

**JOINT STIPULATION AND AGREEMENT FOR CLASS AND REPRESENTATIVE ACTION
SETTLEMENT AND RELEASE**

This Joint Stipulation and Agreement for Class and Representative Action Settlement and Release (“Stipulation”) is made and entered into by Plaintiff Vanessa Gonzalez, individually and as representative of the Settlement Class, as defined below, and Seven Forty One Company, Inc. and Mr. Stax Inc., (collectively “Defendants”) (collectively “the Parties”). This Stipulation is intended to settle and release the following:

1. Plaintiff Vanessa Gonzalez, as an individual, from all of her alleged claims, and all claims she could have alleged against Released Parties, as defined further herein;
2. All Class Members, as defined below, from their claims against Released Parties, as defined further herein; and
3. All PAGA Group Members, as defined below, from the Released PAGA Claims, as defined further herein, against Defendants, as defined further herein.

This Stipulation is subject to the approval of the Court and is made for the sole purpose of attempting to consummate settlement and resolution of the Action, Released PAGA Claims, and Released Claims, as defined below, subject to the following terms and conditions. As detailed below, in the event the Court does not enter an order granting final approval of the Settlement, as defined below, or the conditions precedent are not met for any reason, this Stipulation is void and of no force or effect whatsoever.

I. DEFINITIONS

As used in this Stipulation, the following terms shall have the meanings specified below. To the extent terms or phrases used in this Stipulation are not specifically defined below, they are defined elsewhere in this Stipulation.

1.1 “Action” or “Litigation” means the lawsuit pending in the Superior Court of California for the County of Los Angeles entitled *Vanessa Gonzalez, et al. v. Seven Forty One Company, Inc., et al.*, filed on August 12, 2020, and assigned Case No. 20STCV30761, with the First Amended Complaint filed on October 29, 2020.

1.2 “Administration Expenses” shall include all costs and expenses associated with and paid

1 to the Settlement Administrator.

2 1.3 “Vanessa Gonzalez,” “Plaintiff,” or “Class Representative” means Vanessa Gonzalez, the
3 named plaintiff in the Action, who will represent the Class subject to court approval.

4 1.4 “Class” or “Class Members” means all current and former hourly or non-exempt
5 employees of Defendants who performed work at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or
6 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time from August 12, 2016 up to and
7 including August 23, 2021, of which there are an estimated 170 total.

8 1.5 “Class Counsel” and “Plaintiff’s Counsel” mean:

9 COLE & VAN NOTE
10 Scott Edward Cole, Esq., SBN 160744
11 Laura Grace Van Note, Esq., SBN 310160
12 555 12th Street, Suite 1725
13 Oakland, California 94607

14 1.6 “Class Notice” means the Notice of Proposed Class Action Settlement and Hearing Date
15 for Court Approval, as set forth in the form of **Exhibit 1** attached hereto, or as otherwise approved by the
16 Court, which is to be mailed to Class Members.

17 1.7 “Class Period” means the time period from August 12, 2016 up to and including August
18 23, 2021.

19 1.8 The “PAGA Group Member(s)” is defined as all allegedly aggrieved non-exempt and/or
20 hourly-paid, current and former employees, who performed work at 880 S. Arroyo Pkwy, Pasadena, CA
21 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time during the PAGA
22 Period.

23 1.9 “PAGA Period” means the time period from June 9, 2019 through August 23, 2021.

24 1.10 “Settlement” shall mean the settlement embodied in this Stipulation, which is subject to
25 Court approval.

26 1.11 “Complaint” shall mean the Class Action Complaint for Damages filed in the Action on
27 August 12, 2020 and the First Amended Class Action Complaint for Damages and Enforcement Under
28 the Private Attorneys General Act, Cal. Labor Code §§ 2698, *et seq.*, filed on October 29, 2020.

1.12 “Counsel for Defendant” or “Defense Counsel” means Beth A. Kahn, Ryan McKim, and
Keith Rossman of Clark Hill LLP.

1.13 "Court" means the Superior Court of the State of California, for the County of Los Angeles.

1.14 "Effective Date" shall be the date when all of the following events have occurred: (a) this Stipulation has been executed by all Parties; (b) the Court has given preliminary approval to the Settlement; (c) notice has been given to the Class Members providing them with an opportunity to Opt Out of the Settlement; (d) the Court has held a Final Approval Hearing and entered the Final Approval order and Judgment; (e) The Gross Settlement Amount is fully funded; and (f) the later of the following events: the expiration of the period for filing any appeal, writ, or other appellate proceeding challenging the Final Approval Order and Judgment has elapsed without any appeal, writ or other appellate proceeding having been filed; or the dismissal of any appeal, writ, or other appellate proceeding opposing the Settlement with no right to pursue further remedies or relief; or any appeal, writ, or the issuance of such other final appellate order upholding the Final Approval Order and Judgment with no right to pursue further remedies or relief. In this regard, it is the intention of the Parties that the Settlement shall not become effective until the Final Approval Order and Judgment is completely final and there is no further recourse by an appellant or objector who seeks to contest the Settlement.

1.15 "Defendants" mean Seven Forty One Company, Inc. and Mr. Stax, Inc.

1.16 "Hearing on Preliminary Approval" or "Preliminary Approval Hearing" mean the hearing held on the motion for preliminary approval of the Settlement.

1.17 "Gross Settlement Amount" or "Maximum Settlement Amount" means the agreed upon non-reversionary settlement amount totaling \$190,000 to be paid by Defendants in full settlement of the Action, Released PAGA Claims, and Released Claims, including the Net Settlement Amount (which is inclusive of the PAGA Payment and Employment and Payroll Taxes), Administration Expenses, Attorneys' Fees and Expenses, Service Award, and LWDA Payment, as further described in Sections 6.1 and 6.2.

1.18 "Individual Settlement Amount" means a Class Member's total gross share of the Net Settlement Amount, which shall be allocated and distributed to Class Members based on the number of Workweeks credited to the Class Member, as further described in Section 6.2.

1.19 "Individual Settlement Payment" shall mean the payment to Class Members as determined by the Individual Settlement Amount calculation described in Section 6.2.

1 1.20 “Judgment” or “Final Approval Order and Judgment” mean the order finally certifying the
2 Class for settlement purposes and finally approving this Stipulation and Settlement and entering judgment,
3 which shall constitute approval pursuant to California Rules of Court, Rule 3.769(a) and be a judgment
4 for purposes of California Rules of Court, Rule 3.771(a).

5 1.21 “Last Known Address” means the most recently recorded mailing address for a Class
6 Member that is contained in the employment, payroll, or personnel records maintained by Defendants.

7 1.22 “LWDA” means California’s Labor and Workforce Development Agency, and necessarily
8 includes the Division of Labor Standards and Enforcement (DLSE) within the Department of Industrial
9 Relations (DIR).

10 1.23 “NCOA Check” means within ten (10) calendar days from the date the Preliminary
11 Approval Date, the Settlement Administrator will perform a National Change of Address (“NCOA”)
12 check for Class Members’ most current address based on the information provided by Defendants, prior
13 to mailing the Court-approved Class Notice to the Class Members.

14 1.24 “Net Settlement Amount” means the portion of the Gross Settlement Amount that is
15 available for distribution to Class Members, as further described in Section 6.1.

16 1.25 “Notice of Proposed Class Action Settlement” or “Class Notice” mean a notice to be
17 approved by the Court, substantially in the form attached hereto as **Exhibit 1**, which will constitute notice
18 to the Class pursuant to California Rules of Court, Rule 3.769(f) and, once approved by the Court, shall
19 be deemed compliant with California Rules of Court, Rule 3.766(d).

20 1.26 “Notice Mailing Deadline” means the deadline for the Settlement Administrator to mail
21 the Class Notice to Class Members, which shall be no later than twenty (20) calendar days after the
22 Preliminary Approval Date.

23 1.27 “PAGA Payment” means, subject to the approval of the Court, in the amount of Five
24 Thousand Dollars (\$5,000), from the Maximum Settlement Amount, for civil penalties under the Private
25 Attorneys General Act of 2004, as codified at California Labor Code §§ 2698, *et seq.* (“PAGA”).

26 1.28 “Parties” or “Settling Parties” mean, collectively, Plaintiff and Defendants (individually
27 they are each referred to as “Party” or “Settling Party”).
28

1 1.29 “Employment and Payroll Taxes” shall mean the employee’s and employer’s share of state
2 and federal employment and payroll taxes and withholdings with respect to the wage-portion of Individual
3 Settlement Amounts, which is included in the Gross Settlement Amount that Defendants will pay (subject
4 to the occurrence of the Effective Date).

5 1.30 “Preliminary Approval Date” shall mean the date on which the Court grants preliminary
6 approval of this Stipulation.

7 1.31 “Preliminary Approval Order” or “Order Granting Preliminary Approval of the Settlement
8 and Setting a Final Approval Hearing” shall mean an order to be executed and filed by the Court, which
9 will constitute an order certifying a provisional class for settlement purposes only pursuant to California
10 Rules of Court, Rule 3.769(d) and an order setting a final approval/fairness hearing pursuant to California
11 Rules of Court, Rule 3.769(e).

12 1.32 “Released Claims” means any and all federal and California state law wage-and-hour
13 claims, rights, demands, liabilities, and/or causes of action of every nature and description arising from
14 any and all claims that were alleged or could have been alleged in the Complaint based on the facts
15 contained therein, arising during the Class Period, including, without limitation, statutory, constitutional,
16 contractual, and/or common law claims for wages, reimbursements, damages, unpaid costs, penalties
17 (including penalties under the California Labor Code’s Private Attorneys General Act of 2004, as
18 amended, California Labor Code §§ 2698, *et seq.*), liquidated damages, punitive damages, interest,
19 attorneys’ fees, litigation costs, restitution, or equitable relief, including without limitation, California
20 Labor Code §§ 200, 201, 202, 203, 204, 218, *et seq.*, 218.5, 226, *et seq.*, 226.7, 510, 512, 558, 1174,
21 1174(d), 1174.5, 1182.12, 1194, *et seq.*, 1197, *et seq.*, 1197.1, 1198, 2698, *et seq.*, 2699, 2699.3, and any
22 federal counterparts, California Business and Professions Code §§ 17200-17208, any IWC Wage Orders,
23 California Code of Civil Procedure § 1021.5, any claims for meal and rest period violations; unpaid
24 minimum wages or overtime wages; untimely pay during and at termination of employment, unreimbursed
25 business expenses, record-keeping violations, and/or inaccurate pay stubs arising under Labor Code
26 section 226; and any unlawful deductions; and causes of action for (i) unlawful failure to pay wages (Labor
27 Code §§ 200-204, 510, 558, 1194; IWC Wage Order); (ii) Failure to provide meal and rest periods (Labor
28 Code §§ 226.7, 512); (iii) Failure to provide itemized wage statements (Labor Code §§ 226, 1174); (iv)

1 Failure to timely pay wages on termination (Labor Code § 203); (v) Unfair business practices under the
2 Unfair Competition Act (Bus. & Prof. Code §§ 17200-17208); and (vi) Private Attorneys General Act of
3 2004 (Labor Code §§ 2698, et seq.). “Released Claims” shall only refer to employment claims (as
4 enumerated above) arising out of labor performed at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or
5 25060 Avenue Stanford, Suite 200, Valencia, CA 91355. No release in this Settlement shall be effective
6 until the Gross Settlement Amount is fully funded.

7 1.33 “Released PAGA Claims” means any and all claims, demands, rights, liabilities, and/or
8 causes of action for penalties under the California Private Attorneys’ General Act that accrued during the
9 PAGA Period and that were asserted in Plaintiff’s LWDA notice letter dated August 12, 2020, a copy of
10 which is attached hereto as **Exhibit 3**, or the Complaint as well as those that could have been alleged in
11 the Complaint based on the facts contained therein, including, without limitation, Labor Code sections
12 200, 201, 202, 203, 204, 218, et seq., 218.5, 226, et seq., 226.7, 510, 512, 558, 1174, 1174(d), 1174.5,
13 1182.12, 1194, et. seq., 1194.2, 1197, et seq., 1197.1, 1198, 2698, et seq., 2699, 2699.3, and 2802.

14 1.34 “Released Parties” shall mean Defendants and all of their respective current and former
15 parents, subsidiaries, predecessors, successors, and their affiliated entities, and each of their respective
16 owners, officers, directors, employees, partners, shareholders, agents, and any other successors, heirs,
17 assigns, or legal representatives, any attorneys, insurers, claims representatives, members, managers,
18 dba’s, and representatives, and any of their, direct or indirect, parent or subsidiary entities.

19 1.35 “Request for Exclusion” means a request in writing to be excluded from the Settlement
20 which contains: the full name, address, telephone number, last four digits of social security number, and
21 signature of the Class Member; the case name and number of the Action; and a statement indicating that
22 he or she wishes to be excluded from the Settlement.

23 1.36 “Response Deadline” means the deadline for a Class Member to submit a Request for
24 Exclusion, Objection, and/or Workweeks Dispute, by mail to the Settlement Administrator, which is no
25 later than forty-five (45) calendar days after the Class Notice is mailed to the Class.

26 1.37 “Service Award” means any additional monetary payment provided to the Class
27 Representative for her efforts and risks on behalf of the Class Members in this Action, not to exceed Seven
28 Thousand Five Hundred Dollars (\$7,500), subject to Court approval.

1 1.38 “Settlement Hearing” or “Final Approval Hearing” or “Settlement Fairness Hearing” mean
2 a hearing set by the Court for the purpose of: (i) determining the fairness, adequacy, and reasonableness
3 of the Stipulation and associated settlement pursuant to class action procedures and requirements; (ii)
4 determining the good faith of the Stipulation and associated settlement; and (iii) entering the Final
5 Approval Order and Judgment. This hearing is intended to be the settlement hearing or final approval
6 hearing required under California Rules of Court, Rule 3.769(a).

7 1.39 “Settlement Administrator” means Simpluris, which the Parties have agreed will be
8 responsible for administration of the Settlement and related matters, subject to approval and appointment
9 by the Court.

