

AMENDMENT #1 TO JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

Plaintiff Christine Rose (“Plaintiff”), and Defendant Impact Group, LLC (“Defendant”) hereby enter into this Amendment #1 (“Amendment #1”) to the Joint Stipulation of Class Action and PAGA Settlement and Release (“Agreement”). Plaintiff and Defendant collectively are referred to in this Agreement as the “Parties.” The Parties hereby amend and revise the following portions of the Agreement:

Definitions; Section 20. “Notice of Objection” means a Class Member’s valid and timely submission of a written objection to the Settlement or oral objection by a Class Member at the Final Approval Hearing. A Class Member may object orally at the Final Approval regardless of whether he or she submitted a written Notice of Objection. A written objection should include: (a) the objector’s full name, signature, address, telephone number, and the last four digits of his/her Social Security number, (b) a written statement of all grounds for the objection accompanied by any legal support for such objection, and (c) copies of any papers, briefs, or other documents upon which the objection is based. At no time shall any of the Parties, Class Counsel, or Defense Counsel seek to solicit or otherwise encourage or discourage Class Members from submitting, in writing or orally, a Notice of Objection or filing an appeal from the Final Order and Judgment. Non-Participating Class Members (*i.e.*, Class Members who submit valid Requests for Exclusion) may not submit an Objection to the Settlement. If a Class Member submits both a Request for Exclusion and an Objection, the Objection shall be ignored and the Request for Exclusion will be deemed controlling.

Definitions; Section 39. “Settlement Notice” means the Notice of Class Action Settlement, substantially in the form attached as **Exhibit 1 to this Amendment #1**, which shall be subject to Court approval and which the Settlement Administrator shall mail to each Class Member containing: (i) information regarding the nature of the Action; (ii) a summary of the Settlement’s principal terms; (iii) the Class definitions; (iv) the total number of Workweeks the respective Class Member worked for Defendant (according to Defendant’s best available records, and as further set forth in the definition of “Workweeks” herein); (v) the Class Member’s estimated Individual Settlement Award and the formula for calculating Individual Settlement Awards; (vi) the dates which comprise the Class Periods; (vii) instructions on how to submit disputes regarding Workweeks, Requests for Exclusion, and/or Notices of Objection; (viii) the Response Deadline; and (ix) the claims to be released pursuant to the Settlement of the Action.

Definitions; Section 41 “Workweek Dispute” means a written statement that a Class Member disputes the number of Workweeks, as defined herein, listed on his/her Settlement Notice. Any such Workweek Dispute must be e-mailed, faxed or mailed to the Settlement Administrator by the Response Deadline. The date of the e-mail, fax, or postmark on the mailing envelope will be the exclusive means to determine whether a Workweek Dispute has been timely submitted. A valid Workweek Dispute must be in writing and should contain: (i) the Class Member’s full name, signature, address, telephone number, and the last four digits of his/her Social Security number; (ii) the number of Workweeks the Class Member contends is correct; and (iii) any evidence supporting his/her contention. The dates of employment identified for each Class Member in the applicable Class Lists and the number of Workweeks for each Class Member as

defined herein will be presumed to be correct, unless a particular Class Member proves otherwise to the Settlement Administrator by credible evidence. The Settlement Administrator together with the Parties will attempt to resolve all Workweek Disputes. Any unresolved Workweek Disputes shall be decided by the Court.

Section 53 Settlement Administration

iii. Determination of Individual Settlement Awards and Individual PAGA Payments. The Settlement Administrator shall determine the eligibility for, and the amounts of, each Individual Settlement Award and Individual PAGA Payment under the terms of this Stipulation of Settlement, based on the Workweek information as provided by Defendant and defined above. The Settlement Administrator and the Parties will attempt to resolve any disputes concerning the eligibility for and amount of each Individual Settlement Award and Individual PAGA Payment.

iv. Disputes Regarding Administration of Settlement. Any dispute not resolved by the Settlement Administrator and the Parties concerning the administration of the Settlement, including the eligibility for and amount of each Individual Settlement Award and Individual PAGA Payment, shall be resolved by the Court.

