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Attorneys for Plaintiff Yvonne Labra and on behalf of the Proposed Class

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE

YVONNE LABRA, individually, on a
representative basis, and on behalf of all others
similarly situated;

Plaintiff,

vs.

SUTTER STREET MANUFACTURING,
INC., a California Corporation; WILLIAMS-
SONOMA, INC., a Delaware Corporation; and
DOES 1 through 20, inclusive;

Defendants.

Case No.: 20STCV18751
[Assigned to the Hon. Ann I. Jones, Dept.
SS11]

**DECLARATION OF BRIAN J. MANKIN
IN SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Hearing
Date: TBD
Time: TBD
Dept.: SS11

Complaint filed: May 15, 2020

I, Brian J. Mankin, state and declare:

1. I am an attorney licensed to practice before all of the courts of the State of California. I represent Plaintiff in this action and I am thoroughly familiar with and have personal knowledge of all of the facts set forth herein. I submit this declaration in support of

1 Plaintiff's Motion for Preliminary Approval of this Class Action Settlement. If called as a
2 witness, I could and would competently testify thereto.

3 **COUNSEL'S EXPERIENCE**

4 2. I have been a member, in good standing, of the State Bar of California since 2001.
5 I am admitted to practice in the United States District Courts for the Central and Southern
6 District of California and the Ninth Circuit Court of Appeal and have tried cases in various
7 courts in California.

8 3. I have handled 400 to 500 employee vs. employer litigation matters during my
9 nearly 20 years in practice. Over the last 15 years, my practice has almost entirely consisted of
10 representing employees, the majority of which has included class action and representative
11 action wage and hour matters. In total, I have handled over 200 class action and representative
12 action wage/hour cases, and have been appointed by the court as class counsel and have received
13 final court approval and judgment in approximately half of those actions to date, and anticipate
14 receiving final approval in many more of those in the future. In this regard, I'm attaching as
15 **Exhibit "A"** a list of over 100 resolved/settled class actions, collective actions and/or PAGA
16 actions that I've handled in the last 10 years. This list excludes currently active cases, as well as
17 cases that I handled prior to 2010.

18 4. As part of these settlements and judgments, I have recovered in excess of \$200
19 million in damages for my clients and the class members (who often work as nurses, ambulance
20 drivers, technicians, warehouse workers, truck drivers, sales, professional occupations and
21 countless other trades). My team and I once held the record for the largest PAGA-only case in
22 California's history - a \$12.5 million-dollar court approved settlement, which followed extensive
23 litigation, summary adjudication and writs to the CA Supreme Court against a Fortune 50
24 company (*Garcia v. Macy's*, San Bernardino Superior Court).

25 5. I have tried two major class and PAGA cases against Fortune 100 companies. In
26 2018, I was lead counsel in a PAGA case that my firm tried to the bench in the Orange County
27 Superior Court and received a \$425,000 judgment. In 2019, I was co-counsel in a class action
28 case against Walmart that was tried to the jury in District Court, wherein the jury awarded

1 Plaintiffs over \$6 million. Both cases were appealed.

2 6. Over the last several consecutive years, I have been selected by my peers as a
3 “Super Lawyer” in Employment Litigation.

4 **BRIEF SUMMARY OF THE SETTLEMENT**

5 7. Following a contested but productive mediation, Plaintiff and Defendants
6 (collectively, the “Parties”) entered into a Class Action Settlement Agreement resolving the
7 wage and hour claims of the putative class (the “Settlement Agreement”), which is attached
8 hereto as **Exhibit B**. The Settlement Agreement seeks to release and discharge Defendants
9 from the claims brought against them in this matter in exchange for Defendants’ agreement to
10 pay \$1,824,000 on a non-reversionary, non-claims made basis (each Class Member will receive
11 his/her share of the Net Settlement Amount without having to submit a claim form or taking
12 action, except for those who opt-out). Plaintiff seeks to represent a class of all rrent and former
13 non-exempt employees employed by Defendants at warehouses and/or manufacturing facilities
14 in California at any time during the period of May 15, 2016 through March 6, 2021 (the “Class”
15 or “Class Members”). Under the terms of the Settlement Agreement, Defendants will not
16 oppose Class Counsel’s application for a reasonable award of attorneys’ fees not to exceed one-
17 third of the Settlement Amount, Class Counsel’s litigation expenses not to exceed \$20,000,
18 settlement administrator costs of \$10,500, a PAGA payment of \$37,500 to the LWDA, and a
19 service award not to exceed \$10,000 to Plaintiff. After subtracting the agreed-upon deductions
20 from the Settlement Amount, approximately \$1,138,000 will be available to pay the individual
21 settlement amounts to approximately 1,100 Class Members who do not opt-out of the
22 settlement, as follows:

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	Total Amount
<i>Settlement Amount</i>	\$1,824,000
Attorneys' Fees (1/3)	\$608,000
Litigation Costs	\$20,000
Administrator Costs	\$10,500
PAGA payment to LWDA (75% of \$50k award)	\$37,500
Class Representative's Service Award	\$10,000
<i>Net Settlement Amount</i>	\$1,138,000

8. Assuming approximately 1,100 total Class Members employed during the Class Period, each will receive approximately \$1,034.55 on average.

9. Each Class Member will receive the Class Notice, explaining the nature of the case, and the process for participating, objecting and opting-out, and advising of his/her estimated settlement payment and the number of work weeks he/she is credited with working during the Class Period (attached hereto as **Exhibit C**).

PROCEDURAL BACKGROUND

10. Both my office and my co-counsel have performed considerable work and diligently investigated and prosecuted this case to a successful conclusion. Our work has resulted in the creation of a significant settlement fund for the benefit of the Class. We efficiently communicated and exchanged information informally with Defense counsel which enabled the parties to successfully settle the case. Because of the risks involved in litigating the case and the contested legal and factual issues, Plaintiff's Counsel believe this settlement to be fair, reasonable, and adequate.

11. After being retained by Plaintiff, we sent a letter to Defendant requesting the production of Plaintiff's personnel and timekeeping records in order to further evaluate her wage and hour claims. On May 13, 2020, we submitted a letter to the California Labor Workforce Development Agency (the "LWDA") for civil penalties under the Private Attorney General Act of 2004 (the "PAGA"), which is attached hereto as **Exhibit D**. The LWDA ultimately declined to assert jurisdiction over the PAGA, thereby giving Plaintiff the right to bring PAGA claims.

12. As such, Plaintiff filed a putative class action and representative action complaint in the Court alleging claims for: (a) failure to pay minimum wages, (b) failure to pay overtime

1 wages, (c) failure to provide meal periods, (d) failure to provide rest breaks, (e) failure to timely
2 pay final wages, (f) failure to provide accurate itemized wage statements, (g) unfair and unlawful
3 competition, and related PAGA claims.

4 13. Defendants fully denied the allegations and sought to aggressively defend against
5 them. However, prior to taking depositions, conducting discovery, and filing a disputed motion
6 for class certification, the parties agreed to explore a resolution through mediation. In
7 preparation for the mediation, the Parties informally exchanged documents and information that
8 allowed both sides to calculate the potential damages and evaluate potential risk, including
9 extensive policies and procedures pertaining to each claim alleged, and statistics relating to the
10 number of current and former employees, number of shifts, pay periods and other things. In this
11 regard, Defendants provided a comprehensive and detailed sampling of timekeeping and payroll
12 records consisting of approximately 50,000 daily timekeeping entries and nearly 10,000 paystubs
13 of the Class Members. This robust sampling enabled both parties and their experts to take a deep
14 dive into the claims. In total, Plaintiff's expert evaluated and extrapolated the data of
15 approximately 1,000 employees, thereby giving Plaintiff essentially a trial-ready roadmap of the
16 claims and damages in advance of mediation. Additionally, during this process, Plaintiff, her
17 counsel, and experts analyzed, researched, and investigated the potential issues, including
18 matters related to the calculation of damages, trial, and appellate issues and risks.

19 14. On January 5, 2021, the parties participated in a full-day mediation with Mark
20 Rudy, who is one of the most experienced and reputable class action mediators in California.
21 Ultimately, Mr. Rudy issued a mediator's proposal calling for a class-wide settlement for
22 \$1,824,000. The Parties accepted the mediator's proposal and memorialized the terms of the
23 settlement in a long-form Settlement Agreement. Under the terms of the settlement, the Parties
24 now seek preliminary approval of the Settlement.

25 **THE WAGE AND HOUR CLAIMS AND CLASS COUNSEL'S INVESTIGATION**

26 15. The putative Class in this case consists of approximately 1,100 similarly situated
27 non-exempt employees who worked at Defendants' warehouses and/or manufacturing facilities
28 in California during the Class Period. Plaintiff alleged numerous wage and hour violations on

1 behalf of the non-exempt employees. However, Defendants vigorously contested and denied
2 each of Plaintiff's material allegations on the merits and as to the propriety of a class action or
3 PAGA representative action on behalf of the putative class and allegedly aggrieved employees.

4 16. First, Plaintiff alleged that, at all relevant times, Defendants utilized a rounding
5 policy that routinely undercompensated the Class Members and resulted in unpaid minimum and
6 overtime wages. However, Defendants vehemently opposed this claim, arguing that their
7 rounding policy complied with California law as described in *See's Candy Shops, Inc. v.*
8 *Superior Court*, 210 Cal.App.4th 889 (2012), among other cases, as the policy was neutral on its
9 face and in its application.

10 17. Plaintiff also raised other unpaid wage claims due to Defendants' alleged policy
11 and practice of requiring Class Members to undergo unpaid security checks, and also by paying
12 the Class Members on an hourly basis plus additional compensation in the form of earned
13 bonuses (*i.e.*, productivity bonuses, attendance bonuses, among others). However, Plaintiff
14 alleged that Defendants failed to include these earned and nondiscretionary bonuses in the
15 calculations for the applicable overtime rate of pay, leading to a claim for unpaid overtime
16 wages, on the grounds that overtime wages must be paid at time and one-half of the employee's
17 base rate of pay. (*See Prachasaisoradej v. Ralphs Grocery Co., Inc.* (2007) 42 Cal.4th 217, 242;
18 *see also Huntington Memorial Hospital v. Superior Court* (2005) 131 Cal.App.4th 893, 902-903
19 (the payments included and excluded in the calculation of the "regular rate" are generally
20 consistent under state and federal law).

21 18. Third, Plaintiff further alleged that Defendants failed to provide compliant meal
22 periods and rest breaks. Specifically, Plaintiff argued that Defendants engaged in systemic meal
23 period violations, including failing to provide a second meal period for shifts over 10 hours and a
24 third rest break for shifts over 10 hours. However, Defendants argued that it has fully compliant
25 meal and rest break policies and that all breaks were made available and taken by the workers in
26 compliance with applicable law. Defendants further alleged that they paid meal and rest break
27 penalties to Class Member in compliance with the law.

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1 19. Fourth, Plaintiff also claimed, among other things, that Defendants failed to
2 timely pay final wages, failed to provide accurate itemized wage statements and alleged various
3 PAGA claims arising out of the claimed violations mentioned above. However, Defendants
4 argued that claims for wage statements, waiting time penalties and PAGA penalties were
5 derivative of Plaintiff's other claims, which it argued have no merit.

6 20. Nonetheless, the Parties concluded that further litigation of the Action would be
7 protracted and expensive, and that it is desirable that the Action be fully and finally settled in
8 order to limit further risk, expense and protracted litigation.

9 **THE SETTLEMENT IS FAIR, JUST, AND REASONABLE**

10 21. The settlement was the product of extensive arm's length negotiations, facilitated
11 by an experienced mediator. Though cordial and professional, the settlement negotiations were
12 adversarial and non-collusive in nature. The settlement reached is the product of substantial
13 effort by the parties and their counsel. Although we believed that there was a possibility of
14 certifying the claims, we recognized the potential risk, expense, and complexity posed by
15 litigation, such as unfavorable decisions on class certification, summary judgment, at trial and/or
16 on the damages awarded, and/or on an appeal that can take several more years to litigate.

17 22. The settlement will result in a fair payment to each class member based on the
18 number of weeks worked during the Class Period. As set forth hereinabove, Plaintiff and her
19 counsel have diligently investigated the claims and defenses on behalf of the class members and
20 worked to achieve a resolution of the claims to maximize the recovery by avoiding further
21 expenditure of attorneys' fees and costs. After evaluating the significant risks attendant with
22 further litigation described above and weighing them against the benefits of a known
23 compromise and settlement as set forth in the Settlement Agreement, settlement on the terms
24 agreed to is believed to be in the best interest of Plaintiff and the Class, and is a fair and
25 reasonable resolution of the claims alleged.

26 23. Plaintiff's counsel brought to bear a great deal of experience in negotiating the
27 settlement of this case. As detailed herein, Plaintiff's counsel engaged in the necessary discovery
28 and investigation, making it possible to exercise informed judgment throughout the settlement

1 process, including significant document review (e.g. documents pertaining to Defendant's
2 policies and procedures, personnel documents, among others), and conducted an extensive
3 analysis of the detailed class-wide data provided by Defendant.