10 1.40 “Settlement Class” or “Settlement Class Member(s)” or “Members of the Settlement Class”
11 means any, or collectively all Class Members who do not submit timely and valid Requests for Exclusion
12 to Opt Out of the Settlement pursuant to Section 5.6 and, thus, become bound by the Judgment.

13 1.41 “PAGA Group Member(s)” means any, or collectively all allegedly aggrieved employees
14 under Labor Code 2699, who worked from Defendants at any point in the PAGA Period.

15 1.42 “Settlement” shall mean the settlement embodied in this Stipulation, which is subject to
16 Court approval.

17 1.43 “Stipulation” means the Joint Stipulation and Agreement for Class and Representative
18 Action Settlement and Release and all of its attachments and exhibits, which the Settling Parties
19 understand and agree sets forth all material terms and conditions of the Settlement between them, and
20 which is subject to Court approval.

21 1.44 “Updated Address” means a mailing address that was located by way of NCOA Check or
22 Experian Skip Tracing or an updated mailing address provided by the United States Postal Service or a
23 Class Member.

24 **II. FACTUAL & PROCEDURAL BACKGROUND OF ACTION**

25 2.1 Plaintiff’s Claims: On August 12, 2020, Plaintiff Vanessa Gonzalez filed the Action against
26 Defendants, alleging that Defendants have, with respect to Plaintiff and the Class Members, allegedly
27 violated multiple provisions of the California Labor Code and wage and hour laws, by failing to properly
28 pay minimum and overtime wages, provide compliant meal and rest periods and associated premiums,

1 timely pay wages during employment and upon termination of employment and to pay associated waiting-
2 time penalties, provide compliant wage statements, maintain requisite payroll records, and thereby,
3 engaged in unfair business practices in violation of California Business and Professions Code §§ 17200,
4 *et seq.* Plaintiff alleges that both Defendants employed her and the Class Members. Defendants
5 vehemently deny this allegation and, instead, contend that only Seven Forty One Company, Inc. employed
6 Plaintiff and most of the Class Members and that Mr. Stax, Inc. did not employ either Plaintiff or most of
7 the Class Members.

8 2.2 Amended Complaint: On October 29, 2020, Plaintiff filed her First Amended Class Action
9 Complaint to add a cause of action for civil penalties under PAGA arising from or relating to alleged
10 violations of Labor Code §§ 200, 201, 202, 203, 204, 218, *et seq.*, 218.5, 226, *et seq.*, 226.7, 510, 512,
11 558, 1174, 1174.5, 1182.12, 1194, *et seq.*, 1194.2, 1197, 1197.1, 1198, and 2698, *et seq.*, and additional
12 factual details regarding the claims and theories of the case.

13 2.3 Discovery, Investigation, & Research: Class Counsel has conducted a thorough
14 investigation into the facts of the Action, including extensive informal discovery and exchange of a
15 volume of documents and information, which included and was not limited to, Seven Forty One Company,
16 Inc.'s production of a sampling of information/data for the putative class members to allow Plaintiff to
17 perform an analysis and valuation of all claims. Prior to mediation the Parties exchanged information and
18 documents to investigate the veracity, strength, and scope of the claims, and to allow analysis and
19 evaluation of the claims and Defendants' defenses thereto. The Class Representative has vigorously
20 prosecuted this case, and Defendants have vigorously contested it including Plaintiff's allegation that Mr.
21 Stax, Inc. was her employer.

22 2.4 Mediation: On March 5, 2021, the Settling Parties participated in a mediation before
23 experienced employment mediator Eve Wagner. At mediation, the Parties engaged in intensive
24 discussions regarding their evaluations of the Litigation and various aspects of the Litigation, including
25 the risks and delays of further litigation, the risks to the Settling Parties of proceeding with class
26 certification, the law relating to the allegations, the evidence produced and analyzed, and the possibility
27 of appeals, among other things. Following mediation, on April 7, 2021, with the assistance of the
28 mediator's evaluation, the Parties reached a settlement of the Action. Based on the information, data, and

documents exchanged, and their own independent investigation and evaluation, Class Counsel is of the opinion that the settlement with Defendants for the consideration and on the terms set forth in this Stipulation is fair, reasonable, and adequate and is in the best interest of the Class Members in light of all known facts and circumstances. Further, the Class Representative has carefully evaluated the terms of the Settlement, and, based upon that review, has determined that it is fair, reasonable, and adequate.

2.5 Allegations of the Class Representative and Benefits of Settlement:

(a) Based on the exchange of information and documents, the mediation session, and discussions between counsel, Class Representative and Class Counsel have assessed the Parties' positions and evaluated the value of the claims of the Class. The information and documents exchanged by the Parties and settlement discussions are sufficient to reliably assess the merits of the Parties' respective positions and to compromise the issues on a fair and equitable basis.

(b) Plaintiff and Class Counsel believe that the claims, causes of action, allegations and contentions asserted in the Action have merit. However, Plaintiff and Class Counsel recognize and acknowledge the expense and delay of continued lengthy proceedings necessary to prosecute the Action against Defendants through trial and through appeals. Class Counsel has taken into account the uncertain outcome of the litigation, the risk of continued litigation in complex actions such as this, as well as the difficulties and delays inherent in such litigation, and the potential difficulty of obtaining certification of the Action as well as trying the claims of the Class Members. Class Counsel is mindful of the potential problems of proof under, and possible defenses to, the claims alleged in the Action. Class Counsel has also taken into account Defendant's potential defenses to Plaintiff's allegations. Class Counsel believes that the Settlement set forth in this Stipulation confers substantial benefits upon Plaintiff and the Settlement Class Members and that an independent review of this Stipulation by the Court in the approval process will confirm this conclusion. Based on their own independent investigation and evaluation, Class Counsel has determined that the Settlement set forth in the Stipulation is in the best interests of Plaintiff and the Class Members.

2.6 No Admissions or Concessions Regarding Fault or Liability:

(a) Whether or not the Settlement is finally approved, this Stipulation and compliance with this Stipulation shall not be construed as an admission, concession, or indication by either Party with

1 respect to fault or liability whatsoever for the claims asserted in the Action, or as an admission by either
2 party that the Action is either appropriate or inappropriate for class certification or representative
3 adjudication. Parties are agreeing that the Action is appropriate for class certification and representative
4 adjudication only for the purposes of settlement as described within this Stipulation.

5 (b) Pursuant to California Evidence Code §§ 1152, 1154, and any other analogous and
6 applicable rules of evidence, neither the Stipulation, nor any act performed or document executed pursuant
7 to, or in furtherance of, the Stipulation: (a) is or may be deemed to be or may be used as an admission or
8 evidence of, the validity of any Released Claims, or of any wrongdoing or liability of the Released Parties,
9 or any of them; or (b) is or may be deemed to be or may be used as an admission or evidence of any fault
10 or omission of the Released Parties, or any of them, in any civil, criminal or administrative proceeding in
11 any court, administrative agency, or other tribunal. Plaintiff and Class Counsel agree not to argue or
12 present any argument, and hereby waive any argument, that Defendants could not contest (or are estopped
13 from contesting) collective or representative action treatment pursuant to California Labor Code §§ 2698,
14 *et seq.* and/ or class action treatment pursuant to California Code of Civil Procedure § 382 or any
15 corresponding state law or rule, on any grounds if the Court fails to enter Judgment. This Stipulation shall
16 not be deemed an admission by Defendants that collective or representative action pursuant to California
17 Labor Code §§ 2698, *et seq.* and/or class action treatment pursuant to California Code of Civil Procedure
18 § 382, or any corresponding state law or rule in the Action is proper or cannot be contested on any grounds,
19 nor shall the Stipulation be grounds for estoppel against Defendants' right to contest class, representative
20 or collective action treatment for any purpose other than this Stipulation.

21 2.7 Defendants' Denial of Wrongdoing or Liability:

22 (a) Defendants have denied and continue to deny each and all of the allegations, claims,
23 and contentions alleged by Plaintiff in the Action. Defendants have expressly denied and continue to deny
24 all charges of wrongdoing or liability against Defendants arising out of any of the conduct, statements,
25 acts or omissions alleged in the Action. Seven Forty One Company, Inc. contends that it complied in good
26 faith with California and federal wage and hour laws and has dealt legally and fairly with Plaintiff and
27 Settlement Class Members. Further Seven Forty One Company, Inc. contends that it appropriately paid
28 its employees at all times, that it always provided employees with the opportunity to take timely and

1 compliant meal and rest breaks, that it was compliant with all applicable wage-and-hour laws, and all
2 other laws, at all times, and that, if this matter were to be further litigated, it would have strong defenses
3 on the merits and as to class certification. In evaluating its position at mediation, Seven Forty One
4 Company, Inc. agreed to the Gross Settlement Amount with the express understanding that the Gross
5 Settlement Amount included its share of Employment and Payroll Taxes. Additionally, Mr. Stax, Inc.
6 denies that it employed either Plaintiff or most of the Class Members for purposes of the claims alleged
7 in the Action.

8 (b) Further, Defendants deny that, for any purpose other than settling this Action, these
9 claims are appropriate for class or representative treatment. Nonetheless, Defendants have concluded that
10 further proceedings in the Action would be protracted and expensive and agree to the Action being fully
11 and finally settled in the manner and upon the terms and conditions set forth in this Stipulation in order to
12 dispose of burdensome and protracted litigation, to permit the operation of Defendants' respective
13 businesses without further expensive litigation and the distraction and diversion of their personnel with
14 respect to matters at issue in the Action. In entering into this Stipulation, Defendants have also taken into
15 account the uncertainty and risks inherent in any litigation, especially in complex cases such as the Action.

16 (c) Defendants do not waive, but rather expressly reserve, all rights to challenge all
17 such claims and allegations in the Action upon all procedural and factual grounds, including without
18 limitation the ability to challenge class treatment or representative adjudication on any grounds or to assert
19 any and all defenses or privileges if this Stipulation is deemed void or does not take effect.

20 **III. CONDITIONAL CLASS CERTIFICATION & APPOINTMENT OF CLASS COUNSEL**

21 3.1 The Settlement Class. For the purposes of this Stipulation and the Settlement of the Action
22 only, the Parties stipulate to conditional class certification of the Settlement Class.

23 3.2 Appointment of Class Counsel. For purposes of this Stipulation and subject to the Court's
24 approval, the Parties hereby stipulate to the appointment of Class Counsel as counsel for the Class solely
25 in order to effectuate the Settlement pursuant to this Stipulation.

26 **IV. CLASS SETTLEMENT CONSIDERATION**

27 4.1 The Class Representative Service Award. The Class Representative may petition the Court
28 to approve a Service Award in an amount up to \$7,500 for her efforts on behalf of the Class in this Action,

1 including assisting in the investigation and consulting with Class Counsel and providing crucial
2 documents and information to Class Counsel. Defendants shall not oppose any request by Class
3 Representative for a Service Award in such an amount. Any Service Award approved by the Court shall
4 be paid to the Class Representative from the Gross Settlement Amount and shall be in addition to any
5 distribution to which she may otherwise be entitled as a Settlement Class Member. The Service Award
6 shall not be considered wages, and the Settlement Administrator shall issue the Class Representative an
7 IRS Form 1099 reflecting such payment. The Class Representative shall be solely responsible for the
8 payment of any and all taxes with respect to the Service Award and shall hold Defendants harmless and
9 indemnify Defendants from any and all liability with regard thereto.

10 4.2 Payment to Settlement Class Members. Each Settlement Class Member shall be eligible to
11 receive payment of the Individual Settlement Amount, which is a share of the Net Settlement Amount
12 based on the pro rata number of Workweeks allocated to a Settlement Class Member as a proportion of
13 all Workweeks allocated to all Settlement Class Members. The Individual Settlement Amount for each
14 Settlement Class Member shall be calculated in accordance with Section 6.2. Each Settlement Class
15 Member, including Plaintiff, shall be responsible for the payment of each of their portion of applicable
16 taxes, if any, and required withholding with respect to his or her Individual Settlement Amount and shall
17 hold Defendants harmless from any and all liability with regard thereto.

18 4.3 No Effect on Employee Benefit Plans. Neither the Settlement nor any amounts paid under
19 the Settlement will modify any previously credited hours, days, or weeks of service under any employee
20 benefit plan, policy or program sponsored by Defendants. Such amounts will not form the basis for
21 additional contributions to, benefits under, or any other monetary entitlement under Defendants'
22 sponsored benefit plans, policies or programs. The payments made under the terms of this Stipulation shall
23 not be applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any other
24 form of compensation for the purposes of any of Defendants' benefit plan, policy or programs. Defendants
25 retain the right to modify the language of Defendants' benefits plans, policies and programs to effect this
26 intent and to make clear that any amounts paid pursuant to this Stipulation are not for "weeks worked,"
27 "weeks paid," "weeks of service," or any similar measuring term as defined by applicable plans, policies
28 and programs for purpose of eligibility, vesting, benefit accrual, or any other purpose, and that additional

1 contributions or benefits are not required by this Stipulation. Defendants do not consider the payments
2 provided for under this Settlement as payments of "compensation" for purposes of determining eligibility
3 for, or benefit accrual within, any benefit plans, policies, or programs, or any other plan sponsored by
4 Defendants.

5 4.4 Attorneys' Fees and Expenses to Class Counsel. As part of the motion for final approval
6 of the Settlement, Class Counsel may submit an application for an award of attorneys' fees in an amount
7 not to exceed 35% of the Gross Settlement Amount (i.e., \$66,500) and reimbursement of litigation costs
8 and expenses of up to Twenty Thousand Dollars (\$20,000) (together, "Attorneys' Fees and Expenses").
9 Defendants agree not to object to any such fee, cost or expense application in those amounts, or lesser
10 amounts. As a condition of this Settlement, Class Counsel has agreed to pursue fees only in the manner
11 reflected by this Section. Any Attorneys' Fees and Expenses awarded by the Court shall be paid from the
12 Gross Settlement Amount in arriving at the Net Settlement Amount and shall not constitute payment to
13 any Settlement Class Members. If Class Counsel voluntarily reduces the request for Attorneys' Fees and
14 Expenses or the Court's award of Attorneys' Fees and Expenses is less than set forth above, the Net
15 Settlement Amount shall be recalculated to reflect the actual Attorneys' Fees and Expenses awarded.

