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*Attorneys for Plaintiff*

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

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

Plaintiff,

v.

HSNI, LLC, and unknown business entity;  
and DOES 1 through 100, inclusive,

Defendants.

Case No.: CIVDS1910946

Honorable David S. Cohn  
Department S26

**CLASS ACTION**

**DECLARATION OF EDWIN AIWAZIAN  
IN SUPPORT OF PLAINTIFF'S MOTION  
FOR PRELIMINARY APPROVAL OF  
CLASS ACTION SETTLEMENT**

[Plaintiff's Motion for Preliminary Approval of  
Class Action Settlement; Declaration of  
Proposed Class Representative (Kristy Minor);  
and [Proposed] Order filed concurrently  
herewith]

Date: September 4, 2020  
Time: 10:00 a.m.  
Department: S26

Complaint Filed: April 10, 2019  
FAC Filed: September 9, 2019  
SAC Filed: June 23, 2020  
Trial Date: None Set

**DECLARATION OF EDWIN AIWAZIAN**

I, Edwin Aiwazian, hereby declare as follows:

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

**EDUCATION**

2. In May of 2004, I graduated from *Pepperdine University School of Law* with a Juris Doctor degree. I have extensive formal training in dispute resolution and negotiation from the Straus Institute for Dispute Resolution as part of its Masters in Dispute Resolution degree program. In addition, I have previously served as a *pro bono* mediator for the Los Angeles County Superior Court. In October of 2000, I obtained a Litigation Paralegal Certificate from the *UCLA Extension Program*. During the summer of 2000, I studied Legal Writing at *Harvard University*. In April of 1999, I obtained a Bachelor of Arts degree in Communication with a concentration in Natural Sciences from *Pepperdine University*.

**JUDICIAL EXTERNSHIPS**

3. From approximately September 2002 to approximately December 2002, I served as a Judicial Extern to the Honorable Kim McLane Wardlaw of the *United States Court of Appeals for the Ninth Circuit*. From approximately June 2002 to approximately August 2002, I served as a Judicial Extern to the Honorable Earl Johnson, Jr. of the *California Court of Appeal for the Second Appellate District*.

**LITIGATION AND CLASS ACTION EXPERIENCE**

4. In December of 2004, I obtained a license to practice law from the California State Bar. From approximately December 2004 to approximately August 2008, I was employed by the law firm of *Girardi & Keese*.

5. At *Girardi & Keese*, my practice focused on class actions and other complex cases involving toxic torts and products liability. In addition, I gained substantial experience on cases involving insurance bad faith, premises liability, and medical negligence. While employed by

1 *Girardi & Keese*, I argued approximately 100 motions, took or defended approximately 150  
2 depositions, and prepared dozens of expert witnesses for deposition or trial.

3 6. Since its inception, in or around October of 2008, *Lawyers for Justice, PC* has almost  
4 exclusively focused on the prosecution of consumer and employment class actions, involving  
5 wage-and-hour claims, race discrimination, unfair business practices or consumer fraud.  
6 Currently, we are the attorneys of record in over a dozen employment-related putative class actions  
7 in both state and federal courts in the State of California. Our firm has successfully litigated cases  
8 involving the executive, administrative, and other overtime exemptions to the State of California  
9 and federal overtime compensation requirements. During this relatively short time, in association  
10 with other law firms, we have recovered millions of dollars on behalf of thousands of individuals  
11 in California.

#### 12 **EXAMPLES OF CLASS ACTION RESULTS**

13 7. What follows are just a few examples of the type of results we have achieved on  
14 behalf of our clients:

15 a) Our firm, in association with co-counsel, represented the plaintiffs in a wage-  
16 and-hour class and representative action against a major property management company involving  
17 allegations of misclassification of various “manager” positions. On September 20, 2010, the court  
18 granted final approval of the class and representative action settlement. The Los Angeles County  
19 Superior Court Case Number is BC400414.

20 b) Our firm, in association with co-counsel, represented the plaintiffs in a wage-  
21 and-hour class action against a national retailer involving allegations of misclassification of the  
22 “Assistant Store Manager” position. On October 28, 2010, the court granted final approval of the  
23 class action settlement. The Los Angeles County Superior Court Case Number is BC413498.

24 c) Our firm, in association with co-counsel, represented the plaintiffs in a wage-  
25 and-hour class and representative action against a national property management company  
26 involving allegations of misclassification of the “Property Manager” position. On May 23, 2012,  
27 the court granted final approval of the class and representative action settlement. The Los Angeles  
28 County Superior Court Case Number is BC430918.

1           d)     Our firm, in association with co-counsel, represented the plaintiffs in a wage-  
2 and-hour class action against a national retailer involving allegations of misclassification of the  
3 “Store Manager” position. On June 10, 2011, the court granted plaintiffs’ motion for class  
4 certification. On August 26, 2013, the court granted final approval of the class action settlement.  
5 The Los Angeles County Superior Court Case Number is BC424012.

6           e)     Our firm, in association with co-counsel, represented the plaintiffs in a wage-  
7 and-hour class and representative action against a bank, involving allegations of misclassification  
8 of the “Assistant Branch Manager” position. On August 27, 2013, the court granted final approval  
9 of the class and representative action settlement. The Kern County Superior Court Case Number  
10 is S-1500-CV-273194-LHB.

11           f)     Our firm, in association with co-counsel, represented the plaintiffs in a wage-  
12 and-hour class and representative action against a national wholesale distributor of plumbing and  
13 builder supplies, involving allegations of misclassification of multiple salaried “manager”  
14 positions. On May 22, 2014, the court granted final approval of the class and representative action  
15 settlement. The Sacramento County Superior Court Case Number is 34-2012-00136285.

16           g)     Our firm, in association with co-counsel, represented the plaintiffs in a wage-  
17 and-hour class action involving allegations of misclassification of the “Operations Manager”  
18 position. On September 16, 2014, the court granted plaintiffs’ motion for class certification. The  
19 Los Angeles County Superior Court Case Number is BC478769.

20           h)     Our firm, in association with co-counsel, represented the plaintiffs in a wage-  
21 and-hour class and representative action against a national retailer of household items, on behalf  
22 of hourly-paid or non-exempt employees. On May 27, 2015, the court granted final approval of  
23 the class and representative action settlement. The San Francisco County Superior Court Case  
24 Number is CGC-13-532344.

25           i)     Our firm, in association with co-counsel, represented the plaintiffs in a wage-  
26 and-hour class action involving allegations of misclassification of the salaried residential  
27 “Property Manager” position. On September 17, 2015, the court granted plaintiffs’ motion for  
28 class certification. The Los Angeles County Superior Court Case Number is BC474784.

1           j)     Our firm, in association with co-counsel, represented the plaintiffs in a wage-  
2 and-hour class and representative action against a national retailer of upscale hardware and home  
3 furnishings, on behalf of non-exempt employees. On April 28, 2016, the court granted final  
4 approval of the class and representative action settlement. The Los Angeles County Superior  
5 Court Case Number is JCCP4794.

6           k)     Our firm, in association with co-counsel, represented the plaintiffs in a wage-  
7 and-hour class and representative action against a national retailer of apparel and fashion  
8 accessories, on behalf of non-exempt employees. On August 5, 2016, the court granted final  
9 approval of the class and representative action settlement. The Los Angeles County Superior  
10 Court Case Number is BC488069.

11          l)     Our firm, in association with co-counsel, represented the plaintiffs in a wage-  
12 and-hour class action against a national retailer of apparel, accessories, and home products,  
13 involving allegations of misclassification of the “Department Manager” position. On August 12,  
14 2016, the court granted the plaintiffs’ motion for class certification in part and certified a  
15 class. The Alameda County Superior Court Case Number is RG13680477.

16          m)     Our firm represented the plaintiff in a representative action under the Private  
17 Attorneys General Act, against a real estate and property management company, on behalf of non-  
18 exempt employees. On November 4, 2016, the court granted approval of the settlement. The  
19 Orange County Superior Court Case Number is 30-2015-00775439-CU-OE-CXC.

20          n)     Our firm, in association with co-counsel, represented the plaintiffs in a wage-  
21 and-hour class action against a full-service bank, on behalf of non-exempt employees. On  
22 November 18, 2016, the court granted final approval of the class action settlement. The San  
23 Francisco County Superior Court Case Number is CJC-13-004839.

24          o)     Our firm represented the plaintiffs in a wage-and-hour class and  
25 representative action against a foodservice distributor, on behalf of non-exempt employees. On  
26 January 26, 2017, the court granted final approval of the class and representative action settlement.  
27 The San Bernardino County Superior Court Case Number is CIVDS1507260.

28     ///

1           p)     Our firm, on behalf of the plaintiff and respondent in a PAGA representative  
2 action, successfully opposed in the trial court, and briefed and argued an appeal with respect to the  
3 employer's motion to compel arbitration, which resulted in a published opinion by the California  
4 Court of Appeal in favor of employees. *Roberto Betancourt v. Prudential Overall Supply*, 9  
5 Cal.App.5th 439 (Cal. App. 4th Dist., Mar. 7, 2017), review denied, cert. denied (U.S. Supreme  
6 Court Docket No. 17-254).

7           q)     Our firm, in association with co-counsel, represented the plaintiffs in a wage-  
8 and-hour class and representative action against a consumer packaging company, on behalf of non-  
9 exempt employees. On March 10, 2017, the court granted final approval of the class and  
10 representative action settlement. The Los Angeles County Superior Court Case Number is  
11 BC590429.

12           r)     Our firm, in association with co-counsel, represented the plaintiffs in a wage-  
13 and-hour class and representative action against a manufacturer of food service industry supplies  
14 on behalf of non-exempt employees. On April 14, 2017, the court granted final approval of the  
15 class and representative action settlement. The Orange County Superior Court Case Number is 30-  
16 2015-00810013-CU-OE-CXC.

17           s)     Our firm represented the plaintiff in a wage-and-hour class and  
18 representative action against a property management company, on behalf of non-exempt  
19 employees. On June 14, 2017, the court granted final approval of the class and representative  
20 action settlement. The Los Angeles County Superior Court Case Number is BC586234.