4 24. Based on my experience in other cases, including wage and hour matters, I
5 believe I am qualified to evaluate the class claims and viability of defenses in this class action.
6 In this case, the recovery for each class member is reasonable, fair, and adequate, and a
7 settlement at this time is in the best interests of the class. The settlement provides each class
8 member with compensation for the alleged violations when viewed in relation to the costs and
9 risks inherent in obtaining class certification and proceeding to trial.

10 25. Plaintiff's counsel, as well as Defendants' counsel, fully endorse the terms and
11 conditions of the settlement as set forth in the abovementioned Settlement Agreement.

12 26. Of course, the settlement amount represents a compromise figure, taking into
13 account the various risks surrounding class certification and the merits of Defendant's asserted
14 defense. Nevertheless, the settlement provides for fair and adequate payments to the class
15 members, with no reversion to Defendant.

16 **PLAINTIFF'S REQUESTED ENHANCEMENT PAYMENT**

17 27. Plaintiff seeks an enhancement payment of \$10,000 for her service to the class,
18 which I believe is fair and warranted. Ms. Labra came forward in an effort to effectuate a policy
19 and practice change that benefitted all other Class Members, and to recover unpaid wages. She
20 assumed significant risk in bringing this litigation—namely, had she lost, she would have been
21 ordered to pay Defendant's costs.

22 28. Plaintiff provided invaluable assistance to my office and the Class in this case,
23 including providing factual background for the Class Complaint; reviewing the litigation
24 documents; providing information and documents about Defendant's policies and practices;
25 participating in phone calls to discuss litigation and settlement strategy; and reviewing the
26 settlement documents. Plaintiff agreed to participate in this case with no guarantee of personal
27 benefit. At final approval, Plaintiff will submit a comprehensive declaration setting forth all of
28 the reasons why she believes that the service award should be approved.

1 **ADEQUACY OF COUNSEL AND THE PROVISIONAL REASONABLENESS OF THE**
2 **REQUESTED FEES AND COSTS**

3 29. As set forth above, I have over 200 class and representative actions, have been
4 appointed as class counsel and have successfully resolved over half of those cases, and many
5 others remain pending and will successfully resolve in the future.

6 30. When this case was taken on a contingency fee basis, with my firm agreeing to
7 assume responsibility for all litigation costs, the ultimate result was far from certain. In the
8 course of this litigation, my firm and my co-counsel paid all costs including filing fees, court
9 costs, research fees, and mediation costs. There was never a guarantee that we would recoup
10 those expenditures.

11 31. It is my experience that attorney fee awards of one-third of a common fund
12 settlement is the standard in California. In this case, Plaintiff's counsel agreed to seek one-third
13 of the Settlement Amount for attorneys' fees. Defendants do not oppose this fee request. The fee
14 is further warranted because it is within the range of reasonableness typically awarded in class
15 actions. The combined costs between my firm and my co-counsel are reasonably capped at
16 \$20,000 and will be based on the actual amount of costs incurred at the time of final approval.

17 **SETTLEMENT ADMINISTRATOR**

18 32. The parties request that the Court appoint CPT Group to serve as the Settlement
19 Administrator. CPT Group is experienced in administering class action settlements, and has
20 provided a proposal to administer this settlement for a total of \$10,500.

21 **SUBMISSION TO THE LWDA**

22 33. Plaintiff has concurrently submitted the settlement to the LWDA in accordance
23 with Labor Code § 2699(1)(2). The proof of submission is attached hereto as **Exhibit E**.

24 **EXHIBITS AND CONCLUSION**

25 34. A list of over 100 resolved/settled class actions, collective actions and/or PAGA
26 actions that I've handled in the last 10 years is attached as Exhibit "A." This list excludes
27 currently active (non-settled) cases, as well as cases that I handled prior to 2010.
28

35. A true and correct copy of the Settlement Agreement is attached hereto as Exhibit “B.”

36. The proposed Class Notice is attached as Exhibit “C.”

37. A true and correct copy of the notice letter we submitted to the LWDA is attached as Exhibit “D.”

38. The LWDA's confirmation of receipt of this Motion and Declaration is attached hereto as Exhibit "E."

39. For the foregoing reasons, it is respectfully requested that the Court grant preliminary approval of the settlement as being fair, reasonable, and in the best interests of the class, as well as preliminarily approve the requested attorneys' fees, costs, and enhancement payment to the Class Representative.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on March 25, 2021, at Riverside, California.

By: Brian J. Mankin
Brian J. Mankin, Esq.

EXHIBIT “A”

Completed Class/Collective/PAGA Cases		
Case Name	Venue	Case Number
Acevedo v. DCH	Los Angeles	JCCP No. 4833
Aguirre v. DirecTV	USDC	2:16-cv-06836
Aguirre v. WellQuest	Los Angeles	19STCV15699
Angulo v. CCX2931, et al.	Los Angeles	BC717320
Antuna v. GATX	San Bernardino	CIVDS1928516
Arroyo v. Hardin Automotive	Orange	30-2013-00648090
Arroyo v. Riverside Auto	Riverside	RIC1200257
Bass v. Southern Refrigerated	San Bernardino	CIVDS1705054
Beard v. Certified Tire	Riverside	RIC1816800
Blanco v. Savage BMW	San Bernardino	CIVRS1200316
Bomar v. Gra-Gar	San Bernardino	CIVDS1618056
Boyd v. May Trucking	USDC	5:17-cv-02166
Bradley v. Amphastar	San Bernardino	CIVDS1607456
Brewer v. Connell Chevrolet	Orange	30-2013-00852123
Carr v. K&B Electric	Riverside	RIC1904970
Cassidy v. Pep Boys	San Diego	37-2017-00038364
Castelo v. Millemiaaero	San Bernardino	CIVDS1825783
Castner v. Jessup Brothers	Riverside	INC10009311
Castner v. Palm Sprins Motors	Riverside	INC10009313
Castner v. VIP Motor Cars	Riverside	INC1102993
Cedano v. McPeck	Orange	30-2013-00648284
Chang v. FWL	Los Angeles	BC625531
Collado v. Intelligrated Systems	San Bernardino	CIVDS1506443
Constante v. Eddie's Trucking	San Bernardino	CIVDS1902466
Coronado v. Global One	San Bernardino	CIVDS1606686
Cortez v. DMA Enterprises	Ventura	56-2010-00366970
Cosey v. H&IC Bros.	San Bernardino	CIVDS1711425
Cruz v. Sterling	Orange	30-2016-00864990
Cuevas v. Adesa	Riverside	RIC1507066
Cuevas v. FHI	Riverside	RIC1713814
Davila v. Keyes Motors. Inc.	Los Angeles	BC497604
Delara v. Indio Pontiac	Riverside	PSC1301916
DePeralta v. Genesis Healthcare	Los Angeles	BC552963
Estrada v. Eco Shield	San Bernardino	CIVDS1821895
Estrada v. MVT	San Bernardino	CIVDS1620885
Estrada v. Ventura Foods	San Bernardino	CIVDS1903407
Estrada v. Witron	San Bernardino	CIVDS1719080
Evans v. Neovia	San Bernardino	CIVDS1806659
Figueroa v. Mossy Ford	San Diego	37-2014-00028426
Galdamez v. Rush Truck Center	Los Angeles	BC528888
Gallardo v. Tee For 2	San Bernardino	CIVDS1719564
Garcia v. Coach	USDC	5:18-cv-01537
Garcia v. Harkins	USDC	5:18-cv-02314
Garcia v. Macy's	San Bernardino	CIVDS1516007
Gharavi v. Censeo Health	San Bernardino	CIVDS1906608

Gielsing v. BSRO Retail Operations	Los Angeles	JCCP 4638
Gomez v. Goldmax	Orange	30-2012-00577321
Haney v. JPI Development	Riverside	RIC537695
Hernandez v. CPS Southwest	Orange	30-2018-00987834
Hernandez v. Cryogenic	San Bernardino	CIVDS1612524
Hernandez v. Jack B. Kelley	San Bernardino	CIVDS1704346
Hernandez v. Walmart	USDC	5:17-cv-01415
Hill v. Amazon	Riverside	RIC1614641
Iversen v. Kelle's	San Diego	37-2016-00013606
Iversen v. Toyota of Orange	Orange	30-2013-00665366
Legorreta v. Paradise	Riverside	RIC1723591
Leon v. Gordon Trucking	San Bernardino	CIVDS1511918
Lepe v. Big Lots	San Bernardino	CIVDS1825693
Libby v. Psycare	San Diego	37-2019-00030656
Lopez Munoz v. Pentair	Ventura	56-2019-00525013
Lopez v. Care Funeral Services	San Bernardino	CIVDS1305650
Lopez v. Heartland	Riverside	RIC1901461
Lopez v. Ramona Tire	Riverside	INC1208982
Lopez v. Unicars, Inc.	ARB	13-5105
Lupercio v. Access Exterminator	San Bernardino	CIVDS1921036
Lynn v. Wild Rocket	ADR	09-6908-
Macias v. Team Nissan	Ventura	56-2013-00431856
Marquez v. SharkNinja	San Bernardino	CIVDS1700491
Martinez v. Baxalta	Los Angeles	BC705969
McCulloch v. The Gill	Los Angeles	BC722742
Medina v. Citistaff Solutions	Riverside	RIC1500664
Mejia v. Mossberg	San Bernardino	CIVDS1724635
Melena v. Andy Frain	Orange	CIVDS1901476
Micheal v. BMW of Riverside	Riverside	RIC1201709
Micheal v. Mercedes Benz	ARB	A196865-27
Mitchell v. American Residential Services	Riverside	RIC1709360
Montano v. Honda Cars of Corona	Riverside	RIC1608165
Nelson v. Rancho Santa Margarita Motors	Orange	30-2016-00845005
Ortiz v. Quick Care	San Bernardino	CIVDS1610143
Pearson v. PSF Trucking	Kern	BCV-17-102520
Pena v. SA Recycling	Riverside	RIC1610639
Perez v. Staffmark	Riverside	MCC1401137
Pham v. MVVT	Orange	30-2013-00661705
Pollock v. Wynden Stark	Los Angeles	19STCV24217
Pompa v. Landforce	San Bernardino	CIVDS1700451
Pompa v. Russo Brothers	Sacramento	30-2017-00207703
Pompa v. Unicars, Inc.	Riverside	INC1207208
Poulin v. Dignity Health	San Bernardino	CIVDS1515101
Purvis v. Honeywell	Riverside	RIC10010156
Reddall v. Quest Diagnostics	USDC	13-2099
Redman v. Zenith	San Bernardino	CIVDS1826759
Reed v. Beach City	Orange	30-2018-00989665
Reed v. Thousand Oaks Toyota	Ventura	56-2012-00419282

Romero v. RHI, Inc.	Los Angeles	BC528035
Rossello v. Ontario T	San Bernardino	CIVDS1415708
Ruiz v. Mountain View Tires	San Bernardino	CIVRS1206400
Sacks v. Natural Energy	Riverside	RIC1816789
Sandoval v. National Seating	San Bernardino	CIVDS1721797
Santos v. WestRock	San Benito	CU-18-00074
Sebastian v. Sprint	USDC	8:18-cv-00757
Sewell v. Imedris Data Corp	San Bernardino	CIVDS1401836
Solis v. Palo Verde Health Care	Riverside	INC10009315
St. Amand v. Hendrickson	San Bernardino	CIVDS1617165
Stafford v. GOSCH Auto	Riverside	RIC1814300
Stinson v. Pacific Production Plumbing	San Bernardino	CIVDS1721708
Stock v. Atwood & Andrews, Inc.	Riverside	MCC1400665
Torres v. Xerxes	Orange	30-2019-01095537
Vaughner v. FST Services	San Bernardino	CIVDS1830784
Venegas v. Ross Nissan	Los Angeles	BC694099
Wright v. Bob Stall Chevrolet	San Diego	37-2017-00010598

EXHIBIT “B”

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Attorneys for Plaintiff Yvonne Labra and all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE

YVONNE LABRA, individually, on a
representative basis, and on behalf of all
others similarly situated;

Plaintiff,

vs.

SUTTER STREET MANUFACTURING,
INC., a California Corporation; WILLIAMS-
SONOMA, INC., a Delaware Corporation;
and DOES 1 through 20, inclusive;

Defendants.

Case No.: 20STCV18751
[Assigned to the Hon. Ann I. Jones, Dept.
SS11]

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

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SUTTER STREET MANUFACTURING, INC. & WILLIAMS-SONOMA, INC

1 This Class Action Settlement Agreement and Release of Claims is entered into by and
2 between Plaintiff Yvonne Labra, individually and on behalf of all others similarly situated, and
3 Defendants Sutter Street Manufacturing, Inc., and Williams-Sonoma, Inc., (“Defendants”) and is
4 approved by their respective counsel of record, subject to the terms and conditions hereof and the
5 Court’s approval.