16 The Attorneys' Fees and Expenses approved by the Court shall encompass: (a) all work performed
17 and costs and expenses incurred by, or at the direction of, any attorney purporting to represent the
18 Settlement Class through the date of this Stipulation; (b) all work to be performed and costs to be incurred
19 in connection with approval by the Court of the Settlement; and (c) all work to be performed and costs
20 and expenses, if any, incurred in connection with administering the Class Settlement through entry of
21 Judgment.

22 4.5 Settlement Administrator's Costs and Expenses. All costs and expenses due the Settlement
23 Administrator in connection with its administration of the Class Settlement, including, but not limited to,
24 providing the Class Notice, locating Settlement Class Members, processing Requests for Exclusion and
25 Objections, and calculating, translating the Class Notice, administering and distributing Individual
26 Settlement Payments to Settlement Class Members and related tax forms, shall be paid from the Gross
27 Settlement Amount and shall not exceed \$9,351.

1 **V. NOTICE TO CLASS MEMBERS AND CLAIMS ADMINISTRATION PROCESS**

2 5.1 The Settlement Administrator. The Settlement Administrator will be responsible for
3 mailing the Class Notice (**Exhibit 1**) to Class Members, providing the necessary translations for the Class
4 Notice (Spanish and Vietnamese), handling inquiries from Class Members concerning the Class Notice,
5 determination of Individual Settlement Amounts, maintaining the settlement funds in an appropriate
6 account, preparing, administering and distributing Individual Settlement Payments to Settlement Class
7 Members, issuing a final report and performing such other duties as the Parties may direct. On a weekly
8 basis, the Settlement Administrator will provide reports to Class Counsel and Defense Counsel summary
9 information updating them as to the number of valid and timely Requests for Exclusion and complete and
10 timely Objections received. The Settlement Administrator will serve on Class Counsel and Defense
11 Counsel via e-mail date-stamped copies of the original Requests for Exclusion and Objections no later
12 than five (5) calendar days after their receipt. The Settlement Administrator will provide Class Counsel
13 and Defense Counsel with proof of mailing of the Class Notice, without listing individual Class Member
14 names or contact information, which the Settlement Administrator will file with the Court at the time
15 Class Counsel files its motion for final approval of the Settlement. No later than ten (10) calendar days
16 prior to the Final Approval Hearing, the Settlement Administrator will compile and deliver to Class
17 Counsel and Defense Counsel a report with summary information regarding (a) the total amount of final
18 Individual Settlement Amounts of each Settlement Class Member (b) the number of Settlement Class
19 Members to receive such payments, and (c) the final number of timely and valid Opt Outs and timely and
20 valid Objections, without listing Class Member names or contact information. Prior to the calculation and
21 distribution of the Individual Settlement Payments, the Settlement Administrator shall calculate the total
22 Administration Expenses through the conclusion of their services and such actual amount will be deducted
23 from the Gross Settlement Amount prior to the final calculation of the Individual Settlement Amounts.
24 Under no circumstances will Settlement Administrator disclose Class Member names and/or contact
25 information to Class Counsel or the Court without prior written authorization from Defendants or subject
26 to legal process.

27 5.2 Notice to Class Members.

28 (a) If, by entering the Preliminary Approval Order, the Court provides authorization to

1 send the Class Notices, the Settlement Administrator will undertake the mailing of the Class Notice to all
2 Class Members, no later than twenty (20) calendar days after the Preliminary Approval Date. The Class
3 Notices shall be mailed via first class mail through the United States Postal Service, postage pre-paid. The
4 envelope containing the Class Notice shall bear the following phrase in bold type, 1/4 inch below the
5 return address or 1/4 inch above the addressee's address: RETURN SERVICE REQUESTED. The
6 envelope shall also bear the following phrase in the bottom left-hand corner: IMPORTANT – SEVEN
7 FORTY ONE COMPANY, INC. AND MR. STAX, INC. CLASS ACTION SETTLEMENT
8 INFORMATION. PLEASE OPEN IMMEDIATELY. The mailing enclosing the Class Notice will not
9 contain any other materials. The Class Notice and its envelope or covering shall be marked to denote the
10 return address of the Settlement Administrator.

11 (b) Seven Forty One Company, Inc. shall prepare a list, in an electronically usable
12 format, for the Settlement Administrator containing for each Class Member, to the extent it has such
13 information, the following: the first, last, and middle name; Last Known Address; last known phone
14 numbers; social security numbers; start and end dates of employment; and any other information required
15 to effectuate the Settlement ("Class List"). By approving this Settlement, the Court will be deemed to have
16 authorized Defendants to provide the Settlement Administrator with this information, including the social
17 security numbers of the Class Members. Defendants shall provide this list to the Settlement Administrator
18 within fifteen (15) calendar days of the Preliminary Approval Date. The Class List, and any other data
19 provided by Defendants to the Settlement Administrator shall be treated as confidential and not subject to
20 disclosure by the Settlement Administrator, except as necessary to address disputes regarding Workweeks,
21 to respond to a specific inquiry from a Class Member, and/or as otherwise necessary for the Settlement
22 Administrator to perform their obligations described in this Stipulation. Further, the Settlement
23 Administrator shall use commercially reasonable efforts to secure the data provided by Defendants at all
24 times so as to avoid inadvertent or unauthorized disclosure or use of such data other than as permitted by
25 this Stipulation, and shall destroy the data (and all copies of it) in a complete and secure manner when
26 such data is no longer required for purposes of this Stipulation. At no time during the settlement process
27 will any Class Member's address, telephone number or social security number be filed with the Court.
28 The Settlement Administrator shall ensure that the notices and any other communications to Class

1 Members shall not include the Class Members' social security number, except for the last four digits.

2 (c) Prior to mailing the Class Notice, the Settlement Administrator shall undertake a
3 NCOA check to ascertain the accuracy of the Last Known Address of the Class Members. To the extent
4 this process yields an Updated Address, the Updated Address shall replace the Last Known Address and
5 be treated as the new Last Known Address for purposes of this Stipulation, for Class Notice mailing, and
6 mailing of settlement checks.

7 (d) If a Class Member is known to be deceased, the Class Notice for that deceased
8 Class Member shall be mailed to the Last Known Address (or Updated Address, if applicable) of the legal
9 representative of the deceased Class Member's estate, to the extent known.

10 (e) Unless the Settlement Administrator receives a Class Notice returned from the
11 United States Postal Service for reasons discussed below in this paragraph, that Class Notice shall be
12 deemed mailed and received by the Class Member to whom it was sent five (5) calendar days after mailing.
13 In the event that subsequent to the first mailing of a Class Notice and prior to the Response Deadline, that
14 Class Notice is returned to the Settlement Administrator by the United States Postal Service as
15 undeliverable, without a forwarding address, the Settlement Administrator shall undertake an Experian
16 Skip Tracing with respect to the Class Member to attempt to ascertain the current address of the particular
17 Class Member in question and, if such an address is ascertained, the Settlement Administrator will re-send
18 the Class Notice to the newly-found address within three (3) business days of receipt of the returned Class
19 Notice. In the event that subsequent to the first mailing of a Class Notice and prior to the Response
20 Deadline that Class Notice is returned to the Settlement Administrator by the United States Postal Service
21 with a forwarding address for the recipient, the Settlement Administrator shall re-mail the notice to that
22 address within three (3) business days of receipt of the returned Class Notice, and the forwarding address
23 shall be deemed the Updated Address for that Class Member. In either event, the Class Notice shall be
24 deemed received once it is mailed for the second time. In the event that subsequent to the first mailing of
25 a Class Notice it is returned to the Settlement Administrator by the United States Postal Service as
26 undeliverable, after the Response Deadline, the Settlement Administrator shall be required to take no
27 further action with respect to that Class Notice and it shall be deemed to have been delivered. In the event
28 the Settlement Administrator must re-mail any Class Notice pursuant to the provisions of this Paragraph

1 due to being returned, the Response Deadline shall be extended by ten (10) calendar days from the date
2 of the re-mailing of the Class Notice, for those mailings. The Settlement Administrator shall include a
3 cover letter with any re-mailing informing the Class Member of the re-mailing of the Class Notice and
4 extended Response Deadline. Compliance with the procedures described in this paragraph shall constitute
5 due and sufficient notice to Class Members of the Settlement and of the Final Approval Hearing, and shall
6 satisfy the requirements of due process. Nothing else shall be required of or done by the Parties, Class
7 Counsel, counsel for Defendant, or the Settlement Administrator to provide notice of the Settlement and
8 the Final Approval Hearing.

9 5.3 Declaration of Compliance. No later than fifteen (15) calendar days after the Response
10 Deadline (or any applicable extended Response Deadline), the Settlement Administrator shall provide
11 Class Counsel and Counsel for Defendants with a declaration attesting to completion of the notice process,
12 including any attempts to obtain Updated Addresses for, and the re-sending of, any returned Class Notices,
13 including any and all other required steps (“Declaration of Compliance”), which shall be filed with the
14 Court by Class Counsel.

15 5.4 Responses to the Notice of Proposed Class Action Settlement. Pursuant to California Rules
16 of Court, Rule 3.766(d)(5), Class Members have the option to enter an appearance in this Litigation at
17 their own expense by obtaining their own attorney(s). Class Members who choose this option will be
18 responsible for any attorneys’ fees or costs incurred as a result of this election. The Class Notice will
19 advise Class Members of this option.

20 5.5 Objections to Settlement. Class Members who do not submit timely and valid Requests for
21 Exclusion may object to the Settlement by mailing written objections (“Objection(s)”) to the Settlement
22 Administrator no later than the Response Deadline. The Objection must: contain the Class Member’s full
23 name, dates of employment as an employee of Defendant, and signature; contain the case name and
24 number of the Action; set forth the legal and factual basis for the objection; and identify any counsel
25 representing the Class Member in connection with the Objection. A Class Member who objects to the
26 Settlement will still be considered a Settlement Class Member. The Settlement Administrator shall provide
27 a copy of any Objections that it receives to Class Counsel and counsel for Defendant. Any Class Member
28

1 who fails to timely mail an Objection may attend the final approval hearing and ask to speak regarding
2 their Objections, regardless of whether they submitted a written Objection.

3 5.6 Opting Out of Settlement. Class Members may elect to opt out of the Settlement and, thus,
4 exclude themselves from the Settlement Class. Class Members who wish to exercise this option must mail
5 to the Settlement Administrator a written Request for Exclusion that is postmarked on or before the
6 Response Deadline. If a timely and valid Request for Exclusion is not received by the Settlement
7 Administrator from a Class Member on or before the Response Deadline, then that Class Member will be
8 deemed to have forever waived his or her right to seek exclusion from the Settlement and Settlement Class
9 and shall be bound by the Settlement and Judgment. The Class Notice will advise Class Members of the
10 option to opt out of the Settlement and will contain instructions on how to do so. Class Members who do
11 validly request exclusion from the Settlement by submitting a valid and timely Request for Exclusion shall
12 not be bound by the terms of the Settlement, shall not be allowed to object to the Settlement, and shall not
13 be entitled to any benefits as a result of the Settlement.

14 In the event that any Class Member timely submits a Request for Exclusion, but it is deficient, as
15 soon as possible but not later than five (5) business days after the Settlement Administrator's receipt of
16 such deficient Request for Exclusion, the Settlement Administrator shall send by first class, postage pre-
17 paid, United States mail a notice to such Class Member informing him or her of the deficiency and that
18 he or she has ten (10) calendar days from the date of the deficiency notice (which shall be the date the
19 deficiency notice is mailed) to cure the deficiency and postmark and mail a corrected Request for
20 Exclusion.

21 The Parties agree that the Response Deadline shall not be extended, and no untimely submissions
22 will be honored, under any circumstances, unless mutually agreed to by the Parties.

23 5.7 Right to Monitor and Review. All counsel have the right to monitor and review
24 administration of the Settlement to verify that the monies allocated to the Class Members are distributed
25 in the correct amount and to the proper Class Members, as well as ensure that the proper mailing and
26 administration is taking place (or took place).

27 **VI. CLASS SETTLEMENT FUNDING AND DISTRIBUTION**

28 6.1 Allocation of the Gross Settlement Amount. The "Gross Settlement Amount" means total

1 sum of no more and no less than One Hundred Ninety-Thousand Dollars (\$190,000), that Defendants shall
2 pay under the terms of the Settlement (subject to the occurrence of the Effective Date), inclusive of and
3 allocated as follows:

4 (a) Attorneys' Fees and Expenses, not to exceed \$66,500 in fees and not to exceed
5 \$20,000 in litigation costs and expenses, to Class Counsel;

6 (b) Administration Expenses to the Settlement Administrator not to exceed \$9,351;

7 (c) Service Award to the Class Representative, not to exceed \$7,500;

8 (d) The amount of 75% of the PAGA Payment, in the amount of \$3,750, to the State
9 of California for the benefit of the LWDA ("LWDA Payment"); The amount of 25% of the PAGA
10 Payment, in the amount of \$1,250, to PAGA Group Members. The portion of the PAGA Payment allocated
11 to the PAGA Group Members shall be distributed to the PAGA Group Members based on the pro rata
12 number of Workweeks worked by each particular PAGA Group Member during the PAGA Period as a
13 proportion of all pay periods worked by all members of the PAGA Group Members; and

14 (e) Net Settlement Amount (which is inclusive Employment and Payroll Taxes).

15 The "Net Settlement Amount" means the net amount that Defendants will pay (subject to the
16 occurrence of the Effective Date) to all Settlement Class Members and is calculated by subtracting actual
17 values based on Section 6.1(a)-(d) from the Gross Settlement Amount.