Section 54 Funding and Allocation of the Gross Settlement Amount

a. Payment to the Class Members

- i. Individual Settlement Award: From the Net Settlement Amount, the Settlement Administrator will calculate each Individual Settlement Award by dividing the Net Settlement Amount by the total number of Workweeks resulting in the Workweek Value and then multiplying the Workweek Value by the number of Workweeks worked by each Class Member, as defined above. All Class Members will be entitled to payment for at least one Workweek. The Settlement Administrator will also calculate the amount to be paid per Workweek, and the Individual Settlement Awards to eligible Class Members. The Settlement Administrator together with the Parties will attempt to resolve all Workweek Disputes. Any unresolved Workweek Disputes shall be decided by the Court..
- ii. [unchanged]
- iii. Each Participating Class Member, PAGA Member, and PAGA Participating Member's Individual Settlement Award and Individual PAGA Payment shall be calculated solely by the Settlement Administrator using Defendant's Workweek data. Defendant's Workweek data will be presumed to be correct, unless a particular Class Member proves otherwise to the Settlement Administrator by credible evidence. The Settlement Administrator together with the Parties will attempt to resolve all Workweek Disputes w. Any unresolved Workweek Disputes shall be decided by the Court.

Section 60 Duties of the Parties Following Final Approval. Following final approval by the Court of the Settlement provided for in this Settlement Agreement, Class Counsel will submit a proposed Final Order of Approval and Judgment:

e. Entering judgment in this Action.

The Parties and their counsel hereby execute this Amendment #1:

Dated: _____ Christine Rose	Dated: <u>Jan. 5, 2022</u> <i>Todd C Johnson</i> Impact Group, LLC Authorized Representative
Dated: _____ By: _____ Zakay Law Group, APLC Shani O. Zakay Attorney for Plaintiff	Dated: <u>Jan. 5, 2022</u> By:  Littler Mendelson, PC Alaya B. Meyers Tracy R. Williams Attorneys for Defendant
Dated: _____ By: _____ Aegis Law Firm, PC Jessica Campbell Attorney for Plaintiff	Dated: _____ By: _____ Blumenthal Nordrehaug Bhowmik De Blouw, LLP Norman Blumenthal Attorney for Plaintiff

Section 60 Duties of the Parties Following Final Approval. Following final approval by the Court of the Settlement provided for in this Settlement Agreement, Class Counsel will submit a proposed Final Order of Approval and Judgment:

e. Entering judgment in this Action.

The Parties and their counsel hereby execute this Amendment #1:

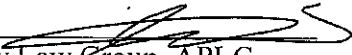
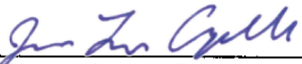
Dated: <u>12/26/21</u>  Christine Rose	Dated: _____ _____ Impact Group, LLC Authorized Representative
Dated: <u>12/26/21</u> By:  Zakay Law Group, APLC Shani O. Zakay Attorney for Plaintiff	Dated: _____ By: _____ Littler Mendelson, PC Alaya B. Meyers Tracy R. Williams Attorneys for Defendant
Dated: <u>12/29/2021</u> By:  Aegis Law Firm, PC Jessica Campbell Attorney for Plaintiff	Dated: <u>12/27/21</u>  By: _____ Blumenthal Nordrehaug Bhowmik De Blouw, LLP Norman Blumenthal Attorney for Plaintiff

EXHIBIT 1

NOTICE OF CLASS ACTION SETTLEMENT

Christine Rose v. Impact Group, LLC
Superior Court of California – County of Orange
Lead Case No. 30-2020-01141107-CU-OE-CXC
Related Case No. 30-2020-01166291-CU-OE-CXC

**IF YOU WERE EMPLOYED BY IMPACT GROUP, LLC IN CALIFORNIA IN A
NON-EXEMPT, HOURLY-PAID POSITION AT ANY TIME FROM MAY 27, 2016
THROUGH JUNE 13, 2021**

**YOU ARE ENTITLED TO RECEIVE MONEY FROM A CLASS AND
REPRESENTATIVE ACTION SETTLEMENT**

The Court approved this notice. This is not an advertisement.

You are not being sued. However, your legal rights are affected whether you act or not.

