

DOUGLAS J. FARMER, SBN 139646
douglas.farmer@ogletree.com
OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C.
One Embarcadero Center, Suite 900
San Francisco, CA 94111
Telephone: 415.442.4810
Facsimile: 415.442.4870

ALEXANDER M. CHEMERS, CA Bar No. 263726
alexander.chemers@ogletree.com
OMAR M. ANIFF, CA Bar No. 315446
omar.aniff@ogletreedekins.com
OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C.
400 South Hope Street, Suite 1200
Los Angeles, CA 90071
Telephone: 213-239-9800
Facsimile: 213-239-9045

Attorneys for Defendant
IKEA DISTRIBUTION SERVICES INC.

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF KERN**

EIRON SPROUL, as an individual and on behalf
of all others similarly situated,

Plaintiff,

v.

IKEA DISTRIBUTION SERVICES INC., a
Delaware corporation; and DOES 1 through 50,
inclusive,

Defendant.

Case No. BCV-20-101600

Assigned for all purposes to
The Honorable Thomas S. Clark, Dept. 17

**FIRST AMENDED JOINT STIPULATION
RE: CLASS ACTION SETTLEMENT**

Action Filed: July 10, 2020
Trial Date: None

1 William L. Marder, Cal Bar No. 170131
POLARIS LAW GROUP
2 501 San Benito Street, Suite 200
Hollister, California 95023
3 Telephone: 831.531.4214
Facsimile: 831.634.0333

4 Dennis S. Hyun (State Bar No. 224240)
5 HYUN LEGAL, APC
515 S. Figueroa St., Suite 1250
6 Los Angeles, CA 90071
(213) 488-6555
7 (213) 488-6554 facsimile

8 Attorneys for Plaintiff and the Class

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1 **TO THE COURT AND TO ALL PARTIES AND THEIR RESPECTIVE COUNSEL**
2 **OF RECORD:**

3 This First Amended Joint Stipulation Re: Class Action Settlement (hereinafter,
4 “Stipulation” or “Settlement”) is made and entered into by and between plaintiff Eiron Sproul
5 (“Plaintiff”), on behalf of himself and on behalf of others similarly situated; and defendant IKEA
6 Distribution Services, Inc. (“Defendant”), hereinafter collectively referred to as the “Parties.”
7 Subject to the approval of the Court, the Action is hereby being compromised and settled pursuant
8 to the terms and conditions set forth in this Stipulation. This Stipulation shall be binding on
9 Plaintiff and the class he purports to represent, Defendant, and on their respective counsel, subject
10 to the terms and conditions hereof and the approval of the Court.

11 **THE PARTIES STIPULATE AND AGREE** as follows:

12 **I. DEFINITIONS**

- 13 1. The following terms, as used throughout this Stipulation are defined as follows:
- 14 a) Action. The term “Action” shall mean and refer to the legal action pending in the
15 Superior Court of California for the County of Kern, entitled *Eiron Sproul vs. IKEA*
16 *Distribution Services, Inc.*, Case No.: BCV-20-101600.
- 17 b) Check Cashing Deadline. The term “Check Cashing Deadline” shall mean one
18 hundred eighty (180) days after an Individual Settlement Award is issued to a Class
19 Member by check.
- 20 c) Class. The term “Class” shall mean and refer, collectively, to all Class Members.
- 21 d) Class Counsel. The term “Class Counsel” shall mean and refer, collectively to
22 Hyun Legal and all of its lawyers.
- 23 e) Class Members. The term “Class Members” shall mean: “All current and former
24 hourly-paid, non-exempt employees who worked for Defendant within the State of
25 California and who were paid any shift differential, shift premium, or non-
26 discretionary incentive wages at any time during the Class Period.”
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- 1 f) Class Period. The term “Class Period” shall mean the time period from July 10,
2 2016 through July 1, 2023.
- 3 g) Class Representative. The term “Class Representative” shall mean and refer to
4 plaintiff Eiron Sproul. The term “Class Representative” shall be synonymous with
5 the term “Plaintiff”.
- 6 h) Court. The term “Court” shall refer to the Honorable Thomas S. Clark of the
7 Superior Court of California for the County of Kern, before whom the Action is
8 pending.
- 9 i) Defendant. The term “Defendant” shall mean and refer to IKEA Distribution
10 Services, Inc.
- 11 j) Defendant’s Counsel. The term “Defendant’s Counsel” shall refer to Ogletree,
12 Deakins, Nash, Smoak & Stewart, P.C., and its attorneys.
- 13 k) Document Receipt Deadline. The term “Document Receipt Deadline” shall mean
14 thirty (30) days after the Notices are mailed to Class Members by the Settlement
15 Administrator.
- 16 l) Effective Date. The term “Effective Date” shall mean the date on which the Court’s
17 Judgment becomes final, as further detailed in Paragraph 8, herein.
- 18 m) Final Approval Hearing. The term “Final Approval Hearing” shall mean and refer
19 to a hearing before the Court to finally approve the Settlement as fair, reasonable,
20 and adequate, as further detailed in Paragraph 32, herein.
- 21 n) Final Settlement Papers. The term “Final Settlement Papers” shall refer to and
22 include a Motion for Final Approval of Settlement, Attorneys’ Fees and Costs,
23 Enhancement Award, Administrative Costs, and penalties to the Labor Workforce
24 Development Agency and [Proposed] Final Approval Order and Judgment.
- 25 o) Individual Settlement Amount. The term “Individual Settlement Amount” shall
26 mean a Class Member’s share of the Net Settlement Amount, as further detailed in
27 Paragraph 22, subparagraph (f), herein.
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- 1 p) Net Settlement Amount. The term “Net Settlement Amount” shall mean and refer
2 to the balance of the Total Class Action Settlement Amount, after all Court-
3 approved deductions for attorneys’ fees and actual costs to Class Counsel, the
4 Settlement Administrator’s cost and fees, the Class Representative’s enhancement
5 award, and the PAGA Allocation. The Net Settlement Amount is the maximum
6 amount that will be available for distribution to Class Members.
- 7 q) Notice. The term “Notice” shall mean the Notice of Class Action Settlement,
8 attached hereto as **Exhibit 1**.
- 9 r) PAGA Group Members. The term “PAGA Group Members” shall mean “All
10 current and former hourly-paid, non-exempt employees who worked for Defendant
11 within the State of California and who were paid any shift differential, shift
12 premium, or non-discretionary incentive wages at any time during the PAGA
13 Period.”
- 14 s) PAGA Period. The term “PAGA Period” shall mean the time period between April
15 6, 2019 through July 1, 2023.
- 16 t) Parties. The term “Parties” shall mean and refer collectively to Eiron Sproul, on
17 behalf of the Class, and Defendant.
- 18 u) Plaintiff. The term “Plaintiff” shall mean and refer to plaintiff Eiron Sproul. The
19 term “Plaintiff” shall be synonymous with the term “Class Representative.”
- 20 v) Preliminary Approval Date. The term “Preliminary Approval Date” shall mean the
21 date that the Court enters the Preliminary Approval Order, attached hereto as
22 **Exhibit 2**, including any revisions required by the Court.
- 23 w) Released Parties. The term “Released Parties” shall mean and refer to Defendant
24 and all of Defendant’s current or former parent companies, subsidiary companies,
25 and/or related companies, partnerships, joint ventures, affiliates, divisions, and/or
26 staffing agencies, and, with respect to each of them, all of their and/or such related
27 entities’ predecessors and successors, and, with respect to each such entity, all of its
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1 past, present, and/or future, direct and/or indirect, employees, officers, partners,
2 principals, directors, stockholders, managers, owners, representatives, assigns,
3 attorneys, agents, insurers, employee benefit programs (and the trustees,
4 administrators, fiduciaries, and insurers of such programs), investors, and any other
5 persons acting by, through, under, or in concert with any of the persons or entities
6 listed in this subsection, and their successors.

7 x) Settlement Administrator. The term "Settlement Administrator" shall refer to
8 Xpand Legal Consulting, LLC, or any other third-party class action settlement
9 administrator agreed to by the Parties and approved by the Court for the purposes of
10 administering this Settlement. If a Settlement Administrator is not agreed upon by
11 the Parties, Class Counsel shall select a Settlement Administrator on the bases of
12 cost and competence, with the best interest of the Class in mind, subject to approval
13 by the Court for purposes of administering this Settlement.

14 y) Stipulation. The term "Stipulation" shall refer to this document, entitled "Joint
15 Stipulation Re: Class Action Settlement", including all exhibits attached hereto.

16 z) Total Class Action Settlement Amount. The term "Total Class Action Settlement
17 Amount" shall mean Four Hundred Fifty Thousand Dollars and Zero Cents
18 (\$450,000.00). This is the maximum possible amount that may be paid by
19 Defendant to resolve the Action with the limited exceptions of: (1) Defendant's
20 responsibility for the employer's share of taxes associated with the Class Members'
21 Individual Settlement Amounts; and (2) the additional amount to be paid, if any, due
22 to a possible increase of the Total Class Action Settlement amount as described in
23 Paragraph 13. The Total Class Action Settlement Amount is a common fund, non-
24 reversionary amount.

25 2. Date Of This Stipulation: This Stipulation is made as of the date set forth below by and
26 between Plaintiff, on behalf of himself and the Class, on the one hand, and Defendant, on
27 the other hand, subject to approval of the Court.

II. BACKGROUND OF THE LEGAL ACTION

3. Brief Procedural History. The Parties briefly summarize the procedural history in the Action.

- a) Plaintiff filed the instant Action entitled *Eiron Sproul vs. IKEA Distribution, Inc.*, Case no.: BCV-20-101600, on July 10, 2020, in the Superior Court for the County of Kern.
- b) On April 26, 2021, Plaintiff filed the First Amended Complaint, which alleges the following causes of action against Defendant: (1) failure to provide accurate, itemized wage statements; (2) failure to pay wages for sick leave or to pay wages timely during employment or at termination; (3) civil penalties under California's Private Attorneys General Act; and (4) unfair, and deceptive business practices.
- c) On May 3, 2022, Plaintiff propounded written discovery on Defendant consisting of documents requests and contention interrogatories.
- d) On January 10, 2024, Plaintiff filed the operative Second Amended Complaint, which alleges the following causes of action against Defendant: (1) failure to provide accurate, itemized wage statements; (2) failure to pay wages timely during employment or at termination including overtime, meal and rest premiums, and paid sick leave; (3) civil penalties under California's Private Attorneys General Act; and (4) unfair, and deceptive business practices.