18 6.2 Calculation of the Individual Settlement Amounts. Individual Settlement Amounts to be
19 paid to Settlement Class Members shall be paid from the Net Settlement Amount. For purposes of
20 calculating the *estimated* Individual Settlement Amounts, the Settlement Administrator shall calculate the
21 estimated Net Settlement Amount based on the estimated values in Section 6.1(a)-(e) prior to sending
22 Class Notice to the Class Members. Prior to final distribution, the Settlement Administrator shall calculate
23 the *final* Net Settlement Amount based on the actual values in Section 6.1(a)-(e).

24 The portion of the Net Settlement Amount payable to each Settlement Class Member will be
25 calculated as follows:

26 (a) The Settlement Administrator will determine the total "Workweeks" for each Class
27 Member. Workweeks are to be calculated by determining the number of days between the Class Member's
28 start and end dates of employment during the Class Period (and only for work performed at 880 S. Arroyo

1 Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355) and then
2 dividing by seven (7). If a Class Member was hired prior to August 12, 2016, then his or her "start date"
3 will be August 12, 2016. The dates of employment will be provided to the Settlement Administrator.

4 (b) The Settlement Administrator shall divide the Net Settlement Amount by the total
5 number of Workweeks of all Settlement Class Members, (and only for work performed at 880 S. Arroyo
6 Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355) in order to
7 determine the amount that each Settlement Class Member is entitled to for each Workweek (the "Weekly
8 Amount").

9 (c) The Settlement Administrator will multiply the Weekly Amount by the total
10 number of Workweeks that each Settlement Class Member is credited with to arrive at his or her Individual
11 Settlement Amount.

12 (d) Each Settlement Class Member will be issued payment of his or her Individual
13 Settlement Amount subject to reduction for Employment and Payroll Taxes, and the net payment is
14 referred to as an "Individual Settlement Payment".

15 Defendants will provide the Settlement Administrator with any information that is in its possession
16 reasonably necessary to perform the calculation of Workweeks for each Settlement Class Member, such
17 as the hire date and end date of each Class Member, and any other reasonably required information the
18 Settlement Administrator requests to perform the calculations required under this Stipulation.

19 Settlement Class Members will have one hundred and eighty (180) calendar days to negotiate their
20 respective settlement payments under this Agreement. Any checks not negotiated within the one hundred
21 and eighty (180) calendar days will be handled in conformity with Section 6.5.

22 6.3 Composition of Payments to Settlement Class Members. Each Individual Settlement
23 Amount will be allocated as follows: 20% shall be reported as wages on IRS Form W-2 and its state and
24 local equivalents, and 80% shall be reported as interest and penalties on IRS Form 1099 and its state and
25 local equivalents. The wage portion shall be subject to Employment and Payroll Taxes. The non-wage
26 portion will not be subject to any Employment and Payroll Taxes.

27 Other than the withholding of Employment and Payroll Taxes with respect to the wage portion of
28 Individual Settlement Amounts, the Class Representative and the Settlement Class Members are solely

1 responsible for the reporting and payment of the employee's share of any federal, state, and/or local
2 income or other tax or any other withholdings due with respect to any other funds received as a part of the
3 Settlement, if any. The Class Representative agrees to defend, indemnify and hold Defendants harmless
4 for and against any damage or tax penalty Defendants incur as a result of the failure by the Class
5 Representative to pay all taxes due by her receipt of payments pursuant to this Stipulation. Class Counsel
6 agrees to defend, indemnify and hold Defendants harmless for and against any damage or tax penalty
7 Defendants incur as a result of the failure by Class Counsel to pay all taxes due as a result of Class
8 Counsel's receipt of payments pursuant to this Stipulation. Defendants shall have no responsibility for
9 deciding the validity of the Individual Settlement Amounts or any other payments made pursuant to this
10 Stipulation, shall have no involvement in or responsibility for the determination or payment of the
11 Settlement Class Member's taxes and required withholdings, and shall have no liability for any errors
12 made with respect to such taxes and required withholdings. Although the Settlement Administrator will
13 calculate and pay the standard applicable taxes and required withholdings, if any, on the portion of the
14 Individual Settlement Amounts constituting wages on the behalf of the Settlement Class Member, Plaintiff
15 and Settlement Class Members shall be solely responsible for any and all employee's share of tax
16 obligations associated with their respective Individual Settlement Amounts and Service Award.

17 The Parties agree (and the Settlement Administrator shall warrant) that the Settlement shall be
18 administered as a qualifying, designated settlement fund pursuant to Section 468B of the Internal Revenue
19 Code. The Settlement Administrator shall be responsible for issuing all settlement payments and handling
20 all required state and federal tax withholding and reporting related thereto.

21 6.4 Time for Funding and Distribution of Payments under the Settlement. Within fifteen (15)
22 calendar days after the Effective Date, Seven Forty One Company, Inc. shall provide the Settlement
23 Administrator with the Gross Settlement Amount and the Settlement Administrator shall promptly deposit
24 the Gross Settlement Amount into a qualified settlement account established by the Settlement
25 Administrator. No later than five (5) calendar days after the Settlement Administrator deposits the Gross
26 Settlement Amount into the qualified settlement account, the Settlement Administrator shall distribute the
27 following payments: Individual Settlement Payments to Settlement Class Members, Attorneys' Fees and
28 Expenses to Class Counsel, Service Award to Class Representative, and LWDA Payment to the LWDA,

all in the Court-approved amounts. The Settlement Administrator shall make every effort to pay the applicable taxes and required withholdings, if any, associated with each Settlement Class Member's Individual Settlement Amount and mail the Individual Settlement Payment to each Settlement Class Member, by first-class U.S. mail, to the last-known address no later than five (5) calendar days after the Settlement Administrator deposits the Gross Settlement Amount into the qualified settlement account. If the Settlement Administrator is not able to do so within the time period set forth above, it shall so inform Class Counsel and Defense Counsel and provide an approximate date by which the applicable taxes and required withholdings shall be paid and the Individual Settlement Payments will be mailed. Under no circumstances shall the Settlement Administrator distribute checks to Settlement Class Members until all Individual Settlement Payments have been considered, calculated and accounted for, and all of the remaining monetary obligations have been calculated and accounted for. Within two hundred (200) calendar days of the Effective Date, the Settlement Administrator shall file with the Court and provide to Class Counsel a declaration of payment. In the event that any Settlement Class Member is deceased, payment shall be made payable to the estate of that Settlement Class Member and delivered to the executor or administrator of that estate, unless the Settlement Administrator has received an affidavit or declaration pursuant to California Probate Code § 13101, in which case payment shall be made to the affiant(s) or declarant(s).

6.5 Non-Cashed Settlement Checks. Individual Settlement Payment checks shall be valid for a period of one hundred and eighty (180) calendar days after they are mailed, and thereafter, will be cancelled. Funds associated with cancelled checks will be donated to Bet Tzedek, an organization that provides legal aid to low-income individuals and families including related to employment issues.

VII. NULLIFICATION OF THIS STIPULATION

7.1 Non-Approval of the Stipulation. If (a) the Court should for any reason fail to approve this Stipulation in the form agreed to by the Parties, or (b) the Court should for any reason fail to enter Judgment of the Action, or (c) the approval of the Settlement and Judgment is reversed, modified or declared or rendered void, then the Settlement and conditional class certification shall be considered null and void, and neither the Settlement, conditional class certification, nor any of the related negotiations or proceedings, shall be of any force or effect, and all parties to the Settlement shall stand in the same

position, without prejudice, as if the Class Settlement had been neither entered into nor filed with the Court. Notwithstanding the foregoing, the Parties may attempt in good faith to cure any perceived defects in the Stipulation to facilitate approval.

7.2 Defendants' Right to Void or Rescind Settlement Due to Opt-Outs. If ten percent (10%) or more of the Class Members submit timely and valid Requests for Exclusion, Defendants shall have the option, in their sole discretion, to rescind this Stipulation, whereupon the Settlement and Stipulation shall be null and void for any and all purposes and may not be used or introduced in the Action or any other proceeding. The Parties will be restored to their respective positions in the Action as if this Settlement was never negotiated, drafted, or agreed upon. The Settlement Administrator shall notify Class Counsel and Counsel for Defendants of the total number of timely and valid Requests for Exclusion and the individual settlement value for each such Class Members had they not opted out by no later than fourteen (14) days after the Response Deadline. Should Defendants choose to void the Settlement under this paragraph, it shall be responsible for all Administration Expenses actually incurred up to the time it sought to void the Settlement.

7.3 Invalidation. Invalidation of any portion of the Settlement shall invalidate the Settlement in its entirety, unless the Parties through their counsel may subsequently agree in writing that the remaining provisions of the Settlement are to remain in full force and effect.

7.4 Notice in Writing. Unless otherwise ordered by the Court, in the event the Stipulation shall be terminated, cancelled, declared void, or fails to become effective in accordance with its terms, within ten (10) business days after written notification of such event, Defense Counsel and Class Counsel shall notify each other of this event in writing.

VIII. MOTION FOR COURT APPROVAL

8.1 Preliminary Approval. Class Counsel shall promptly submit this Stipulation to the Court for preliminary approval and determination by the Court as to its fairness, adequacy, and reasonableness, and entry of a Preliminary Approval Order substantially in the form filed concurrently herewith as **Exhibit 2**, which schedules a hearing on the question of whether the Settlement should be approved as fair, reasonable, and adequate as to the Settlement Class Members, approving as to form and content the proposed Class Notice attached hereto as **Exhibit 1**, and directing the mailing of the Class Notice to Class

Members. While Defendants can reserve their right to object to facts or assertions made in the moving papers, Defense Counsel shall file a notice of non-opposition to the granting of the motion for preliminary approval of the Settlement or join in the motion. Defense Counsel shall be given a chance to review the motion for preliminary approval and the motion for final approval prior to filing.

Failure of the Court to enter the Preliminary Approval Order in its entirety will be grounds for Parties to terminate the Settlement and the terms of this Stipulation pursuant to Section 7.1; however, pursuant to Section 7.1, the Parties are to take all reasonable steps to cure any deficiencies so as to avoid any termination of the Settlement.

8.2 Final Approval. The Final Approval Hearing shall be held before the Court. At the Final Approval Hearing, Plaintiff shall move the Court for the entry of the final order certifying the Settlement Class for settlement purposes only and approving the Settlement as being fair, reasonable and adequate to the Settlement Class Members within the meaning of California Rules of Court, Rule 3.769(c), (d) and (e) and for the entry of a final Judgment of the Action consistent with the terms of the Settlement and California Rules of Court, Rule 3.769(h). Should the Court require Class Counsel and/or Defense Counsel to submit any pleadings and/or evidence for the Court's determination, the Parties will comply to the extent reasonable.

8.3 Entry of Judgment. Pursuant to California Rules of Court, Rule 3.769(h) and any other applicable rules, if the court approves this Settlement after the Final Approval Hearing, the Court must make and enter Judgment. The Judgment must include a provision for the retention of the Court's jurisdiction over the parties to enforce the terms of the Judgment. This Judgment shall be a judgment for purposes of California Rules of Court, Rule 3.771(a).

IX. RELEASES AND WAIVERS

9.1 Release of Claims by Settlement Class Members, PAGA Group Members, and Plaintiff. Upon the Effective Date, each Settlement Class Member and Plaintiff, each release, discharge, and agree to hold harmless the Released Parties, and each of them, of and from any and all Released Claims.

Upon the Effective Date, each PAGA Group Member and Plaintiff, each release, discharge, and agree to hold harmless the Defendants, and each of them, of and from any and all Released PAGA Claims.

1 It is the desire of the Parties and the Settlement Class Members to fully, finally, and forever settle,
2 compromise, and discharge the Released Claims.

3 Plaintiff and each Class Member (except those who submit a timely and valid Request for
4 Exclusion), will be bound to the release of Released Claims as a result of the Settlement and to the terms
5 of the judgment. However, to the extent that a Class Member is also a PAGA Group Member, he or she
6 will be bound by the release of Released PAGA Claims and will receive a portion of the PAGA settlement,
7 notwithstanding his or her Request for Exclusion.

8 It is the desire of the Parties and the PAGA Group Members to fully, finally, and forever settle,
9 compromise, and discharge the PAGA Claims.

10 No release in this Settlement shall be effective until the Gross Settlement Amount is fully funded.

11 9.2 Release of Claims by Plaintiff. Plaintiff, on behalf of herself and her heirs, executors,
12 administrators, representatives and anyone who purports to act on her behalf, shall and does hereby forever
13 release, discharge and agree to hold harmless all Released Parties from any and all charges, complaints,
14 claims, allegations, liabilities, obligations, promises, agreements, controversies, damages, actions, causes
15 of action, suits, rights, demands, costs, losses, debts and expenses (including attorney fees and costs),
16 known or unknown, at law or in equity, which Plaintiff now has, could now have, or has had arising out
17 of any known or unknown fact, condition or incident occurring prior to and including the Effective Date
18 against the Released Parties arising out of or in any way connected with her employment with Seven Forty
19 One Company, Inc. and her alleged employment with Mr. Stax, Inc., including, the Released Claims,
20 claims that were asserted or could have been asserted in the Complaint, and any and all transactions,
21 occurrences, or matters between the Parties occurring at any time.