21           t)     Our firm represented the plaintiffs in a wage-and-hour class and  
22 representative action against a food company on behalf of non-exempt employees. On June 30,  
23 2017, the court granted final approval of the class and representative action settlement. The  
24 Sacramento County Superior Court Case Number is 34-2015-00175871.

25           u)     Our firm represented the plaintiffs in a wage-and-hour class and  
26 representative action against a chocolate company on behalf of non-exempt employees. On July  
27 19, 2017, the court granted final approval of the class and representative action settlement. The  
28 Alameda County Superior Court Case Number is RG15764300.

1 v) Our firm represented the plaintiffs in a wage-and-hour class and  
2 representative action against a manufacturer of plastic containers on behalf of non-exempt  
3 employees. On October 31, 2017, the court granted final approval of the class and representative  
4 action settlement. The Los Angeles County Superior Court Case Number is BC577233.

5 w) Our firm, in association with co-counsel, represented the plaintiffs in a wage-  
6 and-hour class and representative action against a property management company on behalf of  
7 hourly-paid and non-exempt employees. On January 4, 2018, the court entered an order granting  
8 final approval of the class and representative action settlement. The Los Angeles County Superior  
9 Court Case Number is JCCP 4819.

10 x) Our firm, in association with co-counsel, represented the plaintiffs in a wage-  
11 and-hour class and representative action against a global provider of flexible office space  
12 solutions. On February 15, 2018, the court entered an order granting final approval of the class  
13 and representative action settlement. The Los Angeles County Superior Court Case Number is  
14 BC498401.

15 y) Our firm, in association with co-counsel, represented the plaintiff in a wage-  
16 and-hour class action against a container manufacturer, on behalf of non-exempt employees. On  
17 October 15, 2018, the court granted the plaintiff's motion for class certification. The Tulare County  
18 Superior Court Case Number is VCU264528.

19 z) Our firm represented the plaintiffs in a wage-and-hour class and  
20 representative action against a behavioral health service provider on behalf of non-exempt  
21 employees. On November 13, 2018, the court granted final approval of the class and  
22 representative action settlement. The Alameda County Superior Court Case Number is  
23 RG16811450.

24 aa) Our firm, in association with co-counsel, represented the plaintiff in a  
25 representative action under the Private Attorneys General Act, against a global provider of  
26 products and services to the energy industry, on behalf of hourly-paid and non-exempt employees.  
27 On November 19, 2018, the Court granted approval of the settlement. The Kern County Superior  
28 Court Case Number is S-1500-CV-280215-SDC.

1           bb) Our firm represented the plaintiff in a wage-and-hour class action against a  
2 parking company on behalf of non-exempt employees. On September 3, 2019, the court granted  
3 the plaintiff's motion for class certification and certified a class. The Santa Clara County Superior  
4 Court Case Number is 16CV292208 and the Judicial Council Coordination Proceeding Number is  
5 JCCP 4886.

6           cc) Our firm, in association with other counsel, on behalf of the plaintiff and  
7 respondent in a PAGA representative action, successfully opposed in the trial court, and briefed  
8 and argued an appeal with respect to the employer's motion to compel arbitration, resulting in a  
9 notable decision from the California Supreme Court clarifying the law and finding, in part, that  
10 employer arbitration agreements are unenforceable where they block a PAGA claim from  
11 proceeding, *ZB, N.A. v. Superior Court*, 8 Cal.5th175 (2019).

12           dd) Our firm represented the plaintiffs in a wage-and-hour class and  
13 representative action against a bank on behalf of non-exempt employees. On September 27, 2019,  
14 the court granted the plaintiffs' motion for class certification in part and certified a class. The  
15 Alameda County Superior Court Case Number is RG15757606 and the Judicial Council  
16 Coordination Proceeding Number is JCCP 4921.

17           ee) Our firm represented the plaintiffs in a wage-and-hour class and  
18 representative action against a national retailer of apparel and fashion accessories, on behalf of  
19 non-exempt employees. On October 9, 2019, the court granted the plaintiffs' motion for class  
20 certification in part and certified a class. The Sacramento County Superior Court Case Number is  
21 34-2015-00175330-CU-OE-GDS.

22           ff) Our firm represented the plaintiff in a wage-and-hour class and  
23 representative action against a medical equipment supplier on behalf of non-exempt employees.  
24 On February 13, 2020, the court granted the plaintiff's motion for class certification and certified  
25 a class. The San Bernardino County Superior Court Case Number is CIVDS1505744.

26           gg) Our firm, in association with other counsel, represented the plaintiff in a  
27 wage-and-hour class and PAGA representative action against a large national drug testing  
28 laboratory on behalf of non-exempt employees. On February 21, 2020, the court granted the

plaintiff's motion for class certification and certified a class. The San Diego County Superior Court Case Number is 37-2018-00019611-CU-OE-CTL.

hh) Our firm represented the plaintiffs in a wage-and-hour class and representative action against a national retailer of sportswear, footwear, and camping equipment on behalf of non-exempt employees. On March 16, 2020, the court granted in part the plaintiff's motion for class certification and certified a class. The Riverside County Superior Court Case Number is RICJCCP4930.

### **PRELIMINARY APPROVAL**

8. Marked and attached hereto as "**EXHIBIT 1**" is the Class Action and PAGA Settlement ("Settlement," "Agreement," or "Settlement Agreement") entered into by and between Plaintiff Kristy Minor ("Plaintiff"), individually and on behalf of all others similarly situated and other aggrieved employees, on the one hand, and Defendant HSNI, LLC ("Defendant"), on the other hand (collectively, the "Parties"). The Parties and their counsel have approved the proposed Notice of Class Action Settlement ("Class Notice"), which is attached to the Settlement Agreement as "Exhibit A" and respectfully request that the Court approve it as well.

9. Based on information provided by Defendant, the Class is estimated to consist of approximately two hundred twenty-three (223) individuals.

10. The effectiveness of Lawyers for Justice, PC ("Class Counsel") in prosecuting this matter has translated into tangible monetary benefits for the Class Members in the following respects: (1) Class Members recover over a reasonably short period of time as opposed to waiting additional years for the same, or possibly worse, result; (2) a guaranteed result that compares favorably with other similar class action settlements of this type given the strengths and weaknesses of the case; and (3) significant savings in Class Counsel's fees and/or costs that would have only increased significantly had the case progressed through certification, trial, and/or appeals.

11. Class Counsel has litigated the case for a year, and was actively preparing the matter for class certification and trial. The Parties have engaged in extensive settlement negotiations and participated in a formal, full-day mediation conducted by David A. Rotman, Esq., a well-respected

mediator experienced in mediating complex labor and employment matters. Prior to and during the mediation and settlement discussions, the Parties exchanged class information and engaged in an extensive discussion regarding their evaluations of the case and various aspects of the case, including but not limited to, the risks and delays of further litigation, the risks to the Parties of proceeding with class certification and/or representative adjudication, the law relating to off-the-clock theory, meal and rest periods, PAGA representative actions, and wage-and-hour enforcement, as well as the evidence produced and analyzed, and the possibility of appeals, among other things. During all settlement discussions, the Parties conducted their negotiations at arm's length in an adversarial position. Arriving at a settlement that was acceptable to all Parties was not easy. Defendant and its counsel felt strongly about their ability to prevail on the merits and at certification, and Plaintiff and Class Counsel believed that they would be able to obtain class certification and prevail at trial. After conducting investigations, formal and informal discovery, and exchange of information, extensive settlement negotiations, and with the aid of the mediator's evaluations, the Parties have agreed that the matter is well-suited for settlement given the legal issues relating to Plaintiff's principal claims, as well as the costs and risks to both sides that would attend further litigation. The Settlement is a fair, reasonable, and adequate resolution of the Released Claims of Plaintiff and Settlement Class Members, against the Released Parties.

12. The Parties used the pre-mediation time to investigate the veracity, strength, and scope of the claims, and Class Counsel was preparing the action for class certification and trial. Prior to engaging in mediation, Plaintiff conducted significant investigation and formal and informal discovery regarding the facts of the case, including and not limited to, the exchange, review, and analysis of a large volume of documents and data obtained from Defendant and other sources. The volume of data and documents that Class Counsel reviewed and analyzed included and was not limited to: Plaintiff's employment records, a detailed sampling of Class Members' time and pay data, agreements, acknowledgments (including, but not limited to, Timekeeping Policy Review and Acknowledgment), and Defendant's operations and employment practices, policies (including, but not limited to, HSN Policies Regarding Meal and Rest Periods, Overtime, Timekeeping, and California Labor Laws, and Fontana Fulfillment Center Personal Electronic

1 Device Policy), and procedures, among other information and documents. Class Counsel  
2 propounded multiple sets of formal written discovery requests onto Defendant, noticed the  
3 depositions of Defendant's Person Most Knowledgeable designees regarding job duties and  
4 organization structure of Defendant, and prepared for and defended the deposition of Plaintiff.  
5 Class Counsel interviewed Plaintiff and other Class Members to gather facts and to identify  
6 potential witnesses. Counsel for the Parties also met and conferred on numerous occasions, e.g.,  
7 to discuss issues relating to the pleadings, discovery, and the production of documents and data  
8 prior to the mediation. Class Counsel also drafted a mediation brief and prepared for and attended  
9 court proceedings, mediation, and settlement negotiations, among other tasks.

10 13. Counsel for the Parties also invested time researching and investigating the  
11 applicable law, which is constantly evolving as it relates to certification, representative PAGA  
12 claims, off-the-clock theory, meal and rest periods, wage-and-hour enforcement, Plaintiff's claims  
13 and damages, and Defendant's defenses thereto, as well as facts discovered. Based on our analysis,  
14 I submit that the result achieved in this litigation is fair, adequate, and reasonable.