PLEASE READ THIS NOTICE.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
INCLUDE THE FOLLOWING:	
DO NOTHING	You will receive a payment from the Settlement. No action is required for you to receive a share of this Settlement.
EXCLUDE YOURSELF	<u>You will not receive a payment from the Settlement.</u> ¹
OBJECT	If you choose, you may object to this Settlement. The Court may or may not agree with your objection. Objecting to the Settlement will not exclude you from receiving a portion of the Settlement.

WHAT IS IN THIS NOTICE

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¹ Regardless of whether you exclude yourself from the Settlement, if you were employed by Impact Group, LLC during the PAGA Period (April 15, 2019 through June 13, 2021) then you will still receive a portion of the settlement for release of the penalty claim pursuant to the Private Attorneys General Act, Labor Code sections 2698-2699.6 (“PAGA”).

1. *Why Should You Read This Notice?*

You have received this Notice because records indicate that you are a member of the settlement class settled in this action.

The settlement class is comprised of all persons employed by Impact Group, LLC in California in a non-exempt, hourly-paid position at any time from May 27, 2016 through June 13, 2021.

This Notice tells you of your rights to participate in, and share in, the Settlement. There was a Preliminary Approval hearing on XXX XX, 2021, at a.m./p.m., in the Orange County Superior Court. Judge Randall J. Sherman determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate and reasonable and that a final determination of the issues will be made at the final approval hearing. Judge Sherman also ordered that you receive this Notice.

The Court will hold a Final Approval Hearing concerning the proposed Settlement on , 2021, at a.m./p.m. in Department CX105, of the Orange County Superior Court – Complex Division located at 751 W. Santa Ana Blvd., Santa Ana, CA 92701. The Final Approval Hearing may be continued to another date without further notice.

2. *What is the Class Action Settlement?*

The Court must approve the terms of the Settlement described herein as fair, adequate, and reasonable to the Class Members. The Settlement will affect all members of the class. You may get money from the Class and Representative Action Settlement. This Notice will explain the terms of the Settlement and the amount of money you may receive under the Settlement.

3. *What Is the Case About?*

Plaintiff Christine Rose, who is also acting as the Class Representative (“Plaintiff”), alleges that Impact Group, LLC (“Impact”) violated the California Labor Code by: (i) failing to pay all minimum wages; (ii) failing to pay overtime wages at the appropriate overtime pay rate; (iii) failing to provide all meal periods and payments for violations; (iv) failing to provide all paid rest breaks and payments for violations; (v) failing to timely furnish accurate itemized wage statements; (vi) failing to timely pay all former employees all wages owed; (vii) failing to reimburse employees for required expenses; and (viii) Unfair Business Practices related to the California Labor Code violations covered by this release. Plaintiff also seeks civil penalties under the Private Attorneys General Act (“PAGA”) as set forth in Labor Code sections 2698-2699.6, which allows a private citizen to pursue civil penalties on behalf of the State of California Labor Workforce Development Agency (“LWDA”) related only to the above Released Claims.

Impact denies the allegations raised in the lawsuit. Impact believes that it has no liability for any of Plaintiff’s or the Class Members’ claims under any statute, wage order, common law, or equitable theory.

The Parties reached a Settlement subject to Court approval as represented in the Joint Stipulation of Class Action and PAGA Settlement and Release (the “Settlement” or “Settlement Agreement”). Class Counsel believes that the Settlement is fair, reasonable, and adequate, and that it is in the best interests of Class Members. Likewise, Impact has decided that settlement is favorable because it avoids the time, risk, and expense of a lengthy lawsuit, and settlement immediately resolves, finally and completely, the pending and potential claims. By settling this lawsuit, Impact does not admit, concede, or imply that it has done anything wrong or unlawful – and, in fact, Impact expressly denies that it has engaged in any wrongdoing.

4. *How Much Can I Expect to Receive?*

Impact will pay a total sum of \$600,000.00 (“Gross Settlement Amount”), which includes all settlement payments to Class Members, attorneys’ fees and costs, costs of administering the Settlement, a payment to the LWDA under PAGA, and the Class Representative’s Payment.