22 Without limiting the generality of the foregoing, this release shall include, but not be limited to the
23 following: any and all claims under the Americans With Disabilities Act, as amended; Title VII of the
24 Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; 42 U.S.C. § 1981, as amended; the
25 Age Discrimination in Employment Act, as amended; the Fair Labor Standards Act, as amended; the
26 Equal Pay Act; the Employee Retirement Income Security Act, as amended; the Consolidated Omnibus
27 Budget Reconciliation Act; the Rehabilitation Act of 1973; the Family and Medical Leave Act; the Civil
28 Rights Act of 1966; the California Fair Employment and Housing Act; the California Constitution; the

1 California Labor Code; the California Government Code; the California Civil Code; the Industrial Welfare
2 Commission Wage Orders; the California Private Attorneys General Act; the Unruh Civil Rights Act; the
3 Bane Act; the Occupational Safety and Health Act; the Worker Adjustment and Retraining Notification
4 Act, as amended; the California Unfair Competition Law (Cal. Bus. & Prof. Code §§ 17200, *et seq.*); any
5 state, civil, or statutory laws, including any and all human rights laws and laws against discrimination;
6 any and all wage-and-hour claims arising under the laws of the State of California, including, without
7 limitation, statutory, constitutional, contractual, and/or common law claims for wages, damages,
8 restitution, unreimbursed expenses, equitable relief, penalties, liquidated damages, and/or punitive
9 damages; any and all other federal, state and local statutes, ordinances, regulations, rules and other laws,
10 and any and all claims based on constitutional, statutory, common law or regulatory grounds as well as
11 any other claims based on theories of wrongful or constructive discharge, breach of contract or implied
12 contract, fraud, misrepresentation, promissory estoppel or intentional and/or negligent infliction of
13 emotional distress, or damages under any other federal, state or local statutes, ordinances, regulations,
14 rules or laws; any claims that could have been alleged in the Complaint; and any claims for interest,
15 attorneys' fees, and/or costs. This release is for any and all relief, no matter how denominated, including,
16 but not limited to, back pay, front pay, vacation pay, bonuses, compensatory damages, tortious damages,
17 liquidated damages, punitive damages, damages for pain and suffering, and attorney fees and costs, and
18 Plaintiff hereby forever releases, discharges and agrees to hold harmless the Released Parties from any
19 and all claims for attorney fees and costs arising out of the matters released in this Stipulation.

20 In exchange for her Service Award, Plaintiff expressly waives the protections of California Civil
21 Code § 1542, and it is her intention in executing this Stipulation that the same shall be effective as a bar
22 to each and every claim, complaint, action, debts, promises, demand, cause of action, obligation, damage,
23 liability, charge, attorneys' fees and costs herein above released. The Plaintiff hereby expressly waives
24 and relinquishes all of her rights and benefits, if any, arising under California Civil Code § 1542, which
25 provides:

26 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT**
27 **THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR**
28 **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 RELEASED PARTY.**

Plaintiff may, being aware of Section 1542, hereafter discover facts in addition to or different from those which she now knows or believes to be true with respect to the subject matter of all the claims referenced herein, but stipulates and agrees that, upon the Effective Date, Plaintiff shall and hereby does fully, finally and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, contingent or non-contingent, that were asserted or could have been asserted upon any theory of law or equity without regard to the subsequent discovery of existence of such different or additional facts.

X. DUTIES OF THE PARTIES

10.1 Mutual Full Cooperation. The Parties agree to cooperate fully with one another to accomplish and implement the terms of this Stipulation. Such cooperation shall include, but not be limited to, execution of such other documents and the taking of such other actions as may reasonably be necessary to fulfill the terms of this Settlement. The Parties shall use their best efforts, including all efforts contemplated by this Stipulation and any other efforts that may become necessary by Court order or otherwise, to effectuate this Stipulation and the terms set forth herein. As soon as practicable after execution of this Stipulation, Class Counsel, with the cooperation of Defendants and Defense Counsel, shall take all necessary and reasonable steps to secure the Court's preliminary approval and final approval of this Stipulation.

10.2 Duty to Support and Defend the Settlement. The Parties agree to abide by all of the terms of the Settlement in good faith and to support the Class Settlement fully and to use their best efforts to defend this Class Settlement from any legal challenge, whether by appeal or collateral attack.

10.3 Duties Prior to Court Approval. Class Counsel shall promptly submit this Stipulation to the Court for Preliminary Approval and determination by the Court as to its fairness, adequacy, and reasonableness. Promptly upon execution of this Stipulation, Class Counsel shall apply to the Court for the entry of a Preliminary Order substantially in the form filed concurrently herewith as **Exhibit 2**, scheduling a hearing on the question of whether the proposed Settlement should be approved as fair, reasonable, and adequate as to the Class Members, approving as to form and content the proposed Class

1 Notice attached hereto as **Exhibit 1**, and directing the mailing of the Class Notice to Class Members.
2 While Defendants can reserve their right to object to facts or assertions made in the moving papers,
3 Defense Counsel shall file a notice of non-opposition to the granting of the Motion for Preliminary
4 Approval or join in the motion, and be given a chance to review the motion for preliminary approval and
5 the motion for final approval prior to filing.

6 **XI. MISCELLANEOUS PROVISIONS**

7 11.1 Voiding the Stipulation. Pending Court approval and other than as provided in Section VII
8 (entitled "NULLIFICATION OF THIS STIPULATION") herein, if any of the conditions set forth in this
9 Stipulation are not met and satisfied, this Stipulation shall, at the option of either Plaintiff or Defendants,
10 be ineffective, void, and of no further force and effect, and shall not be used or be admissible in any
11 subsequent proceeding, either in this Court or in any other court or forum. If any of the Parties decide to
12 void the Settlement, then the Settlement and conditional class certification shall be considered void, and
13 neither the Settlement, Stipulation, conditional class certification, nor any of the related negotiations or
14 proceedings, shall be of any force or effect, and the Parties shall stand in the same position, without
15 prejudice, as if this Stipulation had been neither entered into nor filed with the Court. Should either Party
16 choose to void the Settlement under this paragraph, such party shall be responsible for all Administration
17 Expenses actually incurred up to the time such Party sought to void the Settlement. If both Defendants
18 and Plaintiff choose to void the Settlement under this paragraph, each shall be responsible for
19 their/her/his/its proportionate share of the Administration Fees actually incurred.

20 11.2 No Prior Assignments. The Parties represent, covenant, and warrant that they have not
21 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to
22 any person or entity any portion of any liability, claim, demand, action, cause of action, or right herein
23 released and discharged except as set forth herein.

24 11.3 Non-Admission. Nothing in this Stipulation shall be construed as or deemed to be an
25 admission by any Party of any liability, culpability, negligence, or wrongdoing toward any other Party, or
26 any other person, and the Parties specifically disclaim any liability, culpability, negligence, or wrongdoing
27 toward each other or any other person. Each of the Parties has entered into this Stipulation with the
28 intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and

contingencies. Nothing herein shall constitute any admission by the Released Parties of wrongdoing or liability, or of the truth of any factual allegations in the Action. Nothing herein shall constitute any admission by the Released Parties regarding the merits of the claims in this Action, including but not limited to claims for unpaid wages or other compensation, benefits or penalties under California and/or federal law. Nothing herein shall constitute an admission by the Released Parties that the Action was properly brought as a class or representative action other than for settlement purposes. To the contrary, the Defendants have denied and continue to deny each and every material factual allegation and all claims. To this end, the Settlement of the Action, the negotiation and execution of this Stipulation, and all acts performed or documents executed pursuant to or in furtherance of this Stipulation or the Settlement are not, shall not be deemed to be, and may not be used as, an admission or evidence of any wrongdoing or liability on the part of the Released Parties or of the truth of any of the factual allegations in the Complaint in the Action; and are not, shall not be deemed to be, and may not be used as, an admission or evidence of any fault or omission on the part of the Released Parties in any civil, criminal or administrative proceeding in any court, administrative or governmental agency or other tribunal.

11.4 No Publicity.

(a) Plaintiff and Defendants, and their respective counsel, recognize, and accept that the Parties to this Stipulation desire that information regarding the terms of this Stipulation, the fact of the Settlement embodied in this Stipulation, the disposition of the Action, the Action, and all matters relating to the litigation of the Action, including discovery proceedings therein, and evidence obtained during the course of the Action, shall be provided to the Class by way of the Court-approved Class Notice and public access to Court records in the Action, and that this information shall not otherwise be discussed with or presented to the media or press.

(b) Further, Plaintiff and her counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry or have any communication with the press about the Action, and/or the fact, amount or terms of the Settlement. Before the date of the filing of the motion for preliminary approval of the Settlement, Plaintiff and Class Counsel will not initiate any contact with Class Members or anyone else about the Settlement, except that: (a) Class Counsel, if contacted by a Class Member, may respond that a settlement has been reached and that the details will be communicated

1 in a forthcoming Court-approved notice; and (b) the Plaintiff, if contacted by a Class Member, may
2 respond only that the Class Member should contact Class Counsel.

3 11.5 Non-Retaliation. Defendants understand and acknowledge that they have a legal obligation
4 not to retaliate against any Class Member who elects to participate in the Settlement or elects to opt out
5 of the Settlement. Defendants will refer any inquiries regarding this Settlement to the Settlement
6 Administrator or Class Counsel and will not discourage Class Members who are currently working for
7 Defendants, directly or indirectly, from making claims, opting out or objecting to the Class Settlement.

8 11.6 Construction. The Parties hereto agree that the terms and conditions of this Stipulation are
9 the result of lengthy, intensive, arms-length non-collusive negotiations between the Parties and that this
10 Stipulation is not to be construed in favor of or against any Party by reason of the extent to which any
11 Party or its counsel participated in the drafting of this Stipulation. If any of the dates in the Stipulation fall
12 on a weekend, bank or court holiday, the time to act shall be extended to the next business day. Except
13 that should the Response Deadline (or extension(s) thereof specified in the Stipulation relating to a
14 deficiency notice or a re-mailing) fall on a Saturday and regular U.S. Mail service is in operation that day,
15 then no further extension pursuant to this paragraph shall apply to these specific deadlines. The language
16 of all parts of this Stipulation shall in all cases be construed as a whole, according to its fair meaning, and
17 not strictly for or against either Party. No Party shall be deemed the drafter of this Stipulation. The Parties
18 acknowledge that the terms of the Stipulation are contractual and are the product of negotiations between
19 the Parties and their counsel. Each Party and her/his/its counsel cooperated in the drafting and preparation
20 of the Stipulation. In any construction to be made of the Stipulation, the Stipulation shall not be construed
21 against any Party and the canon of contract interpretation set forth in California Civil Code § 1654 shall
22 not be applied.

23 11.7 Governing Law. The Stipulation and the exhibits hereto shall be considered to have been
24 negotiated, executed, and delivered, and to have been wholly performed, in the State of California, and
25 the rights and obligations of the Parties to the Stipulation shall be construed and enforced in accordance
26 with, and governed by, the internal, substantive laws of the State of California without regard to conflict
27 of law principles in all respects, including execution, interpretation, performance, and enforcement.

1 11.8 Notices. Except for mailing of the Class Notice to Class Members, any and all notices or
2 other communications required or permitted under this Stipulation shall be in writing and shall be
3 sufficiently given if delivered to the Party or their counsel by U.S. certified mail, postage prepaid, e-mail,
4 facsimile, or overnight delivery addressed to the address of the Party appearing in this Stipulation.

5 11.9 Captions and Interpretations. Section titles or captions contained herein are inserted as a
6 matter of convenience and for reference only and in no way define, limit, extend, or describe the scope of
7 this Stipulation or any provision thereof.

8 11.10 Modification. This Stipulation may not be changed, altered, or modified, except in writing
9 signed by the Parties' counsel and approved by the Court. In the event that the Court requires certain
10 changes to this Stipulation, the Parties agree that such amendments can be made through a stipulation
11 signed solely by their counsel, provided that such amendment conforms precisely to the Court's order.

12 11.11 Integration Clause. The Settlement is based on Defendants' representation that for the
13 period from August 12, 2016 to August 23, 2021, there were 170 Class Members and 10,424 Workweeks.
14 This Stipulation contains the entire agreement between the Parties relating to the Settlement of the Action
15 and the transactions contemplated thereby, and all prior or contemporaneous agreements, understandings,
16 representations, and statements, whether oral or written, and whether by a party or such party's legal
17 counsel, are hereby superseded. No rights under this Stipulation may be waived except in writing executed
18 by the Parties.

19 11.12 Successors and Assigns. This Stipulation shall be binding upon and inure to the benefit of
20 the Parties, PAGA Group Members, and Settlement Class Members and their respective present and
21 former heirs, trustees, executors, administrators, representatives, officers, directors, shareholders, agents,
22 employees, insurers, attorneys, accountants, auditors, advisors, consultants, pension and welfare benefit
23 plans, fiduciaries, parent companies, subsidiaries, affiliates, related companies, joint ventures,
24 predecessors, successors, and assigns.

25 11.13 Corporate Signatories. Any person executing this Stipulation or any such related document
26 on behalf of a corporate signatory hereby warrants and promises, for the benefit of all Parties hereto, that
27 such person has been duly authorized by such corporation to execute this Stipulation or any such related
28 document.

1 11.14 Execution in Counterparts. This Stipulation shall become effective upon its execution by
2 all of the undersigned. The Parties may execute this Stipulation in counterparts, and execution of
3 counterparts shall have the same force and effect as if all Parties had signed the same instrument. Parties
4 may also execute the Stipulation by way of electronic signature or other electronic means.

5 11.15 No Third Party Beneficiaries. The Stipulation shall be binding upon, and inure to the
6 benefit of, the successors and assigns of the Parties hereto; however, this Stipulation is not designed to
7 and does not create any third party beneficiaries unless otherwise specifically provided herein.

8 11.16 No Cooperation with Other Claims. The Class Representative shall not cooperate with,
9 help, bring, counsel, aid, or in any manner assist any person or entity in filing or pursuing a claim,
10 complaint, class action, collective action, representative action, action, debt, promise, demand, grievance,
11 cause of action, obligation, damage, liability, or charge against Defendants, except as required by law or
12 regulation.

13 11.17 Other Claims. No person shall have any claim against the Class Representative, Class
14 Counsel, the Settlement Administrator, or any of the Released Parties based on the payments made or
15 other actions taken substantially in accordance with this Stipulation and the settlement contained herein
16 or further orders of the Court.

17 11.18 Attorney Fees, Costs and Expenses. Except as otherwise specifically provided for herein,
18 each Party shall bear her or its own attorneys' fees, costs and expenses, taxable or otherwise, incurred by
19 them in or arising out of the Action and shall not seek reimbursement thereof from any other Party to this
20 Stipulation.

21 11.19 Action to Enforce Agreement. In any suit or court action to enforce the terms of this
22 Stipulation, the prevailing party shall be entitled to recover her or its attorneys' fees and costs.