4. Settlement Negotiations Agreement Reached By The Parties. On January 13, 2022, Defendant's counsel shared summary data points pertaining to the Class Members, Class Period, PAGA Members, and PAGA Period, with Plaintiff's counsel. These statistics included: (a) the number of putative class members, (b) the number of termed class members who termed during the three year statute of limitations period; (c) the number of pay periods from 7/10/19 where shift differential, sick, and premiums were paid; (d) total amount of allegedly unpaid wages, and (e) the average hourly rate of pay. Based on the Parties understanding of these summary statistics, the Parties engaged in settlement negotiations over the course of several months. On September 1,

2022, the Parties were ultimately successful and have agreed to resolve the Action in principle and on a class-wide basis. This Stipulation formalizes the settlement agreement reached by the Parties.

5. Investigation. The Parties have conducted a detailed and comprehensive investigation of the claims asserted against Defendant and of the applicable law. The Parties exchanged relevant and important data about the putative class in order for Plaintiff to evaluate and value his claims appropriately.

6. Benefits of Settlement. The Class Representative and Class Counsel recognize the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation. The Class Representative and Class Counsel also are aware of the burdens of proof necessary to establish liability for the claims asserted in the Action, the defenses thereto, and the difficulties inherent in the Action. Based on the foregoing, the Class Representative and Class Counsel have determined that the Settlement set forth in this Stipulation is a fair, adequate, and reasonable settlement, and that it is in the best interest of the Class Members. Based on their discovery and investigation, Class Counsel has determined that the settlement is well within the range of reasonableness. The settlement embodied and documented in this Stipulation is the product of extensive, arms-length negotiations, and is not the product of collusion. Likewise, Defendant have concluded that any further defense of the Action would be protracted and expensive. Substantial amounts of time, energy, and resources have been, and will continue to be, devoted to the defense of the Action unless this settlement is made. Therefore, Defendant have agreed to settle, in the manner and upon the terms set forth in this Stipulation, in order to fully and finally resolve the claims asserted in the Action.

7. Denial of Wrongdoing. Defendant has denied and continues to deny each of the claims asserted by Plaintiff in the Action and the related actions, as identified and referenced in Paragraph 3, above. Defendant contend, among other things, that it complied at all times with the California Labor Code and applicable California Wage Orders, that it paid all wages owed to Plaintiff and Class Members, and that any claim for wage payments or penalties owed is not actionable and/or does not give rise to any liability under the California Labor Code. Defendant

1 further contends that they complied at all times with the provisions of the California Business &
2 Professions Code § 17200 *et seq.* Neither this Stipulation nor any action taken to carry out the
3 Stipulation may be construed as an admission by Defendant of any fault, wrongdoing, or liability
4 whatsoever.

5 **III. DATE OF SETTLEMENT**

6 8. Effective Date. The Court's Judgment shall become final when all of the following
7 events have occurred:

8 a) The Stipulation has been executed by all Parties, Class Counsel, and Defendant's
9 Counsel;

10 b) The Court has given preliminary approval to the settlement;

11 c) The Court has held a Final Approval Hearing and has entered a Final Order and
12 Judgment, dismissing the Action with prejudice, and approving the Stipulation; and

13 d) In the event that objections are presented at the Final Approval Hearing either in
14 writing or through personal attendance, upon the later of:

15 i. The date of final affirmance on an appeal of the Judgment; the expiration of the
16 time for a petition to review the Judgment; and, if review is granted, the date of
17 final affirmance of the Judgment following review; or

18 ii. The date of final dismissal of any appeal from the Judgment or the final dismissal
19 of any proceeding to review the Judgment; or

20 iii. If no appeal is filed, the expiration date for filing any appeal from the Judgment.

21 e) In the event that no objections are presented at or before to the Final Approval
22 Hearing, or that any filed written objections are withdrawn prior to the Final Approval Hearing, the
23 Court's Judgment shall become final when the conditions set forth in subparagraphs (a) through (c)
24 of this Paragraph 8, hereinabove, have been fulfilled.

25 **IV. CLASS MEMBERS INCLUDED IN THE SETTLEMENT**

26 9. Scope Of The Class. The Class is defined as follows: "All current and former
27 hourly-paid, non-exempt employees who worked for Defendant within the State of California and
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1 who paid any shift differential, shift premium, or non-discretionary incentive wages at any time
2 during the Class Period.”

3 10. Class Members’ Objection To This Settlement. Any Class Member may object to
4 the Settlement by mailing a written objection to the Settlement Administrator at the address
5 detailed in the Notice by no later than the Document Receipt Deadline which is thirty (30) calendar
6 days after the date that the Settlement Administrator originally mails Notices to Class Members.
7 Even if a Class Member fails to timely submit a written objection to the Settlement Administrator,
8 he or she may appear at the Final Fairness Hearing to object to the Settlement. Any class Member
9 who does not object to the Settlement through a written objection and/or by appearing at the Final
10 Fairness Hearing, however, may not appeal the Final Judgment. In the event that the Court
11 approves this Settlement notwithstanding the objections of any Class Members, Class Members
12 who object to the Settlement will nonetheless be bound by the Settlement. Class Members who
13 have opted out of the Settlement as detailed in Paragraph 24, subparagraph (d), herein do not have
14 standing to object to the Settlement or to file an appeal for purposes of Paragraph 8.

15 11. Class Members’ Exclusion (“Opt-Out”) From This Settlement. Any Class Member
16 may request to be excluded (“opt-out”) from this Settlement by mailing a written Request for
17 Exclusion to the Settlement Administrator as prescribed in Paragraph 24, subparagraph (d), herein.
18 Each Class Member who submits a valid Request for Exclusion shall not be a Class Member and
19 shall not be bound by the Settlement, except that if he or she is a PAGA Group Member he or she
20 will still be bound by the PAGA Release and will receive his or her proportionate share of the
21 portion of the PAGA Payment that is allocated to PAGA Group Members even if he/she opts out.
22 Each Class Member who has not validly and timely opted-out as prescribed in Paragraph 24,
23 subparagraph (d), herein, will be subject to the Release.

24 12. Class Members and PAGA Group Members’ Disputes Regarding The Number Of
25 Qualifying Workweeks or Qualifying Pay Periods attributable to them. If a Class Member and/or
26 PAGA Group Member wishes to dispute the number of Qualifying Workweeks or Qualifying Pay
27 Periods attributed to them and listed on the Class Notice, the Class or PAGA Group Member must
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1 notify the Settlement Administrator and should produce any available supporting evidence to the
2 Settlement Administrator of the dates the Class Member or PAGA Group Member contends he or
3 she worked during the Class Period or PAGA Period by no later than the Document Receipt
4 Deadline. Defendant will review their records and provide information to the Settlement
5 Administrator in response to any such disputed claim. Defendant's records will be presumed to be
6 determinative, but the Settlement Administrator will evaluate the evidence submitted by the Class
7 Member or PAGA Group Member and make the decision as to which dates should be applied. The
8 determination by the Settlement Administrator will be final and binding, subject to oversight by the
9 Court. If a person believes that he or she was wrongly excluded from being a member of the Class
10 or PAGA Group, that person must notify the Settlement Administrator by the Document Receipt
11 Deadline or he or she will be excluded from the Class or PAGA Group. Defendant's records will
12 also be presumed to be determinative. The Parties will endeavor to resolve the issue informally.
13 However, the Settlement Administrator's determination shall be final and binding.

14 13. Termination Provision. Defendant reserve the right to revoke this Stipulation and
15 the settlement provided for herein prior to the Final Approval Hearing in the event that ten percent
16 (10%) or more Class Members opt out of the Settlement by submitting timely and valid Requests
17 for Exclusion in the manner set forth in Paragraph 24, subparagraph (d), below, in which case this
18 Stipulation will not have any force and/or effect. Defendant shall make their election within seven
19 (7) calendar days of receipt from the Settlement Administrator of the total percentage of opt-outs.
20 If the Settlement is voided, no payment will be made by Defendant to Plaintiff, any Class Member,
21 or Class Counsel; and all Parties and third parties referenced in this Stipulation will bear their own
22 costs, fees, and expenses associated with the Litigation. However, Defendant will be responsible
23 for the costs incurred by the Settlement Administrator.

24 14. Pro Rata Increase Or Nullification. Plaintiff's counsel alleges that the Class
25 Members were owed approximately \$50,000 due to shift differentials not being included in paid
26 sick leave, meal or rest premiums, or reporting time pay during the Class Period. Defendant will
27 provide all background information required for Plaintiff's Counsel to evaluate that claim. In the
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1 event that Plaintiff's Counsel believes that the actual amount owed to Class Members through
2 January 13, 2022 exceeds \$50,000 by more than ten (10%) percent (or \$55,000), then Defendant
3 must either pay a pro rata increase based on the amount above \$55,000 or it must withdraw from
4 this Settlement, in which case the Parties will be returned to their prior positions.

5 15. Finality Of Settlement. As of the Effective Date, the settlement contained herein,
6 including the Release outlined below, shall be final and binding upon all Class Members who do
7 not exclude themselves from the settlement, referred to as "Participating Class Member" or
8 "Participating Class Members."

9 **V. RELEASES**

10 16. Release By Plaintiff And Participating Class Members. As of the date of final
11 approval of this Stipulation, Plaintiff and Class Members (including the Class Representative)
12 release the Released Parties from the following, collectively referred to as the "Released Class
13 Claims":

14 All causes of action and factual or legal theories/allegations that were alleged in the operative
15 complaint in the Action, including but not limited to all of the following claims for relief: (a)
16 failure to provide accurate itemized wage statements; (b) failure to timely pay wages during
17 employment including overtime and meal or rest premiums at the regular rate of pay; (c)
18 failure to pay employees accrued sick pay; (d) failure to timely pay wages at termination; (e)
19 unfair, and deceptive business practices based on the alleged failure to pay employees
20 accrued sick pay, overtime wages, and meal and rest period premiums at the regular rate of
21 pay; (f) any other claims or penalties under the wage and hour laws pleaded in the Action or
22 primary rights associated with such laws; and (g) all damages, penalties, interest and other
23 amounts recoverable under said causes of action under California and federal law, to the
24 extent permissible, including but not limited to the California Labor Code, the applicable
25 Wage Orders, and the California Unfair Competition Law as to the facts alleged in the Action
26 (collectively, the "Released Claims"). The period of the Release shall extend to July 1, 2023.
27 The res judicata effect of the Judgment will be the same as that of the Release.