15 14. The Settlement provides for a Gross Fund Value of one million one hundred  
16 thousand dollars (\$1,100,000.00). The Net Settlement Fund is the Gross Fund Value less the  
17 following amounts subject to approval by the Court: Attorneys' Fees and Costs to Class Counsel,  
18 Service Payment to Plaintiff, Settlement Administration Costs to the Settlement Administrator,  
19 LWDA Payment to the Labor and Workforce Development Agency ("LWDA"), and the  
20 employer's portion of payroll taxes (e.g., FICA, FUTA, etc.) on the wage portion of the Individual  
21 Settlement Payments ("Employer Taxes"). Assuming that the amounts allocated under the  
22 Settlement toward these payments are awarded by the Court, the Net Settlement Fund is currently  
23 estimated to be six hundred sixty-nine thousand three hundred thirty-three dollars and thirty-three  
24 cents (\$669,333.33) less Employer Taxes. The Gross Fund Value will be fully distributed in  
25 accordance with the terms of the Settlement and there is no reversion to Defendant.

26 15. The Parties have agreed to retain Simpluris, Inc. ("Simpluris" or "Settlement  
27 Administrator") to handle the notice and settlement administration. The Parties respectfully  
28 request that the Court appoint Simpluris to handle these procedures and serve as the Settlement

1 Administrator. Defendant will provide Simpluris with a list of Class Members that Defendant will  
2 compile from its records, which will include each Class Member's name, employee identification  
3 number, last known address, dates of active employment during the period from April 10, 2015  
4 through April 10, 2020, and Social Security number ("Class Data"), and Simpluris will calculate  
5 each Settlement Class Member's estimated share of the Net Settlement Fund ("Individual  
6 Settlement Payment"). Simpluris will also receive requests for exclusion from the Settlement,  
7 objections to the Settlement, and disputes regarding Workweeks; provide necessary reports and  
8 declarations; calculate, subtract, and transmit necessary taxes and withholdings; prepare and  
9 submit informational and other tax filings and documents; issue and transmit all payments  
10 provided for by the Settlement, including and not limited to, mailing Individual Settlement  
11 Payment checks to the Settlement Class Members; and perform any other usual and customary  
12 duties for administering a class action settlement. Settlement Administration Costs are currently  
13 estimated not to exceed nine thousand dollars (\$9,000.00) and will be paid out of the Gross Fund  
14 Value, subject to approval of the Court.

15 16. Based on investigation and information discovered, Class Counsel believes that  
16 there is sufficient evidence to support the allegations made in the lawsuit, including the allegations  
17 that Defendant, with respect to Plaintiff and the Class Members, *inter alia*, failed to properly pay  
18 overtime and minimum wages and associated premium pay, failed to provide compliant meal and  
19 rest periods and to pay associated premium pay, failed to timely pay wages during employment  
20 and upon termination of employment, failed to provide compliant wage statements, failed to  
21 maintain requisite payroll records, and failed to reimburse necessary business expenses, and  
22 thereby engaged in unfair business practices and conduct giving rise to penalties recoverable under  
23 the Private Attorneys General Act of 2004 (California Labor Code sections 2698, *et seq.*). Plaintiff  
24 also asserted that Class Members were expected to perform similar job duties and were subject to  
25 the same or similar operations and employment policies, practices, and procedures. Additionally,  
26 Plaintiff asserted that Defendant's recordkeeping practices with respect to Plaintiff and the Class  
27 Members were substantially the same during the time period at issue. As a result, Plaintiff claims  
28 that the Class Members, were uniformly not paid all of the compensation that was owed to them

1 by Defendant since April 10, 2015. Thus, in Class Counsel's view, it is clear that the outcome of  
2 this litigation would be determined by Defendant's uniform operations and employment practices,  
3 policies, and procedures that Plaintiff alleges applied across its non-exempt or hourly-paid  
4 employees in California during the Class Period.

5 17. Class Counsel is aware of the defenses and position of Defendant, but believes that  
6 Plaintiff could potentially obtain class certification despite many obstacles. Plaintiff has also taken  
7 into account the uncertainty and risk of the outcome of further litigation, and the difficulties and  
8 delays inherent in such litigation, including those involved in class certification and/or  
9 representative adjudication. Plaintiff further recognizes the burdens of proof necessary to establish  
10 liability for the claims asserted in the lawsuit, Defendant's defenses, and the difficulties in  
11 establishing entitlement to monetary recovery. Plaintiff has also considered the Parties' settlement  
12 discussions, as well as the evaluations of the mediator, who is experienced and well-regarded in  
13 complex labor and employment matters.

14 18. Defendant, on the other hand, denied and continues to deny any liability and  
15 wrongdoing of any kind associated with the claims alleged in the lawsuit, and further denies that  
16 the lawsuit is appropriate for class treatment or representative adjudication for any purpose other  
17 than this Settlement. Defendant believes that it would ultimately succeed in the matter. Both sides  
18 have also had the opportunity to interview witnesses and review documents and information  
19 relating to Plaintiff's and Class Members' employment with Defendant, and Defendant's  
20 operations and employment policies, practices, and procedures. The Parties also reviewed and  
21 analyzed a large volume of documents and data, including but not limited to a detailed sampling  
22 of Class Members' time and pay information, to determine the potential value and strength of the  
23 claims. The available information enabled Class Counsel to estimate the potential claims of the  
24 Class and prepare damages/valuation models. Accordingly, the Parties have conducted adequate  
25 investigation and discovery to be sufficiently informed of the nature and extent of the Class  
26 Members' claims, and to enable both sides to fully evaluate the Settlement for its fairness,  
27 adequacy, and reasonableness. The Parties have agreed that the matter is well-suited for settlement  
28 given the legal issues relating to Plaintiff's principal claims, as well as the costs and risks to both

sides that would attend further litigation. The Settlement takes into account the strengths and weaknesses of each side's position and the uncertainty of how the case might have concluded at certification, trial, and/or appeals.

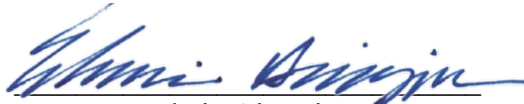
19. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees in an amount of up to one-third (1/3) of the Gross Fund Value (i.e., \$366,666.67) and reimbursement of actual litigation costs and expenses in an amount not to exceed thirty thousand dollars (\$30,000.00), which will be paid out of the Gross Fund Value, subject to approval by the Court. It should be noted that Class Counsel has borne all of the risks and costs of litigation and will not receive any compensation until recovery is obtained.

20. The Settlement Agreement provides for payment of up to ten thousand dollars (\$10,000.00) to Plaintiff as a Service Payment, to be paid out of the Gross Fund Value subject to approval by the Court. Plaintiff spent considerable time and effort to produce relevant documents and past employment records and to provide the facts and evidence necessary to attempt to prove the allegations, including and not limited to, by way of preparing and appearing for a deposition. Plaintiff was available whenever Class Counsel needed her and actively tried to obtain information that would benefit the Class. Accordingly, it is appropriate and just for Plaintiff to receive a Service Payment, in addition to her Individual Settlement Payment, for her services on behalf of the Class.

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

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

Executed on this 13th day of August 2020, at Glendale, California.

  
Edwin Aiwanian

# **EXHIBIT 1**

**LAWYERS FOR JUSTICE, PC**  
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Attorneys for Defendant, HSNI, LLC

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

KRISTY MINOR, individually, and on behalf of  
other members of the general public similarly  
situated;

Plaintiff,

v.

HSNI, LLC, an unknown business entity; and  
DOES 1 through 100, inclusive,

Defendants.

Case No. CIVDS1910946

Assigned to Hon. David S. Cohn, Dept. 26

**CLASS ACTION AND PAGA  
SETTLEMENT**

Trial Date: None Set  
Date Action Filed: April 10, 2019

1 Plaintiff Kristy Minor (“Class Representative”), individually, and on behalf of all members of the  
2 Settlement Class Members (as defined herein), and Defendant HSNI, LLC (“Defendant”), hereby enter  
3 into this Class Action and PAGA Settlement (“Settlement” or “Settlement Agreement”) as follows:

4 **I. DEFINITIONS**

5 As used in this Settlement, the following terms shall have the following meanings:

6 1. “Action” refers to the lawsuit entitled *Kristy Minor, individually, and on behalf of other*  
7 *members of the general public similarly situated; v. HSNI, LLC and DOES 1 through 100, inclusive*, filed  
8 in the Superior Court of the State of California for the County of San Bernardino on April 10, 2019, Case  
9 No. CIVDS1910946.

10 2. “Class” and “Class Members” refer to all current and former non-exempt or hourly-paid  
11 employees who worked for Defendant in California at any time during the Class Period.

12 3. “Class Counsel” refers to Edwin Aiwazian, Arby Aiwazian, and Joanna Ghosh of Lawyers  
13 *for Justice PC*.

14 4. “Class Period” refers to the period from April 10, 2015 through April 10, 2020.

15 5. “Defense Counsel” refers to Seyfarth Shaw LLP.

16 6. “Effective Date” of the Settlement shall mean the date upon which both of the following  
17 have occurred: (i) final approval of the Settlement is granted by the Superior Court of California for the  
18 County of San Bernardino, or other court assuming jurisdiction of this matter, and (ii) the Court’s  
19 Judgment approving the Settlement becomes Final.

20 7. “Final” means the latest of: (a) if there is an appeal of the Court’s Judgment, the date the  
21 Judgment is affirmed on appeal, the date of dismissal of such appeal, or the expiration of the time to file  
22 a petition for review with the California Supreme Court, or, (b) if a petition for review is filed, the date  
23 of denial of the petition, or the date the Judgment is affirmed pursuant to such petition; or (c) if no appeal  
24 is filed, the expiration date of the time for filing or noticing any appeal of the Judgment; or (d) if the  
25 California Labor & Workforce Development Agency (“LWDA”) has commenced an investigation or  
26 issued a Citation prior to the date that the Judgment approving the Settlement is no longer appealable,  
27 the date the LWDA concludes its investigation or resolves the Citation (whichever is later); or (e) if the  
28 LWDA objects to the Settlement, the date when the LWDA’s objection to the Settlement is resolved and

no longer appealable.