Each Participating Class Member, as defined in the Settlement Agreement, will receive approximately \$ [REDACTED] for each Workweek worked in the Class Period. Workweek is defined in the Settlement as any regular workweek in which you worked on at least one calendar day. To the extent Impact does not have information about weeks worked readily available due to gaps in its electronic or paper time records, Impact shall use its best available information, including extrapolations where necessary, to compute the Workweeks.

Class Members: Impact’s records indicate that you worked approximately [REDACTED] Workweeks as a Class Member during the Class Period. Based on these records, your estimated payment as a Participating Class Member would be \$ [REDACTED].

PAGA Members: Impact’s records indicate that you worked approximately [REDACTED] Workweeks as a PAGA Member during the PAGA Period. Based on these records, your estimated payment as a Participating PAGA Member would be \$ [REDACTED].

It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your payment under the Settlement.

5. *Why Did Impact Join in This Notice?*

Impact does not admit any claim alleged in the lawsuit and denies that it owes money for any of the claims in this matter. Impact is settling the lawsuit as a compromise. Impact reserves the right to object to and defend itself against any claim if, for any reason, the Settlement fails. The Court file has the Settlement documents with more information on the lawsuit.

6. *Who Is the Plaintiff in This Class Action?*

Christine Rose is the Plaintiff and Class Representative in this Class Action lawsuit. She is acting on behalf of herself and on behalf of other members of the class.

7. *Who Are the Attorneys Representing the Parties?*

Class Counsel

Shani O. Zakay, Esq.
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3990 Old Town Avenue, Ste. C204
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8. *What are my Rights? How Will My Rights Be Affected?*

Class Counsel, appointed and approved by the Court for Settlement purposes only, will represent you.

Participating in the Settlement

Under the Settlement, you will **automatically** receive a settlement payment unless you opt-out by following the opt-out procedure set forth below.

This Notice of Settlement states the total number of Workweeks you worked for Impact during the Class Period (as described above). Your individual settlement payment as a Class Member will be based on that number. If you believe the Workweek information on this Notice is correct, then you do not need to take any further action to receive your settlement payment.

If you believe the Workweek information shown above is incorrect, you must submit a written workweek dispute stating why you believe the listed Workweeks are not correct. The workweek dispute must be e-mailed, mailed, or faxed to the Settlement Administrator (whose address is listed below) and must be postmarked or transmitted no later than [REDACTED], 2021. You should submit to the Settlement Administrator documentation to support the number of Workweeks you believe you worked during the Class Period. If there is a dispute about the Workweeks you worked, the Settlement Administrator together with the Parties will attempt to resolve the dispute. Any unresolved Workweek Disputes shall be decided by the Court.

If you are a current employee of Impact, your decision as to whether or not to participate in this Settlement will not affect or in any way impact your employment, and Impact will not retaliate against you in any way for choosing to participate in the Settlement.

Objecting to the Settlement

If you wish to Object to the Settlement, you may submit a written Objection stating why you object to the Settlement. A written Objection must be signed by you and include your full name, address, telephone number, and last four digits of your Social Security number. A written Objection must be e-mailed, mailed or faxed to the Settlement Administrator (whose address is listed below) and must be postmarked or transmitted no later than [REDACTED], 2021. Late written Objections will not be considered.

You may instead, if you wish, appear at the Final Approval Hearing and discuss your objections with the Court and the Parties, regardless of whether you submitted an objection in writing. The Final Approval Hearing may be continued to another date without further notice.

IF YOU OBJECT TO THE SETTLEMENT, YOU WILL STILL RECEIVE YOUR SHARE OF THE SETTLEMENT IF THE COURT APPROVES THE SETTLEMENT.

Opting-Out of the Settlement

If you wish to be excluded from participating in the Settlement, you must submit a written request to Opt-Out to the Settlement Administrator via e-mail, mail or fax to the address below requesting to be excluded from the Settlement. To be considered valid, your Opt-Out must be signed by you, and contain your name, address, telephone number, and the last four digits of your Social Security number. Your Opt-Out also must clearly indicate that you desire to be excluded from the Settlement. To be considered timely, your Opt-Out must be e-mailed, faxed or postmarked no later than [REDACTED], 2021. Late Opt-Outs will not be considered. An Opt-Out form is provided below.

