

Patrick R. Kitchin, Esq. (State Bar No. 162965)
KITCHIN LEGAL, APC
1999 Harrison Street, 18th Floor, #3535
Oakland, CA 94612
Telephone: (415) 677-9058
Email: prk@kitchinlegal.com

Kelly B. Hanker, Esq. (State Bar No. 257596)
TRIAL LAWYERS FOR JUSTICE
548 Market Street, PMB 66906
San Francisco, CA 94104-5401
Tel: 310-855-3727
Email: kelly@tl4j.com, TeamOjai@tl4j.com
Attorneys for ILDIKO O'CONNOR, LAURA RAYA AND DINA SHASHUA

SUPERIOR COURT OF CALIFORNIA FOR THE COUNTY OF VENTURA

ILDIKO O'CONNOR, LAURA RAYA,
DINA SHASHUA, individuals and on behalf
of all others similarly situated,
Plaintiffs,

v.

FERGUSON SM, INC., a California
Corporation; SEAN CORREA, an individual;
THOMAS HUMPHREY, an individual,
MICHAEL REYES, an individual, INFINITI
WEST, LLC, an Arizona Limited Liability
Company, HR SERVICE GROUP, LLC, a
Maryland Limited Liability Company, and
DOES 3-50, inclusive,

Defendants.

Case No.: 56-2020-00543357-CU-OE-VTA

**JOINT STIPULATION OF CLASS
ACTION SETTLEMENT AND RELEASE**

This Joint Stipulation of Class Action Settlement and Release ("Settlement" or "Settlement Agreement") is made and entered into by and between Plaintiffs Ildiko O'Connor, Laura Raya and Dina Shashua ("Plaintiffs"), on behalf of themselves and the putative class ("Class Members"), and Ferguson SM, Inc., ("Ferguson") Sean Correa ("Correa"), Thomas Humphrey ("Humphrey"), Michael Reyes ("Reyes")(Ferguson, Correa, and Humphrey are collectively the "Ferguson Defendants"), Infiniti HR West, LLC ("Infiniti HR") and HR Service Group, LLC ("HRSG")(Infiniti HR and HRSG are collectively the

“Infiniti Defendants”) (Infiniti Defendants and Ferguson Defendant are collectively referred to as “Defendants”)(Plaintiffs and Defendants collectively referred to as the “Parties).

RECITALS

1. On July 17, 2020, Plaintiff Ildiko O’Connor filed a putative class action in the California Superior Court for the County of Ventura, Case No. 56-2020-00543357-CU-OE-VTA, asserting the following causes of action: (1) Failure to Pay Minimum Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Pay for Nonproductive Time and Rest/Recovery Periods for Piece Rate Workers; (4) Violations of Labor Code § 204.11; (5) Failure to Provide Meal Periods; (6) Failure to Provide Rest Periods; (7) Willful Failure to Pay All Wages Due Upon Termination; (8) Unfair Competition; and (9) Declaratory Relief.

2. On July 29, 2020, pursuant to the California Labor Code Private Attorneys General Act (“PAGA”), Plaintiff gave notice to the California Labor and Workforce Development Agency (“LWDA”) pursuant to Labor Code § 2698.3 (a)(1)(A) of certain alleged violations of California employment law by Defendants.

3. On September 3, 2020, Plaintiffs Ildiko O’Connor, Laura Raya and Dina Shashua filed a first amended complaint asserting the following causes of action: (1) Failure to Pay Minimum Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Pay for Nonproductive Time and Rest/Recovery Periods for Piece Rate Workers; (4) Violations of Labor Code § 204.11; (5) Failure to Provide Meal Periods; (6) Failure to Provide Rest Periods; (7) Violations of Labor Code § 226; (8) Willful Failure to Pay All Wages Due Upon Termination; (9) Unfair Competition; and (10) Declaratory Relief.

4. On November 24, 2020, Plaintiffs filed a second amended complaint asserting the following causes of action: (1) Failure to Pay Minimum Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Pay for Nonproductive Time and Rest/Recovery Periods for Piece Rate Workers; (4) Violations of Labor Code § 204.11; (5) Failure to Provide Meal Periods; (6) Failure to Provide Rest Periods; (7) Violations of Labor Code § 226; (8) Willful Failure to Pay All Wages Due Upon Termination; (9) Unfair Competition; (10) Declaratory Relief; and (11)

1 Labor Code Private Attorneys General Act.

2 5. The Ferguson Defendants answered Plaintiffs' second amended complaint on
3 January 19, 2021, denying all allegations.

4 6. On March 5, 2021, Infiniti HR West, LLC answered Plaintiffs' second amended
5 complaint, denying all allegations.

6 7. On April 1, 2021, Plaintiff added Defendant HR Service Group, LLC, pursuant
7 to California Code of Civil Procedure § 474.

8 8. On May 13, 2021, HR Service Group, LLC, answered Plaintiffs' second
9 amended complaint, denying all allegations.

10 9. Plaintiffs' counsels, Kitchin Legal, APC and Trial Lawyers For Justice ("Class
11 Counsel"), diligently pursued an investigation of the proposed Class Members' claims against
12 Defendants, including any and all applicable defenses and the applicable law. The investigation
13 included, *inter alia*, the exchange of information pursuant to both formal and informal
14 discovery, analysis of information and data produced by Defendants, and telephonic
15 conferences and email correspondence between Class Counsel and Defendants' counsel.

16 10. Based on the data produced pursuant to discovery and Class Counsel's own
17 independent investigation and evaluation, Class Counsel believes that the settlement with
18 Defendants for the consideration and on the terms set forth in this Settlement Agreement is fair,
19 reasonable, and adequate, and is in the best interest of the Class in light of all known facts and
20 circumstances, including the risk of significant delay and uncertainty associated with litigation,
21 various defenses asserted by Defendants, Defendant Ferguson SM going out of business, and
22 potential appellate issues.

23 11. Defendants deny any liability or wrongdoing of any kind associated with the
24 claims alleged in this Action and further deny that this case is appropriate for class treatment
25 for any purpose other than this settlement.

26 12. Plaintiffs, on behalf of themselves and the Class, along with Defendants, and
subject to the approval of the Court, stipulate that the case will be compromised and settled

pursuant to the terms and conditions set forth in this Settlement Agreement and that after the date of the Court's final approval of this Settlement Agreement, judgment shall be entered, subject to the continuing jurisdiction of the Court as set forth below, subject to the recitals set forth above which by this reference become an integral part of this Settlement Agreement, and subject to the following definitions, terms and conditions:

DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement also shall be effective.

13. "Action" means *Ildiko O'Connor, et al. v. Ferguson SM, Inc., et al.*, Ventura County Superior Case No. 56-2020-00543357-CU-OE-VTA (filed July 17, 2020), and includes the Complaint, First Amended Complaint and Second Amended Complaint.

14. "Employees" include all licensed cosmetologists who worked for the Ferguson Defendants or the Infiniti Defendants at any time in the state of California from May 1, 2018, through July 31, 2021.

15. "Claims Administrator" means Phoenix Class Action Administration Solutions, or any other third-party class action settlement claims administrator agreed to by the Parties and approved by the Court for the purposes of administering this Settlement. The Parties each represent that they do not have any financial interest in the Claims Administrator or otherwise have a relationship with the Claims Administrator that could create a conflict of interest.

16. "Claims Administration Costs" means the cost payable from the Gross Settlement Fund to the Claims Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, tax reporting, distributing the portions of the Net Settlement Amount as provided for herein, and providing necessary reports and declarations at the Parties' request. The estimated Claims Administration Costs are estimated to be eight thousand dollars (\$8,000.00). The Claims Administration Costs shall be paid from the Gross Settlement Amount, including, if necessary, any such costs in

1 excess of the foregoing estimate represented by the Claims Administrator as being the amount
2 of costs and fees necessary to administer the Settlement.

3 17. “Class Counsel” is Kitchin Legal, APC, and Trial Lawyers for Justice.

4 18. “Class Counsel Award” means attorneys’ fees agreed upon by the Parties and
5 approved by the Court for Class Counsel’s litigation and resolution of this Action, and all costs
6 incurred and to be incurred by Class Counsel in the Action and approved by the Court,
7 including, but not limited to, litigation costs, mediation costs, costs associated with
8 documenting the Settlement, securing the Court’s approval of the Settlement, and obtaining
9 entry of the Judgment terminating this Action pursuant to California Rule of Court 3.769
10 (“Judgment”). The Class Counsel Award of fees and costs shall be paid from the Gross
11 Settlement Amount. Defendants agree not to oppose a request for Class Counsel’s attorneys’
12 fees of one-third (1/3) of the Gross Settlement Amount (\$58,332.00), (“Class Counsel Fee
13 Award”), plus a request for Class Counsel’s actual costs incurred, which are estimated to be
14 approximately \$16,250.00 (“Class Counsel Cost Award”).

15 19. “Class List” means a list of Class Members that Defendants will diligently and
16 in good faith compile from their records and provide to the Claims Administrator within
17 fourteen calendar days (14) calendar days after preliminary approval of this Settlement. The
18 Class List shall be formatted in Microsoft Office Excel and shall include each Class Member’s
19 full name; most recent mailing address and telephone number; most recent email address; social
20 security number; dates of employment in California during the Class Period; the total number
21 of workweeks worked by each Class Member during the Class Period, and any other relevant
22 information needed to calculate settlement payments. The Class List is confidential and not to
23 be disclosed to any party other than the Claims Administrator. To the extent Class Counsel
24 requires the contact information of any Class Member who is disputing the information in the
25 Settlement Award Form, such information shall be provided by Defendants’ counsel as
26 required.

1 20. “Class Members” or “Class” means “all licensed cosmetologists who worked
2 for the Ferguson Defendants or the Infiniti Defendants, at any time in the state of California
3 from May 1, 2018, through July 31, 2021.”

4 21. “PAGA Aggrieved Employees” means “all licensed cosmetologists who worked
5 for the Ferguson Defendants or the Infiniti Defendants, at any time in the state of California
6 from June 28, 2019, through July 31, 2021.” (PAGA claim number LWDA-CM-800523-20
7 filed July 29, 2020, and amended September 25, 2020)

8 22. The Class, including the PAGA Aggrieved Employees, is estimated to include
9 approximately 193 past Employees of Defendants.

10 23. “Class Period” means the period from May 1, 2018, through July 31, 2021.