6 **A. Definitions**

7 1. “Action” or “Lawsuit” means and refers to the case entitled *Yvonne Labra v.*
8 *Sutter Street Manufacturing, Inc., et al.*, Los Angeles County Superior Court Case No.
9 20STCV18751.

10 2. “Settlement Agreement,” “Agreement,” or “Stipulation” shall mean this Class
11 Action Settlement Agreement and Release of Claims, including any attached Exhibits.

12 3. “Class Counsel” refers to Brian Mankin and Peter Carlson of Lauby Mankin
13 Lauby LLP, and Mehrdad Bokhour of Bokhour Law Group, P.C.

14 4. “Class Data” means a complete list that Defendants will diligently and in good
15 faith compile from its records and provide to the Settlement Administrator on one spreadsheet
16 and shall include the Settlement Class Members’ full names; last known addresses; telephone
17 numbers; Social Security Numbers; and the total Weeks Worked during the Class Period for each
18 Settlement Class Member.

19 5. “Class Period” is deemed to be any time during the period of May 15, 2016
20 through March 6, 2021.

21 6. “Class Representative” or “Plaintiff” means and refers to Yvonne Labra.

22 7. “Complaint” refers to the operative Complaint on file alleging class and
23 representative PAGA claims, filed in the Los Angeles County Superior Court on May 15, 2020,
24 in the matter of *Yvonne Labra v. Sutter Street Manufacturing, Inc. et al., et al.*, Los Angeles
25 County Superior Court Case No. 20STCV18751.

26 8. “Court” (or “Judge”) means the California Superior Court, County of Los
27 Angeles.

28 9. “Defendants” means and refers to Sutter Street Manufacturing, Inc. and

Williams-Sonoma, Inc.

10. “Defendants’ Counsel” or “Defense Counsel” means and refers to Jessica R. Perry and Allison Riechert Giese of Orrick, Herrington & Sutcliffe LLP.

11. “Effective Date” means the latest of the following dates: (i) if no Class Member objects, timely and properly intervenes, or files a motion to vacate the judgment approving the Settlement Agreement under Code of Civil Procedure § 663, then the date of the Notice of Entry of Order regarding Final Approval of the Settlement; (ii) if a Class Member objects, intervenes, or files a motion to vacate the judgment approving the Settlement Agreement, then sixty-one (61) calendar days following the date the Court enters an order granting final approval, assuming no appeal is filed; or (iii) if a timely appeal is filed, the date of final resolution of that appeal (including any requests for rehearing and/or petitions for *certiorari*), resulting in final judicial approval of the Settlement.

12. “Excluded Workweeks” is any work week during the Class Period in which a Settlement Class Member was also a member of a different settlement class, and as a result, is not credited with a work week due to having released applicable claims in any of the following cases: *Anaya/Aguilar v. Williams-Sonoma, Inc. et al.* (Los Angeles Superior Court, Case No. BC562546); and *Ayala v. Williams-Sonoma, Inc.* (Los Angeles Superior Court, Case No. BC692815).

13. “Final Approval” refers to the order of the Court granting final approval of this Settlement Agreement and entering a judgment approving this Agreement on substantially the terms provided herein or as the same may be modified by subsequent agreement of the Parties.

14. “Final Settlement Class” means, collectively, all Settlement Class Members who have not opted out of the Settlement Class by submitting timely Requests for Exclusion.

15. “Individual Settlement Payment” shall have the meaning ascribed to it in Paragraph 44(c) below.

16. “Net Settlement Amount” shall have the meaning ascribed to it in Paragraph 44(b) below.

17. “Notice” means the notice of settlement of class action that will be sent to the

1 Settlement Class Members.

2 18. “Notice Response Deadline” is 45 calendar days from the date the Notice is
3 mailed to the Settlement Class Members.

4 19. “Objecting Settlement Class Member” means a Settlement Class Member, other
5 than Plaintiff, who submits a valid and timely objection to the terms of this Agreement, pursuant
6 to Paragraph 64(c) below.

7 20. “Participating Class Member” means any and all Settlement Class Members who
8 are deemed to participate and receive an Individual Settlement Payment and do not opt-out by
9 submitting timely valid Requests for Exclusion.

10 21. “Parties” or “Settling Parties” mean Plaintiff, the Settlement Class, and
11 Defendants, collectively.

12 22. “Preliminary Approval Date” means the date the Court approves the Settlement
13 Agreement, and the exhibits thereto, and enters the Preliminary Approval Order.

14 23. “Preliminary Approval Order” means the judicial Order to be entered by the
15 Court, upon the application or motion of the Plaintiff, preliminarily approving this Settlement
16 and providing for the issuance of the Notice to the Settlement Class, an opportunity to opt out of
17 the Settlement, an opportunity to submit timely objections to the Settlement, and setting a
18 hearing on the fairness of the terms of Settlement, including approval of attorneys’ fees and
19 costs. Defendants will not object to Plaintiff’s motion for preliminary approval, but will be
20 provided with an opportunity to review and comment upon the motion at least three business
21 days before it is filed.

22 24. “QSF” means the Qualified Settlement Fund set up by the Settlement
23 Administrator for the benefit of the Final Settlement Class, and from which the settlement
24 payments shall be made, and which is intended to be a fund that qualifies under Internal Revenue
25 Code Sec. 468.

26 25. “Released Claims” by the Participating Class Members upon Final Approval of
27 the Settlement will include any and all claims, demands, rights, liabilities, and causes of action
28 that were or could have been pleaded under local, state or federal law arising out of, relating to,

1 or based on any facts, transactions, events, policies, occurrences, acts, disclosures, statements,
2 omissions, or failures to act pleaded in the Complaint against Defendants for the duration of the
3 Class Period, including but not limited to claims related to unpaid wages and overtime
4 compensation, meal and rest break violations, untimely payment of final wages, inaccurate
5 itemized wage statements, unfair and unlawful business practices, and failure to provide suitable
6 seating and for civil penalties under the Private Attorney General Act related to the claims above.
7 In addition, each Participating Class Member who cashes their Individual Settlement Payment
8 check shall be deemed to have released claims alleged in the operative complaint or that could
9 have been alleged based on the facts therein under the FLSA.

10 26. "Released Parties" means Defendants and their past and present officers,
11 directors, shareholders, employees, agents, principals, heirs, representatives, accountants,
12 auditors, consultants, insurers and reinsurers, and their respective parent corporations,
13 subsidiaries, divisions, affiliates, attorneys, successors and assigns.

14 27. "Release Period" shall be the time period governing the Released Claims which
15 shall be the same as the Class Period.

16 28. "Release" shall mean the release and discharge of the Released Claims by
17 Plaintiff and all of the Participating Class Members.

18 29. "Request for Exclusion" shall have the meaning ascribed to it in Paragraph 64(a)
19 below.

20 30. "Service Payment" or "Service Award" means the amount approved by the Court
21 to be paid to the Class Representative, Yvonne Labra, in addition to her Individual Settlement
22 Payment as a Participating Class Member.

23 31. "Settlement Administrator" means and refers to CPT Group, the third-party class
24 action settlement administrator agreed to by the Parties, that will provide the Notice Packet to the
25 Class Members and distribute the settlement amounts as described in this Agreement.

26 32. "Settlement Administration Costs" means the costs payable from the Total
27 Maximum Settlement Amount to the Settlement Administrator for administering this Settlement,
28 including, but not limited to, printing, distributing, and tracking documents for this Settlement,

1 tax reporting, and deposit of the employee and employer share of payroll taxes, unclaimed
2 property due diligence, reporting and remittance obligations, distributing the Total Maximum
3 Settlement Amount, and providing necessary reports and declarations, as requested by the
4 Parties. The Settlement Administration Costs shall be paid from the Settlement Amount,
5 including, if necessary, any such costs in excess of the amount represented by the Settlement
6 Administrator as being the maximum costs necessary to administer the Settlement.

7 33. "Settlement Class" or "Covered Position" consists of all current and former non-
8 exempt employees employed by Defendants at warehouses and/or manufacturing facilities in
9 California at any time during the Class Period.

10 34. "Settlement Class Member" or "Class Member(s)" refers to individual members
11 of the Settlement Class.

12 35. "Total Maximum Settlement Amount" shall have the meaning ascribed to it in
13 Paragraph 44(a) below.

14 36. "Work Weeks" or "Weeks Worked" for each Settlement Class Members means
15 any and all weeks during the Class Period in which the Settlement Class Member was employed
16 by Defendants in a Covered Position and worked at least one shift during the week, excluding
17 any Excluded Workweeks and leaves of absence.

18 **B. General Terms**

19 37. Plaintiff filed a class and representative PAGA action complaint in the Court on
20 May 15, 2020 against Defendants and Does 1 through 20. The Complaint alleges class and
21 representative PAGA claims, including: (1) failure to pay minimum wages, (2) failure to pay
22 overtime wages, (3) failure to provide meal periods, (4) failure to provide rest breaks, (5) failure
23 to timely pay final wages upon separation of employment, (6) failure to provide accurate
24 itemized wage statements, (7) unfair and unlawful competition pursuant to Business and
25 Professions Code §17200 *et seq.*, (8) failure to provide suitable seating, and (9) related claims
26 under PAGA.

27 38. Defendants deny Plaintiff's claims and allegations and contend that the Action is
28 not suitable for class certification or manageable as a representative action.

1 39. The Class Representative believes she can proceed with her representative and
2 class claims, that the Action is meritorious, and that class certification is appropriate.

3 40. The Parties have conducted a thorough investigation into the facts of the Action.
4 This includes conducting an extensive exchange of informal discovery, including Defendants'
5 written policies and practices and the production of a sampling of payroll and timekeeping
6 records for Settlement Class Members. Class Counsel is both knowledgeable about and has done
7 extensive research with respect to the applicable law and potential defenses to the claims of the
8 Settlement Class. Class Counsel has diligently pursued an investigation of the Class Members'
9 claims against Defendants. Based on the foregoing data and on their own independent
10 investigation and evaluation, Class Counsel is of the opinion that the settlement with Defendants
11 for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable,
12 and adequate and is in the best interest of the Class Members in light of all known facts and
13 circumstances, including the risk of significant delay and uncertainty associated with litigation,
14 various defenses asserted by Defendants, and numerous potential appellate issues.

15 41. On January 5, 2021, Plaintiff and Defendants participated in mediation before
16 Mark Rudy, a highly experienced wage and hour class action mediator. The matter resolved at
17 mediation.

18 42. The Parties agree that neither the Parties' Settlement, this Agreement, nor the acts
19 to be performed or judgments to be entered pursuant to the terms of the Settlement and
20 Agreement, shall be construed as an admission by Defendants of any wrongdoing or violation of
21 any statute or law or liability on the claims or allegations in the Action.

22 43. Stipulation for Class Certification. For settlement purposes only, Defendants will
23 stipulate that the Settlement Class Members described herein who do not Request Exclusion
24 from the Settlement Class may be conditionally certified as a settlement class. This stipulation to
25 certification is in no way an admission that class action certification is proper and shall not be
26 admissible in this or in any other action except for the sole purposes of enforcing this
27 Agreement. Should, for whatever reason, the Court fail to issue Final Approval, the Parties'
28 stipulation to class certification as part of the Settlement shall become null and void *ab initio* and

shall have no bearing on, and shall not be admissible in connection with, the issue of whether or not certification would be appropriate in a non-settlement context. Defendants expressly reserve their rights and declare that they would continue to oppose class certification and the substantive merits of the case should the Court decline to issue Final Approval. Plaintiff expressly reserves her rights and declares that she will continue to pursue class certification and a trial should the Court decline to issue Final Approval.

C. Terms of Settlement

44. The financial terms of the Settlement are as follows:

(a) Total Maximum Settlement Amount: The Parties agree to settle this Action for One Million, Eight Hundred and Twenty-Four Thousand Dollars (\$1,824,000) (“the Total Maximum Settlement Amount”). The Total Maximum Settlement Amount is the maximum amount that will be paid, and includes Individual Settlement Payments, Attorneys’ Fees and Costs Award, the Service Payment to the Class Representative, all Settlement Administration Costs, and payment to the Labor Workforce Development Agency (LWDA) for PAGA penalties. Defendants shall separately pay the employers’ share of their payroll tax obligations, which shall be reported through the Settlement Administrator.

(b) Net Settlement Amount: The “Net Settlement Amount” is defined as the Total Maximum Settlement Amount less the Attorneys’ Fees and Costs Award, the Service Payment to the Class Representative as awarded by the Court, the Settlement Administration Costs, and payment to the LWDA for PAGA penalties. If the Court reduces the attorneys’ fees, litigation costs, Service Award, or Settlement Administrator Costs, the difference shall be placed in the Net Settlement Amount and allocated to the Settlement Class.

