within the middle of the shift; and
- b. Failed to pay which Employee and other aggrieved employees one (1) hour of pay at their regular rate of compensation for each workday that a rest period was not permitted.

Employee is further informed and believes, and based thereon alleges, that as a matter of policy and/or practice, Merchant of Tennis routinely failed to provide Employee and other aggrieved employees with rest periods as required by law.

Failure to Provide Compliant Meal Breaks

As detailed above under “Security Checks,” Employee alleges that meal breaks were short as a result of the security checks thereby depriving Employee and other aggrieved employees of the full meal break as required. Employee also alleges that meal breaks were only provided when time permitted, and were usually taken after the fifth hour.

Employee alleges that Merchant of Tennis regularly:

- a. Failed to provide Employee and other aggrieved employees with a first meal period of not less than thirty (30) minutes during which they are relieved of all duty before working more than five (5) hours;
- b. Failed to provide Employee and other aggrieved employees with a second meal period of not less than thirty (30) minutes during which they are relieved of all duty before working more than ten (10) hours per day;

- c. Failed to pay Employee and other aggrieved employees one hour of pay at their regular rate of compensation for each workday that a meal period was not provided; and
- d. Failed to accurately record all meal periods.

Termination/Final Wages

Merchant of Tennis willfully and knowingly failed to pay Employee and other aggrieved employees, upon termination of employment, all accrued compensation.

Specifically, Employee received two checks post-termination. One was received a week after being terminated, and the second was received two weeks after termination.

Merchant of Tennis' failure to pay for all wages due prior to termination constitutes violations of California *Labor Code* §§ 201-203.

Attached hereto as Exhibit "A" is a true and correct copy of Employee's final pay checks dated 12/28/2019 and 01/11/2020.

Wage Statements

Merchant of Tennis violated California *Labor Code* § 226(a) which provides that, "(a) Every employer shall, semimonthly or at the time of each payment of wages, furnish each of his or her employees, either as a detachable part of the check, draft, or voucher paying the employee's wages, or separately when wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, except for any employee whose compensation is solely based on a salary and who is exempt from payment of overtime under subdivision (a) of Section 515 or any applicable order of the Industrial Welfare Commission (5) net wages earned...(7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number..."

This is due to the meal/rest break violations, and failure to pay all wages owed to Employee and other aggrieved employees.

Excessive Indoor Heat

Merchant of Tennis failed to comply with California *Labor Code* §§ 6720, 226.7 and the applicable Wage Order section 15 because it provided employees with an excessively hot indoor working environment. Merchant of Tennis failed to implement indoor heat-related standards and increased employees' risk of heat illnesses. Employee and other aggrieved employees who worked in the warehouse had limited areas to get relief from the heat.

LWDA – PAGA Notice

Re: Garcia v. The Merchant of Tennis, Inc. dba U.S. Merchants

February 25, 2020

Page 6

Employee alleges that the Ontario and Mira Loma warehouses were excessively hot in the summer months, with temperatures often reaching over 100 degrees Fahrenheit.

Conclusion

Enclosed please find a copy of the class action complaint that is in the process of being filed in the Superior Court for the State of California, San Bernardino County. Employee respectfully requests that the LWDA notify this office within sixty (60) days if it wishes to investigate this matter further. A copy is being sent via certified mail to Merchant of Tennis. Should you have any questions or concerns or require additional information, please do not hesitate to contact the undersigned.

Thank you for your time and consideration.

Very truly yours,

BRADLEY/GROMBACHER, LLP



Kiley L. Grombacher, Esq.

Enclosures – as stated above.

cc: AGENT FOR SERVICE OF PROCESS
JEFF GREEN
8737 WILSHIRE BLVD
BEVERLY HILLS CA 90211

EXHIBIT C

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

March 22, 2021

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

Re: *Jose Hernandez Solis v. The Merchant of Tennis, Inc.*

To Whom It May Concern:

Please be advised that this law firm represents Jose Hernandez Solis (“Mr. Hernandez Solis”) in claims arising from his employment with The Merchant of Tennis, Inc.; and Does 1 through 10 (collectively “Merchant”). Mr. Hernandez Solis is an “aggrieved employee” as defined by Labor Code Section 2698 *et seq.*, due to Merchant’s numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code Section 2699.3, which requires aggrieved employees to notify their employer and the Labor & Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, “aggrieved employees” include all of Merchants’ non-exempt employees who worked for Merchants in California during the one year immediately preceding the date of this letter through the present.