11 24. “Class Representatives Enhancement Payments” means the amount to be paid
12 to Plaintiffs in recognition of their efforts and work in prosecuting the Action on behalf of Class
13 Members and in exchange for a general release. The Class Representatives Enhancement
14 Payments shall be paid from the Gross Settlement Amount. The Class Representatives
15 Enhancement Payments is Fifteen Thousand Dollars (\$15,000) in total to be distributed to the
16 three Class Representatives (O’Connor \$5,000.00; Shashua \$5,000.00; Raya \$5,000.00),
17 subject to Court Approval and the Court finally approving this Settlement Agreement, and
18 subject to the exhaustion of any and all appeals.

19 25. To settle claims and remedies under Labor Code Sections 2699, *et seq.*, subject
20 to Court approval, the Parties allocate \$7,500.00 to PAGA penalties, with 75% of this amount
21 (\$5,625.00) to be paid directly to the LWDA and 25% of this amount (\$1,875.00) to be paid to
22 the PAGA Aggrieved Employees. PAGA penalties will still be paid to Class Members who
23 submit a timely request for exclusion of the Class Settlement.

24 26. “Gross Settlement Amount” means the total amount of One Hundred Seventy
25 Five Thousand Dollars and No/Cents (\$175,000.00) from which will be paid Individual
26 Settlement Payments to Participating Class Members, the PAGA Payments, the Class
Representatives Enhancement Payments, the Claims Administration Costs to the Claims

1 Administrator, the standard employee and employer share of payroll taxes on the wage portion
2 of the Individual Settlement Payments, and the Class Counsel Award of fees and costs.

3 27. “Net Settlement Amount” means the Gross Settlement Amount minus the Court
4 approved Class Representative Enhancement Payments to Plaintiffs, the Court approved
5 Administration Costs to the Claims Administrator, the Court approved Class Counsel Award
6 of attorneys’ fees, the Court approved Class Counsel Award of costs, and Court approved
7 PAGA Payment. The Net Settlement Amount is the amount from which Individual Settlement
8 Payments to Participating Class Members and to PAGA Aggrieved Employees are made to and
9 is estimated to be approximately \$69,421.00 [Gross Settlement Amount (\$175,000) – Claims
10 Administration Costs (\$8,000.00) – Class Representatives Enhancement Payments (\$15,000) –
11 Class Counsel Award for Fees (\$58,332.00) – Class Counsel Award for Costs (approximately
12 \$16,250.94) – LWDA Payment (\$5,625.00).]

13 28. “Court” means the California Superior Court for the County of Ventura with
14 jurisdiction over this Action.

15 29. “Defendants” Ferguson SM, Inc., Sean Correa, Thomas Humphrey Michael
16 Reyes, Infiniti HR West, LLC and HR Service Group, LLC. Defendant Michael Reyes shall
17 have no responsibility with respect to any payments required under this Agreement.

18 30. “Effective Date” This Agreement shall become effective upon the later of the
19 occurrence of all of the following events:

20 A. Defendants do not invoke their right, at their sole discretion, to revoke
21 the Settlement as described in this paragraph. Specifically, Defendants, at their sole discretion,
22 have the right but not the obligation to revoke the Settlement if 15% or more of the Class files
23 timely opt outs. Defendants shall exercise their rights under this paragraph, if at all, within ten
24 (10) business days of the Exclusion Deadline as defined in Paragraph 39 by written notice to
25 Class Counsel.

26 B. The Court’s final approval of settlement if no objections by members of
the Class have been filed or such objections have been withdrawn.

1 C. Objections have been overruled and the time to appeal has expired, or the
2 final resolution of any appeal that has been filed.

3 D. The Effective Date of this Settlement Agreement shall be the date of the
4 last event in items A-C above to occur.

5 31. "Individual Settlement Payment" means each Class Member's gross share of the
6 Net Settlement Amount (before deduction for the standard employee's share of payroll taxes)
7 is calculated by dividing the Net Settlement Amount by the Total Class Member Workweeks
8 and then multiplying that amount by the number of weeks worked by each Class Member during
9 the Class Period.

10 32. Settlement Payments to the Class shall be made within thirty (30) calendar days
11 after the Effective Date.

12 33. "Notice" means the Notice of Pendency of Class Action Settlement, in a form
13 substantially similar to the form attached hereto as **Exhibit "A"** and which the Court orders to
14 be sent to all Class Members via regular First-Class U.S. Mail and via email to the last known
15 email address on file with Defendants. The Notice will be in English.

16 34. "Participating Class" and "Participating Class Members" means all Class
17 Members who did not submit a timely Request for Exclusion pursuant to paragraph 38 of this
18 Agreement.

19 35. "Plaintiffs" means the Plaintiffs named in the Action: Ildiko O'Connor, Laura
20 Raya and Dina Shashua.

21 36. "Preliminary Approval" means the Order of Preliminary Approval of Class
22 Action Settlement by which the Court grants preliminary approval of the Settlement Agreement
23 and in a form substantially similar to the form attached hereto as **Exhibit "B."**

24 37. "Released Claims" means all claims, rights, demands, liabilities and causes of
25 action, alleged in the Action during the Class Period. The primary facts alleged in the Action
26 are that Defendants failed to pay Plaintiffs and the Class in compliance with California law, and
failed to provide Plaintiff and the Class payment of overtime wages, compliant wage

1 statements, rest breaks, meal periods, and all wages due upon termination. Additionally,
2 Plaintiff alleges that in doing the above, Defendants violated Sections 17200, *et seq.* of the
3 California Business and Professions Code and Sections 2698, *et seq.*, of the California Labor
4 Code. The Released Claims include all claims for legal or equitable relief, for compensatory
5 and statutory damages, penalties, liquidated damages, restitution, injunctive relief, pre-
6 judgment and post-judgment interest, and attorney fees and costs of suit that arise from, or relate
7 to, the facts alleged in the Action. The foregoing is intended to include all claims for minimum
8 wages, straight time wages, overtime wages, meal and rest periods, claims under Labor Code
9 Sections 200, 201, 201.5, 202, 203, 204, 205.5, 218, 218.5, 218.6, 221, 225.5, 226, 226(a),
10 226(e), 226(g), 226.7, 226.8, 500, 510, 512, 1174, 1194, 1194(a), 1194.2, 1194.2(a), 1197,
11 1198, 2698 *et seq.*, and 2802 related only to the Released Claims; California Industrial Welfare
12 Commission Wage Order 1-2001 §1, §2, §3, §4, §7, §11 and §12; California Code of
13 Regulations, Title 8, section 11000(2); and California Civil Code section 3287; and all other
14 wage, interest, statutory damages, penalty, injunctive and attorney fee claims arising from, or
15 related to, the facts alleged in the Action.

16 38. “Request for Exclusion” means a timely and valid letter by a Class Member
17 which unambiguously indicates a request to be excluded from the Settlement and which must
18 also: (a) set forth the name, address, telephone number, and last four digits of the Social security
19 number of the person requesting exclusion; (b) be signed by the Class Member requesting
20 exclusion; (c) be addressed to the Claims Administrator at the specified address indicated in the
21 Notice; and (d) be post marked on or before the Response Deadline. Class Members who
22 exclude themselves shall not have the right to object to the Settlement and any objection filed
23 by a Class Member who has excluded themselves shall be disregarded by the Court.

24 39. “Response Deadline” means the deadline by which Class Members must
25 mail/postmark to the Claims Administrator a Request for Exclusion or an Objection to the
26 Settlement or Settlement Award Form. The Response Deadline shall be forty-five (45) calendar
days from the initial mailing of the Notice by the Claims Administrator, unless the 45th day

falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline for any Class Member who is re-mailed a Notice by the Claims Administrator in accordance with the Notice Procedure shall be the earlier of (1) forty-five (45) calendar days from the date the Notice Package is re-mailed or (2) a date which is thirty (30) calendar days prior to the final approval hearing. The Response Deadline may also be extended by express agreement between Class Counsel and Defendants' Counsel.

40. "Settlement" or "Settlement Agreement" means this Joint Stipulation of Class Action Settlement and Release, which is made and entered into by and between Plaintiffs, and on behalf of all others similarly situated, and Defendants.

41. "Settlement Award Form" means the Settlement Award Form, a form substantially similar to the form attached hereto as **Exhibit "C"** and which the Court orders to be sent to all Class Members via regular First-Class Mail and by email. The Settlement Award Form shall be in English.

42. "Total Class Member Workweeks" means the aggregate of all weeks worked by the Participating Class Members during the Class Period. The aggregate number of weeks worked by all Class Members totals approximately _____ weeks.

43. "Workweek Dollar Value" means the Net Settlement Amount (estimated to be \$6,7546.00), divided by the Total Class Member Workweeks (approximately _____). The Workweek Dollar Value is estimated to be \$_____ (\$_____ ÷ _____ = \$_____).

TERMS OF AGREEMENT

Plaintiffs, on behalf of themselves and Class Members, and Defendants all agree as follows:

Defendants' Primary Obligations under the Settlement Agreement

44. Funding the Gross Settlement Amount. Funding the Gross Settlement Amount. Defendants shall wire to the Claims Administrator the Gross Settlement Amount as set forth

below:

A. Infiniti Defendants' Settlement Amount, equal to Ninety Thousand Dollars and No/Cents (\$90,000.00), shall be wire-transferred to the Claims Administrator fifteen (15) calendar days after the Effective Date. One-half of Ferguson Defendants' Settlement Amount, equal to Forty-Two Thousand and Five Hundred Dollars and No/Cents (\$42,500.00), shall be wire-transferred to the Claims Administrator fifteen (15) calendar days after the Effective Date. In accordance with this Agreement, this portion of the Gross Settlement Amount (\$132,500.00) shall be distributed as follows: 100% of the approved enhancement payments to Plaintiffs (\$15,000.00), 100% of the approved costs to Class Counsels (\$18,617.00), \$23,837.00 out of the total approved attorneys' fees, and \$5,625.00 to the LWDA, with the remainder to be paid to the Settlement Class as the complete Class payment (\$69,421.00), including \$1,875.00 to the PAGA Aggrieved Employees).