1 By virtue of this Stipulation, Plaintiff and Participating Class Members shall be deemed to
2 have, and by operation of the final judgment approved by the Court, shall have, fully, finally, and
3 forever settled and released all of the Released Class Claims as defined in this Stipulation.

4 17. PAGA Release. As of the date of final approval of this Stipulation, Plaintiff, the
5 PAGA Group Members (including the Class Representative), and the State of California will
6 release the Released Parties from the following claims for civil penalties, collectively referred to as
7 the "Released PAGA Claims" during the PAGA Period:

8 All causes of action, claims, and/or factual or legal theories for civil penalties, both
9 potential and actual, that were alleged in the operative complaint in the Action, including
10 but not limited to all of the following claims for relief: (a) failure to provide accurate
11 itemized wage statements; (b) failure to timely pay wages during employment including
12 overtime and meal or rest premiums at the regular rate of pay; (c) failure to pay employees
13 accrued sick pay; (d) failure to timely pay wages at termination; (e) any other claims or
14 penalties under the wage and hour laws pleaded in the Action or primary rights associated
15 with such laws; and (f) all damages, penalties, interest and other amounts recoverable under
16 said causes of action under California and federal law, to the extent permissible, including
17 but not limited to the California Labor Code, the applicable Wage Orders, and the
18 California Unfair Competition Law as to the facts alleged in the Action (collectively, the
19 "PAGA Released Claims"). The period of the Release shall extend to July 1, 2023. The res
20 judicata effect of the Judgment will be the same as that of the Release.

21 18. General Release By The Class Representative. In addition to the release set forth in
22 the above Paragraphs 16 and 17, the Class Representative makes the additional general release of
23 all of their individual claims as follows: The Class Representative release the Released Parties
24 from any and all claims, actions, demands, causes of action, suits, debts, obligations, damages,
25 rights, or liabilities of any nature and description whatsoever, known or unknown, that the Class
26 Representative individually may possess against the Released Parties arising from the Class
27 Representative's employment with Defendant. The Class Representative hereby acknowledges
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1 that, upon receiving the sums provided pursuant to this Stipulation, they will have received all
2 potential wages, damages, and penalties allegedly owing to them by the Released Parties, and,
3 further, that they are not owed any additional wages, penalties, or damages from the Released
4 Parties.

5 19. Class Representative Release: The Class Representative also agrees to expressly
6 waive the provisions of California Civil Code section 1542, which provides as follows:

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

11 The Class Representative's general releases shall cover the time period from July 10, 2016 up to
12 the Preliminary Approval Date.

13 20. Representation Regarding Claims. Plaintiff and Class Counsel make a binding
14 representation that Plaintiff and Class Counsel are not currently aware of any: (a) unalleged claims
15 in addition to, or different from, those which are finally and forever settled and released against the
16 Released Parties by this Stipulation; and (b) unalleged facts or legal theories upon which any
17 claims or causes of action could be brought against Defendant, except such facts and theories
18 specifically alleged in the operative complaint in this Action. Plaintiff and Class Counsel further
19 represent that, other than the actions being resolved by this Stipulation, he has no current intention
20 of asserting any other claims against Defendant in any judicial or administrative forum. Plaintiff
21 and Class Counsel represent that they do not currently know of or represent any persons who have
22 expressed any interest in pursuing litigation or seeking any recovery against Defendant. The
23 Parties acknowledge, understand and agree that the representations described in this paragraph are
24 essential to the Stipulation and that this Agreement would not have been entered into were it not
25 for this representation. Any misrepresentation regarding the above are deemed material breaches
26 of this Stipulation and cause for nullification of the Stipulation pursuant to Paragraph 36.

1 Plaintiff and the Class Members may hereafter discover facts or legal arguments in addition
2 to or different from those they now know or currently believe to be true with respect to the claims,
3 causes of action and legal theories of recovery in this Action, which are the subject matter of the
4 Released Class Claims. Regardless, the discovery of new facts or legal arguments shall in no way
5 limit the scope or definition of the Released Class Claims, and by virtue of this Stipulation,
6 Plaintiff and Class Members shall be deemed to have, and by operation of the final judgment
7 approved by the Court, shall have, fully, finally, and forever settled and released all of the Released
8 Class Claims as defined in this Stipulation.

9 **VI. AMOUNT AND DISTRIBUTION OF SETTLEMENT**

10 21. Settlement Amount. The Total Class Action Settlement Amount shall be Four
11 Hundred Fifty Thousand Dollars and Zero cents (\$450,000.00). Defendant will pay the Total Class
12 Action Settlement Amount within thirty (30) calendar days following the Effective Date by wiring
13 that amount (plus employer-side payroll taxes) to the Settlement Administrator. Except as
14 provided in this Agreement, under no circumstances will Defendant be obligated to pay more than
15 the amount of \$450,000.00 as a result of this Settlement and except as provided by Paragraph 14 or
16 as is required by Defendant paying the employer's share of taxes associated with the Settlement.

17 22. Deduction From Settlement Amount. Deductions from the Total Class Action
18 Settlement Amount, all subject to Court approval, shall be made for:

19 a) Attorneys' Fees. Class Counsel may apply for an award of attorneys' fees, not to
20 exceed one-third of the Total Class Action Settlement Amount (currently One Hundred Fifty
21 Thousand Dollars and Zero cents (\$150,000.00)). Class Counsel shall divide the attorneys' fees
22 50% to Polaris Law Group and 50% to Hyun Legal, APC. The attorneys' fees award shall be paid
23 from the Total Class Action Settlement Amount. Defendant agree not to oppose any such
24 applications that are consistent with this paragraph. The amount of attorneys' fees shall include all
25 past and future attorneys' fees incurred in the Action – including, without limitation, all time
26 expended by Class Counsel in the Action or in defending the Stipulation and securing final
27 approval of the Stipulation (including any appeals thereof). Even in the event that the Court
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1 reduces or does not approve the award of attorneys' fees discussed in this paragraph, Class
2 Representative and Class Counsel shall not have the right to revoke this Stipulation.

3 b) Attorneys' Costs. In addition to attorneys' fees, Class Counsel may apply for an
4 award of costs, not to exceed the sum of Fifteen Thousand Dollars and Zero Cents (\$15,000.00).
5 The costs award shall be paid from the Total Class Action Settlement Amount. Defendant agrees
6 not to oppose any such applications that are consistent with this paragraph. The amount of costs
7 shall include all past and future costs associated with the Action – including, without limitation, all
8 costs expended by Class Counsel in the Action on in defending the Stipulation and securing final
9 approval of the Stipulation (including any appeals thereof). Even in the event that the Court
10 reduces or does not approve the award of costs discussed in this paragraph, Class Representative
11 and Class Counsel shall not have the right to revoke this Stipulation.

12 c) Class Representative's Enhancement Award. Class Counsel may apply for an
13 enhancement award to the Class Representative in an amount not to exceed Ten Thousand Dollars
14 and no cents (\$10,000.00). The enhancement award shall be paid from the Total Class Action
15 Settlement Amount. Defendant agrees not to oppose any such application that is consistent with
16 this paragraph. Even in the event that the Court reduces or does not approve the enhancement
17 awards discussed in this paragraph, Class Representative and Class Counsel shall not have the right
18 to revoke this Stipulation. Class Representative's Enhancement Award shall not be subject to
19 withholdings and shall be reported on an IRS Form 1099.

20 d) Claims Administration Costs and Fees. All actual costs for claims administration,
21 including related accounting costs, in an amount not to exceed \$12,500.00, shall be paid from the
22 Total Class Action Settlement Amount. The Parties contemplate that the Settlement Administrator
23 shall be Xpand Legal Consulting, LLC, or any other third-party class action settlement
24 administrator agreed to by the Parties and approved by the Court for the purposes of administering
25 this Stipulation. If a Settlement Administrator is not agreed upon by the Parties, Class Counsel
26 shall select a Settlement Administrator on the bases of cost and competence, with the best interest
27 of the Class in mind, subject to approval by the Court for purposes of administering this
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1 Stipulation. To the extent actual costs for claims administration are less than \$12,500.00, those
2 amounts will be credited to the Total Class Action Settlement Amount prior to distribution of the
3 Net Settlement Amount to Class Members. Defendant agree not to oppose any such applications
4 that are consistent with this paragraph.

5 e) PAGA Allocation. The Parties agree to allocate Forty-Five Thousand Dollars and
6 Zero Cents (\$45,000.00) of the Total Class Action Settlement Amount to resolve the Class
7 Members' claims arising under PAGA (the "PAGA Allocation"). Pursuant to PAGA, seventy-five
8 percent (75%) of the PAGA Allocation, or Thirty-Three Thousand, Seven Hundred Dollars and
9 Zero Cents (\$33,750.00), shall be paid to the State of California Labor and Workforce
10 Development Agency (the "LWDA"), with the remaining twenty-five percent (25%), or Eleven
11 Thousand, Two Hundred and Fifty Dollars and Zero Cents (\$11,250.00), paid pro to the PAGA
12 Group Members as set forth below.

13 f) Payment of Individual Settlement Amounts/Awards To Participating Class
14 Members. After the amounts described in Paragraph 22, subparagraphs (a) through (e), above,
15 have been deducted from the Total Class Action Settlement Amount, the remainder – the Net
16 Settlement Amount – shall be distributed to each Participating Class Member, in the following
17 manner:

18 The Net Settlement Amount shall be divided by the number of aggregate Qualified Weeks
19 worked by all Participating Class Members during the Class Period to produce a "Weekly
20 Settlement Value." A "Qualified Week" shall be a week where a Participating Class
21 Member was employed by Defendant in California as a non-exempt employee, at any time
22 from August 24, 2016 through the Preliminary Approval Date. Each Participating Class
23 Member shall be eligible to receive a settlement payment in the amount of the total number
24 of Qualified Weeks attributable to the Participating Class Member during the Class Period
25 multiplied by the Weekly Settlement Value, less applicable withholdings, provided that the
26 Participating Class Member has not submitted a Request for Exclusion.

g) Payment of Portion of PAGA Allocation to PAGA Group Members. Twenty-five (25%), or Eleven Thousand, Two Hundred and Fifty Dollars and Zero Cents (\$11,250.00), of the PAGA Allocation to be paid to the PAGA Group Members shall be divided by the number of aggregate Qualified Pay Periods worked by all PAGA Group Members during the PAGA Period to produce a "Pay Period Settlement Value." A "Qualified Pay Period" shall be a pay period where a PAGA Group Member was employed by Defendant in California as a non-exempt employee, at any time from April 6, 2019 through the date of Preliminary Approval. Each PAGA Group Member shall be eligible to receive a settlement payment in the amount of the total number of Qualified Pay Periods attributable to the PAGA Group Member during the PAGA Period multiplied by the Pay Period Settlement Value.