(c) Individual Settlement Payments for the Settlement Class: Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of Work Weeks a Settlement Class Member worked during the Class Period. Specific Calculations of Individual Settlement Payments will be made as follows:

- Defendants will calculate the total number of Work Weeks worked by each Settlement Class Member during the Class Period and the aggregate total

number of Work Weeks worked by all Settlement Class Members during the Class Period.

- To determine each Settlement Class Member's estimated Individual Settlement Payment, the Settlement Administrator will use the following formula: The Net Settlement Amount will be divided by the aggregate total number of Work Weeks, resulting in the "Work Week Value". Each Settlement Class Member's Individual Settlement Payment will be calculated by multiplying his or her total number of Work Weeks during the Class Period by the Work Week Value.
- Individual Settlement Payments will be reduced by any required deductions for each Participating Class Member as specifically set forth herein, including employee-side tax withholdings or deductions.
- The entire Net Settlement Amount will be disbursed to all Participating Class Members. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionally increase the Individual Settlement Payment for each Participating Class Member according to the number of Work Weeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Amount.

(d) Allocation of Individual Settlement Payments: The Individual Settlement Payments will be allocated based on the allegations in the Action as follows: thirty percent (30%) will be allocated as wages subject to withholding of all applicable local, state and federal taxes; and seventy percent (70%) will be allocated as interest and as penalties (pursuant to, e.g., California Labor Code sections 203, 210, 226, 2699) from which no taxes will be withheld. The Settlement Administrator will issue to each Participating Class Member an Internal Revenue Service Form W-2 and comparable state forms with respect to the wage allocation and a Form 1099 with respect to the penalties and interest allocations.

(e) Service Payment to Class Representative: The amount, if any, awarded to the Class Representative as a Service Payment will be set by the Court in its discretion, not to

1 exceed \$10,000, in exchange for the services Plaintiff performed on behalf of the Class and for
2 entering into the general and expansive release discussed hereinafter. Defendants agree not to
3 oppose this request. The Service Payment to Plaintiff will be paid out of the Total Maximum
4 Settlement Amount. The Class Representative will be issued IRS Form 1099 in connection with
5 this payment. Plaintiff shall be solely and legally responsible to pay any and all applicable taxes
6 on this payment. The Parties agree that any amount awarded as the Service Payment to Plaintiff
7 less than the requested amount shall not be a basis for Class Counsel to void this Stipulation.
8 Should the Court approve a lesser amount for the Service Payment, the difference shall be added
9 to the Net Settlement Amount to be distributed to the Participating Class Members.

10 (f) Attorneys' Fees and Costs Award: Defendants agree to not oppose a
11 request by Class Counsel to the Court for an award of attorneys' fees of one-third of the Total
12 Maximum Settlement Amount (\$608,000), plus reasonable litigation costs not to exceed \$20,000
13 ("Attorney's Fees and Cost Award"). Defendants agree not to oppose any contention by Class
14 Counsel that attorneys' fees should be based on the common fund theory. The Attorney's Fee
15 and Cost Award shall be paid from the Total Maximum Settlement Amount, and except for this
16 award, Defendants shall have no further obligation to pay any attorneys' fees, costs or expenses
17 to Class Counsel. Should the Court approve a lesser amount than what is sought by Class
18 Counsel, the difference shall be added to the Net Settlement Amount to be distributed to the
19 Participating Class Members. Any Court order awarding less than the amount sought by Class
20 Counsel shall not be grounds to rescind the Settlement Agreement or otherwise void the
21 Settlement. The Settlement Administrator shall issue to Class Counsel an IRS Form 1099
22 reflecting the amount of attorneys' fees and costs awarded by the Court. Class Counsel agrees
23 that any allocation of fees between or among Class Counsel and any other attorney representing
24 or claiming to represent the Class Members shall be the sole responsibility of Class Counsel.

25 (g) Settlement Administration Costs: The fees and other charges of the
26 Settlement Administrator will be paid from the Total Maximum Settlement Amount, not to
27 exceed \$10,500, unless approved by all Parties and the Court.

28 (h) PAGA Penalties: The Parties agree that \$50,000 is allocated to PAGA

1 Penalties, and is to be paid from the Total Maximum Settlement Amount, subject to Court
2 approval. Of this amount, \$37,500 (75%) shall be paid to the LWDA in satisfaction of civil
3 penalties under the Private Attorney General Act of 2004 ("PAGA") and \$12,500 (25%) will be
4 included in the Net Settlement Amount, payable to the Participating Class Members on a Work
5 Week basis. Class Counsel shall give proper notice to the LWDA of the Settlement.

6 (i) Tax Liability: Class Counsel and Defendants make no representations as
7 to the tax treatment or legal effect of Settlement Amounts called for hereunder, and Plaintiff and
8 the Settlement Class Members are not relying on any statement or representation by Class
9 Counsel or Defendants in this regard. Plaintiff and Participating Class Members understand and
10 agree that they will be solely responsible for the payment of any taxes and penalties assessed on
11 their respective Settlement Amounts described herein. The amount of federal income tax
12 withholding will be based upon a flat withholding rate for supplemental wage payments in
13 accordance with Treas. Reg. § 31.3402(g)-1(a)(2) as amended or supplemented. Income tax
14 withholding will also be made pursuant to applicable state and/or local withholding codes or
15 regulations. Forms W-2 and/or Forms 1099 will be distributed at times and in the manner
16 required by the Internal Revenue Code of 1986 (the "Code") and consistent with this Agreement.
17 If the Code, the regulations promulgated thereunder, or other applicable tax law, is changed after
18 the date of this Agreement, the processes set forth in this Section may be modified in a manner to
19 bring Defendants into compliance with any such changes. Plaintiff and Participating Class
20 Members understand and agree that they will be solely responsible for the payment of any taxes
21 and penalties assessed on their respective payments described herein and will defend, indemnify,
22 and hold Defendants free and harmless from and against any claims resulting from treatment of
23 such payments as non-taxable damages.

24 (j) CIRCULAR 230 DISCLAIMER. EACH PARTY TO THIS
25 AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY"
26 AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING
27 PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO
28 PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR

1 DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND
2 OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH
3 COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE
4 RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
5 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
6 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS
7 OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
8 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO
9 THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY
10 OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT
11 ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY
12 ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY
13 THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
14 ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION
15 THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR
16 ADVISOR'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS
17 LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF
18 THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING
19 ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

20 45. No Credit Toward Benefit Plans. The Individual Settlement Payments made to
21 Participating Class Members under this Agreement, as well as any other payments made
22 pursuant to this Agreement, shall not be utilized to calculate any additional benefits under any
23 benefit plans to which any Settlement Class Members may be eligible, including, but not limited
24 to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase or other types of equity plans,
25 vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties'
26 intention that this Settlement will not affect any rights, contributions, or amounts to which any
27 Settlement Class Members may be entitled under any benefit plans. The Parties agree that the
28 amounts paid pursuant to this Settlement are not for days or hours worked, and are not included

1 toward any regular rate of pay calculation, or any benefit vesting or accrual purpose.

2 46. “Non-Reversionary” Settlement. This is a “non-reversionary” settlement. Under
3 no circumstances will any portion of the Total Maximum Settlement Amount revert to
4 Defendants. Participating Class Members will not have to make a claim in order to receive an
5 Individual Settlement Payment. Distributions, in the form of Individual Settlement Payments,
6 will be made directly to each Participating Class Member. The Settlement Administrator shall
7 be responsible for accurately and timely reporting and remittance obligations with respect to
8 unclaimed funds as a result of a Participating Class Member not cashing an Individual Settlement
9 Payment by the check cashing deadline, as set forth herein.

10 47. Class Counsel and Plaintiff believe that the Settlement is fair and reasonable, and
11 adequate, and will so represent same to the Court.

12 **D. Release by Plaintiff and the Settlement Class**

13 48. Upon entry of the Final Approval Order and Defendants funding of the Settlement
14 Amount, and except as to such rights or claims as may be created by this Settlement Agreement,
15 the Settlement Class (other than those who submit a valid Request for Exclusion) and each
16 member of the Settlement Class who does not timely opt-out, will forever completely release and
17 discharge the Released Parties from the Released Claims for the Release Period.

18 49. Each Settlement Class Member will be deemed to have made the foregoing
19 Release as if by manually signing it.

20 50. Plaintiff and Defendants intend that the Settlement described in this Agreement
21 will release and preclude any further claim, whether by lawsuit, administrative claim or action,
22 arbitration, demand, or other action of any kind, by each and all of the Participating Class
23 Members to obtain a recovery based on, arising out of, and/or related to any and all of the
24 Released Claims. The Class Members shall be so notified in the Notice. This paragraph does not
25 apply to any Class Member who timely and validly opts out of the Settlement.

26 51. Class Representative, on behalf of herself and the Settlement Class, acknowledges
27 and agrees that the claims for unpaid wages and unreimbursed expenses in the Action, and
28 untimely payment of wages in the Action, are disputed, and that the payments set forth herein

1 constitute payment of all sums allegedly due to them. Class Representative, on behalf of herself
2 and the Settlement Class, acknowledges and agrees that California Labor Code Section 206.5 are
3 not applicable to the Parties hereto. Section 206.5 provides in pertinent part as follows:

4 An employer shall not require the execution of any release of any claim or
5 right on account of wages due, or to become due, or made as an advance
6 on wages to be earned, unless payment of those wages has been made.

7 **E. Release by Class Representative**

8 52. As a material inducement to Defendants to enter into this Settlement Agreement,
9 Class Representative does hereby, for herself and for her respective spouses, heirs, successors,
10 beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians,
11 personal representatives, and assigns forever and completely release and discharge the Released
12 Parties from any and all charges, complaints, claims, liabilities, obligations, promises,
13 agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs,
14 losses, debts, and expenses (including back wages, statutory penalties, civil penalties, liquidated
15 damages, exemplary damages, interest, attorneys' fees, and costs) of any nature whatsoever,
16 from the beginning of time through the execution of this Stipulation, whether known or
17 unknown, suspected or unsuspected, including but not limited to all claims arising out of, based
18 upon, or relating to Class Representative's employment with Defendants or the remuneration for
19 or termination of such employment (collectively, the "Class Representative's Claims").

20 53. Without limiting the generality of the foregoing, this general release by Class
21 Representative includes all federal, state and local statutory claims, federal and state common
22 law claims (including but not limited to those for contract, tort and equity), including without
23 limitation the Americans with Disabilities Act, Age Discrimination in Employment Act, Title
24 VII of the Civil Rights Act of 1964 (as amended), 42 USC sec. 1981, 42 USC sec. 1983, the Fair
25 Labor Standards Act, the Employment Retirement Security Income Act of 1974, the California
26 Constitution, the California Fair Employment and Housing Act, the California Unfair
27 Competition Act (California Business and Professions Code section 17200 et seq.), and the
28 California Labor Code.

1 54. Class Representative agrees that there is a risk that any injury that she may have
2 suffered by reason of the Released Parties' relationship with her might not now be known, and
3 there is a further risk that said injuries, whether known or unknown at the date of this Settlement
4 Agreement, might possibly become progressively worse, and that as a result thereof further
5 damages may be sustained. Nevertheless, Class Representative agrees to forever and fully
6 release and discharge the Released Parties, and understands that by the execution of this
7 Settlement Agreement no further claims for any such injuries that existed at the time of the
8 execution of this Settlement Agreement may ever be asserted by Class Representative with
9 respect to claims arising in the time period from the beginning of time to the execution of this
10 Settlement Agreement.

11 55. Class Representative expressly waives and relinquishes all rights and benefits
12 afforded by Section 1542 of the Civil Code of the State of California and does so understanding
13 and acknowledging the significance of the waiver of Section 1542. Section 1542 of the Civil
14 Code of the State of California states:

15 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
16 THAT THE CREDITOR OR RELEASING PARTY DOES NOT
17 KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT
18 THE TIME OF EXECUTING THE RELEASE AND THAT, IF
19 KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY
20 AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR
21 OR RELEASED PARTY.

22 Notwithstanding the provisions of Section 1542, and for the purpose of implementing a
23 full and complete release and discharge of all parties, Class Representative and Class Counsel
24 expressly acknowledge that this Settlement Agreement is intended to include in its effect,
25 without limitation, all claims that Class Representative knew of, as well as all claims that she
26 does not know or suspect to exist in her favor against the Released Parties, or any of them, for
27 the time period from the beginning of time to the execution of this Settlement Agreement, and
28 that this Settlement Agreement contemplates the extinguishment of any such Class
Representative's claims. Notwithstanding the above, the general release by Class Representative
shall not extend to claims for workers' compensation benefits, claims for unemployment
benefits, or other claims that may not be released by law.

1 **F. Interim Stay of Proceedings**

2 56. Pending completion of all of the prerequisites necessary to effectuate this
3 Settlement, the Parties agree, subject to Court approval, to a stay of all proceedings in the Action
4 except such as are necessary to effectuate the Settlement.