B. No later than six months after the Effective Date, Ferguson Defendants shall transfer the second and remaining settlement payment of Forty-Two Thousand and Five Hundred Dollars and No/Cents (\$42,500.00) to the Claims Administrator. In accordance with this Agreement, this portion of the Gross Settlement Amount shall be distributed as follows: approved attorneys' fees (\$34,500), and 100% of the approved Claims Administrator fees (\$8,000.00).

Payments to Be Taken from the Gross Settlement Amount

45. Payments to be taken from the Gross Settlement Amount shall be distributed as follows:

A. Payment of Class Counsel Award. Defendants agree not to oppose or impede any application or motion by Class Counsel for a Class Counsel Award of not in excess one-third of the Gross Settlement Amount, equal to Fifty-Eight Thousand, Three Hundred and Thirty-Two Thousand (\$58,332.00) in attorneys' fees, plus actual costs incurred of approximately Eighteen Thousand, Six Hundred and Seventeen Dollars (\$18,617.00), which amount shall include any and all costs and expenses associated with Class Counsel's

1 prosecution and settlement of the Action. Class Counsel shall be solely and legally responsible
2 to pay all applicable taxes on the payments made pursuant to this paragraph and shall indemnify
3 and hold harmless Defendants from any claim or liability for taxes, penalties, or interest arising
4 as a result of the taxes owed by Class Counsel. The appropriate 1099 tax forms shall be
5 provided by the Claims Administrator to Class Counsel for the payments made pursuant to this
6 paragraph. The Class Counsel Award shall be paid as follows: (1) \$23,832.00 shall be paid no
7 later than thirty (30) calendar days after the Effective Date; and \$34,500.00 shall be paid no
8 later 6 months after the Effective Date.

9 B. Class Representatives Enhancement Payment. In recognition of their
10 efforts, work, stigma and risk in prosecuting the Action on behalf of Class Members, and in
11 exchange for an individual general release, Defendants agree not to oppose or impede any
12 application or motion by Plaintiffs for Class Representative Enhancement Payment of Fifteen
13 Thousand Dollars (O'Connor \$____; Shashua \$____; Raya \$____), subject to Court
14 approval and the Court finally approving this Settlement Agreement. The Class
15 Representatives Enhancement Payment shall be in addition to the Plaintiffs' Individual
16 Settlement Payments paid pursuant to the Settlement. The Claims Administrator shall release
17 to Plaintiffs their shares of the Court approved Representatives Enhancement Payment from the
18 monies collected from Defendants. The Class Representatives Enhancement Payment shall be
19 made within thirty (30) calendar days after the Effective Date. Plaintiffs shall be solely and
20 legally responsible to pay any and all applicable taxes on their Class Representative
21 Enhancement Payments and shall indemnify and hold harmless the Parties and their respective
22 counsel from any claim or liability for taxes, penalties, or interest arising from the Class
23 Representative Enhancement Payments and owed by the Plaintiff Class Representative. The
24 Claims Administrator shall issue to Plaintiffs the appropriate 1099 tax form(s) for the Class
25 Representatives Enhancement Payments.

26 C. PAGA Payment to PAGA Aggrieved Employees and Notification of
LWDA of PAGA Claims and Settlement. Plaintiffs' counsel shall be responsible for notifying

1 the LWDA of the (1) pending settlement, (2) the release of PAGA claims herein, (3) the amount
2 of the PAGA Payment, and (4) preliminary and final approval hearings and rulings thereon.
3 The Claims Administrator shall distribute the *pro rata* share of the Court approved PAGA
4 Payment as follows: (i) payment of \$5,625.00 to be paid to the LWDA within thirty (30)
5 calendar days after the Effective Date; and (ii) payment of \$1,875.00 to the PAGA Aggrieved
6 Employees within thirty (30) calendar days after the Effective Date based on the *pro rata*
7 number of weeks worked June 28, 2019 through July 31, 2021, as set forth in Paragraphs 42
8 and 43.

9 D. Claims Administration Costs. The Claims Administration Costs are
10 currently estimated to be \$8,000.00. These costs shall include the cost of notifying the Class
11 of the settlement, distributing the required payments to the Class and to Plaintiffs, Class
12 Counsel, and the LWDA, required tax reporting and payment to the taxing authorities on the
13 Individual Settlement Payments, and the issuing of 1099 and W-2 IRS Forms. The Claim
14 Administrator shall pay itself as provided for in this Agreement and approved by the Court,
15 from the monies collected from Defendants 6 months after the Effective Date.

16 46. Net Settlement Amount. After deducting the Class Counsel Award, Class
17 Representatives Enhancement Payments, Claims Administration Costs, the LWDA PAGA
18 Payment, the PAGA allocation to the PAGA Aggrieved Employees, the remaining Net
19 Settlement Amount (after deduction of standard employee payroll taxes on the payroll portion
20 of the Individual Settlement Payments) shall be awarded to all Class Members who do not file
21 a Request for Exclusion as provided in the Settlement. The Net Settlement Amount is estimated
22 to be \$65,676.00.

23 47. Calculation and Distribution of Individual Settlement Payments. The Claims
24 Administrator will determine the amounts of Individual Settlement Payments to be awarded to
25 the Participating Class Members as follows: Class Member's gross share of the Net Settlement
26 Amount (before deduction for the standard employee's share of payroll taxes) is calculated by
dividing the Net Settlement Amount by the total number of weeks worked by all Class Members

1 during the Class Period and multiplying that amount by the number of workweeks worked by
2 each Class Member during the Class Period.

3 The Individual Settlement Payment shall be made to the Participating Class Members
4 in accordance with the schedule set forth in Paragraph 45.

5 48. Calculation and Distribution of PAGA Payments to the PAGA Aggrieved
6 Employees. Out of the \$7,500.00 allocated to PAGA civil penalties under the Settlement,
7 twenty-five percent, or \$1,875.00, will be distributed to PAGA Aggrieved Employees on a pro
8 rata basis by dividing \$1,875.00 by the total number of weeks worked by all PAGA Aggrieved
9 Employees between June 28, 2019 and July 31, 2021, and multiplying that amount by the
10 number of workweeks worked by each PAGA Aggrieved Employee.

11 49. Voided Settlement Checks Will Be Donated to a Cy Pres Beneficiary. The
12 amount that Defendants have agreed to pay under this Settlement Agreement to Participating
13 Class Members shall remain the property of Defendants until the checks issued to each
14 Participating Class Member are cashed. Any checks issued by the Claims Administrator to
15 Participating Class Members shall be negotiable for one-hundred and eighty (180)
16 calendar days. Those funds represented by Settlement checks returned as undeliverable and
17 those Settlement checks remaining un-cashed for more than 180 days after issuance
18 (collectively, "Voided Settlement Checks") shall constitute "unpaid residuals in Class Action
19 litigation" as described in *Cundiff v. Verizon California, Inc.* (2008) 167 Cal.App.4th 718.
20 Those checks shall be voided by the Claims Administrator and the funds shall be paid to Swords
21 to Plowshares, subject to approval of the Court.

22 **Tax Treatments, Liabilities and Disclaimers**

23 50. Tax Treatment of Individual Settlement Payments. All Individual Settlement
24 Payments will be allocated as follows: 20% to settlement of wage claims and 80% to settlement
25 for interest and statutory penalties. The portion allocated to wages shall be reported on an IRS
26 Form W-2 and the portion allocated to interest and penalties, including PAGA civil penalties,
shall be reported on an IRS Form-1099 issued by the Claims Administrator. The Claims

1 Administrator shall deduct the standard employee's share of payroll withholding taxes for the
2 portion of the Individual Settlement Payments allocated to wages from the Individual
3 Settlement Payments and remit such payroll taxes to the taxing authorities. The Claims
4 Administrator shall also pay from the Gross Settlement Amount the employers' share of payroll
5 withholding taxes.

6 51. Tax Liability (Defendants and Class Counsel Disclaimers). Circular 230
7 Disclaimer. Defendants and Class Counsel make no representations as to the tax treatment or
8 legal effect of the payments called for hereunder, and Participating Class Members are not
9 relying on any statement or representation by Defendants or Class Counsel in this regard.

10 EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE
11 "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER
12 THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES
13 AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN
14 COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR
15 THEIR ATTORNEYS AND OTHER ADVISORS, IS OR WAS INTENDED TO BE, NOR
16 SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE, OR BE
17 CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF
18 UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS
19 AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY
20 UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR
21 ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT,
22 (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
23 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO
24 ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
25 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY
26 OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER

PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

Participating Class Members understand and agree that Participating Class Members will be solely responsible for the payment of any income taxes and penalties assessed on the payments described herein and will hold Defendants, Plaintiffs and Class Counsel free and harmless from any claims concerning the tax liability associated with any payments made to Participating Class Members pursuant to this Settlement Agreement.

Notice & Administrative Execution Procedures

The Notice Procedures to notify all Class Members of the Settlement Agreement provisions shall be managed and administered as follows:

52. Class List. Within fourteen (14) calendar days after Preliminary Approval, Defendants shall provide the Class List to the Claims Administrator in conformity with the definition, substance, and format as previously indicated.

53. Notice by First Class U.S. Mail, Email and Establishment of Case Website. Within twenty (20) calendar days after receiving the Class List from Defendants as provided herein, the Claims Administrator shall send a Notice and Settlement Award Form to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List or the National Change of Address Database. Within twenty (20) calendar days of receiving the Class List from Defendants, the Claims Administrator also shall send a Notice and Settlement Award Form via email to the last known email address on file with Defendants. Concurrently, the Claims Administrator shall also establish a website for the case on which Class Members can access the Second Amended Complaint and Defendants' answers to the Second Amended Complaint, Plaintiffs' Motion for Preliminary Approval, the

1 proposed settlement agreement, Class Notice and, when filed, Plaintiffs' Motion for Final
2 Approval and Plaintiffs' Motion for Attorneys' Fees and Costs. The case website shall also
3 contain information regarding the Final Approval Hearing.

4 54. Confirmation of Contact Information in the Class List. Prior to mailing, the
5 Claims Administrator shall perform a search based on the National Change of Address Database
6 for information to update and correct for any known or identifiable address changes. Any
7 Notices returned to the Claims Administrator as non-deliverable on or before the Response
8 Deadline shall be sent promptly via regular First-Class U.S. Mail to the forwarding address
9 affixed thereto and the Claims Administrator shall indicate the date of such re-mailing on the
10 Notice. If no forwarding address is provided, the Claims Administrator shall promptly attempt
11 to determine the correct address using a single skip-trace or other search using the name, address
12 and/or social security number of the Class Member involved and shall then perform a single re-
13 mailing. If, after performing a skip-trace search, the Notice is still returned to the Claims
14 Administrator as non-deliverable, that individual will be deemed a Class Member for purposes
15 of the Released Claims described herein, without any further effort of the Claims Administrator
16 required.