23. Non-Reversionary Settlement. There will be no reversion to Defendant following the claims process. In the event that an Individual Settlement Award is paid to a Participating Class Member by check and the check is not cashed on or before the Check Cashing Deadline, the amount of the Individual Settlement Award shall be considered unclaimed. Each unclaimed Individual Settlement Award paid to a Class Member but not cashed on or before the Check Cashing Deadline shall be tendered to the State of California State Controller's Office, Unclaimed Property Fund in the Participating Class Member's name.

VII. SETTLEMENT ADMINISTRATION

24. Settlement Administrator's Duties. The Settlement Administrator shall be responsible for (a) processing the data provided by Defendant to be used in calculating Individual Settlement Awards; (b) preparing, printing, and mailing to Class Members the Notice (attached hereto as **Exhibit 1**), as well as following up with reasonable skip tracing; (c) notifying the Parties of the identity of Class Members who submit timely Requests for Exclusion; (d) calculating and mailing Individual Settlement Awards to Class Members; (e) filing any required federal and state tax forms and related agency reporting; (f) filing any required reports with the Court; and (g) any and all such other tasks as to which the Parties mutually agree, or which the Court orders the

1 Settlement Administrator to perform. The claims process shall be anonymous to the extent
2 possible.

3 Specifically, the Settlement Administrator shall perform the following duties:

4 a) Processing Of Data Provided By Defendant Regarding Class Members. Upon
5 receipt of the data provided by Defendant pursuant to Paragraph 29 herein, the Settlement
6 Administrator shall determine, for each Class Member and/or PAGA Group Member: (i) the Class
7 Member and/or PAGA Group Member's name, (ii) the Class Member and/or PAGA Group
8 Member's last known address, (iii) the last four digits of the Class Member and/or PAGA Group
9 Member's social security number, (iv) the Class Member's number of Qualified Weeks; (v) the
10 Weekly Settlement Value to be paid to the Class Member pursuant to Paragraph 22, subparagraph
11 (f), above; (vi) the PAGA Group Member's number of Qualified Pay; (vii) the Pay Period
12 Settlement Value to be paid to the PAGA Group Members Periods pursuant to Paragraph 22,
13 subparagraph (g), above;. and (viii) whether the escalator is triggered pursuant to Paragraph 14,
14 and if so by how much.

15 b) Mailing Of Documents. Within ten (10) calendar days of receipt of the database
16 containing the information to be provided by Defendant pursuant to Paragraph 29 herein, the
17 Settlement Administrator shall mail a copy of the Notice to all Class Members by first class regular
18 U.S. Mail, using the most current mailing address information provided by Defendant and/or
19 obtained by the Settlement Administrator. Prior to mailing the Notice to Class Members, the
20 Settlement Administrator shall run the addresses in the data provided by Defendant through the
21 National Change of Address Database for any address updates and update the data as necessary.
22 The Settlement Administrator will engage in address searches consistent with its normal practices
23 in administering settlements of wage claims, including skip tracing. Such search efforts shall
24 include, where necessary, using social security numbers to obtain better address information and
25 attempting to call such Class Members. Any returned envelopes from this mailing with forwarding
26 addresses will be utilized by the Settlement Administrator to forward the Notices to the Class
27 Members.

1 c) Re-Mailing Of Returned Notices. Notices returned to the Settlement Administrator
2 as non-delivered shall be re-sent to the forwarding address, if any, on the returned envelope. A
3 returned Notice will be forwarded only once per Class Member by the Settlement Administrator.
4 Upon completion of these steps by the Settlement Administrator, the Parties shall be deemed to
5 have satisfied their obligation to provide the Notice to the affected Class Member. The affected
6 Class Member shall be a Participating Class Member and shall be bound by all the terms of this
7 Stipulation and the Court's Final Order and Judgment. However, the Class Member shall have an
8 additional fourteen (14) calendar days added to their Document Receipt Deadline to respond to the
9 Notice.

10 d) Processing Requests For Exclusion ("Opt-Outs") From Settlement. In the event that
11 a Class Member wishes to be excluded ("opts out") from the settlement provided herein, he or she
12 must mail a written Request for Exclusion to the Settlement Administrator by first class U.S. Mail,
13 or equivalent, postage paid and postmarked, by no later than the Document Receipt Deadline,
14 which is thirty (30) calendar days after the date that the Settlement Administrator originally mails
15 Notices to Class Members. To be valid, the written Request for Exclusion must include (i) the
16 Class Member's name, (ii) the Class Member's address, (iii) a request that the Class Member
17 wishes to be excluded from the settlement, and (iv) the Class Member's signature. The Settlement
18 Administrator shall notify Class Counsel and Defendant's Counsel of all names of Class Members
19 who submitted valid Requests for Exclusion within five (5) business days after the Document
20 Receipt Deadline. Additionally, the Settlement Administrator shall provide the number of opt-outs
21 received to the Parties' counsel in the Administrators weekly reports.

22 e) Payment of Individual Settlement Awards. The Settlement Administrator shall be
23 solely responsible for the disbursement of the Individual Settlement Award payments.

24 f) Declaration Of Due Diligence. No later than thirty (30) calendar days prior to the
25 Final Approval Hearing, the Settlement Administrator shall provide both Parties with a declaration
26 of due diligence to be filed with the Court.

g) Allocating Portions Of the Individual Settlement As Wages. The Settlement Administrator shall be responsible for calculating the portion of each Individual Settlement Award to be allocated as wages. Twenty percent (20.00%) of each Individual Settlement Award shall be allocated as wages, and eighty percent (80.00%) of each Individual Settlement Award shall be allocated as interest and penalties.

h) Taxation Of Individual Settlement Awards. The portion of each Individual Settlement Award allocated as wages shall be subject to payroll withholding. The Settlement Administrator shall be responsible for paying the employees' share of federal, state, and local payroll and income taxes. Appropriate withholding of the employee's share of income taxes shall be deducted from each Individual Settlement Awards. The employer's share of payroll taxes shall be paid outside of the Total Class Action Settlement Amount.

i. Federal Tax Reporting. The Settlement Administrator shall issue an IRS Form W-2 to each Class Member for the portion of the Individual Settlement Award that is designated as wages. The Settlement Administrator shall issue an IRS Form 1099 to each Class Member for the portion of the Individual Settlement Awards that is not designated as wages. The Settlement Administrator shall issue an IRS Form 1099 to the Class Representative for any enhancement award paid pursuant to Paragraph 22, subparagraph (c), above, in connection with their role as the Class Representative.

ii. State Tax Reporting. The Settlement Administrator shall file, with the California Employment Development Department ("EDD"), the required reports of Personal Income Tax ("PIT") wages withheld from the Individual Settlement Awards, as well as the amounts to be paid as Unemployment Insurance ("UI"), Employment Training Tax ("ETT"), and State Disability Insurance ("SDI"). For purposes of this reporting, prior to disbursement of the Individual Settlement Awards, the Settlement

1 Administrator shall provide Defendant with a list of all Class Members, and
2 Defendant shall provide to the Settlement Administrator with its Form DE
3 2088, Notice of Contribution Rates and Statement of UI Account, for the
4 current calendar year (if unavailable, Defendant may provide instead their
5 California State Employer's Identification Number and applicable UI and
6 ETT Rates).

7 iii. Responsibility For Tax Obligations. All Class Members and
8 the Class Representative will be responsible for correctly characterizing the
9 compensation they receive for tax purposes and for paying any taxes on the
10 amounts received, except for the employer contributions, which will be
11 handled as provided by this Stipulation. Defendant is not liable for any
12 amounts assessed by a tax authority on account of the Class Members' or the
13 Class Representative's failures to pay all taxes due on amounts they receive
14 hereunder, except if the failure results from Defendant's failure to pay their
15 own portion of taxes due. The liability of each Class Member and Class
16 Representative is limited to the liability caused by that individual's own
17 failure.

18 i) Taxation of Payment of Portion of PAGA Allocation. One Hundred Percent (100%)
19 of the payment to PAGA Group Members as part of the PAGA Allocation will be treated as
20 penalties and the Settlement Administrator shall issue to PAGA Group Members an IRS Form
21 1099 for that portion of the payment. The Settlement Administrator will be responsible for
22 calculating and withholding any required state and federal taxes.

23 j) Mailing Of Individual Settlement Awards and Portion of PAGA Allocation to
24 PAGA Group Members. Within ten (10) calendar days after Defendant's transfer of funds to the
25 Settlement Administrator, the Settlement Administrator shall mail all Participating Class Members
26 and PAGA Group Members their Individual Settlement Awards and/or portion of the PAGA
27 Allocation. Each check issued to a Class Member shall remain valid and negotiable for one
28

1 hundred eighty (180) days from the date of issuance. Those Individual Settlement Awards and/or
2 portion of the PAGA Allocation payment not cashed by the Check Cashing Deadline shall be
3 canceled automatically, in which event the Participating Class Member and/or PAGA Group
4 Member's check will be deemed void and the unclaimed funds shall be sent to the California State
5 Controller's Office Unclaimed Property Fund in the name of the Participating Class Member
6 and/or PAGA Group Member to whom the funds were distributed.

7 k) Certifying The Class Members Bound By The Settlement. Within fifty (50)
8 calendar days from the Effective Date, the Settlement Administrator shall file written certification
9 with the Court with copies to counsel for all Parties that all Class Members have been mailed their
10 Individual Settlement Awards.

11 l) Payments To Class Counsel. Within ten (10) calendar days after Defendant's
12 transfer of funds to the Settlement Administrator, the Settlement Administrator shall pay the
13 attorneys' fees and costs, as detailed in Paragraph 22, subparagraphs (a) and (b), above.

14 m) Payment Of PAGA Allocation. Within ten (10) calendar days after Defendant's
15 transfer of funds to the Settlement Administrator, the Settlement Administrator shall pay seventy-
16 five percent (75%) of the PAGA Allocation to the LWDA as civil penalties, as detailed in
17 Paragraph 22, subparagraphs (e), above.

18 25. Disputes Regarding The Settlement Administrator's Performance of Duties. All
19 disputes relating to the Settlement Administrator's performance of its duties shall be referred to the
20 Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this
21 Stipulation until all payments and obligations contemplated by this Stipulation have been fully
22 carried out.