5 **G. Notice Process**

6 57. Appointment of Settlement Administrator. The Parties have agreed to the
7 appointment of the Settlement Administrator to perform the duties of a settlement administrator,
8 including mailing the Notice, using standard devices to obtain forwarding addresses,
9 independently reviewing and verifying documentation associated with any claims or opt-out
10 requests, resolving any disputes regarding the calculation or application of the formula for
11 determining the Individual Settlement Payments, drafting and mailing the settlement checks to
12 Participating Class Members, issuing W-2 and 1099 Tax Forms, unclaimed funds due diligence,
13 reporting and remittance obligations, and performing such other tasks as set forth herein or as the
14 Parties mutually agree or that the Court orders.

15 58. Disputes Regarding Settlement Administration. Any and all disputes relating to
16 administration of the Settlement by the Settlement Administrator (except for disputes regarding
17 Class Data) shall be referred to the Court, if necessary, which will have continuing jurisdiction
18 over the terms and conditions of this Settlement Agreement, until Plaintiff and Defendants notify
19 the Court that all payments and obligations contemplated by this Settlement Agreement have
20 been fully carried out. Prior to presenting any issue to the Court, counsel for the Parties will
21 confer in good faith to resolve the dispute without the necessity of Court intervention. The
22 Settlement Administrator shall also be responsible for issuing to Plaintiff, Settlement Class
23 Members, and Class Counsel any W-2, 1099, or other Tax Forms as may be required by law for
24 all amounts paid pursuant to this Agreement. The Settlement Administrator shall also be
25 responsible for setting up all necessary tax accounts and forwarding all payroll taxes and
26 penalties to the appropriate government authorities.

27 59. Class Data. Within thirty (30) days after Notice of Entry of the Preliminary
28 Approval Order, Defendants shall provide the Class Data to the Settlement Administrator. The

1 Settlement Administrator will run a check of the Class Members' addresses against those on file
2 with the U.S. Postal Service's National Change of Address List. The Class Data provided to the
3 Settlement Administrator will remain confidential, shall be used solely to administer the
4 Settlement, and will not be used or disclosed to anyone, except as required by applicable tax
5 authorities, pursuant to Defendants' express written consent, or by order of the Court. Although
6 Class Counsel will not be provided with the list of Class Data, nothing herein shall prevent Class
7 Counsel from communicating with Class Member's regarding the Action and Settlement.

8 60. Notice. The Notice, as approved by the Court, shall be sent by the Settlement
9 Administrator to the Settlement Class Members, by first class mail, in English, within fourteen
10 (14) calendar days following the Settlement Administrator's receipt of the Class Data. The
11 Settlement Administrator shall use standard devices, including a skip trace, to obtain forwarding
12 addresses of Settlement Class Members if any envelopes are returned.

13 61. Returned Notices. The Settlement Administrator will take steps to ensure that the
14 Notice is received by all Settlement Class Members, including utilization of the National Change
15 of Address Database maintained by the United States Postal Service to review the accuracy of
16 and, if possible, update a mailing address. Notices will be re-mailed to any Class Member for
17 whom an updated address is located within ten (10) calendar days following both the Settlement
18 Administrator learning of the failed mailing and its receipt of the updated address. The Notice
19 shall be identical to the original Notice, except that it shall notify the Class Member that the
20 exclusion (opt-out) request or objection must be returned by the later of the Notice Response
21 Deadline or fifteen (15) days after the remailing of the Notice.

22 62. Disputes Regarding Information on Notices. Class Members are deemed to
23 participate in the Settlement, unless they opt-out. The Notice will inform Class Members of
24 his/her estimated Individual Settlement Payment and the number of Weeks Worked during the
25 Class Period. Class Members may dispute their Weeks Worked if they feel they should be
26 credited with more Work Weeks than Defendants' records show by timely submitting evidence
27 to the Settlement Administrator. Defendants' records will be presumed determinative absent
28 reliable evidence to rebut Defendants' records, but the Settlement Administrator will evaluate the

evidence submitted by the Class Member and provide the evidence submitted to Class Counsel and Defense Counsel who agree to meet and confer in good faith about the evidence to determine the Class Member's actual number of Work Weeks and estimated Individual Settlement Payment. If Class Counsel and Defense Counsel are unable to agree, they agree to submit the dispute to the Settlement Administrator to render a final decision. Class Members will have until the Notice Response Deadline to dispute Weeks Worked, object or opt out, unless extended by the Court. In the event that the Settlement Administrator increases the number of Weeks Worked for any Settlement Class Member, then the Settlement Administrator will recalculate the Individual Settlement Payments; accordingly, in no event will Defendants be required to increase the Total Maximum Settlement Amount.

63. Declaration of Due Diligence. The Settlement Administrator shall provide counsel for the Parties, at least twenty-five (25) days prior to the final approval hearing, a declaration of due diligence and proof of mailing with regard to the mailing of the Notice.

64. Settlement Class Members' Rights. Each Settlement Class Member will be fully advised of the Settlement, the ability to object to the settlement, and the ability to opt-out or request exclusion from the Settlement. The Notice will inform the Settlement Class Members of the Court-established deadlines for filing objections or requesting exclusion from the Settlement in accordance with the following guidelines:

(a) Requests for Exclusion from Settlement Class. Any Settlement Class Member, other than Plaintiff, may request to be excluded from the Settlement Class by submitting a "Request for Exclusion" to the Settlement Administrator, postmarked on or before the Notice Response Deadline. The Request for Exclusion should state:

"I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE LABRA V. SUTTER STREET LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THIS LAWSUIT."

To be valid, any Request for Exclusion must include the full name, address, telephone

1 number, last four digits of the social security number or date of birth, and signature of the
2 Settlement Class Member requesting exclusion. The Request for Exclusion must be returned by
3 mail to the Settlement Administrator at the specified address. Any such Request must be made
4 in accordance with the terms set forth in the Notice. A Request for Exclusion will be timely only
5 if postmarked by the Notice Response Deadline, unless the Parties otherwise agree in writing.
6 Any Settlement Class Member who timely requests exclusion in compliance with these
7 requirements: (i) will not have any rights under this Agreement, including the right to object,
8 appeal or comment on the Settlement; (ii) will not be entitled to receive any payments under this
9 Agreement; and (iii) will not be bound by this Agreement, or the Judgment.

10 (b) Binding Effect on Final Settlement Class Members. Except for those
11 Settlement Class Members who exclude themselves in compliance with the procedures set forth
12 above, all Settlement Class Members will: (i) be deemed to be Participating Class Members for
13 all purposes under this Agreement; (ii) will be bound by the terms and conditions of this
14 Agreement, the Judgment, and the releases set forth herein; and (iii) except as otherwise
15 provided herein, will be deemed to have waived all objections and oppositions to the fairness,
16 reasonableness, and adequacy of the Settlement.

17 (c) Objections to Settlement. Any Settlement Class Member, other than
18 Plaintiff, may object to the terms of this Agreement. To object, a Settlement Class Member shall
19 inform the Settlement Administrator, in writing, of his or her objection which must be
20 postmarked by the Notice Response Deadline at the address set forth in the Notice. Such
21 objection shall include the objecting Settlement Class Member's full name, address, telephone
22 number, and dates of employment with Defendants, the case name and number, the basis for the
23 objection, including any legal support and each specific reason in support of the objection, as
24 well as any documentation or evidence in support thereof, and, if the Objecting Settlement Class
25 Member is represented by counsel, the name and address of his or her counsel. The Settlement
26 Administrator shall provide objections, if any, to Class Counsel and Defense Counsel within
27 three (3) calendar days of receipt, and the Settlement Administrator shall attach the same to its
28 declaration of due diligence and file with the Court prior to the Final Approval Hearing. Any

1 Participating Class Member who files an objection remains eligible to receive monetary
2 compensation from the Settlement. Plaintiff and Defendants shall not be responsible for any
3 fees, costs, or expenses incurred by any Class Member and/or his or her counsel related to any
4 objections to the Settlement. Submitting an objection does not preserve the right to appeal a
5 final judgment. Rather, the right to appeal is preserved by becoming a party of record by timely
6 and properly intervening or filing a motion to vacate the judgment under Code of Civil
7 Procedure § 663.

8 (d) Failure to Object. Any Settlement Class Member who desires to object
9 but fails to timely submit a written objection or in person objection at the Final Approval
10 Hearing waives any right to object and will be foreclosed from making any objection to this
11 Settlement. Any Settlement Class Member who does not timely and properly become a party of
12 record by intervening or filing a motion to vacate the judgment waives any and all rights to
13 appeal from the Judgment, including all rights to any post-judgment proceeding and appellate
14 proceeding, such as a motion to vacate judgment, motion for new trial, a motion under California
15 Code of Civil Procedure section 473, and extraordinary writs.

16 (e) Responses to Objections. Counsel for the Parties may file a response to
17 any objections submitted by objecting Settlement Class Members at least five (5) court days
18 before the date of the Final Approval Hearing.

19 (f) Settlement Class Members will have until the Notice Response Deadline
20 to object or submit a Request for Exclusion to the Settlement Administrator by U.S. Mail. The
21 Settlement Administrator shall disclose jointly to Class Counsel and Defendants' counsel what
22 objections or Requests for Exclusion were timely submitted on a weekly basis, and upon the
23 request of Class Counsel or Defense Counsel.

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

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

6 65. Funding of the Settlement Amount. Defendants shall make a one-time deposit
7 into the QSF of the Total Maximum Settlement Amount (including the employers' share of the
8 payroll taxes) within twenty-one (21) calendar days after the Effective Date. Once Defendants
9 have complied with their obligation set forth in this paragraph, they shall be deemed to have
10 satisfied all of the terms and conditions of this Agreement, shall be entitled to all the protections
11 afforded it under the Agreement, and shall have no further obligations under the Agreement,
12 regardless of what occurs with respect to the further administration of the Settlement. The
13 Settlement Administrator (and not Defendants) shall issue the applicable W-2s and IRS Form
14 1099 reflecting all payments to the Class Members.

15 66. Distribution of Funds. No later than fourteen (14) calendar days after the deposit
16 of the payment into the QSF, the Settlement Administrator will mail the Individual Settlement
17 Payments to the Participating Class Members, the payment to Class Counsel for the Attorneys'
18 Fees and Costs Award, any Service Payment to the Class Representative, the payment to the
19 LWDA for PAGA penalties, and will pay itself the Settlement Administration Costs.

20 67. Deadline for Cashing Settlement Checks. Participating Class Members shall have
21 180 calendar days after mailing by the Settlement Administrator to cash their settlement checks.
22 If any Participating Class Member's check is not cashed within that period, the check will be
23 void and a stop-payment will be issued, and the Settlement Administrator shall issue the
24 unclaimed funds to the California State Controller's Office in the name of the Class Member.
25 The release will be binding upon all Participating Class Members who do not cash their checks
26 within the 180-day period. In the event that any settlement check is returned to the Settlement
27 Administrator within 180 days of mailing, the Settlement Administrator will, within five (5)
28 business days of receipt of the returned settlement check, perform a skip trace to locate the

individual, and notify Defense Counsel and Class Counsel of the results. If a new address is located by these means, the Administrator will have ten (10) business days to re-issue the check. Neither Defendants, Defense Counsel, Class Counsel, Plaintiff, nor the Settlement Administrator will have any liability for lost or stolen settlement checks, forged signatures on settlement checks, or unauthorized negotiation of settlement checks. Without limiting the foregoing, in the event a Participating Class Member notifies the Settlement Administrator that he or she believes that a settlement check has been lost or stolen, the Settlement Administrator shall immediately stop payment on such check. If the check in question has not been negotiated prior to the stop payment order, the Settlement Administrator will issue a replacement check.

68. No person shall have any claim against Defendants (or its designee), Defendants' Counsel, Plaintiff, Class Counsel, or the Settlement Administrator based on mailings, distributions, payments or reports made in accordance with or pursuant to this Agreement. This provision does not, however, prevent a Party from seeking enforcement of this Agreement.

69. Without prejudice to any other remedies, the Settlement Administrator shall agree to be responsible for any breach of its obligations (whether committed by the Settlement Administrator or its agents) and to indemnify and hold the Parties and their counsel harmless from and against all liabilities, claims, causes of action, costs and expenses (including legal fees and expenses) arising out of any breach committed by the Settlement Administrator or its agents.

H. Duties of the Parties Prior to the Court's Approval

70. Promptly after execution of this Settlement Agreement, Plaintiff will move the Court for Preliminary Approval of this Settlement and entry of the Preliminary Approval Order accomplishing the following:

- (a) Scheduling the Final Approval Hearing on the issue of whether this Settlement should be finally approved as fair, reasonable and adequate as to the Class Members and a hearing on fees, costs and the Service Payment;
- (b) Approving as to form and content the proposed Notice;
- (c) Directing the mailing of the Notice by first class mail to the Settlement Class Members;

(d) Preliminarily approving this Settlement; and

(e) Preliminarily certifying the class for purposes of this Settlement.