17 55. Notices. All Class Members will receive a Notice. Each Notice will list:
18 (1) information regarding the nature of the Action, (2) a summary of the substance of the
19 Settlement, (3) the Class definition, (4) the formula for calculating Individual Settlement
20 Payments, (5) the deadlines by which the Class Member must postmark a Request for
21 Exclusion, file an objection to the Settlement with the Claims Administrator or postmark
22 disputes regarding the amounts in the Settlement Award Form, and (6) a description of the
23 claims to be released by all Class Members who do not submit timely and valid Requests for
24 Exclusion. Subject to the approval of the Court, the Notice shall be substantially in the form
25 attached hereto as Exhibit "A."

26 56. Settlement Award Form. All Class Members will receive a Settlement Award
Form. Each Settlement Award form will list the number of Workweeks the Class Member

1 worked during the Class Period, and the period of time during the Class Period worked by the
2 Class Members. Subject to approval of the Court, the Settlement Award Form shall be
3 substantial in the form attached hereto as **Exhibit “C”** and shall be in English.

4 57. Disputed Information on Settlement Award Forms. If a Class Member disputes
5 the information listed in their Settlement Award Form, the Class Member may produce
6 evidence to the Claims Administrator substantiating factual information different from that
7 appearing in the Settlement Award Form. To the extent any Class Member disputes the
8 information listed on their Settlement Award Form prior to the Response Deadline, the Class
9 Member may produce evidence to the Claims Administrator showing the correct employment
10 dates or data that they contend should be shown in the Settlement Award Form. Defendants’
11 records will be presumed determinative, absent evidence to rebut those records, but the Claims
12 Administrator shall evaluate the evidence submitted by the Class Member and make the final
13 decisions as to which dates and data should be applied, which determination will be conclusive,
14 final and binding. Defendants agree to diligently and in good faith resolve any Class Member
15 dispute regarding the information listed in Settlement Award Form. Class Members who failed
16 to provide information in support of any dispute by the Response Deadline, shall be foreclosed
17 from contesting Defendants’ data.

18 58. No Requirement for a Claim Form. Class Members shall not be required to
19 submit a claim form to receive an Individual Settlement Payment.

20 59. Request for Exclusion Procedures. Any Class Member wishing to opt out from
21 the Settlement Agreement must sign and postmark a written Request for Exclusion to the
22 Claims Administrator not later than the Response Deadline. The Request for Exclusion must
23 (a) state the name, address, telephone number, and last four digits of the social security number
24 of the Class Member requesting exclusion; (b) be signed by the Class Member; (c) be addressed
25 to the Claims Administrator at the specified address indicated in the Notice; and (d) be post
26 marked on or before the appropriate deadline. The Notice shall provide these instructions to
the Class Members who wish to exclude themselves from the Class. The date of the postmark

1 on the return mailing envelope shall be the exclusive means to determine whether a Request for
2 Exclusion has been timely submitted. Class Members who submit Requests for Exclusion shall
3 not be entitled to file objections to the Settlement and any objections filed by a Class Member
4 who has excluded themselves from the Settlement shall be disregarded by the Court. Class
5 Members who do not submit valid Requests for Exclusion shall be bound by all terms of the
6 Settlement Agreement, Release, and any Final Judgment entered by the Court if the Settlement
7 is granted final approval by it.

8 60. Defective Requests for Exclusion. If any Class Member submits a defective
9 Request for Exclusion postmarked before the Response Deadline, the Claims Administrator
10 shall, in that case, send a Cure Letter to such Class Member, advising that the Request for
11 Exclusion is defective, stating the nature of the defect and that the defect must be cured to render
12 the Request for Exclusion valid. The Claims Administrator must mail the Cure Letter within
13 five (5) business days of receiving the defective Request for Exclusion. The Cure Letter shall
14 state that the Class Member has ten (10) calendar days from the date of the Cure Letter or the
15 Response Deadline, whichever date is later, to postmark a revised Request for Exclusion. If a
16 Class Member responds to a Cure Letter by resubmitting a defective Request for Exclusion,
17 then the Claims Administrator shall have no further obligation to give notice of a need to cure.
18 Defective Requests for Exclusion will be considered invalid and, if post marked after the
19 Response Deadline, Class Members will have no right to cure them, except as provided for
20 herein or by the agreement of the Parties.

21 61. Objection Procedures. To object to the Settlement Agreement, a Class Member
22 must submit his or her objection to the Claims Administrator by not later than the Response
23 Deadline. The postmark date of the filing and service of the Notice of Objection shall be
24 deemed the exclusive means for determining if the Notice of Objection is timely. The Notice
25 of Objection must be signed by the Class Member and provide the Class Member's name, most
26 current address, most current telephone number, the basis for each objection, and the Class
Member's dates of employment with Defendants. The Notice shall provide these instructions

1 about how to object to the Settlement. Class Members who fail to make written objections in
2 the manner specified above shall be deemed to have waived any objections and shall be
3 foreclosed from making any future objection (whether by appeal or otherwise) to the Settlement
4 Agreement. Class Members who submit and serve timely Notices of Objection in compliance
5 with the foregoing provision shall have a right to appear at the Final Approval Hearing if they
6 file with the Court and serve on counsel for the parties a Notice of Intention to Appear at Final
7 Appeal Hearing.

8 Class Members who have mailed timely and valid exclusion letters shall not have the
9 right to object to the Settlement and any such objections shall not be considered by the Court.

10 The Parties agree not to encourage any Class Members to object to the Settlement
11 Agreement, or to opt out of the settlement.

12 62. Certification of Requests for Exclusion and Objections. All Requests for
13 Exclusion and Objections will be submitted to the Claims Administrator, who shall then certify
14 jointly to Class Counsel, Defendants' Counsel, and the Court the total number of Class
15 Members who have submitted Requests for Exclusion and Objections and provide copies of
16 same to Counsel.

17 63. Notification Reports Regarding Requests for Exclusion and Objections. The
18 Claims Administrator shall provide Defendants' Counsel and Class Counsel a weekly report
19 showing at a minimum: (i) the number of Class Members who have submitted timely, valid
20 Requests for Exclusion and/or Objections; (ii) whether any Class Member has submitted a
21 challenge to the employment dates identified in their Notice, or any other information contained
22 in the Notice; and (iii) statistics showing which disputes that have been resolved and which
23 have not been resolved. Additionally, the Claims Administrator will provide counsel for
24 Defendants' Counsel and Class Counsel any updated reports as needed or requested.

25 64. Resolution of Disputes Concerning Individual Settlement Payments. Should
26 any questions arise regarding the determination of eligibility for the amounts of any Individual
Settlement Payments under the terms of this Settlement Agreement that are not otherwise

1 resolved by the Claims Administrator, counsel for the Parties shall meet and confer in an
2 attempt to reach an agreement. If Class Counsel and Defendants' Counsel cannot agree, the
3 Claims Administrator shall then make the final determination, and that determination shall be
4 conclusive, final and binding.

5 65. Posting of Judgment. The Claims Administrator shall post any judgment on its
6 website in English.

7 66. Additional Administrative Duties of the Claims Administrator. The Claims
8 Administrator shall report Individual Settlement Payments to all required taxing and other
9 authorities, withhold the standard employee's share of payroll taxes from the wage portion of
10 each Individual Settlement Awards, pay all employer share of payroll taxes, and transmit these
11 amounts to the taxing authorities, and issue IRS Forms W-2 and 1099. Upon completion of
12 administration of the Settlement, the Claims Administrator shall provide written certification
13 of such completion to the Court and counsel for all Parties.

14 67. Minimization of Administrative Costs. The Parties agree to cooperate in the
15 settlement administration process and to make all reasonable efforts to control and minimize
16 the costs and expenses incurred in administration of the Settlement Agreement.

17 Release of Claims

18 68. Settlement Class Members' Released Claims. Aside from those who submit a
19 valid and timely request for exclusion from the settlement, Plaintiffs and each member of the
20 Settlement Class will release Defendants and any past, present or future parent, subsidiary,
21 affiliate, predecessor or successor, and all agents, employees, owners, shareholders, insurers,
22 reinsurers, assigns, officers, directors and attorneys thereof (collectively the "Released
23 Parties"), from any and all claims, debts, liabilities, demands, obligations, guarantees, costs,
24 expenses, attorneys' fees, damages, action or causes of action arising out of the allegations and
25 claims asserted in the operative Complaint, including without limitation to, any and all claims
26 for alleged unpaid wages (including but not limited to minimum, overtime, final pay upon
termination), alleged unpaid meal and rest period premiums, failure to pay timely wages, failure

1 to maintain required records, itemized wage statements, failure to pay sick leave; and penalties
2 arising under the California Labor Code (including PAGA), California Civil Code, or Business
3 & Professions Code Section 17200, and claims for restitution and other equitable relief,
4 liquidated damages, or penalties; and any other benefit claimed on account of the allegations
5 asserted in the operative Complaint. Released Claims include all claims arising under the
6 California Labor Code sections 201, 202, 203, 204, 204.11, 208, 226, 226(a), 226.2, 226.7, 510,
7 558, 1182.12, 1194, 1194.2, 1197, 1197.1, 1199, 2698, 2699, 2699.5, 2802, and 2810.5; the
8 Wage Orders of the California Industrial Welfare Commission (“IWC”) Wage Orders 5-2001.
9 This release shall apply to all claims arising at any point during the Class Period.