23 **VIII. DUTIES OF THE PARTIES PRIOR TO PRELIMINARY COURT APPROVAL**

24 26. Submission Of Stipulation To Court. The Parties shall promptly submit this
25 Stipulation to the Court in support of Plaintiff's motion for preliminary approval and determination
26 by the Court as to the fairness, adequacy, and reasonableness of this Stipulation, and shall apply to
27 the Court for the entry of an order substantially in the following form:

1 a) Scheduling a fairness hearing on the question of whether the proposed Settlement –
2 including payment of attorneys' fees, attorneys' costs, appointment of the Class Representative and
3 the amount of his enhancement award, the appointment of the Settlement Administrator and its
4 costs, the allocation of PAGA penalties, and the method of determining Individual Settlement
5 Awards to be paid to Class Members – should be preliminarily approved as fair, reasonable, and
6 adequate as to the Class;

7 b) Approving as to form and content the proposed Notice (attached as **Exhibit 1**);

8 c) Directing the mailing to Class Members of the Notice, by first class U.S. Mail,
9 pursuant to the terms specified herein;

10 d) Preliminarily approving the Settlement, subject only to the objections of Class
11 Members and final review by the Court; and

12 27. Amendment Of This Stipulation To Conform To The Court's Order. To the extent
13 the Court does not approve this Stipulation, or any term contained herein, and instead allows the
14 Parties to amend this Stipulation, the Parties agree to cooperate in good faith to amend the
15 Stipulation in accordance with the Court's direction, and to retain all other terms of the Stipulation
16 that the Court approves.

17 **IX. DUTIES OF THE PARTIES FOLLOWING PRELIMINARY COURT APPROVAL**

18 28. Timely Approval Of Documents To Be Mailed By The Settlement Administrator.
19 Counsel for the Parties shall respond to requests by the Settlement Administrator to approve all
20 claims administration documents, including the Notice to be mailed to the Class, within four (4)
21 business days of the Settlement Administrator's request for approval.

22 29. Defendant's Provision Of Class Member Data To Settlement Administrator. No
23 later than fourteen (14) calendar days following preliminary approval of this Settlement by the
24 Court, Defendant shall provide the Settlement Administrator with data that is within Defendant's
25 possession containing, for each Class Member and/or PAGA Group Member: (a) the Class
26 Member/PAGA Group Member's name; (b) the Class Member/PAGA Group Member's last
27 known address; (c) the Class Member/PAGA Group Member's social security number; (d) the
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1 Class Member/PAGA Group Member's first date of employment in California as a non-exempt
2 employee; and (e) the Class Member/PAGA Group Members' last date of employment (if any) in
3 California as a non-exempt employee. This Class Member/PAGA Group Member information is
4 confidential and not to be disclosed to anyone other than the Settlement Administrator. In the
5 event that a dispute arises about the number of Qualifying Workweeks or Qualifying Pay Periods
6 for a Class Member and/or PAGA Group Member, Class Counsel may be provided with
7 information identifying each Class Member and/or PAGA Group Member by number (with all
8 other identifying information removed), and reflecting the number of Qualifying Workweeks or
9 Qualifying Pay Periods during the Class Period and PAGA Period. This information shall be based
10 on Defendant's payroll and other business records, and shall be in a format readily accessible to
11 Defendant. In the event that approval of the documents pursuant to Paragraph 28 takes more than
12 four (4) business days, the Settlement Administrator shall mail the Notice to the Class Members
13 within three (3) business days of receiving approval of the documents pursuant to Paragraph 28.

14 30. Disputes Arising From Claims Administration. Any disputes arising during the
15 claims administration process must be resolved informally by counsel for the Parties and, if the
16 Parties cannot agree, by the Settlement Administrator, within ten (10) calendar days of the
17 Document Receipt Deadline.

18 31. Motions By Class Counsel.

19 a) Motions Required For Final Approval Of The Settlement. Class Counsel shall
20 timely prepare, subject to Defendant's review and right to comment, Final Settlement Papers in
21 conformance with the terms of this Settlement, including (1) a motion for final approval of the
22 Settlement; (2) a motion for award of attorneys' fees and costs; (3) a motion for the Class
23 Representative's enhancement award; (4) the [Proposed] Final Approval Order and Judgment; and
24 (5) any other documents, petitions, or motions required to effectuate this Stipulation— including,
25 but not limited to, any additional proposed orders requested by the Court. Class Counsel will
26 endeavor to submit the Final Settlement Papers to Defendant's Counsel no later than three (3) court
27 days prior to the deadline for filing the motion for final approval of the stipulation. In the event
28

1 that Class Counsel and Defendant's Counsel cannot resolve any dispute regarding the Final
2 Settlement Papers arising from Defendant's right to review and comment, Defendant's Counsel
3 shall submit its objections to the Final Settlement Papers to the Court before or during the Final
4 Approval Hearing.

5 b) [Proposed] Final Approval Order and Judgment. The [Proposed] Final Approval
6 Order and Judgment shall include a proposed Final Order and Judgment ordering:

- 7 i. Approval of the Stipulation, adjudging the terms thereof to be fair, reasonable,
8 adequate, and directing consummation of its terms and provisions;
- 9 ii. Approval of Class Counsel's application for an award of attorneys' fees and
10 costs (Class Counsel will separately submit a motion for award of attorneys'
11 fees and costs);
- 12 iii. Approval of the enhancement award to the Class Representative;
- 13 iv. Granting final approval and entering judgment in favor of Defendant and
14 Released Parties and against the Class Representative and all Class Members on
15 all Released Claims, above, including any claims covered by the general release
16 executed by Class Representative, upon satisfaction of all payments and
17 obligations hereunder; and
- 18 v. Reserving jurisdiction over the construction, interpretation, implementation, and
19 enforcement of the Parties' Stipulation, and over the administration and
20 distribution of the settlement amounts.

21 32. Fairness Hearing. Upon expiration of the Document Receipt Deadline, the Parties
22 shall attend a Final Approval Hearing with the Court to finally approve the Stipulation as fair,
23 reasonable, and adequate as to (a) Class Members; (b) attorneys' fees and costs to Class Counsel;
24 (c) the enhancement awards to the Class Representative; (d) the costs and fees for claims
25 administration; (e) the PAGA Allocation; and (f) the Individual Settlement Awards to be paid to
26 the Class Members, including the methodology used to calculate such awards.

27 **X. DUTIES OF THE PARTIES FOLLOWING COURT APPROVAL**

1 33. Final Approval, And Entry Of Judgment. At or before the Final Approval Hearing,
2 Class Counsel shall submit the [Proposed] Final Approval Order and Judgment to the Court for the
3 Court's approval and entry. After entry of the Final Approval Order and Judgment, the Court shall
4 have continuing jurisdiction over the administration of the Stipulation.

5 34. Payment Of Settlement Amount. Not later than thirty (30) calendar days following
6 the Effective Date, Defendant shall deposit the Total Class Action Settlement Amount and an
7 amount sufficient to pay Defendant's share of payroll taxes into an account established by the
8 Settlement Administrator. The Settlement Administrator will retain authority over the deposited
9 funds, which are to be used in accordance with this Stipulation and any orders of the Court. The
10 Settlement Administrator shall make all payments and other disbursements required by this
11 Stipulation from the Total Class Action Settlement Amount. Defendant shall have no further
12 obligations over the distribution of the Total Class Action Settlement Amount.

13 35. Provision Of Final Approval Order And Judgment To Settlement Administrator.
14 Within two (2) business days of final approval by the Court of the Settlement provided for in this
15 Stipulation, Class Counsel shall provide the Settlement Administrator with a copy of the Final
16 Approval Order and Judgment.

17 **XI. ADDITIONAL TERMS**

18 36. Nullification Of Settlement. This Stipulation shall be null and void, and any order
19 of judgment entered by the Court in furtherance of the Settlement shall be vitiated *nunc pro tunc*, if
20 any of the following occurs:

21 a) The Court does not enter the Final Approval Order and Judgment as provided for
22 herein or contemplated by this Stipulation;

23 b) The Court does not finally approve the Settlement as provided for herein;

24 c) The Court does not enter a Final Approval Order and Judgment as provided for
25 herein that becomes final as a result of the occurrence of the Effective Date;

26 d) The Settlement does not become final for any other reason;

1 e) The amount potentially owed to Class Members exceeds the allowable amount and
2 Defendant elects to nullify this Settlement rather than pay a pro rata increase pursuant to Paragraph
3 14; or

4 f) Plaintiff or Class Counsel misrepresented their awareness of any unalleged claims
5 against the Released Parties or unalleged facts or legal theories upon which claims or causes of
6 actions could be brought against Defendant, pursuant to Paragraph 20.

7 In such a case, the Parties shall be returned to their respective statuses prior to the
8 settlement, and the Parties shall proceed in all respects as if this Stipulation had not been executed.
9 If an appeal is filed from the Court's Final Approval Order and Judgment prior to the Effective
10 Date, administration of the Stipulation shall be immediately stayed pending final resolution of the
11 appeal process.

12 37. No Admissions. Nothing contained herein is to be construed or deemed to be an
13 admission of liability or wrongdoing by Defendant. This Stipulation and the attached exhibits are
14 settlement documents, and, pursuant to California Evidence Code section 1152, these documents
15 shall be inadmissible in any proceeding except in an action or proceeding to approve, interpret, or
16 enforce this Stipulation.

17 38. Amendment Or Modification. This Stipulation may be amended or modified only
18 by a written instrument signed by counsel for all Parties.

19 39. Entire Agreement. This Stipulation and the accompanying exhibits constitute and
20 comprise the entire agreement between the Parties. No oral or written representations, warranties,
21 or inducements have been made to any of the Parties concerning this Stipulation other than the
22 representations, warranties, and covenants contained and memorialized herein.

23 40. Construction. The Parties agree that the terms of this Stipulation and the
24 accompanying exhibits are the result of lengthy, arms-length negotiations, and that this Stipulation
25 shall not be construed in favor of or against any of the Parties by reason of the extent to which any
26 of the Parties or their respective counsel participated in the drafting of this Stipulation.

1 41. Parties' Authority. The signatories to this Stipulation represent that they are fully
2 authorized to enter into this Stipulation and to bind the Parties hereto to the terms and conditions
3 hereof.

4 42. Successors And Assigns. This Stipulation is binding upon, and inures to the benefit
5 of, the Parties' successors and assigns. The Parties represent and warrant that they have not,
6 directly or indirectly, assigned, transferred, or encumbered to any person or entity any portion of
7 any claim, demand, action, cause of action, or rights herein released and discharged except as set
8 forth herein.