I. Duties of the Parties Following Court's Final Approval

71. In connection with the Final Approval Hearing provided for in this Settlement Agreement, Class Counsel shall submit a proposed Final Approval Order:

(a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions;

(b) Approving Class Counsel's application for an award of attorneys' fees and reimbursement of litigation costs and expenses, the Service Payment to the Class Representative, and the payment to the Settlement Administrator for costs of administering the settlement; and

(c) Entering judgment approving settlement, thereby permanently barring all Settlement Class Members from prosecuting any Released Claims against any of the Released Parties.

72. Final Judgment. Class Counsel shall provide the Settlement Administrator with a copy of the Final Judgment once it is entered by the Court, and the Settlement Administrator shall post the Final Judgment to its website within three (3) business days of receipt.

J. Voiding the Agreement

73. Defendants will have, in their sole discretion, the right to void and withdraw from the Settlement if, at any time prior to Final Approval, (i) two percent (2%) or more of Class Members opt out of the Settlement; (ii) there is a change to the scope of the release; and/or (iii) the Court finds the Total Maximum Settlement Amount is insufficient to warrant approval.

74. All Parties, signatories and their counsel shall not encourage opt-outs or objections to this Agreement. The Parties specifically agree not to solicit opt-outs, directly or indirectly, through any means.

75. If the Settlement is voided or fails for any reason, Plaintiff and Defendants will have no further obligations under the Settlement, including any obligation by Defendants to pay the Total Maximum Settlement Amount, or any amounts that otherwise would have been owed under this Settlement.

76. If the Settlement is voided or fails for any reason, any costs incurred by the Settlement Administrator shall be borne equally by Defendants and Plaintiff, unless otherwise specified in this Agreement.

K. Other Terms

77. Waiver. The waiver by one Party of any breach of this Agreement by another Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

78. Parties' Authority. The signatories hereto represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions hereof.

79. Mutual Full Cooperation. The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties to this Settlement Agreement shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable after execution of this Settlement Agreement, Class Counsel shall, with the assistance and cooperation of Defendants and Defendants' Counsel, take all necessary steps to secure the Court's preliminary and final approval of the settlement, and the final entry of judgment. Class Counsel shall provide Defendants' Counsel with copies of the Preliminary Approval Motion and Final Approval Motion for review at least three business days prior to the filing deadline.

80. No Prior Assignments. The Parties hereto represent, covenant, and warrant that they have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights released and discharged by this Settlement Agreement.

81. No Admission. Defendants deny any and all liability to Plaintiff and/or any Settlement Class Member in this Action, as to any and all causes of action that were asserted or that might have been asserted in this Action. Nonetheless, Defendants wish to settle and

1 compromise the matters at issue in the Complaint to avoid further substantial expense and the
2 inconvenience and distraction of protracted and burdensome litigation. Defendants also have
3 taken into account the uncertainty and risks inherent in litigation, and without conceding any
4 infirmity in the defenses that they have asserted or could assert against Plaintiff, have determined
5 that it is desirable and beneficial that Plaintiff's claims be settled in the manner and upon the
6 terms and conditions set forth in this Agreement.

7 82. No Publication. Neither Plaintiff nor her counsel shall hold a press conference or
8 otherwise seek to affirmatively publicize the settlement in the media or on social media. If
9 contacted by the media regarding the settlement, Plaintiff and her counsel will state "It was a fair
10 settlement and we are happy with the results" or something to that effect. Additionally, neither
11 Plaintiff nor her counsel shall engage in any disparagement of any type related to this settlement.

12 83. Inadmissibility of Agreement. Whether or not the Court issues the Final Approval
13 Order, nothing contained herein, nor the consummation of this Settlement Agreement, is to be
14 construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part
15 of Defendants or any of the other Released Parties. Each of the Parties hereto has entered into
16 this Settlement Agreement with the intention of avoiding further disputes and litigation with the
17 attendant inconvenience and expenses. This Settlement Agreement is a settlement document,
18 and it, along with all related documents such as the notices, and motions for preliminary and
19 final approval, shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of
20 Evidence 408, be inadmissible in evidence in any proceeding, except an action or proceeding to
21 approve the settlement, and/or interpret or enforce this Settlement Agreement. The stipulation
22 for class certification as part of this Settlement Agreement is for settlement purposes only and if,
23 for any reason the settlement is not approved, the stipulation will be of no force or effect.

24 84. Notices. Unless otherwise specifically provided herein, all notices, demands or
25 other communications given hereunder shall be in writing and shall be deemed to have been duly
26 given as of the third business day after mailing by United States registered or certified mail,
27 return receipt requested, addressed:
28

To the Settlement Class:

Brian Mankin, Esq.
brian@lmlfirm.com
Lauby Mankin Lauby LLP
4590 Allstate Drive
Riverside, CA 92501
Tel: (951) 320-1444
Fax: (951) 320-1445

To Defendants:

Jessica Perry, Esq.
jperry@orrick.com
Allison Riechert Giese, Esq.
agiese@orrick.com
Orrick, Herrington & Sutcliffe LLP
1000 Marsh Road
Menlo Park, CA 94025-1015
Tel: (650) 614-7400
Fax: (650) 614-7401

85. Construction. The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arms' length negotiations between the Parties and that this Settlement Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or her or its counsel participated in the drafting of this Settlement Agreement. Plaintiff and Defendants expressly waive the common-law and statutory rule of construction that ambiguities should be construed against the drafter of an agreement and further agree, covenant, and represent that the language in all parts of this Agreement shall be in all cases construed as a whole, according to its fair meaning.

86. Captions and Interpretations. Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a recital.

87. Modification. This Settlement Agreement may not be changed, altered, or modified, except in writing and signed by the Parties hereto, and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its

1 terms or by a writing signed by all of the Parties hereto.

2 88. Dispute Resolution. Prior to instituting legal action to enforce the provisions of
3 this Agreement or to declare rights and/or obligations under this Agreement, a Party shall
4 provide written notice to the other Party and allow an opportunity to cure the alleged
5 deficiencies, and Plaintiff and Defendants agree to seek the help of the mediator to resolve any
6 dispute they are unable to resolve informally. During this period, the Parties shall bear their own
7 attorneys' fees and costs. This provision shall not apply to any legal action or other proceeding
8 instituted by any person or entity other than Plaintiff or Defendants.

9 89. Choice of Law. This Settlement Agreement shall be governed by and construed,
10 enforced and administered in accordance with the laws of the State of California.

11 90. Integration Clause. This Settlement Agreement contains the entire agreement
12 between the Parties relating to the settlement and transaction contemplated hereby, and all prior
13 or contemporaneous agreements, understandings, representations, and statements, whether oral
14 or written and whether by a Party or such Party's legal counsel, are merged herein. No rights
15 hereunder may be waived except in writing.

16 91. Binding On Assigns. This Settlement Agreement shall be binding upon and inure
17 to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators,
18 successors and assigns.

19 92. Signatures of All Class Members Unnecessary to be Binding. It is agreed that,
20 because the members of the Settlement Class are numerous, it is impossible or impractical to
21 have each Class member execute this Settlement Agreement. The Notice will advise all
22 Settlement Class Members of the binding nature of the release provided herein and such shall
23 have the same force and effect as if this Settlement Agreement were executed by each Settlement
24 Class Member.

25 93. Invalidity of Any Provision. Before declaring any provision of this Settlement
26 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest
27 extent possible consistent with applicable precedents so as to define all provisions of this
28 Settlement Agreement valid and enforceable.

94. Counterparts. This Settlement Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one fully signed Settlement Agreement, which shall be binding upon and effective as to all Parties. Electronic signatures shall have the same force and effect as an original.

95. Privacy of Documents and Information. Class Representative and Class Counsel agree that they will destroy all confidential documents and information provided to them by Defendants within thirty (30) days of the Distribution of Funds pursuant to paragraphs 66-67 above, except for documents that must be retained for professional responsibility purposes or pursuant to ethical rules governing attorney conduct in California and the United States. Class Representative and Class Counsel further agree that none of the documents and information provided to them by Defendants shall be used for any purpose other than prosecution of this Lawsuit or the defense or prosecution of a malpractice action or defense of any state bar complaint.

Dated: February 24, 2021

PLAINTIFF AND CLASS REPRESENTATIVE:

DocuSigned by:

 454AF35CA03A484

Yvonne Labra

Dated: February 25, 2021

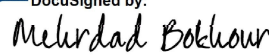
CLASS COUNSEL:
 LAUBY MANKIN LAUBY LLP



Brian J. Mankin
 Attorneys for Plaintiff

Dated: February 24, 2021

CLASS COUNSEL:
 BOKHOUR LAW GROUP, P.C.

DocuSigned by:

 D8D3643E271940F

Mehrdad Bokhour
 Attorneys for Plaintiff

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2
3 Dated: March 10 2021

DEFENDANTS:
SUTTER STREET MANUFACTURING, INC. AND
WILLIAMS-SONOMA, INC.

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6
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8 

9 By: Julie Whalen
Title: Executive Vice President and Chief Financial
Officer

10 Dated: March 10 2021

11
12 **DEFENDANTS' COUNSEL:**
13 ORRICK, HERRINGTON & SUTCLIFFE LLP

14 

15 Jessica R. Perry, Esq.
16 Attorneys for Defendants
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EXHIBIT “C”

NOTICE OF SETTLEMENT OF CLASS ACTION

Yvonne Labra v. Sutter Street Manufacturing, Inc. et al.
Superior Court of the State of California, County of Los Angeles
Case No. 20STCV18751

To: All current and former non-exempt employees employed by Sutter Street Manufacturing, Inc., and/or Williams-Sonoma, Inc. (the “Company”) at warehouses and/or manufacturing facilities in California at any time between May 15, 2016 and March 6, 2021 (the “Class”):

THIS NOTICE is of a proposed settlement of a class action lawsuit, and an announcement of a court hearing that you may choose to attend. Your rights may be affected by the legal proceedings in this action. The Court will conduct a hearing on [REDACTED], 2021 to address whether the proposed settlement should be approved (the “Final Approval Hearing”). You may be entitled to receive a payment under the terms of this class action settlement contained in the Settlement Agreement.

[IDENTIFYING INFORMATION]

You have been identified as a Class Member in the above lawsuit. Under the terms of the proposed settlement you are estimated to receive approximately \$**INSERT AMOUNT** as your share of the Net Settlement Amount should the Court grant the settlement in full. Please note that this is only an estimate. Your actual share of the Net Settlement Amount may be more or less than this estimate. Your estimate is based on the number of eligible weeks you worked at the Company in California between May 15, 2016 and March 6, 2021 (the “Class Period”). Your options and eligibility requirements for receiving payments are described below.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	If you want to receive your settlement payment, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if the Settlement receives final approval by the Court. You will be bound by the terms of the Settlement Agreement and will give up your right to sue on the Released Claims described in Section IV.
EXCLUDE YOURSELF	If you do not wish to participate in the settlement, you may “opt-out” of the settlement. If you choose to opt-out, you must submit a Request for Exclusion by [REDACTED], 2021 (see Section V for more details on how to opt-out). If you opt-out, you will no longer be a Class Member, and you will (1) <u>not</u> receive any settlement payment, but you will preserve your right to pursue the Released Claims described in Section IV subject to applicable statutes of limitations, and (2) be barred from filing an objection to the settlement.
OBJECT	If you decide to object to the settlement because you find it unfair or unreasonable, you must submit an objection stating why you object to the settlement by [REDACTED], 2021 (see Section V for more details on how to object).
DISPUTE YOUR NUMBER OF WORK WEEKS	If you believe that your number of Work Weeks listed above is incorrect, you may contact the Settlement Administrator to dispute your Work Week calculation (see Section IV for more details on how to dispute your Work Weeks). Defendants’ records will be presumed correct, but you may provide evidence to the Settlement Administrator showing that your Work Week calculation is inaccurate.

I. Why should I read this Notice?

The Court has granted preliminary approval of a proposed settlement (the “Settlement”) in *Labra v. Sutter Street Manufacturing, Inc., et al.*, Los Angeles County Superior Court Case No. 20STCV18751 (the “Lawsuit”). Because your rights may be affected by the Settlement, it is important that you read this notice carefully.

The Company's records show that you were employed at one or more of its warehouses and/or manufacturing facilities in California as a non-exempt employee (meaning you were paid hourly or otherwise eligible for overtime pay) at some point between May 15, 2016 and March 6, 2021 ("Class Period"). The Court ordered this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

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

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

II. What is this lawsuit about?

On May 15, 2020, Plaintiff and Class Representative Yvonne Labra, through her attorneys ("Class Counsel"), filed a class and representative action complaint against the Company for alleged wage and hour violations on behalf of all current and former non-exempt employees who were employed by the Company in California at any time since May 15, 2016. Plaintiff alleges that the Company violated various Labor Code sections by failing to pay wages for all hours worked, provide all required meal and rest breaks, timely pay final wages, provide accurate and complete wage statements, provide suitable seating, and other related claims.