Mr. Hernandez Solis was employed by Merchant as a non-exempt production employee from approximately April 2020 to June 2020 out of its Ontario, California facility located in San Bernardino County.

During Mr. Hernandez Solis’ and other aggrieved employees’ employment with Merchant, they received overtime pay for work in excess of 8 hours per workday and in excess of 40 hours of work in the workweek. However, Merchant failed to pay Mr. Hernandez Solis and other aggrieved employees at the correct rate of pay for all overtime hours worked resulting in Mr. Hernandez Solis and other aggrieved employees being underpaid on overtime wages. By way of example, Mr. Hernandez Solis worked overtime but was not paid at the proper overtime rate, which resulted in him being underpaid all overtime wages, as follows: for the workweek of 05/10/20 to 05/23/20 Mr. Hernandez Solis’ regular rate of pay was \$13.25 and his overtime rate of pay was \$19.75, when it should have been \$19.875, resulting in Mr. Hernandez Solis being underpaid approximately \$0.06 in overtime wages; and for the workweek of 05/24/20 to 06/06/20 Mr. Hernandez Solis’ regular rate of pay was \$13.25 and his overtime rate of pay was \$19.75, when it should have been \$19.875, resulting in Mr. Hernandez Solis being underpaid approximately \$0.05 in overtime wages.

Merchant required Mr. Hernandez Solis and other aggrieved employees to undergo Covid-19 temperature checks at the beginning of the workday. But Merchant failed to compensate Mr. Hernandez Solis and other aggrieved employees for their time spent undergoing temperature checks because the checks were performed off-the-clock. Thus, Merchant failed to pay Mr. Hernandez Solis and other aggrieved employees minimum and overtime wages for all hours worked. By way of example, Mr. Hernandez Solis underwent Covid-19 temperature checks off-the-clock but was not paid for his time spent undergoing testing, which resulted in Mr. Hernandez Solis' hours being underreported and underpaid in the workweeks of 05/10/20 to 05/23/20 and 05/24/20 to 06/06/20.

Merchant also fails to authorize and permit Mr. Hernandez Solis and other aggrieved employees to take all required duty-free rest periods because they do not provide second rest periods for every second 4-hour period worked or major fraction thereof, or third rest periods for shifts in excess of 10.0 hours. Despite Merchant's failure to authorize and permit Mr. Hernandez Solis and other aggrieved employees to take all rest periods to which they are legally entitled, Merchant does not provide Mr. Hernandez Solis and other aggrieved employees with an hour of pay at their regular rate for each rest period violation as required by Labor Code 226.7, and upon information and belief, have no mechanism for compensating employees for rest period violations.

As a result of Merchant's failure to pay all minimum and overtime wages, and its failure to pay rest period premiums, Merchant issued inaccurate wage statements to Mr. Hernandez Solis and other aggrieved employees and failed to pay them all wages owed to them at the time of their termination.

As described above, Merchant committed the following violations of the Labor Code, and Industrial Welfare Commission Wage Order 7 ("Wage Order 7"):

Overtime Wage Violations

Merchant was required to pay Mr. Hernandez Solis and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; Wage Order 7, § 3. According to Labor Code § 510(a), "Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee." This Section further provides, "Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee." As alleged above, Merchant regularly and systematically, as a policy and practice, miscalculated the overtime rate of pay by failing to properly pay and other aggrieved employees at "one and one-half (1½) times the employee's regular rate of pay". In addition, Merchant did not pay for time spent off-the-

clock with Covid-19 temperature checks. As a result of these policies/practices, Mr. Hernandez Solis and other aggrieved employees were not compensated for all overtime and double-time wages.

Rest Period Violations

As alleged above, Merchant also failed to authorize and permit Mr. Hernandez Solis and other aggrieved employees to take all required rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 13, § 12. As a result, Mr. Higuera and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 (“If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest period is not provided.”)