9 43. Enforcement Of Actions. In the event that any of the Parties to this Stipulation
10 institutes any legal action, arbitration, or other proceeding against any of the other Parties to
11 enforce the provisions of this Stipulation or to declare rights or obligations under this Stipulation,
12 the successful Party shall be entitled to recover from the unsuccessful Party or Parties, reasonable
13 attorneys' fees and costs, including expert witness fees, incurred in connection with any such
14 enforcement proceedings.

15 44. Governing Law. All terms of this Stipulation shall be governed by and interpreted
16 according to the laws of the State of California.

17 45. Jurisdiction Of The Court. The Court shall retain jurisdiction with respect to the
18 interpretation, implementation, and enforcement of the terms of this Stipulation and all orders and
19 judgments entered in connection therewith.

20 46. Counterparts. This Stipulation may be executed in one or more counterparts. All
21 executed counterparts, and each of them, shall be deemed to be one and the same instrument.
22 Signatures may be affixed either by original signatures, DocuSign, PDF, or facsimile.

23 47. Notices. Unless otherwise specifically provided in this Stipulation, all notices,
24 demands, and/or other communications will be in writing and will be deemed to have been duly
25 given as of the third (3rd) business day after mailing by U.S. Mail, addressed as follows:

26 To The Class:
27 Hyun Legal
28 Dennis Hyun
 515 South Figueroa Street, Suite 1250

Los Angeles, CA 90071

POLARIS LAW GROUP
William L. Marder
501 San Benito Street, Suite 200
Hollister, California 95023
Telephone: 831.531.4214
Facsimile: 831.634.0333

To Defendant:

OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.
Alexander M. Chemers
Omar M. Aniff
400 South Hope Street, Suite 1200
Los Angeles, CA 90071

48. Enforceability. The Parties intend for this Agreement to be enforceable in the Superior Court of California for the County of Kern, by and subject to the Court's pending jurisdiction.

49. Interpretation. This Stipulation shall be construed as a whole according to its fair meaning. It shall not be construed strictly for or against any Party. Unless the context indicates otherwise, the term "or" shall be deemed to include the term "and," and the singular or plural number shall be deemed to include the other. Captions and headings are intended solely for convenience of reference and shall not be used in the interpretation of this Stipulation.

50. Confidentiality.

a) General. Plaintiff and Class Counsel shall agree not to disclose or publicize this Stipulation, its terms or contents, and the negotiations underlying the Stipulation, in any manner or form, directly or indirectly, to any person or entity, except potential Class Members and as shall be contractually required to effectuate the terms of the Stipulation. For avoidance of doubt, this section means Plaintiff and Class Counsel agree not to issue press releases, communicate with or respond to any media or publication entities, publish information in manner or form, whether printed or electronic, on any medium or otherwise communicate, whether by print, video, recording or another medium, with any person or entity concerning the Stipulation, including the face of the

1 Stipulation, its terms or contents and the negotiations underlying the Stipulation, except as shall be
2 contractually required to effectuate the terms of the Stipulation.

3 b) Media Comment. The Parties and their respective counsel agree that the terms of
4 this Stipulation (including, but not limited to, any settlement amounts), the negotiations leading to
5 this Stipulation, and all documents related to the Stipulation, shall not be discussed with,
6 publicized, or promoted to the media, except as necessary in order to enforce its terms. Class
7 Counsel and/or Plaintiff will not list or refer to the Action in any website, mailing, publicity or
8 similar materials – including, but not limited to, any radio or television stations, newspapers, or
9 magazines. In response to any inquiries, including those from media outlets, concerning the
10 settlement, the Parties and their respective counsel agree that they shall simply respond by stating,
11 “the matter has resolved.”

12 c) Class Counsel Marketing And Adequacy Declarations. Class Counsel agrees not to
13 use Defendant’s name in marketing materials. Class Counsel and the Class Representative will not
14 make any posting on any website, instant message site, blog, or social networking site that uses
15 Defendant’s name, and will not list or refer to the Action in any website, mailings, publicity, or
16 other similar fora or materials. However, for the limited purpose of allowing Class Counsel to
17 prove adequacy as class counsel in other actions, Class Counsel may disclose the name of the
18 Parties in this action and the venue/case number of this action (but not any other settlement details)
19 for such purposes.

20 51. Exhibits Incorporated By Reference. The terms of this Stipulation include the terms
21 set forth in any attached Exhibit, which are incorporated by this reference as though fully set forth
22 herein. Any Exhibit to this Stipulation is an integral part of the Stipulation.

23 52. Interim Stay Of Proceedings. The Parties agree to refrain from further litigation in
24 the Action, except such proceedings necessary to implement and obtain an Order granting Final
25 Approval of the terms of the Stipulation. The Parties further agree that the mutual, voluntary
26 cessation of litigation shall terminate either as of the Effective Date or the date upon which this
27

1 Stipulation has been denied by the Court and all subsequent attempts to cure deficiencies pursuant
2 to Paragraph 27 have ended.

3 53. Invalidity Of Any Provision. Before declaring any provision of this Stipulation
4 invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible
5 consistent with applicable precedents so as to define all provisions of this Stipulation valid and
6 enforceable.

7 54. Class Certification For Settlement Purposes Only. The Parties agree to stipulate to
8 class certification only for purposes of the Stipulation. If, for any reason, the Stipulation is not
9 approved, the stipulation to certification will be void. The Parties further agree that certification
10 for purposes of the settlement is not an admission that class certification is proper under the
11 standard applied to contested certification motions and that this Stipulation will not be admissible
12 in this or any other proceeding as evidence that (i) a class should or should not be certified or (ii)
13 Defendant are or are not liable to the Class Representative or the putative Class Members.

14 55. All Terms Subject To Final Court Approval. All amounts and procedures described
15 in this Stipulation shall be subject to final Court approval.

16 56. Execution Of Necessary Documents. All Parties shall execute all documents
17 reasonably necessary to effectuate the terms of this settlement.

18 57. Binding Agreement. The Parties intend that this settlement shall be fully
19 enforceable and binding on all Parties, and that it shall be admissible and subject to disclosure in
20 any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that
21 otherwise might apply under federal or state law.

22
23 DATED: 4/15/2024, 202^{ES}

CLASS REPRESENTATIVE

25 DocuSigned by:
26 By: Eiron Spraul
27 Eiron Spraul
28 Plaintiff and Class Representative

1
2 DATED: April 15, 2024

IKEA NORTH AMERICA SERVICES, LLC

Stephani Lewis

By: _____
Stephani Lewis
Amanda Wickstrom

For Defendant IKEA Distribution Services, Inc.

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8 DATED: April 15, 2024

POLARIS LAW GROUP

By: *William L. Marder*
William L. Marder

Attorneys for Plaintiff Eiron Sproul, and those
similarly situated.

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14
15 DATED: April 15, 2024

HYUN LEGAL

By: *Dennis Hyun*
Dennis Hyun

Attorneys for Plaintiff Eiron Sproul, and those
similarly situated.

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21 DATED: April 15, 2024

OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C.

By: *Alexander M. Chemers*
Alexander M. Chemers
Omar M. Aniff

Attorneys for Defendant
IKEA Distribution Services, Inc.

EXHIBIT 1

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF KERN

NOTICE OF CLASS AND PAGA ACTION SETTLEMENT

PLEASE READ CAREFULLY AS
THIS NOTICE MAY AFFECT YOUR RIGHTS

EIRON SPROUL Plaintiffs, vs. IKEA DISTRIBUTION SERVICES INC. and DOES 1 through 50, inclusive, Defendants.	Case No.: BCV-20-101600 Judge: Honorable Thomas S. Clark Department 17 NOTICE OF CLASS AND PAGA ACTION SETTLEMENT
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I. WHY DID I GET THIS NOTICE?

This notice explains that a settlement has been reached in the case entitled *Eiron Sproul v. IKEA Distribution Services, Inc.*, (Case No. BCV-101600) (the “Action”).

You are receiving this notice because the records of IKEA indicate that you are a Class Member and/or PAGA Group Member in the above lawsuit. Because you fall within one or both of the groups (defined below in Paragraph III), you are eligible to receive a portion of the settlement amount.

This is not a notice of a lawsuit against you. **You are not being sued.** Your participation in the Settlement will not affect your employment with IKEA in any way whatsoever.

The purpose of this notice is to inform you of the proposed Settlement of the Action. The notice is also intended (i) to describe the Settlement, including how the Settlement monies will be allocated and how the Settlement may affect you, and (ii) to advise you of your rights and options with respect to the Settlement.

II. WHAT IS THIS LAWSUIT ABOUT?

On July 10, 2020, a former IKEA employee, Eiron Sproul (“Sproul,” or “Plaintiff”) filed this Action as a class and representative action under the Private Attorneys General Act (the “PAGA”). Sproul claims that IKEA Distribution Services Inc. (“IKEA”) violated California law as to you and other California hourly (non-exempt) workers of IKEA by not paying all overtime and sick pay owed, failing to provide all meal and rest breaks and paying break premiums at the

regular rate of pay. Sproul's Action seeks damages, penalties, attorneys' fees and costs.

This action is both a class action and a PAGA representative action. A class action is a lawsuit where a plaintiff seeks to represent other people. A PAGA representative action is brought on behalf of the State of California and allegedly aggrieved employees, in which the plaintiff seeks penalties payable to the State of California and other allegedly aggrieved employees. IKEA contends that the members of the Class have been paid all monies that were due to them, maintains that it has at all times complied with California's wage-and-hour laws, and vigorously denies any wrongdoing alleged by Plaintiff.

The Court has not ruled on whether Plaintiff's allegations have any merit. However, for the purpose of avoiding the time and expense of further litigation, the ultimate outcome of which is uncertain, and to provide a fair and reasonable resolution of this legal dispute, Plaintiff and IKEA have negotiated a settlement whereby IKEA has agreed to pay \$450,000.00 to resolve the matter, and Class Members will be eligible to claim a portion of this amount. This settlement is not an admission by IKEA or its affiliates of any liability.

III. WHO IS INCLUDED IN THIS ACTION?

As discussed above, Class Members and PAGA Group Members are included in this Action, of which you may fit into one or both definitions:

"Class Members" means: "All current and former hourly-paid, non-exempt employees who worked for Defendant within the State of California and who were paid any shift differential, shift premium, or non-discretionary incentive wages at any time between July 10, 2016 through July 1, 2023."