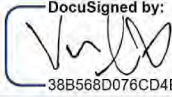
23 11.20 Court Retains Jurisdiction. The Court shall retain jurisdiction with respect to
24 implementation and enforcement of the terms of the Stipulation, and all parties hereto submit to the
25 jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in the
26 Stipulation.

27 11.21 Additional Terms. If any of the following terms are not met, this Stipulation shall be
28 void: (1) Defendants are to provide Plaintiff a draft of Plaintiff's Memorandum of Points and Authorities

1 in support of Preliminary Approval of Class and Representative Action Settlement; (2) Defendants are to
2 file Plaintiff's Memorandum of Points and Authorities in support of Preliminary Approval of Class and
3 Representative Action Settlement by August 31, 2021; (3) the Motion for Preliminary Approval of Class
4 and Representative Action Settlement is currently set for December 15, 2021; the Parties will request from
5 the Court an earlier hearing date for Plaintiff's Motion for Preliminary Approval of Class and
6 Representative Action Settlement; and (4) Defendants are to provide Plaintiff a draft Notice of Proposed
7 Class Action Settlement and Hearing Date for Court Approval.

8 IN WITNESS WHEREOF, the Parties and their counsel have executed this Stipulation on the date
9 below their signatures or the signature of their representatives. The date of the Stipulation shall be the date
10 of the latest signature.

11 THIS STIPULATION HAS BEEN READ AND AGREED TO INDIVIDUALLY AND ON
12 BEHALF OF THE PROPOSED CLASS:

13  38B568D076CD4EB...

14 Plaintiff Vanessa Gonzalez

Dated: 4/28/2022, 2022

15
16 READ AND AGREED TO ON BEHALF OF SEVEN FORTY ONE COMPANY, INC.:

17 Maria Wren

18 By: Maria Wren

Dated: 4/29/2022, 2022

19
20 READ AND AGREED TO ON BEHALF OF MR. STAX, INC.:

21 Maria Wren

22 By: Maria Wren

Dated: 4/29/2022, 2022

Exhibit 1

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT
& HEARING DATE FOR COURT APPROVAL

Vanessa Gonzalez v. Seven Forty One Company, Inc., et al.
Superior Court of California, County of Los Angeles
Case No. 20STCV30761

To: All current and former hourly or non-exempt employees of Seven Forty One Company, Inc. or Mr. Stax, Inc. who performed work at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time from August 12, 2016 up to and including August 23, 2021.

**THIS NOTICE MAY AFFECT YOUR RIGHTS.
PLEASE READ IT CAREFULLY.**

You are receiving this notice because Seven Forty One Company, Inc.'s or Mr. Stax, Inc.'s (collectively "Defendants") records indicate that you may be entitled to participate in this class action settlement.

The following recitation does not constitute the findings of the Court. Defendants adamantly deny any and all liability. This notice should not be understood to be an expression of the Court's views on the merits of any claim or defense raised by the parties.

I. WHY IT IS IMPORTANT TO READ THIS NOTICE:

The Superior Court of the State of California for the County of Los Angeles (the "Court") has granted preliminary approval to a proposed Settlement (defined below) of a class action lawsuit and representative action regarding wage and hour claims of all current or former hourly or non-exempt employees who worked for Seven Forty One Company, Inc. or Mr. Stax, Inc. at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time from August 12, 2016 up to and including August 23, 2021.

Because your rights may be affected by the Settlement (defined below), it is important that you read this notice carefully. Defendants' records show that you were employed by Defendants, or either of them, sometime from August 12, 2016 up to and including August 23, 2021 ("Class Period"). Therefore, you are a "Class Member" in this lawsuit.

The purpose of this notice is to provide you with a brief description of the class action lawsuit and representative action, what investigation of the claims has taken place, to inform you of the terms of the proposed Settlement (defined below) and to discuss your rights and options in connection with the lawsuit and the Settlement (defined below).

II. WHAT YOU NEED TO DO IN RESPONSE TO THIS NOTICE:

You have received this notice because Defendants' records indicate that you are a member of the conditionally certified Class (defined below). You have the following options:

- 1. IF YOU WISH TO PARTICIPATE IN THE CLASS ACTION SETTLEMENT AND REMAIN A MEMBER OF THE SETTLEMENT CLASS AND BE ISSUED A PAYMENT UNDER THE SETTLEMENT, YOU (or in the event of a deceased Class Member, the estate or authorized beneficiary) ARE NOT REQUIRED TO TAKE ANY FURTHER ACTION.** You will be issued payment if the Court grants final approval of the Settlement (defined below) and judgment becomes final, and you will release the Released Parties for the Released Claims (see section VIII below for definitions of "Released Claims" and "Released Parties"). If you wish to receive a payment under the Settlement, you must not "Opt Out" of the Settlement. **To ensure receipt of your payment, you must make sure that your correct mailing address is on file with the Settlement Administrator.**

2. **YOU MAY ELECT TO "OPT OUT" OF THE SETTLEMENT CLASS AND THUS EXCLUDE YOURSELF FROM THE SETTLEMENT.** If you wish to opt out of the Settlement and exclude yourself from the Settlement, you must mail to the Settlement Administrator the enclosed Opt-Out Form or a written request ("Request for Exclusion") postmarked on or before [TBD]. A Request for Exclusion must include: (1) your full name, address, telephone number, last four digits of your social security number, and signature; (2) the case name and number of the action (i.e., *Vanessa Gonzalez v. Seven Forty One Company, Inc., et al.*); and (3) a statement indicating that you wish to be excluded from the Settlement. If a timely and complete Opt-Out Form or Request for Exclusion is not received by the Settlement Administrator at the address listed below, postmarked on or before [TBD], you will be deemed to have forever waived your right to opt out of the Settlement. Class Members who do not properly opt out of the Settlement shall be "Settlement Class Member(s)." Class Members who do properly opt out of the Settlement shall not be bound by the terms of the Settlement, shall not be allowed to object to this Settlement, and shall not be entitled to any benefits as a result of this Settlement, including payment of any Individual Settlement Amount (defined below), except a portion of the PAGA Payment, if applicable, in the estimated amount of [\$]. Current and former hourly or non-exempt employees of Seven Forty One Company, Inc. or Mr. Stax, Inc. who performed work at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time from June 9, 2019 up to and including August 23, 2021 have no right or ability to opt out of the portion of this Settlement releasing Labor Code Private Attorneys General Act of 2004 ("PAGA") claims. The Settlement Administrator's address is below:

Simpluris
[Address]

3. **PROVIDED YOU DO NOT OPT OUT OF THE SETTLEMENT CLASS, YOU MAY OBJECT TO THE SETTLEMENT.** You may object to the Settlement by mailing a written objection ("Objection") to the Settlement Administrator, on or before [TBD], to the address list in section II.2 above. The Objection must (1) contain your full name, dates of employment as an employee of Defendants, and signature; (2) the case name and number of the action (*Vanessa Gonzalez v. Seven Forty One Company, Inc., et al.*); (3) the reason(s) for the objection (if any); and (4) identify any counsel representing you in connection with the Objection. You may attend the Settlement Hearing (defined below), including by audio or visual technology, and may ask to speak regarding your objections, regardless of whether you submitted an Objection. More information can be found at www.lacourt.gov. If you take no action, you will remain a member of the Class. A Class Member who does not opt out of participation in the Settlement will be bound by the judgment and be issued payment under the Settlement (defined below). If you remain a member of the Class, you will be represented by the following attorneys who have been designated by the Court as Class Counsel:

COLE & VAN NOTE
Scott Edward Cole, Esq., SBN 160744
Laura Grace Van Note, Esq., SBN 310160
555 12th Street, Suite 1725
Oakland, California 94607

INFORMATION REGARDING FINAL APPROVAL HEARING. The Final Approval Hearing determines whether the Settlement should be finally approved as fair, reasonable, and adequate and whether the Service Award (defined below) to Plaintiff Vanessa Gonzalez, Administration Expenses (defined below) to the Settlement Administrator, and attorneys' fees and costs to Class Counsel should be awarded. That hearing will be held on [TBD] at [TBD] before the Hon. Maren Nelson, in Department 17 of the Los Angeles Superior Court located at the Spring Street Courthouse, 312 North Spring Street, Los Angeles, CA 90012 ("Settlement Hearing").

You are not required to attend the Settlement Hearing, although you are welcome to attend the hearing.

On behalf of herself and on behalf of other employees, Vanessa Gonzalez ("Class Representative" or "Plaintiff") claims that Defendants have, with respect to Plaintiff and the Class Members, allegedly violated provisions of the California Labor Code and wage and hour laws, by failing to properly pay minimum and overtime wages, provide compliant meal and rest periods and associated premiums, timely pay wages during employment and upon termination of employment and to pay associated waiting-time penalties, provide compliant wage statements, maintain requisite payroll records, and thereby, engaged in unfair business practices in violation of California Business and Professions Code §§ 17200, *et seq.* Plaintiff also seeks civil penalties under PAGA arising from or relating to Labor Code sections 200, 201, 202, 203, 204, 218, *et seq.*, 218.5, 226, *et seq.*, 226.7, 510, 512, 558, 1174, 1174(d), 1174.5, 1182.12, 1194, *et seq.*, 1194.2, 1197, *et seq.*, 1197.1, 1198, 2698, *et seq.*, 2699, 2699.3, and 2802. On behalf of herself and other employees of Defendants, Plaintiff seeks, *inter alia*, damages, unpaid wages, penalties, attorneys' fees, and interest for alleged wage and hour violations including, but not limited to, failure to pay wages, failure to pay overtime, minimum wages, off-the-clock work, failure to provide meal and rest breaks, and failure to pay premium pay, including alleged meal and rest break violations arising from or related to Defendants' written meal or rest break policies and alleged meal break violations arising from Defendants' alleged practices, failure to furnish accurate, itemized wage statements, unlawful recovery of wages, failure to timely pay wages upon discharge or quit, and record-keeping violations. Plaintiff alleges that both Defendants employed her and the Class Members.

Defendants vehemently deny Class Representative's allegations and, instead, contend that only Seven Forty One Company, Inc. employed Plaintiff and most of the Class Members and that Mr. Stax, Inc. did not employ Plaintiff or most of the Class Members. Defendants adamantly deny each, every, and all of the allegations of the lawsuit, and maintain that they complied with all California wage and hour laws, such that the Class Representative cannot properly recover any damages including but not limited to civil penalties under California law. Although Defendants deny these allegations, Defendants have chosen to resolve the matter based upon the terms and conditions set forth in the Joint Stipulation and Agreement for Class and Representative Action Settlement and Release ("Settlement Agreement" or "Settlement"). The Court will determine whether or not to grant final approval of the Settlement.

The Settlement provides for the certification, for settlement purposes only, of all current and former hourly or non-exempt employees of Seven Forty One Company, Inc. or Mr. Stax, Inc. who performed work at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time from August 12, 2016 up to and including August 23, 2021.

IV. THE SETTLEMENT OF THE CLAIMS:

On March 5, 2021, the parties participated in a full-day mediation in Los Angeles before a highly experienced employment law mediator, Eve Wagner. The parties were able to resolve the matter subsequent to the mediation and agreed to the Settlement Agreement.

The Class Representative and Class Counsel believe the Settlement is in the best interest of the Class (defined below).

Through the Settlement, neither Defendants nor any of their employees have admitted any liability or wrongdoing and, in fact Defendants expressly deny any wrongdoing. The Court did not decide in favor of Plaintiff or Defendants. The Settlement Agreement has been preliminarily approved by the Court. A full copy of the Settlement Agreement, embodied in the document entitled **JOINT STIPULATION AND AGREEMENT FOR CLASS AND REPRESENTATIVE ACTION SETTLEMENT AND RELEASE** as preliminarily approved by the Court, as well as other public documents filed in this case, can be inspected in the Office of the Court Clerk located at 312 North Spring Street, Los Angeles, CA 90012.

V. THE TERMS OF THE CONDITIONAL CLASS ACTION SETTLEMENT:

On behalf of the Class Members, the Class Representative has reached a Settlement with Defendants and on [TBD] the Court conditionally certified a class, for settlement purposes only, comprised of the following persons (collectively, the "Class"):

All current and former hourly or non-exempt employees of Defendants who performed work at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time from August 12, 2016 up to and including August 23, 2021.

Without admitting liability, Defendants have agreed to pay \$190,000 (the "Gross Settlement Amount") for a release of Defendants and all Released Parties (defined below) from the Released Claims (defined below) (see below for more information). This is a non-reversionary settlement. Settlement Class Members will be bound by the Settlement and will release Defendants and all Released Parties (defined below) from the Released Claims (defined below) (see below for more information).

This Settlement is conditioned upon the Superior Court of the State of California for the County of Los Angeles, entering an order at or following the Settlement Hearing finally approving the Settlement as fair, reasonable, adequate, and in the best interests of the Class.

The following payments will be sought, subject to final approval by the Court, from the Gross Settlement Amount:

- (1) Payment in the amount of up to \$7,500 to the Class Representative ("Service Award") in addition to the sum that she will receive as a Settlement Class Member, to compensate her for acting on behalf of the Class, including the time she expended to fulfill the role of Class Representative (e.g., assisting with the investigation of the claims, etc.);
- (2) Payment to the Settlement Administrator for the fees and costs of administering this Settlement ("Administration Expenses"), in the estimated maximum amount of \$9,351;
- (3) Payment in an amount of \$5,000 for penalties pursuant to the California Labor Code Private Attorney General Act of 2004 ("PAGA"), of which 75% of the amount (\$3,750) will be distributed to the California Labor Workforce and Development Agency ("LWDA") and the remaining 25% of the amount (\$1,250) of the penalties will to be distributed to current and former hourly or non-exempt employees of Seven Forty One Company, Inc. or Mr. Stax, Inc. who performed work at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time from June 9, 2019 up to and including August 23, 2021;
- (4) Payment in an amount of up to \$66,500.00 to Class Counsel as attorneys' fees, to compensate them for their services in litigating this case for approximately 2 years on a contingency basis; and
- (5) Payment in an amount of up to \$20,000 to Class Counsel, to reimburse Class Counsel for actual litigation costs and expenses expended in this matter by Class Counsel.