10 69. PAGA Aggrieved Employees Released Claims. Plaintiffs and each member of
11 the PAGA Aggrieved Employees will release Defendants and any past, present or future
12 parent, subsidiary, affiliate, predecessor or successor, and all agents, employees, owners,
13 shareholders, insurers, reinsurers, assigns, officers, directors and attorneys thereof (collectively
14 the “Released Parties”), from any and all claims for civil penalties arising out of the allegations
15 and claims asserted in the operative Complaint and LWDA letters submitted on July 29, 2020
16 and September 25, 2020 (PAGA claim number LWDA-CM-800523-20), including without
17 limitation to, any and all underlying claims for alleged unpaid wages (including but not limited
18 to minimum, overtime, final pay upon termination), alleged unpaid meal and rest period
19 premiums, failure to pay timely wages, failure to maintain required records, itemized wage
20 statements, failure to pay sick leave. Released Claims under PAGA include all claims arising
21 under the California Labor Code sections 201, 202, 203, 204, 204.11, 208, 226, 226(a), 226.2,
22 226.7, 510, 558, 1182.12, 1194, 1194.2, 1197, 1197.1, 1199, 2698, 2699, 2699.5, 2802, and
23 2810.5; the Wage Orders of the California Industrial Welfare Commission (“IWC”) Wage
24 Orders 5-2001. This release, subject to the Court’s final approval of the Class Settlement and
25 full payment of all settlement funds, shall apply to all claims arising at any point during the
26 PAGA Aggrieved Employee period.

1 70. Plaintiffs’ Released Claims. Plaintiffs Ildiko O’Connor, Laura Raya and
2 Dina Shashua, and each of them, will release Defendants and any past, present or future
3 parent, subsidiary, affiliate, predecessor or successor, and all agents, employees, owners,
4 shareholders, insurers, reinsurers, assigns, officers, directors and attorneys thereof (collectively
5 the “Released Parties”), subject to the Court’s final approval of the Class Settlement and full
6 payment of all settlement funds, from all claims, known and unknown, including but not
7 limited to all claims arising under the California Labor Code sections 201, 202, 203, 204,
8 204.11, 208, 226, 226(a), 226.2, 226.7, 510, 558, 1182.12, 1194, 1194.2, 1197, 1197.1, 1199,
9 2698, 2699, 2699.5, 2802, 2810.5; the Wage Orders of the California Industrial Welfare
10 Commission (“IWC”) Wage Orders 5-2001, the California Private Attorneys General Act of
11 2004 (“PAGA”); California Business and Professions Code section 17200; the California Civil
12 Code, to include, but not limited to, section 3336 and 3294; the California common law of
13 contract; the Fair Labor Standards Act, 29 U.S.C. § 201 et seq.; federal common law; and the
14 Employee Retirement Income Security Act, 29 U.S.C. § 1001, et seq. (“Plaintiffs’ Released
15 Claims”). Plaintiffs’ Released Claims also include all claims for lost wages and benefits,
16 emotional distress, retaliation, punitive damages, and attorneys’ fees and costs arising under
17 federal, state, or local laws for discrimination, harassment, and wrongful termination such as
18 by way of example only, (as amended) 42 U.S.C. section 1981, Title VII of the Civil Rights
19 Act of 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act,
20 and the California Fair Employment and Housing Act; and the law of contract and tort. The
21 intent of this agreement is to provide a release of all claims that Plaintiffs may have had prior
22 to the date this Agreement is fully executed, except that this release excludes the release of
23 claims not permitted by law. As to the Plaintiffs’ Released Claims only, Plaintiffs expressly
24 waive all rights and benefits under the terms of section 1542 of the California Civil Code.
25 Section 1542 reads as follows:

26 **A general release does not extend to claims that the creditor
or releasing party does not know or suspect to exist in his**

or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or releasing party.

Notwithstanding the provisions of section 1542, and for the purpose of implementing a full and complete release and discharge of all of their Released Claims, Plaintiffs expressly acknowledge that this Settlement is intended to include in its effect, without limitation, all Released Claims which Plaintiffs do not know or suspects to exist in their favor at the time of execution hereof, and that the Settlement contemplates the extinguishment of all such Released Claims.

71. Labor Code § 206.5 Inapplicable. It is acknowledged that this Settlement is made with respect to disputed claims and each Class Member who has not opted out will be deemed to have acknowledged and agreed that California Labor Code § 206.5 is not applicable. That section provides:

(a) An employer shall not require the execution of a release of a claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of those wages has been made. A release required or executed in violation of the provisions of this section shall be null and void as between the employer and the employee. Violation of this section by the employer is a misdemeanor.

(b) For purposes of this section, “execution of a release” includes requiring an employee, as a condition of being paid, to execute a statement of the hours he or she worked during a pay period which the employer knows to be false.

Revocation or Nullification of Settlement Agreement

72. Nullification of Settlement Agreement. In the event: (i) the Court does not enter the order of Preliminary Approval specified herein; (ii) the Court does not finally approve the

1 Settlement as provided herein; (iii) the Court does not enter the Final Judgment as provided
2 herein, which becomes final as a result of the occurrence of the Effective Date; (iv) more than
3 15% of the Class timely opts out and Defendants exercise their right to revoke the Settlement;
4 or (v) the settlement does not become final for any other reasons, this Settlement Agreement
5 shall be null and void. In such a case, the Parties shall proceed in all respects as if this
6 Settlement Agreement had not been executed, except that any fees already incurred by the
7 Claims Administrator up to the date that Defendants receive notice by the Court of any of the
8 events (i) through (iv) shall be paid by the Ferguson Defendants and the Infiniti Defendants
9 equally.

10 **Preliminary & Final Approval Hearings**

11 73. Preliminary Approval Hearing. Plaintiffs shall request a hearing before the
12 Court to request Preliminary Approval of the Settlement Agreement. The Parties agree to use
13 their best efforts to schedule a Preliminary Approval hearing on the first available date after the
14 execution of this Settlement Agreement. At the Preliminary Approval hearing, the Parties shall
15 request the entry of a Preliminary Approval Order that: (i) conditionally certifies the Class for
16 settlement purposes only, (ii) preliminarily approves the proposed Settlement Agreement,
17 (iii) approves the Notice, and (iv) sets a date for a Final Approval/Settlement Fairness Hearing.
18 The Preliminary Approval Order shall provide for the Notice and Settlement Award Form to be
19 sent to all Class Members as specified herein. In conjunction with the Preliminary Approval
20 hearing, Class Counsel shall submit this Settlement Agreement and all exhibits for approval by
21 the Court, and prepare, file and serve a motion for preliminary approval of same.

22 74. Final Settlement Approval Hearing and Entry of Final Judgment and Notice to
23 the Class. Following the Response Deadline, and with the Court's permission, a Final
24 Approval/Settlement Fairness Hearing shall be conducted to determine final approval of the
25 Settlement Agreement along with the amounts properly payable for: (i) the Class Counsel
26 Award, (ii) the Class Representatives Enhancement Payments, (iii) the Claims Administration
Costs, and (iv) the PAGA allocation. The Final Approval/Settlement Fairness Hearing shall

1 not be held earlier than thirty (30) calendar days after the Response Deadline. Class Counsel
2 shall be responsible for preparing, filing and serving a motion for final approval of the
3 Settlement and for approval of the fees and various payments provided therein. Class Counsel
4 shall file and serve on Defendants a Notice of Entry of Judgment. The Claims Administrator
5 shall provide notice of final approval of the Settlement and entry of judgment to the Class by
6 postcard.

7 75. Preliminary and Permanent Injunction. Except as to Settlement Class Members
8 who timely submit Requests for Exclusion, the Preliminary Approval Order and Final Judgment
9 will contain provisions enjoining Plaintiffs and the Class Members from prosecuting the claims
10 released herein and enjoining Plaintiffs and the Class Members from initiating or continuing
11 other proceedings regarding the claims released herein, including but not limited to filing any
12 claims before the Division of Labor Standards and Enforcement (“DLSE”) or in any forum
13 whatsoever. Inclusion of these provisions in the Order of Preliminary Approval Order and Final
14 Judgment and Order of Final Approval is a material part of the consideration for this Settlement.

15 76. Interim Stay of Proceedings. The Parties agree that the application of Code of
16 Civil Procedure § 583.310 is stayed from January 24, 2023 through the date of entry Final
17 Approval and Judgment or the date upon which this Settlement Agreement becomes null and
18 void. Accordingly, pursuant to Code of Civil Procedure § 583.330, the Parties stipulate that the
19 time within which this action must be brought to trial is stayed. Plaintiff and Defendants agree
20 to refrain from further litigation of this matter, except such proceedings necessary to implement
21 and obtain an Order granting Final Approval of the terms of the Settlement Agreement.
22 Plaintiffs and Defendants further agree that the mutual, voluntary cessation of litigation shall
23 terminate if the motion for final approval of the Settlement Agreement is denied by the Court.
24 If the Court does not grant final approval of the Settlement Agreement for any reason, Plaintiffs
25 and/or Defendants may give notice to the other that the discovery agreements shall terminate
26 ten (10) calendar days from the date of notice of termination of the discovery agreements.

1 **Final Judgement Ratifying the Settlement Agreement**

2 77. Final Judgment and Continued Jurisdiction. Upon final approval of the
3 Settlement by the Court, or after the Final Approval/Settlement Fairness Hearing, the Parties
4 shall present the Final Judgment to the Court for its approval. After entry of the Final Judgment,
5 the Court shall have continuing jurisdiction solely for purposes of addressing: (i) the
6 interpretation and enforcement of the terms of the Settlement, (ii) settlement administration
7 matters, and (iii) such post-Final Judgment matters as may be appropriate under Court rules or
8 as set forth in this Agreement.

9 **Dispute Resolution Concerning the Terms of This Settlement Agreement**

10 78. Dispute Resolution Involving Settlement Agreement. Except as provided
11 herein, all disputes concerning the interpretation, calculation or payment of settlement claims,
12 or other disputes regarding compliance with this Settlement Agreement shall be resolved as
13 follows: if Plaintiffs or Class Counsel, on behalf of Plaintiffs or any Class Member, or
14 Defendants at any time contend that the other party has breached or acted contrary to the
15 Settlement Agreement, that party shall notify the other parties in writing of the alleged violation.
16 Upon receiving notice of the alleged violation or dispute, the responding party shall have ten
17 (10) calendar days to correct the alleged violation and/or respond to the initiating party with the
18 reasons why the party disputes all or part of the allegation. If the response does not address the
19 alleged violation to the initiating party's satisfaction, the Parties shall negotiate in good faith
20 for up to ten (10) calendar days to resolve their differences. If Class Counsel and Defendants
21 are unable to resolve their differences within ten (10) calendar days after the writing which
22 notified them of the alleged violation, either Party may elect to file (1) an appropriate Code of
23 Civil Procedure § 664.6 motion for enforcement with the Court, or (2) take any other legal
24 action to enforce this Settlement Agreement. Reasonable attorney fees and costs, as fixed by
25 the Court, incurred to enforce this Settlement Agreement shall be awarded to the prevailing
26 party.