8. “Individual Settlement Payment” refers to each Settlement Class Member’s *pro rata* share of the Net Settlement Fund under this Settlement.

9. “Parties” collectively refers to the Class Representative and Defendant.

10. “Released Parties” refers to Defendant, and all of its former or present parents, subsidiaries, affiliates, joint ventures, partners, officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors and assigns, shareholders, profit sharing, savings, health, and other employee benefit plans of any nature, the successors of such plans, and those plans’ respective current or former trustees and administrators, agents, employees, fiduciaries, and the predecessors and successors, legal representatives of all such entities and individuals, and any other person acting by through, under or in concert with any of them.

11. “Settlement Class” and “Settlement Class Members” refer to all Class Members who do not timely and validly opt out of the Settlement.

12. “Workweek(s)” is any workweek during the Class Period in which a Class Member worked at least one day.

## **II. RECITALS**

A. On or about April 10, 2019, Kristy Minor filed a Class Action Complaint for Damages (“Complaint”) in San Bernardino Superior Court, Case No. CIVDS1910946, against Defendant HSNI, LLC. The Complaint alleged causes of action for unpaid overtime in violation of California Labor Code sections 510, 1198, 1194 *et seq.* and the applicable Industrial Welfare Commission Wage Order (“IWC Order”); unpaid meal period premiums in violation of California Labor Code sections 226.7, 512 and the applicable IWC Order; unpaid rest period premiums in violation of California Labor Code section 226.7 and the applicable IWC Order; unpaid minimum wages in violation of California Labor Code sections 1194, 1197, 1197.1, 1194 *et seq.* and the applicable IWC Order; final wages not timely paid in violation of California Labor Code section 201, 202, and 203; wages not timely paid during employment in violation of California Labor Code section 204; non-compliant wage statements in violation of California Labor Code section 226(a); failure to keep requisite payroll records in violation of California Labor Code section 1174(d); unreimbursed business expenses in violation of California Labor Code sections 2800

1 and 2802; and based on those allegations, violation of California's Unfair Competition Law pursuant to  
2 California Business & Professions Code sections 17200, *et seq.*

3 B. On September 9, 2019, Plaintiff filed a First Amended Class Action Complaint for  
4 Damages ("First Amended Complaint") adding factual allegations to support the same claims asserted in  
5 the Complaint. On October 4, 2019, Defendant served its Answer to the First Amended Complaint.

6 C. The Parties agreed to engage in mediation prior to class certification. The Parties  
7 participated in a full-day of mediation with mediator David A. Rotman of Mediated Negotiations on  
8 December 19, 2019. With the assistance of the mediator, the Parties reached a settlement, which included  
9 the material terms contained in this Settlement Agreement.

10 D. Based on their investigation and evaluation of this case, Class Counsel has concluded that  
11 the settlement described in this Settlement Agreement is fair, reasonable, and adequate and is in the best  
12 interest of the Class in light of all known facts and circumstances, defenses asserted by Defendant,  
13 adverse findings regarding liability, and numerous potential appellate issues.

14 E. Neither this Settlement Agreement, nor any document referred to or contemplated herein,  
15 nor any action taken to carry out the terms of this Settlement, is, may be construed as, or may be used as,  
16 an admission, concession, or indication by or against Defendant of evidence of any unlawful conduct,  
17 fault, wrongdoing or liability whatsoever.

18 F. The Parties now desire to fully, finally, and forever settle, compromise, and discharge the  
19 claims released in Paragraph VII of this Settlement.

20 **NOW, THEREFORE**, in consideration of the mutual covenants, promises, and conditions set  
21 forth, the parties agree as follows:

22 **III. NON-ADMISSION OF LIABILITY**

23 A. By entering into this Settlement, Defendant, on behalf of itself and all Released Parties,  
24 denies any liability for any of the claims in the Action as well as any potential or unknown claims based  
25 on wage and hour violations under state or federal law.

26 B. Defendant specifically denies that it or any of the Released Parties has engaged in any  
27 unlawful or wrongful conduct against the Class Representative or the Class.  
28

1 C. Defendant further contends that, for purposes other than settlement, the Action is not  
2 appropriate for class action treatment.

3 **IV. FILING A SECOND AMENDED COMPLAINT**

4 A. Plaintiff will prepare and file a Second Amended Class Action Complaint for Damages  
5 and Enforcement Under the Private Attorneys General Act, Cal. Labor Code § 2698, Et Seq. (“Operative  
6 Complaint” or “SAC”), to add a claim under the Private Attorneys General Act, California Labor Code  
7 section 2698 *et seq.* (“PAGA”). In advance of filing the SAC, Plaintiff will exhaust all administrative  
8 requirements with the California Labor & Workforce Development Agency (“LWDA”). The SAC is  
9 being filed in order to flesh out allegations that were investigated, litigated, mediated, and resolved and  
10 to effectuate the Settlement. Furthermore, the Parties agree that Defendant will not be required to file an  
11 Answer or other responsive pleading to the SAC. If for any reason, the Court does not approve the  
12 Settlement, or the Effective Date does not occur, then the SAC will be deemed withdrawn and void *ab*  
13 *initio*, and the FAC filed on September 9, 2019 will again become the operative complaint without  
14 prejudice to Plaintiff’s right to seek leave to file another amended complaint. Defendant does not  
15 impliedly or expressly waive any arguments or defenses to the SAC or the notice provided by Plaintiff  
16 to the LWDA.

17 **V. STIPULATION TO CLASS AND CONDITIONAL CERTIFICATION SOLELY FOR**  
18 **PURPOSES OF THE SETTLEMENT**

19 A. This Agreement is contingent upon certification of the Class under California Code of  
20 Civil Procedure Section 382, by the Court for settlement purposes only. Defendant does not waive, and  
21 instead expressly reserves, its right to challenge the propriety of class certification or representative  
22 treatment for any other purpose should the Court not approve the Settlement.

23 B. The Parties stipulate to class and conditional certification for purposes of the Settlement  
24 only. If the Court does not grant preliminary and final Approval of the Settlement, the Parties will not  
25 stipulate to class and conditional certification, and the Parties will resume litigation as if no settlement  
26 had been reached.

27 C. Evidence of this limited stipulation for settlement purposes only will not be deemed  
28 admissible for any purpose in this or any other proceeding.

1 D. Defendant submits that, for any purpose other than settling this Action, this matter is not  
2 appropriate for class action or representative treatment and that evidence of this limited stipulation for  
3 settlement purposes only will not be deemed admissible for any purpose in this or any other proceeding.  
4 Defendant's position is that if this matter were to be litigated, class and conditional certification would  
5 be inappropriate, *inter alia*, because individual issues predominate as to each of the claims alleged in the  
6 Action.

7 **VI. TERMS OF SETTLEMENT**

8 A. Gross Fund Value

9 1. Defendant shall pay to the Settlement Administrator a settlement payment in a  
10 total amount not to exceed \$1,100,000 (the "Gross Fund Value"). The Gross Fund Value shall include  
11 the Net Settlement Fund, LWDA Payment; Attorneys' Fees and Costs to Class Counsel; Settlement  
12 Administration Costs to the Settlement Administrator; Service Payment to the Class Representative; and  
13 all legally required withholding and employer taxes on the wages portion of Individual Settlement  
14 Payments issued to Settlement Class Members. In no event will Defendant be required to pay more than  
15 the Gross Fund Value set forth in this paragraph, except as provided in Paragraph VI.A.2. The Parties  
16 stipulate that beyond the Gross Fund Value, Defendant shall not owe any further monies to the Settlement  
17 Class or to the State of California based upon the claims made in the Action.

18 2. The Gross Fund Value as defined is based on acceptance of Defendant's  
19 representations that from April 10, 2015 through November 12, 2019, there are approximately one  
20 hundred ninety-seven (197) Class Members who worked a total of 17,553 Workweeks. As such, should  
21 the actual total Workweeks worked by Class Members from April 10, 2015 through November 12, 2019  
22 exceed 18,431 (representing an allowable 5% margin of error), the Gross Fund Value of \$1,100,000 shall  
23 increase proportionally to the extent the 18,431 Workweek threshold is exceeded (e.g., if the 18,431  
24 Workweek threshold referenced herein is exceeded by 15%, the Gross Fund Value will increase by 15%).

25 B. PAGA Payment

26 1. A total of \$20,000 of the Gross Fund Value shall be allocated as the "PAGA  
27 Payment" to cover any and all claims for civil penalties under PAGA based on the alleged violations in  
28 the Action.

2. Pursuant to California Labor Code section 2699(i), seventy-five percent (75%) (\$15,000.00) of the PAGA Payment shall be payable to the LWDA ("LWDA Payment") as the LWDA's share of the settlement of civil penalties paid under this Settlement pursuant to PAGA, and twenty-five percent (25%) (\$5,000.00) of the PAGA Payment shall be part of the Net Settlement Fund. The PAGA Payment shall be paid out of the Gross Fund Value.

3. Class Counsel shall request that the Court approve the PAGA Payment of \$20,000 of which \$15,000 will be paid to the LWDA and \$5,000 will be part of the Net Settlement Fund.

4. If the Court approves a different amount than that requested by Class Counsel for the PAGA Payment, the other terms of the Settlement relating to the release, allocation, and distribution shall continue to apply and any portion of the PAGA Payment that is not approved by the Court will be part of the Net Settlement Fund.

C. Attorneys' Fees and Costs to Class Counsel

1. Class Counsel shall request that the Court approve an award of attorneys' fees in an amount not to exceed one-third (1/3) of the Gross Fund Value (i.e., \$366,666.67) and reimbursement of actual litigation costs and expenses in an amount not to exceed \$30,000 (together, "Attorneys' Fees and Costs"), subject to Court approval. Defendant will not oppose the requested Attorneys' Fees and Costs to Class Counsel. Attorneys' Fees and Costs shall be paid by the Settlement Administrator out of the Gross Fund Value.