The Company has denied, and continues to deny, the factual and legal allegations in the Lawsuit and believes that it has valid defenses to Plaintiff's claims. By agreeing to settle, the Company is not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action. The Company has agreed to settle the case as part of a compromise with Plaintiff.

The Court has not ruled on the merits of Plaintiff's claims. And, by approving the Settlement and issuing this Notice, the Court is not suggesting which side would win or lose this case if it went to trial. However, to avoid additional expense, inconvenience, and risks of continued litigation, the Company and Plaintiff have concluded that it is in their respective best interests and the interests of the Settlement Class to settle the Lawsuit on the terms summarized in this Notice. After extensive discovery and providing information to Class Counsel, the Settlement was reached following an arm's length mediation. In these negotiations, both sides recognized the substantial risk of the Court deciding against them at trial and determined that the Proposed Settlement was a good option to resolve the disputed claims.

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

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

III. Who are the Class' attorneys?

Attorneys for the Class Members:

Brian Mankin, Esq. <i>brian@lmlfirm.com</i> Peter Carlson, Esq. <i>peter@lmlfirm.com</i> Lauby Mankin Lauby LLP 4590 Allstate Drive Riverside, CA 92501 Tel: (951) 320-1444	Mehrdad Bokhour, Esq. <i>mehrdad@bokhourlaw.com</i> Bokhour Law Group, P.C. 1901 Avenue of the Stars, Ste 450 Los Angeles, CA 90067 Tel: (310) 975-1493
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IV. What are the terms of the Settlement?

On [PA DATE], the Court certified a class, for settlement purposes only, of all non-exempt employees employed by the Company at warehouses and/or manufacturing facilities in California between May 15, 2016 and March 6, 2021 (the "Settlement Class"). Individuals who do not opt out of the Settlement Class, pursuant to the procedures set forth in this Notice, ("Participating Class Members") will be mailed Settlement checks and in exchange be bound by the Settlement and release of certain wage and penalty claims against the Company.

Without admitting any wrongdoing, the Company has agreed to pay \$1,824,000 (the "Total Maximum Settlement Amount") to fully resolve all claims in the Lawsuit. The Parties agreed to the following payments from the Total Maximum Settlement Amount:

Settlement Administration Costs. The Court has approved CPT Group to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the Settlement. Under the Settlement, a maximum of \$10,500 will be paid from the Total Maximum Settlement Amount to pay the Settlement Administration Costs.

Penalties to the California Labor Workforce and Development Agency. \$50,000 of the Total Maximum Settlement Amount will be allocated to Plaintiff's claim under the Private Attorneys General Act of 2004 ("PAGA"). Of this amount, \$37,500 will be paid to the LWDA in satisfaction of the claims for penalties under PAGA, and the remaining \$12,500 will be included in the Net Settlement Amount to be divided between all Class Members.

Service Payment to Class Representative. Class Counsel will ask the Court to award Class Representative a Service Payment in the amount of \$10,000 to Yvonne Labra to compensate her for service and extra work provided on behalf of the Class Members and in exchange for a general release of claims. The Class Representative also may receive a share of the Settlement as a Class Member.

Attorneys' Fees and Costs. Class Counsel, which includes two law firms (Lauby Mankin Lauby LLP and Bokhour Law Group, P.C.), have been prosecuting the Lawsuit on behalf of the Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which will be paid from the Total Maximum Settlement Amount. Class Members are not personally responsible for any of Class Counsel's attorneys' fees or costs. Class Counsel will ask for fees of one-third (\$608,000) of the common fund Total Maximum Settlement Amount as reasonable compensation for the work Class Counsel performed and will continue to perform in this Lawsuit through finalization of the Settlement. Class Counsel will split the fees award equally. Class Counsel also will ask for reimbursement of up to \$20,000 for the costs Class Counsel incurred in connection with the Lawsuit.

Calculation of Individual Settlement Payments to Class Members. After deducting the amounts above from the Total Maximum Settlement Amount, the balance will form the Net Settlement Amount for distribution to Participating Class Members (who are Class Members who do not opt-out). The Net Settlement Amount will total approximately \$ [REDACTED]. Compensable work weeks will be all Work Weeks worked by the Settlement Class Members during the Class Period at the Company's warehouses and/or manufacturing facilities in California, excluding leaves of absence and Excluded Work Weeks. An Excluded Workweek is any work week during the Class Period in which a Settlement Class Member was also a member of a different settlement class, and as a result, is not credited with a work week due to having released applicable claims in any of the following cases: *Anaya/Aguilar v. Williams-Sonoma, Inc. et al.* (Los Angeles Superior Court, Case No. BC562546); and *Ayala v. Williams-Sonoma, Inc.* (Los Angeles Superior Court, Case No. BC692815).

To calculate each Individual Settlement Payment, the Settlement Administrator will divide the total Work Weeks of all Settlement Class Members into the Net Settlement Amount to determine a per "Work Week Value". The Workweek Value will be multiplied by the number of Work Weeks worked by each Settlement Class Member during the Class Period to determine the Individual Settlement Payment, prior to legal deductions, for each Settlement Class Member. If any Settlement Class Member opts-out of the Settlement, his/her Individual Settlement Payment will be distributed to all Participating Class Members (i.e., those who do not opt-out).

For each Settlement Class Member, the Weeks Worked at the Company during the Class Period will be calculated from Company's records. Company's records indicate that you worked for [TOTAL WORK WEEKS] Work Weeks at

warehouses and/or manufacturing facilities in California during the Class Period of May 15, 2016, through **March 6, 2021**. If you disagree with this number, you may submit evidence to the Settlement Administrator on or before **March 6, 2021**, with documentation to establish the number of weeks you claim to have actually worked for Company at warehouses and/or manufacturing facilities in California between May 15, 2016 and **March 6, 2021** (excluding any Excluded Work Weeks and leaves of absence). **DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED; DO NOT SEND ORIGINALS.** The Settlement Administrator will render a final decision.

Payments to Class Members. After the Court grants Final Approval of the Settlement and Judgment is entered, settlement checks will be mailed to all Participating Class Members who did not timely request to be excluded. Participating Class Members will have 180 days from the issuance of the last check to cash all of the checks. In the event that any Participating Class Member fails to timely cash a settlement check, a stop payment will be placed on the check and the funds will be paid to the California State Controller's Office in the name of the Participating Class Member, so that the Participating Class Member can attempt to collect the funds at a later date.

Allocation and Taxes. Thirty percent (30%) of the Individual Settlement Payment distributed to each Participating Class Member will be considered and reported as wages (Form W-2 reporting). The remaining seventy percent (70%) will be considered and reported as interest and penalties (Form 1099 reporting). The Settlement Administrator shall take all usual and customary deductions from the Individual Settlement Payments that are distributed as wages, including, but not limited to, state and federal tax withholding, disability premiums, and unemployment insurance premiums. There will be no deduction taken from the interest and penalty distribution; however, it will be reported on IRS Form 1099 as income. Participating Class Members are responsible for the proper income tax treatment of the Individual Settlement Payments. The Settlement Administrator, Company and its counsel, and Class Counsel cannot provide tax advice and make no representations as to the tax treatment or legal effect of the Individual Settlement Payments. Participating Class Members will be solely responsible for the payment of any taxes and penalties assessed on their Individual Settlement Payments. Accordingly, Participating Class Members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. Once the Court approves the proposed Settlement and enters Judgment, and the Company funds the Settlement, then the Settlement Agreement will bind all Class Members who have not opted out of the Settlement, and will bar them from bringing certain claims against the Company. Specifically, the Participating Class Members will fully release and discharge the Defendants and their past and present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective parent corporations, subsidiaries, divisions, affiliates, attorneys, successors and assigns, of all claims, demands, rights, liabilities, and causes of action that were or could have been pleaded under local, state or federal law arising out of, relating to, or based on any facts, transactions, events, policies, occurrences, acts, disclosures, statements, omissions, or failures to act pleaded in the Complaint against Defendants for the duration of the Class Period, including but not limited to claims related to unpaid wages and overtime compensation, meal and rest break violations, untimely final paychecks, inaccurate itemized wage statements, unfair and unlawful business practices, and failure to provide suitable seating and for civil penalties under the Private Attorney General Act related to the claims above. In addition, each Participating Class Member who cashes their Individual Settlement Payment check shall be deemed to have released claims alleged in the operative complaint or that could have been alleged based on the facts therein under the Fair Labor Standards Act. These released claims and damages are hereinafter referred to as "Released Claims." The time period governing these Released Claims shall be at any time from May 15, 2016 and **March 6, 2021** ("Release Period").

Waiver of Labor Code Section 206.5(e). Participating Class Members will be deemed to have acknowledged and agreed that their claims for wages and/or penalties in the Lawsuit are disputed, and that the Individual Settlement Payments constitute payment of all sums allegedly due to them. Participating Class Members will be deemed to have acknowledged and agreed that California Labor Code Section 206.5 is not applicable to the Individual Settlement Payments. That section provides in pertinent part as follows:

"No employer shall require the execution of any release of any claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of such wages has been made."

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, and the entry of Judgment.

V. What options do I have?

- A. **Do Nothing and Participate in the Settlement.** Under the Settlement, you will automatically receive an Individual Settlement Payment unless you exclude yourself from the settlement by following the opt-out procedure set forth below. If you disagree with the number of Weeks Worked, as described in this Notice, you may dispute the allocation of the Settlement without excluding yourself or objecting, as described above. It is the responsibility of all Class Members to ensure that the Settlement Administrator has your current address on file, or you may not receive important information or an Individual Settlement Payment.

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

- B. **Exclude Yourself from the Settlement.** If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator a “Request for Exclusion from the Class Action Settlement” letter/card postmarked no later than [REDACTED], 2021 with your full name, address, telephone number, last four digits of your social security number or your date of birth, and signature. The Request for Exclusion should state:

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE LABRA v. SUTTER STREET LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THIS LAWSUIT.”

Send the Request for Exclusion directly to the Settlement Administrator, [ADDRESS], postmarked no later than [REDACTED], 2021. Any person who files a timely Request for Exclusion from the Class Action Settlement, upon receipt: (1) will not have any rights under this Settlement, including the right to object, appeal or comment on the Settlement; (2) will not be entitled to receive any payments under this Settlement; and (3) will not be bound by this Settlement, or the Judgment.

- C. **Object to Settlement.** You also have the right to object to the terms of the Settlement if you believe they are unfair or unreasonable. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object, you must submit a written objection stating your full name, address, telephone number, dates of employment at the Company, the case name and number, the name and address of your attorney(s) if you are represented, each specific reason in support of your objection, and any legal support for each objection. You must also include any documentation or evidence in support of the objection, if any. Objections must be in writing and mailed to the Settlement Administrator, [ADDRESS], by no later than [REDACTED], 2021. Objections that do not include all required information, or that are not submitted timely, will not be considered. **You need not object to the Settlement if you only dispute the number of Weeks Worked.**

If you choose to object to the Settlement, you may also appear at the Final Approval Hearing scheduled for [REDACTED], 2021, at 8:30 a.m. in Department SS11 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. You have the right to appear either in person or through your own attorney at this hearing. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before [REDACTED], 2021. All objections or other correspondence must state the name and number of the case. If you wish to appear at the Final Approval hearing, please contact Class Counsel or the Settlement Administrator in advance of the scheduled hearing to ensure that the hearing has not been continued by the Court.

If you object to the Settlement, you will remain a Class Member, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Participating Class Members who do not object. Submitting an objection does not preserve the right to appeal a final judgment. Rather, the right to appeal is preserved by becoming a party of record by timely and properly intervening or filing a motion to vacate the judgment before entry of judgment.

VI. What is the effect of the settlement?

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

VII. What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement, and Class Counsel's request for attorneys' fees and reimbursement of documented litigation costs and the Service Payment to the Class Representative on [REDACTED], 2021 at 8:30 a.m. in Department SS11 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. To confirm the date and location of the hearing, please visit the Court website below and enter the case number (20STCV18751):

<http://www.lacourt.org/CaseSummary/UI/index.aspx?casetype=civil>

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

VIII. How can I get additional information?

This Notice is only a summary of the Lawsuit and the Settlement. For more information, you may inspect the Court's files and the Stipulation for Class Action Settlement and Release of Claims (the Settlement Agreement) at Office of the Clerk, Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012, during regular court hours. You may also contact Class Counsel or the Settlement Administrator using the contact information listed above for more information.