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document needed to implement the Settlement, or on any supplemental provisions which may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

85. Binding on Successors and Assigns. This Settlement Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

86. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto shall be governed by and interpreted according to the laws of the State of California.

87. Counterparts. This Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument provided that counsel for the Parties shall exchange among themselves original signed counterparts.

88. Jurisdiction of the Court. The Court shall retain jurisdiction with respect to the interpretation, implementation and enforcement of the terms of this Settlement Agreement, and all related orders and judgments. The Parties and their counsel likewise submit to the Court's jurisdiction for purposes of interpreting, implementing, and enforcing the terms embodied in this Settlement Agreement and all related orders and judgments.

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

90. Plaintiffs' Waiver of Right to Be Excluded and to Object. Plaintiffs agree to sign this Settlement Agreement, and by signing this Settlement Agreement will be bound by its terms. For good and valuable consideration, Plaintiffs further agree that they shall not request to be excluded from the Participating Class and agree not to object to any of the terms of this Settlement Agreement. Any such request for exclusion or objection by Plaintiffs shall be void and of no force or effect. Efforts by Plaintiffs to circumvent the terms of this paragraph shall

1 be void and of no force or effect. Plaintiffs shall be issued an Individual Settlement Payment
2 at the same time the Claims Administrator issues Individual Settlement Payments for other
3 Participating Class Members.

4 91. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate
5 to class certification for purposes of this Settlement only; except, however, that Plaintiffs or
6 Class Counsel may appeal any reduction of the Class Counsel Award or of Class Counsel
7 Representatives Enhancement Payments below the amount provided for herein, and either Party
8 may appeal any Court order that materially alters the Settlement Agreement's terms which costs
9 will be borne solely by the appealing party.

10 92. Class Certification for Settlement Purposes Only. The Parties agree to stipulate
11 class certification only for purposes of the Settlement. If, for any reason, the Settlement is not
12 approved, the stipulation to certification will be void. The Parties further agree that certification
13 for purposes of the Settlement is not an admission that class certification is proper under the
14 standard applied to contested certification motions and that this Settlement will not be
15 admissible in this or any other proceeding as evidence that (i) a class should be certified or
16 (ii) Defendants are liable to Plaintiffs or the Class Members.

17 93. No Admission of Liability. The Parties to the Action understand that the terms
18 of the Settlement Agreement do not in any way imply an admission of liability on the part of
19 Defendants, and that it is being agreed to as an efficient method and compromise in order to
20 resolve disputed claims. This Settlement Agreement may not be used in any proceeding and
21 for any purpose whatsoever as an admission of liability on behalf of Defendants.

22 94. All Terms Subject to Final Court Approval. All amounts and procedures
23 described in this Settlement Agreement herein shall be subject to final Court approval.

24 95. Execution of Necessary Documents. All Parties shall execute all documents
25 reasonably necessary to effectuate the terms of this Settlement Agreement.

26 96. Binding Agreement. The Parties intend that this Settlement shall be fully
enforceable and binding on all parties, and that it shall be admissible and subject to disclosure

1 in any proceeding to enforce its terms, notwithstanding any mediation confidentiality
2 provisions that otherwise might apply under federal or state law.

3 **CLASS REPRESENTATIVES**

4 12/09/2023
DATED: August __, 2023



Ildiko O'Connor

6 DATED: August __, 2023



Laura Raya

8 DATED: August __, 2023

Dina Shashua

10 **PLAINTIFFS' COUNSELS**

11 DATED: August __, 2023

KITCHIN LEGAL, APC

12 By: _____

PATRICK R. KITCHIN
Attorneys for Plaintiffs
ILDIKÓ O'CONNOR, LAURA RAYA
AND DINA SHASHUA

15 DATED: August __, 2023

TRIAL LAWYERS FOR JUSTICE

17 By: _____

KELLY B. HANKER
Attorneys for Plaintiffs
ILDIKÓ O'CONNOR, LAURA RAYA
AND DINA SHASHUA

20 **FERGUSON DEFENDANTS**

22 DATED: August __, 2023

Sean Correa,
on behalf of Defendant Ferguson SM, Inc.

25 DATED: August 31, 2023



Thomas Humphrey, an individual

1 in any proceeding to enforce its terms, notwithstanding any mediation confidentiality
2 provisions that otherwise might apply under federal or state law.

3 **CLASS REPRESENTATIVES**

4 DATED: August __, 2023

5 _____
Ildiko O'Connor

6 DATED: August __, 2023

7 _____
Laura Raya

8 DATED: August __, 2023

9 _____
Dina Shashua

10 **PLAINTIFFS' COUNSELS**

11 DATED: August __, 2023

KITCHIN LEGAL, APC

12 By: _____

13 PATRICK R. KITCHIN

Attorneys for Plaintiffs

14 ILDIKO O'CONNOR, LAURA RAYA
AND DINA SHASHUA

15 December 13, 2023

16 DATED: ~~August __, 2023~~

TRIAL LAWYERS FOR JUSTICE

17 By: _____

Kelly B. Hanker

18 KELLY B. HANKER

Attorneys for Plaintiffs

19 ILDIKO O'CONNOR, LAURA RAYA
AND DINA SHASHUA

20 **FERGUSON DEFENDANTS**

21 DATED: August __, 2023

22 _____
Sean Correa,

23 on behalf of Defendant Ferguson SM, Inc.

24 DATED: August __, 2023

25 _____
Thomas Humphrey, an individual

1 DATED: August __, 2023



Sean Correa, an individual

2
3 DATED: August __, 2023

Michael Reyes, an individual

4
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6
7 **INFINITI DEFENDANTS**

8
9 DATED: August 21, 2023


JACK STRAUGHAN
on behalf of Infiniti HR West, LLC

10
11
12 DATED: August 21, 2023


JACK STRAUGHAN
on behalf of Infiniti HR Service Group LLC

13
14
15 **DEFENDANTS' COUNSELS**

16 DATED: ~~August~~ ^{September 1st} __, 2023

DUCKOR METZGER & WYNNE
A PROFESSIONAL LAW CORPORATION

17
18
19 By: 
TONY R. SKOGEN, JR.
Attorneys for Defendants Ferguson SM,
Inc., Sean Correa, Thomas Humphrey
and Michael Reyes

20
21
22 DATED: August 21, 2023

FISHER & PHILLIPS LLP

23
24 By: 
LONNIE D. GIAMELA
AREEN BABAJANIAN
Attorneys for Defendants Infiniti HR
West, LLC and HR Service Group, LLC

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JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE

1 DATED: August __, 2023

Sean Correa, an individual

2
3 DATED: August 31, 2023


Michael Reyes, an individual

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7 **INFINITI DEFENDANTS**

8
9 DATED: August 21, 2023


JACK STRAUGHAN
on behalf of Infiniti HR West, LLC

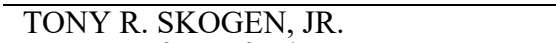
10
11
12 DATED: August 21, 2023


JACK STRAUGHAN
on behalf of Infiniti HR Service Group LLC

13
14
15 **DEFENDANTS' COUNSELS**

16 DATED: August __, 2023

DUCKOR METZGER & WYNNE
A PROFESSIONAL LAW CORPORATION

17
18
19 By: 
TONY R. SKOGEN, JR.
Attorneys for Defendants Ferguson SM,
20 Inc., Sean Correa, Thomas Humphrey
21 and Michael Reyes

22 DATED: August 21, 2023

FISHER & PHILLIPS LLP

23
24 By: 
LONNIE D. GIAMELA
25 AREEN BABAJANIAN
Attorneys for Defendants Infiniti HR
26 West, LLC and HR Service Group, LLC

EXHIBIT A

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

THIS IS NOTICE OF A PROPOSED CLASS ACTION SETTLEMENT

To All licensed cosmetologists who worked for Ferguson SM, Inc., Infiniti HR West, LLC or HR Service Group, LLC at any time in the state of California from May 1, 2018 through July 31, 2021.

OFFICIAL COURT NOTICE

IMPORTANT PLEASE READ CAREFULLY

**YOU DO NOT NEED TO TAKE ANY ACTION TO BE PAID AS PART OF THIS
SETTLEMENT AND YOU WILL BE PAID YOUR SETTLEMENT AMOUNT
UNLESS YOU EXCLUDE YOURSELF**

WHY IS THIS NOTICE BEING SENT TO YOU?

1. This notice is to inform you that a proposed Settlement in the class action lawsuit entitled *Ildiko O'Connor, et al., v. Ferguson SM, Inc., et al.*, Case No. 56-2020-00543357-CU-OE-VTA (the "Lawsuit") has been reached by the Parties and has been granted preliminary approval by the California Superior Court for the County of Ventura (the "Court"). This is **not** a notice of a lawsuit against you. **You are not being sued.**
2. The Court has ordered that this Notice be sent to you because records maintained by Ferguson SM, Inc., Infiniti HR West, LLC and/or HR Service Group, LLC (jointly, "Defendants") indicate that you are a Class Member. The purpose of this notice is to inform you of the proposed Settlement of the Lawsuit. The notice is also intended (1) to describe the Settlement, including how the Settlement monies will be allocated and how the Settlement may affect you, and (2) to advise you of your rights and options with respect to the settlement.

**WHO IS ELIGIBLE TO RECEIVE MONEY FROM THIS
SETTLEMENT?**

3. The Settlement Class includes all "all licensed cosmetologists who worked for Ferguson SM, Inc., Infiniti HR West, LLC or HR Service Group, LLC, at any time in the state of California from May 1, 2018, through July 31, 2021." ("Class Period").

The Settlement Class will not include any person who previously settled or released any of the Claims covered by the Settlement or any person who was previously paid or received an award through civil or administrative action for any Claim covered by this Settlement.

WHY YOU SHOULD READ THIS NOTICE

4. You should read this Notice because you may be entitled to money under this Settlement and because you will release any claims under the Settlement unless you opt out as provided in this Notice.

WHAT IS A CLASS ACTION?

5. A class action is a lawsuit in which the claims and rights of many people are decided in a single court proceeding. One representative plaintiff or multiple representative plaintiffs, also known as a “class representative” or “class representatives” can assert claims on behalf of an entire class or group of people.