2. The Court's approval of Attorneys' Fees and Costs requested by Class Counsel is not a material term of the Settlement. If the Court does not approve or approves only a lesser amount than the amount requested for attorneys' fees or costs to Class Counsel, the other terms of the Settlement shall still apply. The Court's refusal to approve the attorneys' fees or costs award requested by Class Counsel does not give Plaintiff or Class Counsel any basis to abrogate the Settlement. Any amount of an award of Attorneys' Fees and Costs requested by Class Counsel but not approved by the Court shall be part of the Net Settlement Fund.

3. With respect to the Attorneys' Fees and Costs to Class Counsel, the Settlement Administrator may, at the request of Class Counsel, purchase annuities to utilize United States Treasuries and bonds or other attorney fee deferral vehicles, for the Attorneys' Fees and Costs. Any additional

1 expenses for the purchase of an annuity by the Settlement Administrator shall be paid separately by Class  
2 Counsel and shall not be included within the Settlement Administration Costs.

3 D. Service Payment To Class Representative

4 1. Subject to Court approval, Defendant will not oppose the Class Representative's  
5 request for a service payment in an amount not to exceed \$10,000 ("Service Payment") to be paid by the  
6 Settlement Administrator from the Gross Fund Value, for her service as Class Representative, in addition  
7 to any payment she may otherwise be entitled to receive as a Settlement Class Member. The Service  
8 Payment shall be reported on IRS Form 1099, which shall not be subject to payroll taxes and withholdings.  
9 If the Service Payment is not approved or approved in a different amount, the remainder will be part of  
10 the Net Settlement Fund.

11 2. Class Representative will be responsible for correctly characterizing this  
12 compensation for tax purposes and for paying any taxes owing on said amount.

13 E. Settlement Administration Costs to the Settlement Administrator

14 1. The Parties have selected Simpluris, to be the third-party Settlement Administrator  
15 to disseminate the Notice of Class Action Settlement ("Class Notice"), a true and correct copy of which  
16 is attached hereto as "**Exhibit A**", and to perform a National Change of Address database search and  
17 reasonable skip-trace on Class Notices returned as undeliverable without forwarding addresses, format,  
18 translate, and print the Class Notice and other documents to be mailed to the Class Members in English  
19 and Spanish, handle and process the Class Data, update Class Members' mailing addresses before the  
20 initial mailing of the Class Notice, calculate estimated Individual Settlement Payments, prepare  
21 declarations regarding mailing and as may be required by the Court, provide weekly status reports,  
22 establish a toll-free number and post office box for receipt of Class Member communications, resolve  
23 disputes regarding Workweeks, issue Individual Settlement Payment checks, and tax reporting, among  
24 others tasks set forth in this Agreement. The administration of the Settlement is estimated to not exceed  
25 \$9,000.00 ("Settlement Administration Costs").

26 F. Employer's Portion of Payroll Taxes

27 The Parties agree that the employer's portion of payroll taxes (e.g., FICA, FUTA, etc.) on the  
28 wage portion of the Individual Settlement Payments ("Employer Taxes") shall be paid by the Settlement

1 Administrator from the Gross Fund Value.

2 G. Net Settlement Fund

3 After deducting the LWDA Payment, the Court-approved sums for the Service Payment to Class  
4 Representative, Attorneys' Fees and Costs to Class Counsel, and Settlement Administration Costs to the  
5 Settlement Administrator, and the Employer Taxes from the Gross Fund Value, the remaining balance  
6 ("Net Settlement Fund") will be distributed to Settlement Class Members on a proportionate basis as  
7 described below without the need to return a claim form.

8 **VII. CLAIMS RELEASED BY THIS SETTLEMENT**

9 A. Claims Released By the Class and the Class Representative

10 1. Upon the Effective Date, and except as to the right to enforce the terms and  
11 conditions of this Settlement, all Class Members who do not timely opt out of the Settlement shall fully  
12 release Defendant and the Released Parties, from any and all claims, debts, liabilities, demands,  
13 obligations, liquidated damages, penalties, interest, wages, compensation, premium pay, guarantees,  
14 costs, expenses, attorney's fees, damages, actions or causes of action of whatever kind or nature, under  
15 any legal theory under federal and state law that are based on claims set forth in the Operative Complaint  
16 for the Class Period, as well as any and all claims and allegations that were or could have been raised in  
17 this Action, including claims raised under the applicable IWC Wage Orders and California Labor Code,  
18 including sections 201, 202, 203, 204, 226, 226.3, 226.7, 510, 512, 558, 1174, 1194, 1197, 1197.1, 1198,  
19 2800, and 2802 as well as claims under the California Unfair Competition Law, Business and Professions  
20 Code section 17200 *et seq.*, and the Private Attorney Generals Act, California Labor Code section 2698  
21 *et seq.* ("Released Claims").

22 2. Upon the final approval by the Court of this Settlement, and except as to the right  
23 to enforce the terms and conditions of this Settlement, all Class Members who have not submitted a  
24 timely and valid request for exclusion shall fully release the Released Parties from the Released Claims.

25 B. Additional Claims Released By Class Representative

26 In addition to the Released Claims, upon the Effective Date, the Class Representative will  
27 generally release any and all claims against the Released Parties. This general release of all claims  
28 includes any and all claims arising from the employment relationship with Defendant, or the termination

1 thereof, including, without limitation, claims for discrimination, harassment, or retaliation pursuant to  
2 Title VII of the Civil Rights Act of 1964, 42 U.S.C. Section 2000 *et seq.*, the California Fair Employment  
3 and Housing Act, Cal. Gov't Code Section 12900 *et seq.*, or any claims for violation of public policy.  
4 For the purpose of implementing a full and complete release and discharge of the Released Parties, Class  
5 Representative expressly acknowledges that the release in this Paragraph is intended to include in its  
6 effect, without limitation, all claims she did not know or suspect at the time of execution hereof,  
7 regardless of whether the knowledge of such claims, or the facts upon which they might be based, would  
8 materially have affected the settlement of this matter, and that the consideration given under this  
9 Settlement is also for the release of those claims and contemplates the extinguishment of any such claims.  
10 In furtherance of this Settlement, Class Representative expressly waives all rights provided by California  
11 Civil Code section 1542, or other similar statutes that Class Representative may have against any of the  
12 Released Parties. Section 1542 states:

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

16           This general release and waiver of rights under California Civil Code Section 1542 shall include  
17 any and all claims based on conduct or omissions that occurred at any time prior to the date of final  
18 approval by the Court of this Settlement.

19 **VIII. NOTICE TO CLASS MEMBERS**

20           A.       Within fifteen (15) business days of preliminary approval of the Settlement, Defendant  
21 shall provide the Settlement Administrator with a list containing the names, employee identification  
22 numbers, last known addresses, dates of active employment during the Class Period, and Social Security  
23 numbers of all Class Members ("Class Data"). The Settlement Administrator will calculate the number  
24 of Workweeks during the Class Period based upon the employment data provided by Defendant. This  
25 information is being provided confidentially to the Settlement Administrator only, and the Settlement  
26 Administrator shall treat the information as private and confidential and take all necessary precautions to  
27 maintain the confidentiality of contact information of the Class Members. The Settlement Administrator  
28 shall not share the Class Data with any other Party or counsel for any of the Parties. This information is

1 to be used only to carry out the Settlement Administrator's duties as specified in this Settlement.

2 B. The Settlement Administrator will send a Class Notice to each member of the Class by  
3 First Class U.S. Mail within twenty-one (21) calendar days of receipt of the Class Data. The Parties will  
4 work together in good faith to prepare the Class Notice that will be provided to the Settlement  
5 Administrator.

6 C. No claim form is required for a Settlement Class Member to receive a proportionate share  
7 of the Net Settlement Fund. The Settlement Administrator will calculate and mail an Individual  
8 Settlement Payment to each Settlement Class Member, if and when the Court grants final approval of the  
9 Settlement.

10 D. To provide the best notice practicable, any Class Notice returned to the Settlement  
11 Administrator as non-deliverable with an updated mailing address affixed shall be sent by First Class  
12 U.S. Mail to the forwarding address affixed thereto. If a Class Notice is returned as undeliverable without  
13 a forwarding address affixed thereto, the Settlement Administrator shall attempt to locate a current  
14 mailing address for the Class Member by skip tracing using the Class Member's Social Security Number  
15 and will mail the Class Notice to the updated address identified. If a Class Member cannot be located  
16 within two (2) attempts at mailings by the Settlement Administrator, the Class Notice for that individual  
17 will be deemed undeliverable. However, if the undelivered Class Notice is associated with a currently  
18 employed Class Member, the Settlement Administrator will immediately inform the Parties, and Counsel  
19 for Defendant will then reach out to Defendant to obtain a better address and provide to the Settlement  
20 Administrator for remailing of the Class Notice.

21 E. On the re-mailing of Class Notices by the Settlement Administrator to an updated mailing  
22 address found through skip-tracing or as provided by Class Counsel or the Class Members themselves  
23 the Settlement Administrator shall keep a record of the postmark mailing dates of such re-mailed Class  
24 Notices, and keep track of all undelivered Class Notices.

25 F. The Individual Settlement Payment belonging to a Settlement Class Member whose Class  
26 Notice was undeliverable will be transmitted to the State Controller's Office Unclaimed Property  
27 Division in the name of the Settlement Class Member, pursuant to applicable law. Any Settlement Class  
28 Members whose Individual Settlement Payment is transmitted to the State Controller's Office Unclaimed

Property Division because the Class Notice is undeliverable will be bound by the release of Released Claims in Paragraph VII of this Settlement.

**IX. COMPUTATION AND DISTRIBUTION OF GROSS FUND VALUE**

A. Deposit of Gross Fund Value

1. The Settlement Administrator shall establish a Qualified Settlement Fund pursuant to Section 468B of the Internal Revenue Code and the regulations thereunder for purposes of administering the Settlement. The Settlement Administrator shall furnish the Qualified Settlement Fund with its own Employer ID Number and calculate all settlement checks and payroll deductions and withholdings required under law and file all information returns and reports based on information that will be confidentially furnished by Defendant.