IX. Court's Social Distancing Guidelines.

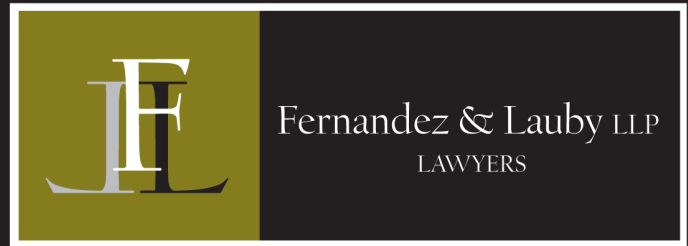
Please be advised that the Court has imposed social distancing guidelines for attendance at hearings and reviewing court files. Based on current conditions, including but not limited to, the spread of COVID-19 disease, the state of emergency having been declared by Governor Gavin Newsom, the need for social distancing, Class Members are encouraged to appear remotely via LACourtConnect which can be arranged at <http://www.lacourt.org/lacc/> or by contacting the Judicial Assistant in Department 11 for further instructions.

X. Reminder as to time limits.

Class Members do not have to take any further action to participate in the Settlement. The deadline for submitting a Request for Exclusion is [REDACTED], 2021. The deadline for mailing an objection to the Settlement Administrator is [REDACTED], 2021. These deadlines will be strictly enforced.

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

EXHIBIT “D”



May 13, 2020

Sent Via Online Filing to the LWDA

California LWDA
Attn: PAGA Administrator
455 Golden Gate Ave., 9th Fl.
San Francisco, CA 94102

Sent Via U.S. Mail and Certified Mail

Sutter Street Manufacturing, Inc.
Williams-Sonoma, Inc.
3250 Van Ness Avenue
San Francisco, CA 94109

Re: PAGA Civil Penalty Claim
Yvonne Labra v. Sutter Street Manufacturing, Inc. and Williams-Sonoma, Inc.

To the Labor and Workforce Development Agency (“LWDA”), Sutter Street Manufacturing Inc., and Williams-Sonoma, Inc.:

Pursuant to the Private Attorneys General Act of 2004 (“PAGA”), Labor Code §§ 2699, *et seq.*, this letter shall serve as notification of the PAGA civil penalty claim of aggrieved employee Yvonne Labra (“Claimant”), on behalf of the State of California and all Aggrieved Employees, against her former employer(s), Sutter Street Manufacturing, Inc. and/or any affiliated entities, and/or parent companies, including Williams-Sonoma, Inc. (collectively the “Company”), for violations of Labor Code §§ 201, 202, 203, 204, 208, 210, 218.6, 226, 226.3, 226.7, 256, 510, 512, 558, 1194, 1194.2, 1197, 1197.1, 1198, 1199, among possibly other sections inadvertently omitted, and/or sections of the applicable Industrial Welfare Commission Wage Order(s).

FACTUAL BACKGROUND

Claimant was employed by the Company and alleges that, at all relevant times, she and all other nonexempt employees employed by the Company in California (the “Aggrieved Employees”) were subjected to the same policies, working conditions, and violations to which Claimant was subjected during her employment.

At all relevant times, Claimant and the Aggrieved Employees were not provided proper minimum and overtime wages for multiple reasons. For instance, Claimant and the Aggrieved Employees were routinely required to work to work in excess of eight (8) hours in a workday and/or forty (40) hours in a workweek, but were not compensated at one and one-half times their regular rate of pay. When Plaintiff and other non-exempt employees worked overtime hours, the Company failed and continues to fail to include all forms of compensation, including but not limited to, non-discretionary bonuses, when calculating the regular rate of pay used in overtime calculations.

Also, during her employment with the Company, Claimant was required to go through a security checkpoint when entering the facility and at the end of her shift. Despite that Claimant and

the Aggrieved Employees were subject to the Company's control while waiting to go through the security checkpoint, the Company did not provide any compensation for the time it took to complete this process. Moreover, Claimant and the Aggrieved Employees did not receive proper minimum and overtime wages due to the Company's failure to accurately record and compensate for all hours worked, including unevenly rounding time. These violations resulted in unpaid minimum, overtime, and doubletime wages.

Claimant was also not provided 30-minute off-duty meal periods, as mandated by California law, during employment with the Company. As a result of the Company's policies and practices, Claimant was subjected to meal period violations when she was: (1) unable to take a meal period due to workload, (2) forced to take an on-duty meal period while under the control of the Company, (3) forced to take a meal period after the 5th hour of work, and (4) not provided a mandated second meal period on occasions for shifts in excess of 10 hours.

The Company also failed to provide Claimant with 10 minutes of net rest break time for every 4 hours worked, or major fraction thereof, as mandated by California law. The Company did not schedule Claimant's rest breaks and Claimant was often not authorized and/or permitted to take mandated rest breaks due to being overwhelmed by the hectic workload. Additionally, Claimant was often not permitted to leave the premises for rest breaks, in violation of California law. Also, on occasions when Claimant worked in excess of 10 hours in a shift, the Company failed to authorize and/or permit a third mandated rest break.

The Company also failed to comply with the mandates of Labor Code § 204 regarding the timing of the payment of wages to its employees each period, including minimum and overtime wages, and meal and rest period premiums. And the Company failed to comply with the mandates of Labor Code §§ 201 – 203 regarding payment of final wages upon separation of employment. Moreover, at all relevant times, the Company provided inaccurate and incomplete wage statements that failed to accurately state all necessary items required under Labor Code § 226(a).

As a result of these violations, and others described below, Claimant alleges that she and other Aggrieved Employees were denied specific rights to which they are/were entitled under California law and the rules promulgated by the IWC Wage Orders, including the following:

**PAGA ASSESSMENT FOR FAILURE TO
PAY ALL MINIMUM, REGULAR, AND OVERTIME WAGES**

(Labor Code §§ 204, 221-223, 510, 558, 1194, 1194.2, 1197, 1197.1, 1198; IWC Wage Order §§ 3, 4(B))

Claimant and the Aggrieved Employees were not paid all minimum, regular wages, and/or overtime wages for time spent subject to the control of the Company, including instances of underpayment due to the violations discussed above. Accordingly, Labor Code §§ 210, 558, 1197.1, and 2699, among possibly others, impose various penalties upon the Company for each employee and each pay period in which it failed to pay all wages including, but not limited to, minimum, regular, and overtime wages in violation of the Labor Code and/or the IWC Wage Orders.

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**PAGA ASSESSMENT FOR DENIAL OF MEAL PERIODS,
REST BREAKS, AND WAGE PREMIUMS**

(Labor Code §§ 226.7(b) & (c), 512, 558; Cal. Admin. Code, Title 8, § 11090)

Labor Code § 226.7(b) states that “[a]n employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission ...” Labor Code § 512(a) states in pertinent part: “[A]n employer may not employ an employee for a work period of more than 5 hours per day without providing the employee with an uninterrupted meal period of not less than 30 minutes [...] [a]n employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes.”

Section 12 of applicable IWC Wage Order states in pertinent part: “Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof.”

Here, Claimant and the Aggrieved Employees were regularly not provided compliant mandatory meal periods and paid rest breaks due to the Company’s policies described above. Although the Company was required to pay Claimant and all Aggrieved Employees premium wages equal to an additional hour of pay at the employee’s regular rate of pay for each violation under Labor Code § 226.7(c), the Company did not pay the mandatory one-hour wage premiums. Labor Code § 558 imposes a penalty for each violation, plus an amount sufficient to recover the underpaid wages. Additionally, the civil assessment set forth in Labor Code § 2699 applies to these violations.

**PAGA ASSESSMENT FOR FAILURE TO PROVIDE ACCURATE,
ITEMIZED WAGE STATEMENTS**

(Labor Code §§ 226, 226.3, and 1174)

Labor Code § 226(a) requires an employer to provide its employees with itemized wage statements accurately stating gross wages earned, total hours worked, all deductions, net wages earned, the inclusive dates of the pay period, the employee’s name and the last four digits of his or her Social Security number (or employee identification number), the name and address of the legal entity that is the employer, and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

At all times pertinent hereto, the Company failed to provide accurate itemized wage statements to Claimant and all Aggrieved Employees due to the: failure to accurately state gross wages earned; failure to accurately state all deductions; failure to accurately state net wages earned; failure to state total hours worked; failure to accurately state the applicable overtime rate, and; failure to accurately state the corresponding number of hours worked at each hourly rate. As a result of these violations, civil penalties may be assessed under Labor Code §§ 226.3 and/or 2699, and Claimant may recover attorneys’ fees and costs.

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**PAGA ASSESSMENT FOR FAILURE TO PAY ALL WAGES DUE AND OWING
EACH PAYROLL PERIOD WITHIN THE TIME REQUIRED BY LAW**

(Labor Code §§ 204, 204.1, 208, 256 and 2699)

Labor Code § 204(a) states that all wages earned by a person are due and payable twice during each calendar month, and further states that wages earned during the first through fifteenth days of the month must be paid no later than the twenty-sixth day of the month, and that wages earned between the sixteenth and last day of the month must be paid by the tenth day of the following month. Labor Code § 204(d) states “[t]he requirements of this section shall be deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven calendar days following the close of the payroll period.”

As a result of the Company’s failure to pay Claimant and the Aggrieved Employees all compensation to which they were entitled, the Company had a pattern and practice of failing to pay all wages due and owing to Claimant and the Aggrieved Employees within the time mandated by Labor Code § 204. As a result of these violations, penalties may be assessed pursuant to Labor Code §§ 203, 210, 256, and/or 2699.

PAGA ASSESSMENT FOR FAILURE TO TIMELY PAY FINAL WAGES

(Labor Code §§ 201, 202, 203, 256 and 2699)

Labor Code § 201(a) provides in pertinent part: “If an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately.” Labor Code § 202(a) states in pertinent part “If an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours’ previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.” Labor Code § 203(a) states “If an employer willfully fails to pay, without abatement or reduction, in accordance with Sections 201, 201.3, 201.5, 201.9, 202, and 205.5, any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced; but the wages shall not continue for more than 30 days.”

The Company did not pay the Aggrieved Employees all wages that were due and owing within the required time following the end of their employment in accordance with Labor Code §§ 201-202. As a result, all such Aggrieved Employees are entitled to 30 days of wages as a “waiting time penalty.” (Labor Code §§ 256.) Labor Code § 2699 also imposes a penalty.

PAGA ASSESSMENT FOR FAILURE TO PROVIDE SUITABLE SEATING

(Labor Code § 1198; IWC Wage Order § 14)

Section 14 of the applicable IWC Wage Order states: “All working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats.” Furthermore, “When employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties.”

Here, the Company failed to provide suitable seating for Claimant and the Aggrieved Employees, in violation of IWC Wage Order § 14, and penalties for such violations can be enforced both through Labor Code §§ 1199 (below) and 1198 (“The maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful”).

PAGA ASSESSMENT FOR VIOLATIONS OF LABOR CODE § 1199
(Labor Code § 1199)

An employer violates Labor Code § 1199 if said employer: (a) requires or causes an employee to work for longer hours than those fixed, or under conditions of labor prohibited by an order of the commission; (b) pays or causes to be paid to any employee a wage less than the minimum fixed by an order of the commission; or, (c) violates or refuses or neglects to comply with any provision of this chapter or any order or ruling of the commission. Labor Code § 2699.5 specifically enumerates Labor Code § 1199 as a section to which the civil penalties under the PAGA apply. Therefore, as a result of the Company’s violations described herein, the Company is subject to the civil penalties in accordance with Labor Code § 2699.

ATTORNEYS’ FEES, INTEREST, AND PENALTIES
(Labor Code §§ 2699(f)(2), 2699(g)(1), 2699.5)

Labor Code § 2699(g)(1), give employees the right to recover in a civil action the unpaid balance of the full amount of wages, including interest thereon, penalties and other damages, as applicable, reasonable attorneys’ fees, and costs of suit. Additionally, Claimant seeks the assessment of penalties, including civil penalties, under Labor Code §§ 203, 210, 225.5, 226.3, 1174.5, 256, 1197.1, 2699, and/or § 20 of the IWC Wage Orders, among possibly other provisions inadvertently omitted herein. Furthermore, Claimant is entitled to bring a wage/hour claim on behalf of all current and former similarly situated employees of the Company. Thus, the Company is exposed to these same penalties for violations involving all Aggrieved Employees.

Additionally, Claimant seeks attorney’s fees pursuant to C.C.P. § 1021.5. Please construe this correspondence as Claimant’s notification of alleged wrongdoing and attempted resolution in accordance with C.C.P. § 1021.5 and *Graham v. DaimlerChrysler Corp.* (2004) 34 Cal.4th 553.

CONCLUSION

Based on the foregoing, the Company may be liable for civil penalties related to the foregoing claims and remedies. If Claimant becomes aware of any additional claims for Labor Code violations related to his employment and/or other employees of the Company, she reserves the right to add new claims by amending this claim letter. Should you have any questions, please feel free to give me a call. In the meantime, I look forward to your response.

Very Truly Yours,



By: Peter J. Carlson, Esq.

E-mail: PJC@fernandezlauby.com

EXHIBIT “E”