SUMMARY OF THE CLAIMS AND ALLEGATIONS

6. On July 17, 2020, Plaintiff Ildiko O'Connor filed a putative class action lawsuit in which she alleged that Ferguson SM, Inc. owes wages, interest and other penalties to its employees, whom she alleged were employed by Defendants as California licensed cosmetologists and who were not paid in compliance with California law. Two amendments of the complaint were subsequently filed, adding two additional representative plaintiffs, Laura Raya and Dina Shashua. Plaintiff's Second Amended Complaint alleges causes of action for: (1) Failure to Pay Minimum Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Pay for Nonproductive Time and Rest/Recovery Periods for Piece Rate Workers; (4) Violations of Labor Code § 204.11; (5) Failure to Provide Meal Periods; (6) Failure to Provide Rest Periods; (7) Violations of Labor Code § 226; (8) Willful Failure to Pay All Wages Due Upon Termination; (9) Unfair Competition; (10) Declaratory Relief; and (11) Labor Code Private Attorneys General Act..

The Second Amended Complaint asserts that Defendant also violated California Labor Code sections §§ 201, 202, 203, 204, 208, 226(a), 226.7, 510, 558, 1194, 1197, 1197.1, 1199, and 2698 *et seq.*; California Industrial Welfare Commission Wage Order 5-2001; California Code of Regulations, Title 8, section 11000(2). Plaintiffs allege that as a result of the foregoing violations of law, Defendants violated Sections 17200 *et seq.* of the Business & Professions Code and violated the Labor Code Private Attorneys General Act (“PAGA”) under Labor Code §§ 2698 *et seq.* The Second Amended Complaint seeks declaratory relief, as well as recovery of compensatory damages, penalties, interest, and attorneys' fees and costs.

Defendants deny the allegations in the Lawsuit but preliminarily settled the lawsuit due to the expense, time, and risk associated with protracted litigation and disruption to the Company.

7. On [date of preliminary approval], the Court gave preliminary approval to the settlement of the Lawsuit. The Court has made no opinion on the merits of the Lawsuit.

WHO REPRESENTS THE PARTIES?

8. The following attorneys represent the parties in this Lawsuit:

For the Class:	For Ferguson SM, Inc., Sean Correa, Thomas Humphrey and Michael Reyes ("Ferguson Defendants")
KITCHIN LEGAL, APC Patrick R. Kitchin, Esq. 1999 Harrison St., 18th Floor (#3535) Oakland, CA 94612-4700 Telephone: 415-677-9058 Email: prk@kitchinlegal.com	DUCKOR METZGER & WYNNE A Professional Law Corporation Tony R. Skogen, Jr., Esq. 101 West Broadway, Suite 1700 San Diego, CA 92101 Email: skogen@dmwplc.com
TRIAL LAWYERS FOR JUSTICE Kelly B. Hanker, Esq. 548 Market Street, PMB 66906 San Francisco, CA 94104-5401 Tel: 310-855-3727 Email: kelly@tl4j.com , TeamOjai@tl4j.com	For Infiniti HR, LLC and HR Services Group, LLC ("Infiniti Defendants")
	FISHER & PHILLIPS LLP Lonnie D. Giamela, Esq. Areen Babajanian, Esq. 444 South Flower Street, Suite 1500 Los Angeles, California 90071 Email: lgiamela@fisherphillips.com Email: ababajanian@fisherphillips.com

The Claims Administrator is:

Phoenix Class Action Administration Solutions
[Address and Phone Number]

WHAT TO DO IF YOU WANT TO RECEIVE PART OF THE SETTLEMENT MONEY

9. You do not need to do anything to receive your payment except inform the Claims Administrator if your mailing address changes. If you move following receipt of this Notice, or if the address to which this Notice was sent is not correct, you must immediately contact the Administrator, whose address and contact information is as follows:

Phoenix Class Action Administration Solutions
[Address and Phone Number]

It is your responsibility to keep your current address on file with the Claims Administrator to ensure receipt of your settlement payment. The Settlement will be paid to Class Members in one payment. The final settlement payment will be made in approximately _____ 2023. Therefore, it is important to update the Claims Administrator with any new address you have, or if you move, so you can be mailed any payments that you are owed from the Settlement.

10. If you are a Class Member, you will be entitled to money from Settlement and, you will be bound by all of the provisions of the Settlement Agreement, including a release of claims that will prevent you from separately suing Defendants unless you timely file a request for exclusion.

WHAT SHOULD YOU DO IF YOU WANT TO PURSUE YOUR OWN CLAIMS SEPARATELY FROM THIS CLASS ACTION?

11. You may retain your right to pursue any claims you may have separately from this Class Action by requesting to be excluded from the Settlement. You may exclude yourself from the Settlement by mailing a letter to the Claims Administrator at the address above, on or before **[EXCLUSION DEADLINE DATE – 45 DAYS FROM DATE OF MAILING]**:

Such written letter requesting exclusion must contain your name, address, telephone number and the last four digits of your social security number, and clearly state that you wish to be excluded from the class. The request for exclusion must be returned by mail to the Settlement Administrator, and must be postmarked on or before **[EXCLUSION DEADLINE DATE – 45 DAYS FROM DATE OF MAILING OF NOTICE]**.

12. If you choose to exclude yourself, you will not receive any money from the settlement, and you will not have any right to object to the Settlement. Any request for exclusion submitted after **[DEADLINE]** will be disregarded, and if you submit a late request for exclusion, you will not be able to pursue any claims separately from the Class Action or as part of the Lawsuit.

IF YOU DO NOT AGREE WITH THE SETTLEMENT

13. **IF YOU DO NOT AGREE WITH THE SETTLEMENT**, you can submit an Objection to the Settlement. However, if the Court approves the Settlement, you will still be bound by the terms of the Settlement. You may both object to the settlement and participate in it.

14. To object, you must submit a written objection by **[INSERT DATE – 45 DAYS FROM DATE OF MAILING OF NOTICE]** by mailing it to Phoenix Class Action Administration Solutions at the address above. Your objection should clearly explain why you object to the Settlement, stating each specific reason in support of your objection and any legal support for each objection. Your objection must also state whether you (or someone on your behalf) intend to appear at the Final Approval Hearing. Your objection must state your full name, address and the dates and position of your work for Defendants. **DO NOT TELEPHONE THE COURT.**

15. To appear at the Final Approval Hearing in Court, you must first file a Notice of Intention to Appear at the Final Approval Hearing, with the Ventura County Superior Court,. You can enter an appearance in *propria persona* (meaning you choose to represent yourself) or through your own attorney. To do so, you or your attorney must also file a Notice of Intention to Appear with the Clerk of the Court of the Ventura County Superior Court located at 800 South Victoria Avenue, Ventura, California 93009 and mail copies to each of the attorneys listed above in Paragraph 8, no later than **[DATE 45 DAYS FROM DATE OF MAILING]**. To ensure that your request to appear at the hearing is properly processed by the Court, the case name and case number stated in Paragraph 1 of this Notice must be on your notice of Intention to Appear at Final Approval Hearing.

16. If you object to the Settlement, you will remain a member of the Settlement Class and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way and to the same extent as a Settlement Class Member who does not object. ANY MEMBER OF THE SETTLEMENT CLASS WHO DOES NOT OBJECT TO THE PROPOSED SETTLEMENT NEED NOT APPEAR AT THE SETTLEMENT HEARING.

SUMMARY OF THE SETTLEMENT AGREEMENT

17. The description below is a summary of the terms of the Settlement. You may obtain more information about the proposed Settlement by contacting any of the attorneys listed above in Paragraph 8 or by reviewing the Settlement Agreement that is on file with the Court and lodged on the case website at www._____. Please check the case website frequently for updates.

18. Settlement Fund, Net Settlement Amount, and General Terms. Defendants and the named Plaintiffs have agreed that, in order to resolve this action, the Ferguson Defendants will pay \$85,000.00 and the Infiniti Defendants will pay \$90,000.00 (“Settlement Fund”) in exchange for the release of all claims against them. Subject to the Court’s approval, this amount will be used to pay: (1) the awards to Class Members that do not choose to exclude themselves from the Lawsuit (“Participating Class Members”); (2) an amount not to exceed \$15,000 in total to the Named Plaintiffs for their services and in exchange for individual general releases; (3) class counsel’s attorney’s fees, up to a maximum amount of \$58,332.00; (4) class counsel’s actual costs of approximately \$18,617.00; (4) a payment of \$5,625.00 to the Labor Workforce and Development Agency; (5) a payment of \$1,875.00 to the PAGA Aggrieved Employees; and (6) the costs of settlement administration (\$8,000.00).

Subject to the Court’s approval, the estimated Net Settlement Amount, including civil penalties under the PAGA, is estimated to be \$67,551.00 [Gross Settlement Amount (\$175,000) – Claims Administration Costs (\$8,000.00) – Three Class Representative Enhancement Payments (\$15,000.00) – Class Counsel Award for Fees (\$58,332.00) – Class Counsel Award for Costs (\$18,617.00) – LWDA Payment (\$5,625.00) – PAGA Aggrieved Employees Payment (\$1,875.00)].

19. Payment Formula. Class Members who do not file a Request for Exclusion will be entitled to a gross award (“Individual Settlement Payment”). Each Individual Settlement Payment (before deduction for payroll taxes) shall be determined as follows:

Subject to Approval of the Court, Participating Class Members will be entitled to a proportional share of the Net Settlement Amount (estimated to be \$67,551.00), based on the estimated proportional number of weeks worked by each Class Member during the Class Period and whether the Class Member is also a PAGA Aggrieved Employee.

A. If you were a licensed cosmetologists who worked for Defendants during the Class Period, the estimated gross amount that you will receive is included in the attached Settlement Award Form. The gross amount on the Settlement Award form represents an estimate, is subject to Court approval and could change. The Gross share of the Net Settlement Amount for each Class Member is determined by multiplying the estimated

number of workweeks each Class Member worked while employed by Defendants during the Class Period times the Workweek Dollar Value. The Workweek Dollar Value will be determined by dividing the total amount available to be paid to the Class Members (excluding the \$1,875.00 available to PAGA Aggrieved Employees) by the total estimated number of workweeks worked by the Class Members (estimated to be _____). This amount is estimated to be \$_____ for each week worked. \$_____ ÷ _____ workweeks = \$_____ for each estimated workweek. If you do not agree with the number of workweeks noted on the enclosed Settlement Award Form, the Settlement Award Form contains instructions on how to contest any of the information provided.