2. Within ten (10) business days after the Effective Date, Defendant shall deposit the Gross Fund Value into the Qualified Settlement Fund.

B. Formula For Calculating Share Of Net Settlement Fund

The portion of the Net Settlement Fund available to pay Individual Settlement Payments to Settlement Class Members shall be determined as follows:

1. The proceeds of the Net Settlement Fund will be distributed to each Settlement Class Member on a *pro rata* basis, based on his or her Workweeks. Each Settlement Class Member's *pro rata* portion shall be determined by dividing the Net Settlement Fund by the total number of Workweeks of all Settlement Class Members to arrive at a value per Workweek. The value per Workweek will be multiplied by the number of Workweeks credited to each Settlement Class Member during the Class Period.

2. Within twenty (20) calendar days after final approval of the Settlement, the Settlement Administrator shall calculate the Individual Settlement Payments to be paid to the Settlement Class Members in accordance with the terms of this Settlement.

3. Defendant's employment records shall be determinative for purposes of calculating the number of Workweeks for each Settlement Class Member and any payments under the Settlement, subject to proof by any Settlement Class Member of additional weeks worked.

1 C. Distribution of Net Settlement Fund

2 1. The Settlement Administrator shall distribute the Individual Settlement Payment  
3 within twenty (20) business days after the Effective Date or as otherwise directed by the Court.

4 2. All Individual Settlement Payment checks will expire after one hundred eighty  
5 (180) days of issuance. Thirty (30) calendar days after mailing the Individual Settlement Payment checks  
6 to Settlement Class Members, the Settlement Administrator will mail a postcard to Settlement Class  
7 Members who have not yet cashed their checks to remind them to do so before the void date. Any  
8 uncashed or undeliverable payments will be transmitted by the Settlement Administrator to the State  
9 Controller's Office, Unclaimed Property Division in the names of the Settlement Class Members. Any  
10 Settlement Class Members whose payment escheats to the State of California because the Class Notice,  
11 or Individual Settlement Payment is undeliverable or uncashed, will be bound by the release of Released  
12 Claims in Paragraph VII of this Settlement.

13 3. The Settlement Administrator shall furnish its own Employer Identification  
14 Number and calculate all Individual Settlement Payment checks and payroll deductions based on  
15 information that will be confidentially furnished by Defendant. The Settlement Administrator will  
16 prepare all necessary tax reporting and documentation with respect to payments made pursuant to this  
17 Agreement. The Settlement Administrator will provide the requisite IRS Forms 1099 and W-2 to  
18 Settlement Class Members. The tax documents shall reflect payment for the year in which payment is  
19 made pursuant to this Settlement.

20 4. One-third (1/3) of each Individual Settlement Payment shall be allocated to  
21 wages, and subject to applicable payroll taxes and withholdings required under federal or state law and  
22 will be reported on an IRS Form W-2. Two-thirds (2/3) of each Individual Settlement Payment (which  
23 includes the portion of the PAGA Payment that will be distributed to Settlement Class Members), shall  
24 be allocated to penalties (37.5% of the two-thirds portion), interest (37.5% of the two-thirds portion),  
25 and other non-wage restitution (25% of the two-thirds portion), and will be reported on an IRS Forms  
26 1099. Individual Settlement Payments will be subject to reduction for the employee's share of taxes and  
27 withholdings on the wages portion.  
28

1           5.       For the portion of the Individual Settlement Payment allocated to wages, the  
2 Settlement Administrator shall be responsible for submitting the appropriate amount of the employees'  
3 and employer's share of payroll taxes and withholdings to the appropriate state and federal tax authorities.

4           6.       None of the payments made pursuant to this Settlement will be considered for  
5 purposes of determining eligibility for, vesting or participation in, calculation of, or contributions to any  
6 welfare or benefit plans, including, without limitation, all plans, subject to ERISA. The Parties agree  
7 that these payments do not represent any modification of any employee's previously-credited hours of  
8 service or other eligibility criteria under any employee pension benefit plan, employee welfare benefit  
9 plan, or other program or policy. These payments also will not be considered wages, compensation, or  
10 annual earnings for benefits in any year for purposes of determining eligibility for, or benefit accrual  
11 within, any employee pension benefit plan, employee welfare benefit plan, or other program or policy.

12       D.       Attorneys' Fees and Costs to Class Counsel

13       Payment of the Court-approved Attorneys' Fees and Costs to Class Counsel shall be distributed  
14 within twenty (20) business days after the Effective Date.

15       E.       Settlement Administration Costs

16       Within twenty (20) business days after the Effective Date, the Settlement Administrator shall  
17 distribute payment to itself of the Court-approved Settlement Administration Costs pursuant to its terms.

18 **X.       OBJECTIONS AND OPTING OUT OF THE SETTLEMENT**

19       A.       Objections To The Settlement

20       1.       Settlement Class Members desiring to object to the Settlement should submit  
21 written objections to the Settlement to the Settlement Administrator by mail using the procedures set  
22 forth in the Class Notice, postmarked no later than forty-five (45) calendar days after the Class Notice is  
23 mailed ("Response Deadline"). For Class Notices that are re-mailed, the Response Deadline will be  
24 extended an additional fifteen (15) calendar days. For an objection to be valid, it must: (a) state the case  
25 name and number of the Action; (b) state the objector's full name, address, telephone number, and last  
26 four digits of his or her Social Security number; (c) clearly state the legal and factual basis for the  
27 objection; (d) state whether the objector intends to appear at the Final Approval Hearing; and (e) be  
28 mailed to the Settlement Administrator at the address provided on the Class Notice, postmarked on or

1 before the Response Deadline. The date of the postmark on the return mailing envelope on the submission  
2 will be the exclusive means to determine whether an objection has been timely submitted.

3 2. Settlement Class Members may also appear at the Final Approval Hearing to  
4 present any objections.

5 B. Requests To Be Excluded From The Settlement

6 1. Class Members who wish to exclude themselves from the Settlement must use the  
7 procedure set forth in the Class Notice. A request for exclusion from the Settlement will be deemed to  
8 be timely if postmarked on or before the Response Deadline. A request for exclusion from the Settlement  
9 must: (a) state the case name and number of the Action; (b) state the Class Member's full name, address,  
10 telephone number, last four digits of his or her Social Security number; (c) contain a clear statement that  
11 the Class Member requests to be excluded from the Settlement; and (d) be mailed to the Settlement  
12 Administrator at the address provided on the Class Notice, postmarked on or before the Response  
13 Deadline. The date of the postmark on the return mailing envelope on the submission will be the exclusive  
14 means to determine whether a request for exclusion has been timely submitted.

15 2. Class Members who timely submit a request for exclusion from the Settlement  
16 may not also submit an objection to the Settlement as the Settlement no longer affects them.

17 3. A Class Member who does not request exclusion from the Settlement will be  
18 deemed a Settlement Class Member and will be bound by all terms of the Settlement Agreement, if the  
19 settlement is granted final approval by the Court.

20 C. Defendant's Right To Revoke Based On Opt-Out Rate

21 Notwithstanding any other provision of this Agreement, Defendant shall retain the right, in the  
22 exercise of its sole discretion, to nullify the Settlement within fifteen (15) calendar days after the  
23 Response Deadline if eight percent (8%) or more of the Class Members timely opt out of this Settlement.  
24 Defendant must exercise this right of rescission in writing that is provided to Class Counsel. If Defendant  
25 exercises this option, Defendant shall pay any Settlement Administration Costs owed to the Settlement  
26 Administrator incurred up to that date.

27 ///

28 ///

1           D.     Disputes Regarding Workweeks

2           Class Members will have an opportunity to dispute the number of Workweeks to which they have  
3 been credited, as reflected in their respective Class Notices. In order to dispute Workweeks, Class  
4 Members must submit a written letter to the Settlement Administrator that: (a) contains the case name  
5 and number of the Action, (b) is signed by the Class Member, (c) contains the full name, address,  
6 telephone number, and the last four digits of the Social Security number of the disputing Class Member,  
7 (d) clearly states that the Class Member disputes the number of Workweeks credited to him or her and  
8 what he or she contends is the correct number to be credited to him or her, (e) includes information and/or  
9 attaches documentation demonstrating that the number of Workweeks that he or she contends should be  
10 credited to him or her are correct, and (f) is returned to the Settlement Administrator by mail at the  
11 specified address, postmarked on or before the Response Deadline. The date of the postmark on the  
12 return mailing envelope on the submission will be the exclusive means to determine whether a dispute  
13 has been timely submitted. Absent evidence rebutting the accuracy of Defendant's records and data as  
14 they pertain to the number of Workweeks to be credited to a disputing Class Member, Defendant's  
15 records will be presumed correct and determinative of the dispute. However, if a Class Member produces  
16 information and/or documents to the contrary, the Settlement Administrator will evaluate the materials  
17 submitted by the Class Member and the Settlement Administrator will resolve and determine the number  
18 of eligible Workweeks that the disputing Class Member should be credited with under the Settlement.  
19 The Settlement Administrator's decision on such disputes will be final and non-appealable.

20 **XI.     SCHEDULE FOR SEEKING COURT APPROVAL AND FAIRNESS HEARING**

21           The following procedures for obtaining the Court's approval shall be implemented with respect  
22 to the Settlement, notifying the Class, and processing all benefits provided under this Settlement:

23           A.     Stay Of All Litigation

24           Pending preliminary and final approval of the Settlement, the Parties agree that there will be a  
25 stay of all litigation activity.

26           B.     Request For Court Approval

27           Class Counsel will prepare and file a motion for preliminary approval of the Settlement, and share  
28 a draft of this motion and the motion for final approval with Defense Counsel sufficiently prior to filing

so that Defense Counsel has time to provide Class Counsel with comments. Class Counsel shall seriously consider in good faith Defense Counsel's comments prior to filing either motion.