If you timely submit a complete and valid Opt-Out, you will no longer be a member of the Class and you will not be eligible to object to the terms of the Settlement or receive money under the Settlement except for that portion of the settlement allocated to PAGA penalty payments. Except for the PAGA release, you will not be bound by the terms of the Settlement, and may pursue any valid claims you may have, at your own expense, against Impact. Individuals otherwise meeting the definition of Class Members who exclude themselves from the classes pursuant and were employed during the PAGA Period shall still receive a payment for the amount of each such individual's estimated share of the PAGA Payment that was included by the Settlement Administrator in calculating the Claim Amount and shall still be bound by the PAGA release.

Effect of the Settlement on Your Rights

Upon the final approval of the settlement by the Court, all Class Members (other than those who submit a valid opt-out/request for exclusion), will release all claims against Impact within the definition of “Released Claims,” as set forth in the parties’ Settlement Agreement. “Released Claims” includes all claims under state or local law, whether statutory, common law, or administrative law, whether in law or equity, for the claims that were pled in the Class Action Complaint, arising out of the factual allegations therein, during the Class Period, including: (a) all claims for failure to pay minimum wages under Cal. Labor Code §§ 1194, 1197 and 1197.1; (b) all claims for failure to pay overtime wages under Cal. Labor Code §§ 510, *et seq.*; (c) all claims for failure to provide required meal periods under Cal. Labor Code §§ 226.7 and 512 and the applicable IWC Wage Order; (d) all claims for failure to provide required rest breaks under Cal. Labor Code §§ 226.7 and 512 and the applicable IWC Wage Order; (e) all claims for failure to provide accurate itemized wage statements under Cal. Labor Code § 226; (f) all claims for failure to provide wages when due under Cal. Labor Code §§ 201, 202 and 203; (g) claims for failure to reimburse employees for required expenses under Cal. Labor Code § 2802; (h) claims under the California Business and Professions Code § 17200 *et. seq.* including injunctive relief related to the California Labor Code violations covered by this release; (i) liquidated damages; (j) interest; (k) attorneys’ fees; and (l) attorneys’ costs. Released Claims exclude all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, Released Claims outside the Class Period, and PAGA claims which are released separately herein.

9. *How Will the Attorneys for the Classes Be Paid?*

The attorneys for Plaintiff, as the Class Representative, and the Class Members will be paid from the Gross Settlement Amount. The attorneys are seeking a fee of \$200,00.00 as well as reimbursement of their costs, in an amount up to \$15,000. Plaintiff is also seeking a Class Representative Service Award of \$10,000.00 to Plaintiff from the Settlement for her service as a Class Representative. Likewise, the Parties agreed that \$30,000.00 will be allocated to settle the PAGA claim, with \$22,500.00 to be paid to the LWDA, and the remaining \$7,500.00 to be distributed to the Participating PAGA Members based upon their proportionate Workweeks during the PAGA Period. The Settlement Administrator estimates that the cost of administration will not exceed \$4,250. All of these amounts are to be deducted from the Gross Settlement Amount, with the remainder available for distributions to Participating Class Members and Participating PAGA Members.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact Class Counsel; call the Settlement Administrator at the telephone number listed below, toll free; or visit the Settlement Administrator’s website, [insert website information], which will include key legal documents including the Settlement Agreement and the Court’s order granting Preliminary Approval of the Settlement.

[ADDRESS]

[PHONE NUMBER]

[WEBSITE]

PLEASE DO NOT CONTACT OR TELEPHONE THE COURT, IMPACT OR ITS EMPLOYEES, OR IMPACT'S COUNSEL FOR LEGAL ADVICE OR FOR INFORMATION ABOUT THIS SETTLEMENT.

By Order of the Orange County Superior Court, the Honorable Randall J. Sherman.

Christine Rose v. Impact Group, LLC., et al
Superior Court of the State of California, County of Orange
Case No. 30-2020-01141107-CU-OE-CXC

I WISH TO BE EXCLUDED FROM THE SETTLEMENT

Print Name: _____

Address: _____

Last 4 Digits of SSN: _____

Signature: _____

Date: _____