The "Net Settlement Amount" is the Gross Settlement Amount less the above-mentioned requested payments which are subject to final approval by the Court. The Net Settlement Amount will be automatically distributed to Settlement Class Members, and these gross individual shares are known as the "Individual Settlement Amount." The Individual Settlement Amount for each Settlement Class Member shall be determined on a *pro rata* basis based on his or her number of Workweek (defined below) as compared to the total Workweeks of all Settlement Class Members. Workweeks are calculated by determining the number of days between the Settlement Class Member's start and end dates of employment from August 12, 2016 up to and including August 23, 2021 (and only for work performed at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355) and then dividing by seven (7). If a Settlement Class Member was hired prior to August 12, 2016, then his or her "start date" will be August 12, 2016.

V. WHAT IS YOUR EXPECTED SHARE:

As discussed above, the Net Settlement Amount will be automatically distributed to Class Members who do not opt out of this Settlement, based on their respective number of Workweeks.

Defendants' records reflect that you worked [insert number of workweeks] workweeks during the Class Period, and based on this number of Workweeks, your gross Individual Settlement Amount is estimated to be [insert estimated amount].

If you wish to dispute the number of Workweeks attributed to you, you may do so by submitting a written dispute ("Workweeks Dispute") to the Settlement Administrator at the address listed in section II.2 (above), postmarked on or before [TBD]. A Workweeks Dispute must state: (a) your full name, address, telephone number, last four digits of your social security number, and signature; (b) the case name and number of the action (*Vanessa Gonzalez v. Seven Forty One*

Company, Inc., et al.); (c) contain a statement indicating your intent to dispute or challenge the number of Workweeks credited to you and clearly identify the number of Workweeks you contend should be credited to you; and (d) include any records or documentation to support the Workweeks Dispute.

The amount stated herein as your estimated Individual Settlement Amount may change depending on the number of Class Members who do not opt-out and the Court's order with respect to the requests for attorneys' fees, litigation costs and expenses, award to class representative, administration expenses, and PAGA payment. Further, your gross Individual Settlement Amount will be allocated as 20% wages (reported on an IRS Form W-2), and 80% interest and penalties (reported on an IRS Form 1099). The wage portion is subject to employee's and employer's share of state and federal employment and payroll taxes and withholdings prior to distribution.

VII. WHEN CAN I EXPECT TO RECEIVE MY SHARE OF THE SETTLEMENT:

The Settlement Administrator will distribute the settlement funds after funding has occurred and after the Court enters the final approval order and judgment.

No later than 5 calendar days after the Settlement Administrator deposits the Gross Settlement Amount into a qualified settlement account, the Settlement Administrator shall distribute the payments as follows: the Individual Settlement Payments to Settlement Class Members, Service Award to Class Representative, LWDA Payment to the LWDA, and Attorneys' Fees and Expenses to Class Counsel, all in the Court-approved amounts.

VIII. RELEASE OF CLAIMS OF SETTLEMENT CLASS MEMBERS:

If the Court grants final approval of the Settlement and the Gross Settlement Amount is fully funded, Class Members who do not Opt Out of the Settlement, will release, discharge, and agree to hold harmless the Released Parties (defined below), and each of them, of and from any and all Released Claims (defined below).

"Released Parties" shall mean Defendants and all of their respective current and former parents, subsidiaries, predecessors, successors, and their affiliated entities, and each of their respective owners, officers, directors, employees, partners, shareholders, agents, and any other successors, heirs, assigns, or legal representatives, any attorneys, insurers, claims representatives, members, managers, dba's, and representatives, and any of their, direct or indirect, parent or subsidiary entities.

"Released Claims" means any and all federal and California state law wage-and-hour claims, rights, demands, liabilities, and/or causes of action of every nature and description arising from any and all claims that were alleged or could have been alleged in the complaint and/or first amended complaint based on the facts contained therein, arising during the Class Period, including, without limitation, statutory, constitutional, contractual, and/or common law claims for wages, reimbursements, damages, unpaid costs, penalties (including penalties under the California Labor Code's Private Attorneys General Act of 2004, as amended, California Labor Code §§ 2698, et seq.), liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief, including without limitation, California Labor Code §§ 200, 201, 202, 203, 204, 218, et seq., 218.5, 226, et seq., 226.7, 510, 512, 558, 1174, 1174(d), 1174.5, 1182.12, 1194, et seq., 1197, et seq., 1197.1, 1198, 2698, et seq., 2699, 2699.3, and any federal counterparts, California Business and Professions Code §§ 17200-17208, any IWC Wage Orders, California Code of Civil Procedure § 1021.5, any claims for meal and rest period violations; unpaid minimum wages or overtime wages; untimely pay during and at termination of employment, unreimbursed business expenses, record-keeping violations, and/or inaccurate pay stubs arising under Labor Code section 226; and any unlawful deductions; and causes of action for (i) unlawful failure to pay wages (Labor Code §§ 200-204, 510, 558, 1194; IWC Wage Order); (ii) Failure to provide meal and rest periods (Labor Code §§ 226.7, 512); (iii) Failure to provide itemized wage statements (Labor Code §§ 226, 1174); (iv) Failure to timely pay wages on termination (Labor Code § 203); (v) Unfair business practices under the Unfair Competition Act (Bus. & Prof. Code §§ 17200-17208); and (vi) Private Attorneys General Act of 2004 (Labor Code §§ 2698, et seq.). "Released Claims" shall only refer to employment claims (as enumerated above) arising out of labor performed at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355. No release shall be effective until the Gross Settlement Amount is fully funded.

In connection with the above Released Claims, and in consideration of Defendants' payments of the Gross Settlement Amount, each and every Class Member who does not Opt Out, including Plaintiff, will be deemed also to have

acknowledged and agreed that California Labor Code section 206.5 is not applicable to Defendants and the Class Members because there is a good faith dispute as to whether any wages are due at all to any Class Member. California Labor Code section 206.5 provides in pertinent part as follows:

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.

IX. HOW TO OBTAIN ADDITIONAL INFORMATION:

This Notice is only a summary of the class action lawsuit and the associated Settlement. For more information, you may inspect the Court files and the Settlement Agreement at the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012.

You may also contact Class Counsel, Settlement Administrator, and/or Defendants' Counsel for more information:

Class Counsel: Scott Edward Cole Laura Grace Van Note COLE & VAN NOTE 555 12th Street, Suite 1725 Oakland, California 94607 Telephone: (510) 891-9800 Facsimile: (510) 891-7030 sec@colevannote.com lvn@colevannote.com	Defendants' Counsel: Beth Kahn Ryan McKim Keith Rossman CLARK HILL LLP 555 South Flower Street, 24th Floor Los Angeles, CA 90071 Telephone: (213) 891-9100 Facsimile: (213) 488-1178 bkahn@clarkhill.com rmckim@clarkhill.com krossman@clarkhill.com
Settlement Administrator: Simpluris [Address] [Telephone] [Facsimile] [Email]	

PLEASE DO NOT CALL OR WRITE TO THE COURT ABOUT THIS NOTICE.

Opt-Out Form

Vanessa Gonzalez v. Seven Forty One Company, Inc., et al.

Case No. 20STCV30761

If you wish to opt out of the Settlement and exclude yourself from the Settlement, complete this Opt-Out Form and mail it to Simpluris, located at [Address] so that it is postmarked no later than [TBD]. For additional information about the Settlement, please review the accompanying Notice of Proposed Class Action Settlement & Hearing Date for Court Approval.

Full name: _____

Address: _____

Telephone: _____

Last four digits of social security number: _____

Signature: _____

Exhibit 2

Ryan C. McKim, Esq., SBN 265941
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Attorneys for Defendants Seven Forty One Company,
Inc. and Mr. Stax, Inc.

**SUPERIOR COURT FOR THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES**

VANESSA GONZALEZ, individually, and
on behalf of all others similarly situated,

Plaintiff,

vs.

SEVEN FORTY ONE COMPANY, INC.,
MR. STAX, INC., and DOES 1 through
100, inclusive,

Defendants

Case No.: 20STCV30761

CLASS ACTION

*Assigned for All Purposes to Hon. Maren
Nelson, Department 17*

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
MOTION FOR PRELIMINARY
APPROVAL OF CLASS AND
REPRESENTATIVE ACTION
SETTLEMENT**

Hearing Date: May 23, 2022
Time: 9:00 a.m.

Complaint Filed: August 12, 2020
Trial date: None.

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1 **I. INTRODUCTION**

2 The parties, Plaintiff and proposed Class Representative Vanessa Gonzalez (“Class
3 Representative” or “Plaintiff”) and Defendants Seven Forty One Company, Inc. and Mr. Stax, Inc.
4 (collectively “Defendants”) (collectively the “Parties”) seek preliminary approval of a \$190,000.00 Class
5 and Representative Action Settlement (“Settlement”). Plaintiff contends that Defendant Seven Forty One
6 Company, Inc. employed Plaintiff and most of the class members. Plaintiff alleges that Defendant Mr.
7 Stax, Inc. is an employer of Plaintiff and the class members; however, Defendants vehemently deny this
8 allegation. The Class Representative has vigorously prosecuted this case, and Defendants have vigorously
9 contested it including Plaintiff’s allegation that Mr. Stax, Inc. was her employer.

10 Ultimately, the Settlement was reached after the Parties engaged in a full day mediation with an
11 experienced employment mediator, Eve Wagner. Prior to mediation, the Parties engaged in limited formal
12 discovery and extensive informal discovery to investigate the veracity, strength, and scope of the claims,
13 and to allow analysis and evaluation of the claims and Defendants’ defenses thereto. For instance, they
14 exchanged a large volume of documents and information, which included and was not limited to, a
15 sampling of information/data for the putative class members to allow Plaintiff to perform an analysis and
16 valuation of all claims.

17 Moreover, the Settlement is strongly supported by experienced counsel, who carefully considered
18 the strength of the claims and Defendants’ defenses, as well as the expense, complexity, risks, and likely
19 duration of continued litigation. In light of the Parties’ support for the Settlement, and because it satisfies
20 all of the criteria for preliminary approval under California law and will provide a substantial monetary
21 recovery to Class Members, preliminary approval of the Settlement is appropriate and should be granted.

22 **II. FACTUAL BACKGROUND AND PROCEDURAL HISTORY**

23 **A. Factual Allegations**

24 This Settlement involves the wage and hour claims of approximately 170 non-exempt and/or
25 hourly-paid, current and former employees, who worked for Defendant, Seven Forty One Company, Inc.
26 (hereinafter "Seven Forty One") at the IHOP restaurant operated at 880 S. Arroyo Pkwy, Pasadena, CA
27 91105, and/or Mr. Stax, Inc. (“Mr. Stax”) at 25060 Stanford Avenue, Suite 200, Valencia, CA 91355.

(Declaration of Scott Cole in Support of Plaintiff’s Motion for Preliminary Approval of Class and Representative Action Settlement (“Cole Decl.”), at ¶ 3, Exh. 1.; Joint Stipulation and Agreement for Class Action Settlement and Release (“Settlement Agreement” “Stipulation” or “SA”), ¶ 6.1.)

On August 12, 2020, Plaintiff filed this Action against Defendants, alleging that Defendants have, with respect to Plaintiff and the Class Members, allegedly violated multiple provisions of the California Labor Code and wage and hour laws, by failing to properly pay minimum and overtime wages, provide compliant meal and rest periods and associated premiums, timely pay wages during employment and upon termination of employment and to pay associated waiting-time penalties, provide compliant wage statements, maintain requisite payroll records, and thereby, engaged in unfair business practices in violation of California Business and Professions Code §§ 17200, *et seq.* (Cole Decl. ¶ 12.) Plaintiff alleges that both Defendants employed her and the Class Members. (*Id.*) Defendants vehemently deny this allegation and, instead, contend that only Seven Forty One employed Plaintiff and most of the Class Members and that Mr. Stax, Inc. did not employ either Plaintiff or most of the Class Members. (*Id.*)

On October 29, 2020, Plaintiff filed her First Amended Class Action Complaint to add a cause of action for civil penalties under PAGA arising from or relating to alleged violations of Labor Code §§ 200, 201, 202, 203, 204, 218, *et seq.*, 218.5, 226, *et seq.*, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, *et seq.*, 1194.2, 1197, 1197.1, 1198, and 2698, *et seq.*, and additional factual details regarding the claims and theories of the case. (Cole Decl. ¶ 13; SA ¶¶ 2.1-2.2.)

III. DEFENDANTS STRONGLY DENY PLAINTIFF’S CLAIMS

Defendants deny and continue to deny each and all of the allegations, claims, and contentions alleged by Plaintiff in the Action. (Cole Decl., ¶ 14; SA ¶ 2.7(a).) Defendants have expressly denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged in the Action. (*Id.*) Seven Forty One contends that it complied in good faith with California and federal wage and hour laws and dealt legally and fairly with Plaintiff and Settlement Class Members. (*Id.*) Further, Seven Forty One contends that it appropriately paid its employees at all times, that it always provided employees with the opportunity to take timely and compliant meal and rest breaks, that it complied with all applicable wage-and-hour laws, and all other

1 laws, at all times, and that, if this matter were to be further litigated, it would have strong defenses on the
2 merits and as to class certification. (*Id.*) Additionally, Mr. Stax, Inc. denies that it employed either Plaintiff
3 or most of the Class Members for purposes of the claims alleged in the Action. (Cole Decl., ¶ 34; SA ¶
4 2.7(a).)