"PAGA Group Members" means "All current and former hourly-paid, non-exempt employees who worked for Defendant within the State of California and who were paid any shift differential, shift premium, or non-discretionary incentive wages at any time between April 6, 2019 through July 1, 2023."

IV. WHAT DOES THE PROPOSED SETTLEMENT OFFER?

Under the terms of the parties' proposed settlement, the following will occur if the settlement is given final approval by the Court:

A. IKEA will pay Four Hundred Fifty Thousand Dollars and no cents (\$450,000.00) to settle the claims of all Class Members.

B. A claims administrator has been appointed by the Court to administer the settlement. The claims administrator will pay from the Total Class Action Settlement Amount of \$450,000.00: (1) Plaintiff's counsel's attorneys' fees, up to 1/3 of the Total Class Action Settlement Amount (currently, \$150,000.00); (2) Plaintiff's counsel's costs, up to \$15,000.00; (3) the expenses of administering the settlement, up to the amount of \$12,500.00; (4) An enhancement award of \$10,000.00 to Plaintiff; (5) A payment of \$33,750.00 to the California

Labor & Workforce Development Agency, representing 75% of the \$45,000.00 allocated to the settlement of Plaintiff's claim for penalties under PAGA, and \$11,250.00 to PAGA Group Members, representing 25% of the \$45,000.00 allocated to the settlement of Plaintiff's claim for penalties under PAGA. The remainder of the \$450,000.00 will be available to make individual settlement payments to Class Members.

C. The amount to be distributed to Class Members will be divided among all Class Members. The amount of money you will receive will be based on the total amount to be distributed to Class Members, after the amounts described in paragraph IV.B, above, are deducted, divided by the number of aggregate Qualified Weeks worked by all Class Members during the Class Period to produce a "Weekly Settlement Value." A "Qualified Week" is any week in which a Class Member was employed by IKEA in California in a non-exempt job position during the Class Period. If you do not opt out of the settlement pursuant to paragraph V.(B.) below, you will be eligible to receive a settlement payment in the amount of the total number of Qualified Weeks you worked for IKEA during the Class Period multiplied by the Weekly Settlement Value, less applicable withholdings.

According to records provided by IKEA, you worked XX Qualified Weeks. Your estimated individual settlement payment is: \$INDIVIDUAL'S AMOUNT.

D. The amount to be distributed to PAGA Group Members will be divided among all PAGA Group Members. The amount of money you will receive will be based on the amount to be distributed to the PAGA Group Members, \$11,250.00, divided by the number of aggregate Qualified Pay Periods worked by all Class Members during the Class Period to produce a "Pay Period Settlement Value." A "Qualified Pay Period" shall be a pay period where a PAGA Group Member was employed by Defendant in California as a non-exempt employee, at any time from July 10, 2016, through July 1, 2023. Even if you opt out of the settlement, you will receive a settlement payment in the amount of the total number of Qualified Pay Periods you worked for IKEA from July 10, 2016, through [preliminary approval date] multiplied by the Pay Period Settlement Value.

According to records provided by IKEA, you worked XX qualified pay periods. Your estimated share of the PAGA allocation is: \$INDIVIDUAL'S AMOUNT.

Unlike with your share of the Individual Settlement Amount pursuant to paragraph V.(B.) below, you **cannot opt out from the PAGA settlement**. This means you will get your portion of the PAGA settlement amount and you will release the PAGA Released Claims regardless of whether you opt-out from this Settlement.

E. If you disagree with the number of Qualified Weeks or Qualified Pay Periods attributed to you from July 10, 2016, through July 1, 2023, you must submit a dispute to the Settlement Administrator in writing on or before [redacted], 2024 (30 days after mailing this notice) stating the dates you contend you worked for IKEA from July 10, 2016, through July 1, 2023, and you should produce any available supporting evidence of these dates (e.g., copies of paper pay checks or wage statements). The Settlement Administrator will evaluate the evidence submitted and make the decision as to which dates should be applied.

F. If the Court grants final approval of the settlement agreement and you do not opt out of the settlement pursuant to Paragraph V below, then you will release IKEA and all its current or former parent companies, subsidiary companies and/or related companies, partnerships, joint ventures, affiliates, and/or divisions, and, with respect to each of them, all of their and/or such related entities' predecessors and successors, and, with respect to each such entity, all of its past, present, and/or future, direct and/or indirect employees, officers, partners, principals, directors, stockholders, managers, owners, representatives, assigns, attorneys, agents, insurers, employee benefit programs (and the trustees, administrators, fiduciaries, and insurers of such programs), investors, and any other persons acting by, through, under, or in concert with any of the persons or entities listed herein, and their successors (the "Released Parties"), from any and all causes of action and factual or legal theories/allegations that were alleged in the operative complaint in the Action, including but not limited to all of the following claims for relief: (a) failure to provide accurate itemized wage statements; (b) failure to timely pay wages during employment, including overtime and meal or rest premiums at the regular rate of pay; (c) failure to pay employees accrued sick pay; (d) failure to timely pay wages at termination; (e) unfair, and deceptive business practices based on the alleged failure to pay employees accrued sick pay; (f) any other claims or penalties under the wage and hour laws pleaded in the Action or primary rights associated with such laws; and (f) all damages, penalties, interest and other amounts recoverable under said causes of action under California and federal law, to the extent permissible, including but not limited to the California Labor Code, the applicable Wage Orders, and the California Unfair Competition Law as to the facts alleged in the Action (collectively, the "Released Claims").

You will also release claims for civil penalties pursuant to the Private Attorneys General Act of 2004 against the Released Parties regardless of **whether you opt out of the Settlement**, including all causes of action, claims, and/or factual or legal theories for civil penalties, both potential and actual, that were alleged in the operative complaint in the Action, including but not limited to all of the following claims for relief: (a) failure to provide accurate itemized wage statements; (b) failure to timely pay wages during employment, including overtime and meal or rest premiums at the regular rate of pay; (c) failure to pay employees accrued sick pay; (d) failure to timely pay wages at termination; (e) unfair, and deceptive business practices based on the alleged failure to pay employees their accrued sick pay; (f) any other claims or penalties under the wage and hour laws pleaded in the Action or primary rights associated with such laws; and (g) all damages, penalties, interest and other amounts recoverable under said causes of action under California and federal law, to the extent permissible, including but not limited to the California Labor Code, the applicable Wage Orders, and the California Unfair Competition Law as to the facts alleged in the Action (collectively, the "PAGA Released Claims").

V. WHAT ARE MY OPTIONS?

A. ***You may accept your share of the settlement and be bound by the release of all claims described above.*** Settlement awards will be paid by check after the settlement is given final approval by the Court. The checks will be mailed to you by the claims administrator. Your check will remain valid and negotiable for one hundred eighty (180) days from the date on which it is issued. After those one hundred eighty (180) days expire, the check will become void; ***or***

B. *You may exclude yourself from the settlement, in which case you will not receive your share of the settlement and you will not be bound by the settlement.* If you don't want to receive your payment of the Individual Settlement Amount and do not want to release the Released Claims and be bound by the class settlement, you must opt-out by excluding yourself from the class action settlement. If you choose to be excluded, by no later than [REDACTED] (30 calendar days after mailing of this Notice), you must send a written request for exclusion, by mail, to the claims administrator. In order to be considered valid, your request for exclusion ***must*** be timely sent and ***must*** include your name, your address, a request for exclusion, and your signature.

Please note that if you do not opt-out, you will receive a payment from the class settlement called an Individual Settlement Amount, you will release the Released Claims in Paragraph IV.F. above, and you will be bound by any judgment in this action, whether favorable or not. In other words, if you don't opt-out, you will be bound by this Settlement and you will not be able to bring your own lawsuit for the Released Claims.

Whether you exclude yourself from the class action settlement or not, you **cannot exclude yourself from the PAGA settlement.** You will receive your share of the PAGA settlement amount and release the PAGA Released Claims.

C. *You may object to the settlement.* The procedures for objecting to the settlement are described below in Section VIII of this form.

VI. WHAT ARE THE PROCEDURES FOR PAYMENT?

A. The claims administrator will calculate your share of the settlement and will issue you a check.

B. Twenty (20%) percent of your share of the class action settlement will be considered wages from which ordinary tax withholdings will be deducted. The remaining eighty (80%) percent of your share of the class action settlement shall be classified as penalties and interest and no tax deductions shall be made from this portion. You will be given IRS tax forms for each of these amounts. One hundred (100%) percent of your PAGA settlement allocation will be treated as non-wage payments and an IRS tax form will be provided for this amount. You are responsible for paying the correct amount of taxes on each portion of your share of the settlement.

C. It is important for the parties to have your current address in order to be able to send you other mailings regarding the Action. You should contact the claims administrator to report any change of your address after you receive this Notice. Failure to report a change of address may result in you not receiving your share of the settlement money.

VII. HEARING ON PROPOSED SETTLEMENT

A final fairness hearing will be held before the Court on [REDACTED], 2024, at [REDACTED] a.m., in Department 17 of the Kern County Superior Court, located at the Bakersfield Courthouse at 1415 Truxtun Avenue, Bakersfield, CA 93301 to decide whether or not the proposed settlement

is fair, reasonable, and adequate. The Court may adjourn or continue the hearing without further notice to you.

You are not required to attend the hearing. Counsel for Plaintiff and the Class will answer any questions the Court may have. However, you are welcome to attend the hearing at your own expense.

VIII. PROCEDURES FOR OBJECTING TO SETTLEMENT

If you don't think the Settlement is fair, you can object to the Settlement and tell the Court that you don't agree with the Settlement or some part of it. The Court will consider your views. To object, you must send a letter, which you sign, saying that you object to the settlement of *Eiron Sproul. v. IKEA Distribution Services, Inc. et al.*, (Case No. BCV-20-101600). Be sure to include the case name and case number (as shown in the preceding sentence), your name, your address, the specific reasons you object to the terms of the Settlement, and your signature. If you wish to speak at the Final Approval Hearing, you must also indicate in your objection letter that you intend to appear at the Final Approval Hearing. Mail the objection to the address listed below postmarked or faxed to (800) [REDACTED] on or before [REDACTED], 2024 (**30 days after mailing this notice**). However, even if you don't submit a written objection, you can still appear at the Final Approval Hearing and orally object to the Settlement.

IX. EXAMINATION OF COURT PAPERS AND QUESTIONS

This Notice summarizes the Settlement. For more detailed information, you may view a complete copy of the settlement agreement, and any papers filed in the Action, which are on file with the Clerk of the Court, case number BCV-20-101600. The pleadings and all other records from this litigation may be examined by inspecting the Court file the Metropolitan Division of the Court, located at 1415 Truxtun Avenue, Bakersfield, CA 93301.