C. Duties of the Parties Following Final Court Approval

Following final approval of the Settlement, Class Counsel will submit a [proposed] Final Approval Order and Judgment that is mutually agreeable to the Parties approving the Settlement, adjudicating the terms thereof to be fair, reasonable and adequate, directing consummation of all terms and provisions in this Settlement and without affecting the finality of the Final Approval Order and Judgment, allowing the Court to retain jurisdiction of all matters relating to the interpretation, administration, implementation, effectuation and enforcement of the Final Approval Order and the Settlement Agreement.

**XII. MISCELLANEOUS PROVISIONS**

A. Tax Treatment And Tax Indemnification

Defendant is not giving any tax advice in connection with the Settlement or any payments to be made pursuant to this Settlement. Settlement Class Members will be responsible for correctly characterizing the Individual Settlement Payments for tax purposes and paying taxes due, if any.

B. Mutual Full Cooperation

1. Class Representative, Defendant, Class Counsel and Defense Counsel agree to fully cooperate with each other to accomplish the terms of this Settlement, including, but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms herein. The Parties agree to use their best efforts and any other efforts that may become necessary by Order of the Court, or otherwise, to effectuate the terms of this Settlement.

C. Parties' Authority

Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and

1 agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms,  
2 notwithstanding any mediation confidentiality provisions that otherwise might apply under state or  
3 federal law.

4 D. Signatories

5 It is agreed that because the members of the Class are so numerous, it is impossible or impractical  
6 to have each Settlement Class Member execute this Settlement Agreement. The Class Notice will advise  
7 all Class Members of the binding nature of the release as to the Settlement Class Members, and the release  
8 shall have the same force and effect as if this Settlement Agreement were executed by each Settlement  
9 Class Member.

10 E. Binding Nature of the Settlement

11 1. This Settlement shall be binding upon, and inure to the benefit of, the successors  
12 or assigns of the Released Parties. Class Representative represents, covenants, and warrants that she has  
13 not directly or indirectly, assigned, transferred, encumbered, any of the Released Claims.

14 2. This Settlement shall be admissible and subject to disclosure in any proceeding to  
15 enforce its terms, notwithstanding the mediation confidentiality provisions that otherwise might apply  
16 under federal or state law. Notwithstanding the foregoing, this Settlement may not be admitted into  
17 evidence or used in any proceeding except an action, motion or proceeding to approve, interpret or  
18 enforce the terms of this Settlement.

19 3. This Settlement may be amended or modified only by a written instrument signed  
20 by Class Counsel and Defense Counsel. No rights under this Settlement may be waived except in writing.

21 F. Joint Drafting of Settlement Documents

22 1. Class Counsel and Defense Counsel have arrived at this Settlement as a result of  
23 a series of informed and arm's-length negotiations, taking into account all relevant factors, present and  
24 potential.

25 2. This Settlement has been drafted jointly by Class Counsel and Defense Counsel  
26 and, therefore, in any construction or interpretation of this Settlement, the same shall not be construed  
27 against any of the Parties.

1                   3.       The Class Representative and Class Counsel agree that none of the documents  
2 provided to them by Defendant shall be used for any purpose other than the prosecution and Settlement  
3 of this Action.

4           G.       Execution of the Settlement

5           This Settlement may be executed in one or more counterparts and by facsimile and email. All  
6 executed copies of this Settlement, including facsimile, electronic, and scanned copies of the signature  
7 page, and photocopies thereof shall have the same force and effect and shall be as legally binding and  
8 enforceable as the original.

9           H.       Continuing Jurisdiction

10          The Court shall retain jurisdiction over the implementation of this Settlement as well as any and  
11 all matters arising out of, or related to, the implementation of this Settlement. The Court shall not have  
12 jurisdiction to modify the terms of the Settlement without the consent of all of the Parties.

13          I.       No Undue Publicity

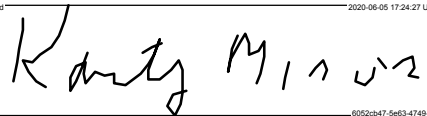
14          Neither the Plaintiff nor Class Counsel shall publicize, or cause to be publicized, directly or  
15 indirectly, the discussions resulting in this Settlement or its terms, in any type of mass media, including,  
16 but not limited to, speeches, press conferences, press releases, interviews, television or radio broadcasts,  
17 newspapers, messages on the Internet, Facebook, Twitter or any other social media, Class Counsel's or  
18 any other website. Breach of this provision shall entitle Defendant, in the exercise of its sole discretion,  
19 to nullify the Settlement at any time before final approval by the Court. Without limitation by the  
20 foregoing, Defendant also may enforce this provision through an action for injunctive relief. Plaintiff  
21 waives any obligation by Defendant to file a bond in connection with any such action. Notwithstanding  
22 the foregoing, nothing in this Settlement Agreement shall restrict Class Counsel from disclosing and  
23 including all publicly available information regarding this case and the Settlement in any documents filed  
24 with any court and/or judicial submissions (e.g., CV's, declarations regarding adequacy or experience,  
25 etc.). Nothing in this Agreement shall restrict Defendant from making securities-related disclosures.

26          J.       Choice of Law

27          This contract shall be governed and construed in accordance with the laws of the State of  
28 California.

1 DATED: June <sup>Jun</sup> \_\_\_, 2020

CLASS REPRESENTATIVE, ON BEHALF OF  
HERSELF AND THE CLASS

2  
3 By:  Electronically Signed 2020-06-05 17:24:27 UTC - 172.116.24.255  
AssureSign® 6052cb47-5e63-4749-aefb-ab0014cc312

Kristy Minor

4  
5 DATED: June \_\_\_, 2020

HSNI, LLP

6  
7 By: \_\_\_\_\_

8 Name: \_\_\_\_\_

9 Position: \_\_\_\_\_

10 **APPROVED AS TO FORM:**

11 DATED: June \_\_\_, 2020

SEYFARTH SHAW LLP

12  
13 By: \_\_\_\_\_

14 Timothy L. Hix

Attorneys for Defendant, HSNI, LLC

15 DATED: June 8, 2020

LAWYERS *FOR* JUSTICE, PC

16  
17 By:  \_\_\_\_\_

18 Edwin Aiwanian

Attorneys for Plaintiff, KRISTY MINOR

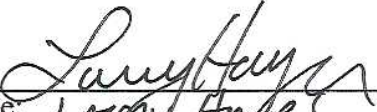
1 DATED: June \_\_, 2020

CLASS REPRESENTATIVE, ON BEHALF OF  
HERSELF AND THE CLASS

2  
3 By: \_\_\_\_\_  
4 Kristy Minor

5 DATED: June 1, 2020

HSNI, ~~LLP~~ LLC

6  
7 By:   
8 Name: Larry Hayes  
9 Position: Executive Vice President

10 APPROVED AS TO FORM:

11 DATED: June \_\_, 2020

SEYFARTH SHAW LLP

12  
13 By:   
14 Timothy L. Hix  
Attorneys for Defendant, HSNI, LLC

15 DATED: June \_\_, 2020

LAWYERS FOR JUSTICE, PC

16  
17 By: \_\_\_\_\_  
18 Edwin Aiwarzian  
19 Attorneys for Plaintiff, KRISTY MINOR

## Exhibit A

## **NOTICE OF CLASS ACTION SETTLEMENT**

***Kristy Minor v. HSNI, LLC***

**Superior Court of California for the County of San Bernardino, Case No. CIVDS1910946**

### **PLEASE READ THIS NOTICE CAREFULLY.**

**You have received this Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.**

**You do not need to take any action to receive a settlement payment.**

**This Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the settlement, object to the settlement, and/or dispute the number of Workweeks that you are credited with, if you so choose.**

**YOU ARE NOTIFIED THAT:** A class and representative action settlement has been reached between Plaintiff Kristy Minor ("Plaintiff") and Defendant HSNI, LLC ("Defendant") (Plaintiff and Defendant are collectively referred to as the "Parties") in the case entitled *Kristy Minor v. HSNI, LLC*, San Bernardino County Superior Court, Case No. CIVDS1910946 ("Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

### **I. IMPORTANT DEFINITIONS**

**"Class"** means all current and former non-exempt or hourly-paid employees who worked for Defendant in California at any time during the Class Period.

**"Class Member"** means a member of the Class.

**"Class Period"** means the time period from April 10, 2015 through April 10, 2020.

### **II. BACKGROUND OF THE ACTION**

On April 10, 2019, Kristy Minor commenced the Action by filing the Class Action Complaint for Damages in the San Bernardino County Superior Court. On June 23, 2020, Plaintiff filed the Second Amended Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. ("Operative Complaint"), adding a cause of action under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* ("PAGA"). Plaintiff alleges that Defendant failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated waiting-time penalties, provide accurate wage statements, keep requisite payroll records, and reimburse business expenses, and thereby engaged in unfair business practices and conduct that gives rise to penalties under PAGA. Plaintiff seeks, among other things, recovery of unpaid wages and meal and rest period premiums, restitution, penalties, interest, and attorneys' fees and costs.

Defendant denies all of the allegations in the Action or that it violated any law.

The Parties participated in a full-day mediation session with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into the Class Action and PAGA Settlement ("Settlement" or "Settlement Agreement").

On [date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Simpluris, Inc. as the administrator of the Settlement ("Settlement Administrator"), Plaintiff Kristy Minor as representative of the Class ("Class Representative"), and the following Plaintiff's attorneys as counsel for the Class ("Class Counsel"):

Edwin Aiwarzian  
Arby Aiwarzian  
Joanna Ghosh  
**Lawyers for Justice, PC**  
410 West Arden Avenue, Suite 203  
Glendale, California 91203  
Telephone: (818) 265-1020 / Fax: (818) 265-1021

If you are a Class Member, you do not need to take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Settlement (in which case you will not receive an Individual Settlement Payment), object to the Settlement, and/or dispute the Workweeks credited to you, if you so choose, as explained more fully in Section III below.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that the claims in the Action have merit or that Defendant has any liability to Plaintiff or to Class Members. Plaintiff and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of Class Members. The Court has made no ruling on the merits of the Class Members' claims and has determined only that certification of the Class for settlement purposes is appropriate under California law.