B. Class Members who worked for Defendants between June 28, 2020, and July 31, 2021, also will be entitled to a pro rata share of the PAGA civil penalties allocated to the PAGA Aggrieved Employees based on the number of workweeks worked during this time period.

20. Payroll Tax Withholding. Twenty percent (20%) of each gross Individual Settlement Payment shall be comprised of wages subject to payroll taxes and eighty percent (80%) shall be comprised of non-wage income. The Claims Administrator shall withhold the employee's share of payroll taxes from the portions of the Individual Settlement Payments attributable to wage income. Defendants' share of payroll taxes owing on the portion of the Individual Payments that is allocated to wages shall be paid out of gross settlement.

21. Distribution Schedule. Subject to approval of the Court, the Settlement Awards will be made by check. The Settlement Fund will be funded by Defendants and all settlement payments shall be made as follows:

A. No Later than 15 days after the Effective Date of the Settlement, the Infiniti Defendants will wire transfer their total portion of the Settlement Amount, equal to Ninety Thousand Dollars and No/Cents (\$90,000.00), to the Claims Administrator.

B. No Later than 15 days after the Effective Date of the Settlement, the Ferguson Defendants will wire transfer one-half of their Settlement Amount, equal to Forty-Two Thousand and Five Hundred Dollars and No/Cents (\$42,500.00), to the Claims Administrator.

i. This initial portion of the Gross Settlement Amount (\$132,500.00) shall be distributed as follows: (1) 100% of the approved enhancement payments to the Named Plaintiffs (\$15,000.00); (2) 100% of the approved costs to Class Counsels (\$18,617.00); (3) \$23,832.00 out of \$58,332.00 (the total approved attorneys' fees); and (4) \$5,625.00 to the LWDA, with the remainder to be paid to the Settlement Class as the complete Class payment (\$69,426.00), including \$1,875.00 to be paid to the PAGA Aggrieved Employees).

C. No later than six months after the Effective Date, the Ferguson Defendants' shall transfer the second and remaining settlement payment of Forty-Two Thousand and Five Hundred Dollars and No/Cents (\$42,500.00) to the Claims Administrator.

This portion of the Gross Settlement Amount shall be distributed as follows: remaining approved attorneys' fees (\$34,500.00), and 100% of the approved Claims Administrator fees (\$8,000.00).

22. Payment of Attorneys' Fees and Costs for Class Counsel. Class Counsel will ask for fees of no more than one-third of the Gross Settlement Amount (\$58,332.00) and actual costs incurred: approximately \$18,617.00. The actual amounts awarded will be determined by the Court to ensure that the amount of attorneys' fees and costs is reasonable. This means that Class Counsel's fees and costs will be paid out of the settlement, and Class members will not have to make any individual payments to the lawyers.

EFFECT OF THE SETTLEMENT-RELEASE OF ALL CLAIMS

23. Release of Claims for Class Members. Aside from those who submit a valid and timely request for exclusion from the settlement, Plaintiffs and each member of the Settlement Class will release Defendants and any past, present or future parent, subsidiary, affiliate, predecessor or successor, and all agents, employees, owners, shareholders, insurers, reinsurers, assigns, officers, directors and attorneys thereof (collectively the "Released Parties"), from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, action or causes of action arising out of the allegations and claims asserted in the operative Complaint, including without limitation to, any and all claims for alleged unpaid wages (including but not limited to minimum, overtime, final pay upon termination), alleged unpaid meal and rest period premiums, failure to pay timely wages, failure to maintain required records, itemized wage statements, failure to pay sick leave; and penalties arising under the California Labor Code (including PAGA), California Civil Code, or Business & Professions Code Section 17200, and claims for restitution and other equitable relief, liquidated damages, or penalties; and any other benefit claimed on account of the allegations asserted in the operative Complaint. Released Claims include all claims arising under the California Labor Code sections 201, 202, 203, 204, 204.11, 208, 226, 226(a), 226.2, 226.7, 510, 558, 1182.12, 1194, 1194.2, 1197, 1197.1, 1199, 2698, 2699, 2699.5, 2802, and 2810.5; the Wage Orders of the California Industrial Welfare Commission ("IWC") Wage Orders 5-2001. This release shall apply to all claims arising at any point during the Class Period.

24. PAGA Aggrieved Employees Released Claims. Plaintiffs and each member of the PAGA Aggrieved Employees will release Defendants and any past, present or future parent, subsidiary, affiliate, predecessor or successor, and all agents, employees, owners, shareholders, insurers, reinsurers, assigns, officers, directors and attorneys thereof (collectively the "Released Parties"), from any and all claims for civil penalties arising out of the allegations and claims asserted in the operative Complaint and LWDA letters submitted on July 29, 2020 and September 25, 2020 (PAGA claim number LWDA-CM-800523-20), including without limitation to, any and all underlying claims for alleged unpaid wages (including but not limited to minimum, overtime, final pay upon termination), alleged unpaid meal and rest period premiums, failure to pay timely wages, failure to maintain required records, itemized wage statements, failure to pay sick leave. Released Claims under PAGA include all claims arising under the California Labor Code sections 201, 202, 203, 204, 204.11, 208, 226, 226(a), 226.2, 226.7, 510, 558, 1182.12, 1194, 1194.2, 1197, 1197.1, 1199, 2698, 2699, 2699.5, 2802, and 2810.5; the Wage Orders of the California Industrial Welfare Commission ("IWC") Wage Orders 5-2001. This release, subject to the Court's final approval of

the Class Settlement and full payment of all settlement funds, shall apply to all claims arising at any point during the PAGA Aggrieved Employee period..

25. Conditions of the Settlement. This Settlement is conditioned upon the Court entering a judgment and order at or following the Final Approval Hearing approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class and that judgment and order having become final.

FINAL SETTLEMENT APPROVAL HEARING

26. The Final Approval Hearing on the adequacy, reasonableness and fairness of the Settlement will be held on [REDACTED], 2023, at [REDACTED] in Department [REDACTED] of the Ventura County Superior, Civic Center Courthouse, 800 South Victoria Avenue, Ventura, California 93009 . The Settlement Hearing may be continued without further notice. **You are not required to attend the Final Approval Hearing, but you may if you choose.** You may also enter an appearance in through your own attorney, if you desire, as explained in Paragraph 15.

27. Any Class Member who does not object in the manner provided in Paragraph 14 above shall be deemed to have approved the Settlement and to have waived such objections and shall be forever foreclosed from making any objections (by appeal or otherwise) to the proposed Settlement.

NO RETALIATION

28. Applicable law prohibits Defendants from retaliating against employees who exclude themselves or object to this Settlement.

WHAT TO DO IF YOU NEED ADDITIONAL INFORMATION

29. This notice only summarizes this Lawsuit, the settlement, and related matters. For more information about the Settlement or if you have any questions regarding the Settlement, you may contact Counsel for either party at the following addresses and telephone numbers:

For the Class:	For Ferguson SM, Inc., Sean Correa, Thomas Humphrey and Michael Reyes (“Ferguson Defendants”)
KITCHIN LEGAL, APC Patrick R. Kitchin, Esq. 1999 Harrison St., 18th Floor (#3535) Oakland, CA 94612-4700 Telephone: 415-677-9058 Email: prk@kitchenlegal.com	DUCKOR METZGER & WYNNE A Professional Law Corporation Tony R. Skogen, Jr., Esq. 101 West Broadway, Suite 1700 San Diego, CA 92101 Email: skogen@dmwplc.com
TRIAL LAWYERS FOR JUSTICE Kelly B. Hanker, Esq. 548 Market Street, PMB 66906 San Francisco, CA 94104-5401 Tel: 310-855-3727 Email: kelly@tl4j.com , TeamOjai@tl4j.com	For Infiniti HR, LLC and HR Services Group, LLC (“Infiniti Defendants”)
	FISHER & PHILLIPS LLP Lonnie D. Giamela, Esq. Areen Babajanian, Esq. 444 South Flower Street, Suite 1500 Los Angeles, California 90071 Email: lgiamela@fisherphillips.com Email: ababajanian@fisherphillips.com

You may also contact the Settlement Administrator at:

Phoenix Claims Administration Solutions
[Address Phone Number]

Do not contact the Court about this matter.

EXHIBIT B

SETTLEMENT AWARD FORM

**YOU DO NOT HAVE TO SUBMIT A RESPONSE TO THIS FORM TO SHARE
IN THE SETTLEMENT.**

Name & Address of Class Member

The records of Defendants Ferguson SM, Inc., Infiniti HR West, LLC and/or HR Services Group, LLC (“Defendants”) reflect the following:

During the Class Period (defined as May 1, 2018 through July 31, 2021), you worked for one or more of the Defendants in California as a licensed cosmetologist. Defendants’ records indicate that you worked [REDACTED] weeks as a cosmetologist. Based on the foregoing information, you are estimated to receive a gross award of \$ [REDACTED] from this Settlement from which some payroll taxes will be withheld. The foregoing amount is an estimated amount based on current projections and is subject to Court approval and subject to revision.

Procedure for Disputing Information

If you dispute the number of hours that you worked as a cosmetologist for one or more of the Defendants in the State of California between May 1, 2018 and July 31, 2021, you must send a letter to the Claims Administrator on or before [Response Deadline] stating the reasons why you dispute the number of workweeks reflected in Defendants’ records and provide any supporting documentation that you have (e.g., any paystubs). The information you provide should include the number of workweeks you claim you performed work as a cosmetologist in the State of California between May 1, 2018 through July 31, 2021. If you fail to dispute the above information by [Response Deadline], you will be foreclosed from disputing the foregoing information provided by Defendants.

Any disputes and supporting documentation must be postmarked by [Response Deadline] and should be sent to the Claims Administrator at the following address:

The Claims Administrator is:
Phoenix Class Action Administration Solutions
[Address and Phone Number]

The Claims Administrator will review your dispute and all supporting documentation that you provide. After carefully considering the information you submit, and the information from Defendants’ records, the Settlement Administrator will make a determination about your dispute and determine how many workweeks you worked for one or more of the Defendants during the Class Period, which resolution shall be conclusive, final and binding.