If you have any questions, you can call the Claims Administrator at [REDACTED] or any of Class Counsel (see below for phone numbers.) PLEASE DO NOT CALL THE COURT, IKEA, OR COUNSEL for IKEA REGARDING THIS SETTLEMENT.

<u>Class Counsel:</u>	<u>Counsel for IKEA</u>
HYUN LEGAL Dennis Hyun (State Bar No. 224240) dhyun@hyunlegal.com 515 South Figueroa Street, Suite 1250 Los Angeles, CA 90071 Telephone: (213) 488-6555 Facsimile: (213) 488-6554 William L. Marder, Cal Bar No. 170131 bill@polarislawgroup.com POLARIS LAW GROUP 501 San Benito Street, Suite 200 Hollister, California 95023 Telephone: 831.531.4214	OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C. ALEXANDER M. CHEMERS, CA Bar No. 263726 alexander.chemers@ogletree.com OMAR M. ANIFF, CA Bar No. 315446 omar.aniff@ogletreedekins.com 400 South Hope Street, Suite 1200 Los Angeles, CA 90071 Telephone: 213-239-9800 Facsimile: 213-239-9045

Facsimile: 831.634.0333	
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EXHIBIT 2

1 William L. Marder, Cal Bar No. 170131
POLARIS LAW GROUP, LLP
2 501 San Benito Street, Suite 200
Hollister, California 95023
3 Telephone: 831.531.4214
Facsimile: 831.634.0333
4

Dennis S. Hyun (State Bar No. 224240)
5 HYUN LEGAL, APC
515 S. Figueroa St., Suite 1250
6 Los Angeles, CA 90071
(213) 488-6555
7 (213) 488-6554 facsimile

8 Attorneys for Plaintiff and the Class
9
10

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 FOR THE COUNTY OF KERN

13 EIRON SPROUL, as an individual and on
behalf of all others similarly situated,
14

15 Plaintiffs,

16 v.

17 IKEA DISTRIBUTION SERVICES, INC.,
a Delaware corporation; and DOES 1
through 50, inclusive,
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19 Defendants.
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CASE NO. BCV-20-101600

[Assigned for all purposes to the Hon. Thomas S.
Clark, Dept. 17]

**[PROPOSED] ORDER GRANTING
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: June 14, 2024
Time: 8:30 a.m.
Dept.: 17

1 Plaintiff Eiron Sproul's ("Plaintiff") Motion for Preliminary Approval of Class Action
2 Settlement came on for hearing before this Court, the Honorable Thomas S. Clark presiding. The
3 Court, having considered the papers submitted in support of the motion, HEREBY ORDERS
4 THE FOLLOWING:

5 1. The Court grants preliminary approval to the First Amended Joint Stipulation Re:
6 Class Action Settlement ("Settlement Agreement" or "Settlement"). This Order incorporates by
7 reference the definitions in the Settlement Agreement, and all terms defined therein shall have the
8 same meaning in this Order as set forth in the Settlement Agreement.

9 2. The Settlement provides for Defendant IKEA Distribution Services, Inc.
10 ("Defendant") to pay the Total Class Action Settlement Amount of \$450,000.00. The Court
11 preliminarily finds that the Settlement is fair, adequate, and reasonable to the Class, and
12 preliminarily approves the terms of the settlement. This preliminary approval is subject to the
13 objections of Class Members and final review by the Court.

14 3. A Final Approval Hearing shall be held before this Court on _____, 2024
15 at 8:30 a.m. in Department 17 of the Superior Court of the State of California for the County of
16 Kern, to determine all necessary matters concerning the Settlement, including: whether the
17 proposed settlement of the Action on the terms and conditions provided for in the Settlement is
18 fair, adequate, and reasonable and should be finally approved by the Court; whether the Final
19 Approval Order and Judgment should be entered; whether the distribution contained in the
20 Settlement should be approved as fair, adequate, and reasonable to the Class Members; and
21 whether to finally approve the PAGA Allocation, the Attorneys' Fees and Costs, the Class
22 Representative Enhancement Payment, and the Settlement Administration Expenses. The motion
23 for final approval and the motion for award of attorneys' fees and costs shall be filed no later than
24 sixteen (16) court days before the Final Approval Hearing.

25 4. The Court recognizes that the Plaintiff and the Defendant stipulate and agree to
26 certification of the Class for settlement purposes only. This stipulation will not be deemed
27 admissible in this or any other proceeding should this Settlement not become final. Whether or
28 not the settlement is finally approved, neither the Agreement, nor any document, statement,

1 proceeding or conduct related to the Agreement may be admitted in any proceeding as an
2 admission by Defendant or any of the Released Parties, the Plaintiff, or any person within the
3 definition of the Class.

4 5. The Class Period is from July 10, 2016 through July 1, 2023. For settlement
5 purposes only, the Court certifies the following Settlement Class: “ All current and former hourly-
6 paid, non-exempt employees who worked for Defendant within the State of California and who
7 were paid any shift differential, shift premium, or non-discretionary incentive wages at any time
8 during the Class Period.”

9 6. The PAGA Period is from April 6, 2019, through July 1, 2023. The Court further
10 preliminarily approves the PAGA portion of the Settlement, including the definition of PAGA
11 Group Members as: “All current and former hourly-paid, non-exempt employees who worked for
12 Defendant within the State of California and who were paid any shift differential, shift premium,
13 or non-discretionary incentive wages at any time during the PAGA Period.”

14 6. The Court appoints approves Plaintiff as the representative of the Class, and
15 Polaris Law Group and Hyun Legal, APC, as counsel for the Class (“Class Counsel”).

16 7. The Agreement specifies for an attorneys' fees award not to exceed one-third of
17 the Total Class Action Settlement Amount, an award of litigation expenses incurred, not to
18 exceed \$15,000, and proposed Class Representative Enhancement Payment in an amount not to
19 exceed \$10,000. While these awards appear to be within the range of reasonableness, the Court
20 will not approve the amount of attorneys’ fees and costs until the Final Approval Hearing.
21 Similarly, the Court will not decide the amount of any Class Representative Enhancement
22 Payment until the Final Approval Hearing.

23 8. The Court hereby approves, as to form and content, the Notice of Class Action
24 Settlement (“Class Notice”) attached as Exhibit 1 to the Agreement. The Court finds that the
25 distribution of the Class Notice substantially in the manner and form set forth in the Agreement
26 and this Order meets the requirements of due process, is the best notice practicable under the
27 circumstances, and shall constitute due and sufficient notice to all persons entitled thereto. The
28 Court hereby approves on a preliminary basis the Total Class Action Settlement Amount as
provided for in the Agreement. It appears to the Court on a preliminary basis that the settlement

1 amount and terms are fair, adequate, and reasonable as to all potential Class Members when
2 balanced against the probable outcome of further litigation relating to liability and damages
3 issues. It further appears that: investigation and research have been conducted such that counsel
4 for the Parties at this time are able to reasonably evaluate their respective positions; that
5 settlement at this time will avoid substantial additional costs by all Parties, as well as avoid the
6 delay and risks that would be presented by the further prosecution of the Action; and that the
7 Settlement has been reached as the result of intensive, serious and non-collusive, arms-length
8 negotiations before an experienced mediator.

9 9. The Court hereby appoints Xpand Legal Consulting LLC as Settlement
10 Administrator. Within 14 calendar days of preliminary approval of this settlement, Defendant will
11 provide the Class Member Data to the Settlement Administrator. Within 10 calendar days of
12 receipt of the Class Member Data, the Settlement Administrator will mail a Class Notice to all
13 Class Members via regular First-Class U.S. Mail, using the most current, known mailing
14 addresses identified in the Class List. Prior to mailing, the Settlement Administrator will perform
15 a search based on the National Change of Address Database for information to update and correct
16 for any known or identifiable address changes.

17 10. Any Class Member may choose to opt out of and be excluded from the Class as
18 provided in the Class Notice by following the instructions for requesting exclusion from the Class
19 that are set forth in the Class Notice. PAGA Group Members may not opt out of the PAGA
20 portion of the Settlement. All requests for exclusion must be submitted within thirty (30) days
21 from the date the Class Notice is first mailed. Any such person who chooses to opt out of and be
22 excluded from the Class will not be entitled to any recovery under the Settlement and will not be
23 bound by the non-PAGA portion of the Settlement or have any right to object, appeal, or
24 comment thereon. Any written request to opt out must comply with the instructions in the Class
25 Notice and be signed by each such person opting out. Class Members who have not validly
26 requested exclusion shall be bound by all determinations of the Court, the Agreement, and the
27 Judgment.

28 11. Any Class Member who has not opted out may appear at the final approval hearing
and may object or express their views regarding the Settlement and may present evidence and file

1 briefs or other papers that may be proper and relevant to the issues to be heard and determined by
2 the Court as provided in the Class Notice. Class Members will have 30 days from the date the
3 Class Notices are mailed to postmark their written objections to the Settlement Administrator.
4 Class Members who fail to timely submit objections in the manner specified above shall be
5 deemed to have waived any objections and shall be foreclosed from making any objection
6 (whether by appeal or otherwise) to the Settlement.

7 12. The Settlement is not a concession or admission and shall not be used against
8 Defendant as an admission or indication with respect to any claim of any fault or omission by
9 Defendant. Whether or not the Settlement is finally approved, neither the Settlement, nor any
10 document, statement, proceeding or conduct related to the Settlement, nor any reports or accounts
11 thereof, shall in any event be construed as, offered or admitted in evidence as, received as or
12 deemed to be evidence for any purpose adverse to the Defendant, including, but not limited to,
13 evidence of a presumption, concession, indication or admission by Defendant of any liability,
14 fault, wrongdoing, omission, concession, or damage.

15 13. In the event the Settlement does not become effective in accordance with the terms
16 of the Agreement, or the Settlement is not finally approved, or is terminated or fails to become
17 effective for any reason, this Order shall be rendered null and void and shall be vacated, and the
18 Parties shall revert to their respective positions as of before entering into the Agreement.

19 14. The Court reserves the right to adjourn or continue the date of the final approval
20 hearing and all dates provided for in the Agreement without further notice to Class Members and
21 retains jurisdiction to consider all further applications arising out of or connected with the
22 proposed Settlement.

23
24 DATED: _____

Honorable Thomas S. Clark
Judge of the Superior Court