### **III. SUMMARY OF THE PROPOSED SETTLEMENT**

#### **A. Settlement Formula**

The total gross settlement amount is One Million One Hundred Thousand Dollars (\$1,100,000) (the "Gross Fund Value"). The portion of the Gross Fund Value that is available for payment to Class Members is referred to as the "Net Settlement Fund." The Net Settlement Fund will be the Gross Fund Value less the following payments which are subject to approval by the Court: (1) Attorneys' Fees and Costs, consisting of attorneys' fees in an amount not to exceed one-third (1/3) of the Gross Fund Value (i.e., \$366,666.67) and reimbursement of litigation costs and expenses in an amount not to exceed Thirty Thousand Dollars (\$30,000) to Class Counsel; (2) Service Payment in an amount not to exceed Ten Thousand Dollars (\$10,000) to Plaintiff for her services in the Action; (3) payment to the California Labor and Workforce Development Agency ("LWDA") in the amount of Fifteen Thousand Dollars (\$15,000) for its 75% portion of the PAGA Payment ("LWDA Payment"); (4) Settlement Administration Costs in an amount not to exceed Nine Thousand Dollars (\$9,000) to the Settlement Administrator; and (5) the employer's portion of payroll taxes on the wage portion of Individual Settlement Payments ("Employer Taxes"), estimated to be \$ [REDACTED]. Note: a total of Twenty Thousand Dollars (\$20,000) from the Gross Fund Value has been allocated toward penalties under the Private Attorneys General Act ("PAGA Payment"), of which the LWDA will be paid 75% and the remaining 25% (i.e., Five Thousand Dollars (\$5,000)) will be a part of the Net Settlement Fund for distribution to Settlement Class Members.

Class Members are eligible to receive payment under the Settlement of their share of the Net Settlement Fund ("Individual Settlement Payment") based on the number of workweeks during the Class Period in which the Class Member worked at least one (1) day ("Workweeks").

The Settlement Administrator has divided the Net Settlement Fund by the total number of Workweeks of all Class Members to arrive at a value per Workweek, and multiplied each Class Member's individual Workweeks by the value per Workweek to yield his or her estimated gross Individual Settlement Payment that he or she may be eligible to receive under the Settlement (which is listed in Section III.C below). Class Members who do not submit a valid and timely request for exclusion from the Settlement ("Settlement Class Members") will be issued payment of their final Individual Settlement Payment.

Each Individual Settlement Payment will be allocated as one-third (1/3) wages which will be reported on an IRS Form W2 and two-thirds (2/3) penalties, interest, and other non-wage restitution which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Payment will be subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of Individual Settlement Payments.

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members at the address that is on file with the Settlement Administrator. **If the address to which this Notice was mailed**

is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.

**B. Your Workweeks Based on Defendant's Records**

According to Defendant's records:

**From April 10, 2015 to April 10, 2020, you worked for Defendant as a non-exempt or hourly-paid employee in California for [REDACTED] Workweeks.**

If you wish to dispute the Workweeks credited to you, you must submit your dispute by way of written letter that is sent to the Settlement Administrator. The written letter must: (a) contain the case name and number of the Action (*Kristy Minor v. HSNL, LLC*, Case No. CIVDS1910946); (b) be signed by you; (c) contain your full name, address, telephone number, and the last four digits of your Social Security Number; (d) clearly state that you dispute the number of Workweeks credited to you and what you contend is the correct number to be credited to you; (e) include information and/or attach documentation demonstrating that the number of Workweeks that you contend should be credited to you is correct; and (f) be returned by mail to the Settlement Administrator at the address specified in Section IV.B below, postmarked **no later than [the Response Deadline]**.

**C. Your Estimated Individual Settlement Payment**

As explained above, your estimated Individual Settlement Payment is based on the number of Workweeks credited to you.

**Under the terms of the Settlement, your Individual Settlement Payment is estimated to be \$ [REDACTED]. The Individual Settlement Payment is subject to reduction for the employee's share of taxes and withholding with respect to the wages portion of the Individual Settlement Payment and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.**

The settlement approval process may take multiple months. Your Individual Settlement Payment reflected in this Notice is only an estimate. Your actual Individual Settlement Payment may be higher or lower.

**D. Release of Claims**

Upon the Effective Date (the date on which both of the following have occurred: (i) final approval of the Settlement is granted by the Superior Court of California for the County of San Bernardino or other court assuming jurisdiction of this matter; and (ii) the Court's Judgment approving the Settlement becomes Final), Plaintiff and all Class Members who do not submit a valid and timely request for exclusion (i.e., Settlement Class Members) will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Claims.

"Released Claims" means any and all claims, debts, liabilities, demands, obligations, liquidated damages, penalties, interest, wages, compensation, premium pay, guarantees, costs, expenses, attorney's fees, damages, actions or causes of action of whatever kind or nature, under any legal theory under federal and state law that are based on claims set forth in the Operative Complaint for the Class Period, as well as any and all claims and allegations that were or could have been raised in this Action, including claims raised under the applicable IWC Wage Orders and California Labor Code, including sections 201, 202, 203, 204, 226, 226.3, 226.7, 510, 512, 558, 1174, 1194, 1197, 1197.1, 1198, 2800, and 2802 as well as claims under the California Unfair Competition Law, Business and Professions Code section 17200 *et seq.*, and the Private Attorney Generals Act, California Labor Code section 2698 *et seq.*

"Released Parties" means Defendant, and all of its former or present parents, subsidiaries, affiliates, joint ventures, partners, officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors and assigns, shareholders, profit sharing, savings, health, and other employee benefit plans of any nature, the successors of such plans, and those plans' respective current or former trustees and administrators, agents, employees, fiduciaries, and the predecessors and successors, legal representatives of all such entities and individuals, and any other person acting by through, under or in concert with any of them.

**E. Attorneys' Fees and Costs to Class Counsel**

Class Counsel will seek attorneys' fees in an amount of up to one-third (1/3) of the Gross Fund Value (i.e., an amount of up

to \$366,666.67) and reimbursement of litigation costs and expenses in an amount of up to Thirty Thousand Dollars (\$30,000) (collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. All Attorneys’ Fees and Costs awarded by the Court will be paid from the Gross Fund Value. Class Counsel has been prosecuting the Action on behalf of Plaintiff and Class Members on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

**F. Service Payment to Plaintiff**

Plaintiff will seek the amount of Ten Thousand Dollars (\$10,000) (“Service Payment”), in recognition of her services in connection with the Action. The Service Payment will be paid from the Gross Fund Value, subject to approval by the Court, and if awarded, will be paid to Plaintiff in addition to her Individual Settlement Payment that she is entitled to under the Settlement.

**G. Settlement Administration Costs to Settlement Administrator**

Payment to the Settlement Administrator is estimated not to exceed Nine Thousand Dollars (\$9,000) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing requests for exclusion from the Settlement, objections to the Settlement, and disputes regarding Workweeks, calculating Individual Settlement Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Fund Value, subject to approval by the Court.

**IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?**

**A. Participate in the Settlement**

**If you want to participate in the Settlement and receive money from the Settlement, you do not have to do anything.** You will automatically be included in the Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Settlement.

Unless you elect to exclude yourself from the Settlement, you will be bound by the terms of the Settlement and any judgment that may be entered by the Court based thereon, and you will release the claims described in Section III.D above. As a Class Member, you will not be separately responsible for the payment of attorney’s fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney’s fees and expenses.

**B. Request Exclusion from the Settlement**

If you do not wish to participate in the Settlement, you must seek exclusion from the Settlement by submitting a written request for exclusion to the Settlement Administrator.

A Request for Exclusion must: (a) contain the case name and number of the Action (*Kristy Minor v. HSNI, LLC*, Case No. CIVDS1910946); (b) contain your full name, address, telephone number, and last four digits of your Social Security Number; (c) contain a statement clearly indicating that you do not wish to be included in the Settlement; and (d) be mailed to the Settlement Administrator, postmarked **no later than [Response Deadline]**, at the following mailing address:

[Settlement Administrator]

[Mailing Address]

[Fax Number]

If the Court grants final approval of the Settlement, any Class Member who submits a valid and timely request for exclusion will not be entitled to receive any payment from the Settlement, will not be bound by the Settlement (and the release of claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Settlement. Any Class Members who do not submit a valid and timely request for exclusion will be deemed Settlement Class Members and will be bound by all terms of the Settlement, including those pertaining to the release of claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon.

**C. Object to the Settlement**

You can object to the terms of the Settlement as long as you have not submitted a request for exclusion from the Settlement,

by submitting a written objection to the Settlement Administrator or appearing at the Final Approval Hearing.

An objection must: (a) contain the case name and number of the Action (*Kristy Minor v. HSNI, LLC*, Case No. CIVDS1910946); (b) contain your full name, address, telephone number, and last four digits of your Social Security number; (c) clearly state the legal and factual basis for the objection; (d) state whether you intend to appear at the Final Approval Hearing; and (e) be mailed to the Settlement Administrator at the address listed in Section IV.B above, postmarked **no later than [Response Deadline]**.

## **V. FINAL APPROVAL HEARING**

The Court will hold a Final Approval Hearing in Department S26 of the San Bernardino County Superior Court, located at San Bernardino Justice Center, 247 West Third Street, San Bernardino, California 92415, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and award Attorneys' Fees and Costs to Class Counsel, Service Payment to Plaintiff, and Settlement Administration Costs to the Settlement Administrator.

The hearing may be continued without further notice to Class Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

## **VI. ADDITIONAL INFORMATION**

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

You may view the Settlement Agreement and other court records in the Action for a fee by visiting the civil clerk's office, located at 247 West Third Street, San Bernardino, California 92415, during business hours, or by online by visiting the following website: <https://www.sb-court.org/divisions/civil-general-information/court-case-information-and-document-sales>, clicking "Accept (Civil)," clicking "Civil, Fam law, Sm Cl, Probate," clicking "Case Number Search," selecting "CIV" as the Case Type and typing in the Court Case Number "DS1910946."

**PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.**

**IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: **[INSERT]**, OR YOU MAY ALSO CONTACT CLASS COUNSEL.**