Minimum Wage Violations

Merchant was required to pay Mr. Hernandez Solis and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1182.12, 1194, 1194.2, 1197; Wage Order 7, § 4. As alleged above, Mr. Hernandez Solis and other aggrieved employees were not provided with all rest periods to which they were entitled under California law. Merchant did not pay for time spent off-the-clock with Covid-19 temperature checks. As a result of these policies/practices, which failed to compensate for all hours worked, Mr. Hernandez Solis and other aggrieved employees were deprived of all required minimum wages. Despite Merchant’s violations, Merchant did not pay an additional hour of pay to Mr. Hernandez Solis and other aggrieved employees at their respective regular rates of pay.

Wage Statement Violations

Merchant was required to furnish Mr. Hernandez Solis and other aggrieved employees with complete and accurate itemized wage statements that showed, among other things, their rates of pay, corresponding number of hours worked at each rate of pay, total gross wages earned, and total net wages earned. *See* Labor Code §§ 226(a) and 1174(d); Wage Order 7, § 7. As a result of Merchant’s failure to pay all overtime, minimum, and double-time wages, and failure to pay all required rest period premium wages, Merchant maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Hernandez Solis and other aggrieved employees in violation of Labor Code § 226. Merchant’s failure to comply with its wage statement obligations was knowing and intentional, and Mr. Hernandez Solis and other aggrieved employees have suffered injury as a result.

Waiting Time Penalties

Labor Code §§ 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. Merchant failed to timely pay Mr. Hernandez Solis and other aggrieved employees all of their final wages at the time of separation, which included all overtime, double-time, and minimum wages as well as all rest period premium wages. Pursuant to Labor Code § 203, Merchant's failure to pay all final wages due to Mr. Hernandez Solis and other aggrieved employees was willful and, consequently, entitles Mr. Hernandez Solis and other aggrieved employees to waiting time penalties equal to one day of wages at their standard hourly rate for each day Merchant failed to pay their final wages after their separation, up to a maximum of thirty days.

As an "aggrieved employee," Mr. Hernandez Solis will initiate a civil action on behalf of himself and other aggrieved employees to recover civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Hernandez Solis' own investigation, and on information and belief, Merchant committed and continues to commit the following Labor Code violations:

- a. Merchant violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Mr. Hernandez Solis and other aggrieved employees all overtime compensation earned;
- b. Merchant violated Labor Code §§ 226.7, 516, 558, and 1198 by failing to authorize and permit Mr. Hernandez Solis and other aggrieved employees all required rest periods and failing to pay rest period premiums to Mr. Hernandez Solis and other aggrieved employees at these employees' respective regular rates of compensation for rest period violations;
- c. Merchant violated Labor Code §§ 1182.12, 1194, 1194.2, and 1197 by failing to pay Mr. Hernandez Solis and other aggrieved employees the statutory minimum wage for all hours worked;
- d. Merchant violated Labor Code § 226 by failing to furnish Mr. Hernandez Solis and other aggrieved employees with accurate and compliant itemized wage statements;
- e. Merchant violated Labor Code §§ 201, 202, and 203 by failing to timely pay all final wages due to Mr. Hernandez Solis and other aggrieved employees;
- f. Merchant violated Labor Code § 204 by failing to pay Mr. Hernandez Solis and other aggrieved employees all wages earned at least twice during each calendar month; and
- g. Merchant violated Labor Code §§ 1174 and 1198 by failing to maintain accurate records on behalf of Mr. Hernandez Solis and other aggrieved employees.

LWDA
March 22, 2021
Page 5 of 5

Pursuant to Labor Code Section § 2699.3(a)(2)(A), please notify us and Merchant if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC



Paul K. Haines

cc: The Merchant of Tennis, Inc. (via certified mail)

PROOF OF ACCEPTANCE (ELECTRONIC)

PRODUCED DATE: 03/23/2021

HAINES LAW GROUP:

The following is information for Certified Mail™/RRE item number:

9214 8901 9403 8335 5642 86

Our records indicate that this item was accepted by the USPS at:

USPS IN POSSESSION OF ITEM EL SEGUNDO, CA 90245 03/22/2021

ORIGINAL INTENDED RECIPIENT:

THE MERCHANT OF TENNIS INC

C/O: JEFF GREEN

8737 WILSHIRE BLVD

BEVERLY HILLS CA 90211-2701