5 Further, Defendants deny that, for any purpose other than settling this Action, these claims are
6 appropriate for class or representative treatment. (Cole Decl., ¶ 15; SA ¶ 2.7 (b).) Nonetheless, Defendants
7 have concluded that further proceedings in the Action would be protracted and expensive and agree to the
8 Action being fully and finally settled in the manner and upon the terms and conditions set forth in the Joint
9 Stipulation and Agreement for Class Action Settlement and Release (“Stipulation”) in order to dispose of
10 burdensome and protracted litigation, to permit the operation of Defendants’ respective businesses without
11 further expensive litigation and the distraction and diversion of their personnel with respect to matters at
12 issue in the Action. (*Id.*) In entering into the Stipulation, Defendants have also taken into account the
13 uncertainty and risks inherent in any litigation, especially in complex cases such as the Action. (*Id.*)

14 Defendants do not waive, but rather expressly reserve, all rights to challenge all such claims and
15 allegations in the Action upon all procedural and factual grounds, including without limitation the ability
16 to challenge class treatment or representative adjudication on any grounds or to assert any and all defenses
17 or privileges if the Stipulation is deemed void or does not take effect. (Cole Decl., ¶ 3; SA ¶ 2.7 (c).)

18 **IV. INVESTIGATION AND MEDIATION**

19 Class Counsel has conducted a thorough investigation into the facts of the Action, including
20 limited formal discovery, extensive informal discovery and exchange of a volume of documents and
21 information, which included and was not limited to, Seven Forty One’s production of a sampling of
22 information/data for the putative class members to allow Plaintiff to perform an analysis and valuation of
23 all claims. (Cole Decl., ¶ 18; SA ¶ 2.3). Prior to mediation the Parties exchanged information and
24 documents to investigate the veracity, strength, and scope of the claims, and to allow analysis and
25 evaluation of the claims and Defendants’ defenses thereto. (*Id.*) The Class Representative has vigorously
26 prosecuted this case, and Defendants have vigorously contested it including Plaintiff’s allegation that Mr.
27 Stax, Inc. was her employer. (*Id.*)

1 On March 5, 2021, the Parties participated in a mediation before experienced employment
2 mediator Eve Wagner. (Cole Decl., ¶ 16; SA ¶ 2.4). At mediation, the Parties engaged in intensive
3 discussions regarding their evaluations of the litigation and various aspects of the litigation, including the
4 risks and delays of further litigation, the risks to the Parties of proceeding with class certification, the law
5 relating to the allegations, the evidence produced and analyzed, and the possibility of appeals, among other
6 things. (*Id.*) Following mediation, on April 7, 2021, with the assistance of the mediator's evaluation, the
7 Parties reached a settlement of the Action. (*Id.*)

8 Based on the information, data, and documents exchanged, and their own independent
9 investigation and evaluation, Class Counsel is of the opinion that the settlement with Defendants for the
10 consideration and on the terms set forth in the Stipulation is fair, reasonable, and adequate and is in the
11 best interest of the Class Members in light of all known facts and circumstances. (Cole Decl., ¶ 19.)
12 Further, the Class Representative has carefully evaluated the terms of the Settlement, and, based upon that
13 review, has determined that it is fair, reasonable, and adequate. (*Id.*)

14 Based on the exchange of information and documents, the mediation session, and discussions
15 between counsel, Class Representative and Class Counsel have assessed the Parties' positions and
16 evaluated the value of the claims of the Class. (Cole Decl., ¶ 20; SA ¶ 2.5(a)). The information and
17 documents exchanged by the Parties and settlement discussions are sufficient to reliably assess the merits
18 of the Parties' respective positions and to compromise the issues on a fair and equitable basis. (*Id.*)

19 Plaintiff and Class Counsel believe that the claims, causes of action, allegations and contentions
20 asserted in the Action have merit. (Cole Decl., ¶ 21; SA ¶ 2.5(b)). However, Plaintiff and Class Counsel
21 recognize and acknowledge the expense and delay of continued lengthy proceedings necessary to
22 prosecute the Action against Defendants through trial and through appeals. (*Id.*) Class Counsel has taken
23 into account the uncertain outcome of the litigation, the risk of continued litigation in complex actions
24 such as this, as well as the difficulties and delays inherent in such litigation, and the potential difficulty of
25 obtaining certification of the Action as well as trying the claims of the Class Members. (*Id.*) Class Counsel
26 is mindful of the potential problems of proof under, and possible defenses to, the claims alleged in the
27 Action. (*Id.*) Class Counsel has also taken into account Defendant's potential defenses to Plaintiff's
28

1 allegations. (*Id.*) Class Counsel believes that the Settlement set forth in the Stipulation confers substantial
2 benefits upon Plaintiff and the Class Members and that an independent review of the Stipulation by the
3 Court in the approval process will confirm this conclusion. (*Id.*) Based on their own independent
4 investigation and evaluation, Class Counsel has determined that the Settlement set forth in the Stipulation
5 is in the best interests of Plaintiff and the Class Members. (*Id.*)

6 **V. THE SETTLEMENT TERMS**

7 **A. Class and PAGA Group Members**

8 For settlement purposes only, the Parties agree to define the “Class” or “Class Members” as non-
9 exempt and/or hourly-paid, current and former employees of Defendants, who performed worked at 880
10 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at
11 any time during the period of August 12, 2016 up to and including August 23, 2021 (the “Class Period”).
12 (Cole Decl., ¶ 22; SA ¶ 1.7).

13 “PAGA Group Member(s)” is defined as all allegedly aggrieved non-exempt and/or hourly-paid,
14 current and former employees of Defendants, who performed work at 880 S. Arroyo Pkwy, Pasadena, CA
15 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355, at any time during the period of
16 June 9, 2019 through August 23, 2021 (the “PAGA Period”). (Cole Decl., ¶ 22; SA ¶ 1.8).

17 **B. Settlement Amounts**

18 The “Gross Settlement Amount” refers to a fund in the sum of One Hundred Ninety Thousand
19 Dollars and Zero Cents (\$190,000.00). This Gross Settlement Amount shall be used to pay all:

20 (a) Attorneys’ fees and expenses, not to exceed \$66,500 in fees and not to exceed \$20,000 in
21 reasonable litigation costs and expenses actually incurred, to Class Counsel;

22 (b) Administration expenses to the settlement administrator, Simpluris (“Settlement
23 Administrator”);

24 (c) A service award to the Class Representative, not to exceed \$7,500;

25 (d) Civil penalties in the amount of \$5,000 under the Private Attorneys General Act of 2004, as
26 codified at California Labor Code §§ 2698, *et seq.* (“PAGA Payment”); and

1 (e) Net Settlement Amount (which is inclusive of 25% of the PAGA Payment and Employment
2 and Payroll Taxes¹). (Cole Decl., ¶ 23; SA ¶ 6.1(a)-(e)).

3 The parties have specifically agreed that the employer-side payroll taxes will be paid from the
4 Gross Settlement Amount. (Cole Decl., ¶ 24; SA ¶¶ 1.28, 6.2(d).)

5 The “Net Settlement Amount” means the net amount that Defendants will pay to all Class
6 Members who did not opt out of the Settlement (“Settlement Class Members” or “Settlement Class”), that
7 shall be paid out of the Gross Settlement Amount. (Cole Decl., ¶ 25; SA ¶¶ 1,24, 6.1).

8 “Administration Expenses” are all costs and expenses due the Settlement Administrator in
9 connection with its administration of the Class Settlement, including, but not limited to, providing the
10 Notice of Proposed Class Action Settlement and Hearing Date for Court Approval (“Class Notice”),
11 locating Class Members, processing requests for exclusion and objections, and calculating, administering
12 and distributing individual settlement payments to Settlement Class Members and related tax forms, shall
13 be paid from the Gross Settlement Amount. (Cole Decl., ¶ 26; SA ¶¶ 1.2, 4.5).

14 “Service Award” means any additional monetary payment provided to the Class Representative
15 for her efforts and risks on behalf of the Class Members in this Action, not to exceed Seven Thousand,
16 Five Hundred Dollars (\$7,500), subject to Court approval. (Cole Decl., ¶ 27; SA ¶ 4.1).

17 Each Settlement Class Member shall be eligible to receive payment of a share of the Net Settlement
18 Amount based on the pro rata number of work-weeks allocated to the Settlement Class Member as a
19 proportion of all work-weeks allocated to all Settlement Class Members. (Cole Decl., ¶ 28; SA ¶¶ 4.2,
20 6.2). Each Settlement Class Member’s share of the Net Settlement Amount will be determined by the
21 Settlement Administrator.

22
23
24 **C. Statement Regarding Class Notice**

25 In compliance with California Rules of Court 3.766(b), the Parties provide the following

26 ¹ As set forth in the Settlement Agreement, “Employment and Payroll Taxes” means the employee’s
27 and employer’s share of state and federal employment and payroll taxes and withholdings with respect
28 to the wage-portion of individual settlement payments, which is included in the Gross Settlement
Amount.

statement regarding the Class Notice that will be sent to Class Members:

1. Notice to Class Members is necessary;²
2. Upon receiving the Class Notice and Opt Out Form, Class members may exclude themselves from the Action;
3. Class Notices will be mailed to Class Members no later than 20 days after the Court grants preliminary approval of the Settlement Agreement;
4. The Notice procedures will be paid for out of the Gross Settlement Amount; and
5. The estimated cost of the Settlement Administrator's administration of the Class Notice procedures is \$9,351.

The manner of giving notice in this matter complies with California Rules of Court 3.766(e)-(f) because it will protect the interests of the Class by providing the most reliable and efficient method of providing notice to Class Members and informing them of their options related to the Settlement.

The Settlement Administrator will be responsible for translating the Class Notice from English to Spanish and Vietnamese. (SA, ¶ 5; Declaration of Settlement Administrator in Support of Motion for Preliminary Approval of Class and Representative Action Settlement, ¶ 13, Exhibit C.)

D. Opt-Out and Exclusion Procedure

Class Members may elect to opt out of the Settlement and, thus, exclude themselves from the Settlement Class. (Cole Decl., ¶ 30; SA, at ¶¶ 1.33, 5.6). Class Members who wish to exercise this option must mail to the Settlement Administrator a written request for exclusion that is postmarked no later than forty-five (45) calendar days after the Class Notice is mailed to the Class ("Response Deadline"). (*Id.*) If a timely and valid request for exclusion is not received by the Settlement Administrator from a Class

² The Court's order file stamped December 15, 2021 states, "If the class data is to be maintained as confidential, explain why this is in the best interest of the Class and why it wouldn't impede Class Counsel's ability to discharge their fiduciary duties." Limiting the dissemination of class data is in the best interest of the Class because it protects the privacy of Class Members and limits the chances that private information will be inadvertently divulged. Moreover, confidentiality will not impede Class Counsel's ability to discharge their fiduciary duties to the Class because the Class Notice will include contact information for Class Counsel and the Settlement Administrator. Therefore, Class Members can easily communicate with Class Counsel, if they want to do so, or if the Settlement Administrator is not able to answer a Class Member's questions.

1 Member on or before the Response Deadline, then that Class Member will be deemed to have forever
2 waived his or her right to seek exclusion from the Settlement and shall be bound by the Settlement and
3 Judgment. (*Id.*)

4 The Class Notice will advise Class Members of the option to opt out of the Settlement and will
5 contain instructions on how to do so. (Cole Decl., ¶ 30; SA, at ¶¶ 1.33, 5.6). Class Members who do
6 validly request exclusion from the Settlement by submitting a valid and timely Request for Exclusion shall
7 not be bound by the terms of the Settlement, shall not be allowed to object to the Settlement, and shall not
8 be entitled to any benefits as a result of the Settlement. (*Id.*) However, to the extent that a Class Member
9 is also a PAGA Group Member, he or she will be bound by the Released PAGA Claims and will receive
10 a portion of the PAGA settlement, notwithstanding his or her Request for Exclusion.

11 **E. Non-Cashed Settlement Checks**

12 Checks to Class Members shall be valid for a period of one hundred and eighty (180) calendar
13 days after they are mailed, and thereafter, will be cancelled. (Cole Decl., ¶ 31; SA, at ¶ 6.5). Funds
14 associated with cancelled checks will be donated to Bet Tzedek, an organization that provides legal aid to
15 low-income individuals and families including related to employment issues. (*Id.*) Neither the Parties
16 nor their counsel have any interest or involvement with the proposed cy pres recipient, Bet Tzedek. (Cole
17 Decl., ¶ 32.)

18 **F. Scope of Release**

19 **1. Class Action**

20 Upon the Effective Date, as defined below, the Settlement Class Members and Plaintiff, release,
21 discharge, and agree to hold harmless the Released Parties, and each of them, from any and all Released
22 Claims, as defined herein. (SA, at ¶ 9.1).

23 “Released Claims” means any and all federal and California state law wage-and-hour claims,
24 rights, demands, liabilities, and/or causes of action of every nature and description arising from any and
25 all claims that were alleged or could have been alleged in the Complaint based on the facts contained
26 therein, arising during the Class Period, including, without limitation, statutory, constitutional,
27 contractual, and/or common law claims for wages, reimbursements, damages, unpaid costs, penalties
28

(including penalties under the California Labor Code’s Private Attorneys General Act of 2004, as amended, California Labor Code §§ 2698, et seq.), liquidated damages, punitive damages, interest, attorneys’ fees, litigation costs, restitution, or equitable relief, including without limitation, California Labor Code §§ 200, 201, 202, 203, 204, 218, et seq., 218.5, 226, et seq., 226.7, 510, 512, 558, 1174, 1174(d), 1174.5, 1182.12, 1194, et. seq., 1197, et seq., 1197.1, 1198, 2698, et seq., 2699, 2699.3, and any federal counterparts, California Business and Professions Code §§ 17200-17208, any IWC Wage Orders, California Code of Civil Procedure § 1021.5, any claims for meal and rest period violations; unpaid minimum wages or overtime wages; untimely pay during and at termination of employment, unreimbursed business expenses, record-keeping violations, and/or inaccurate pay stubs arising under Labor Code section 226; and any unlawful deductions; and causes of action for (i) unlawful failure to pay wages (Labor Code §§ 200-204, 510, 558, 1194; IWC Wage Order); (ii) Failure to provide meal and rest periods (Labor Code §§ 226.7, 512); (iii) Failure to provide itemized wage statements (Labor Code §§ 226, 1174); (iv) Failure to timely pay wages on termination (Labor Code § 203); (v) Unfair business practices under the Unfair Competition Act (Bus. & Prof. Code §§ 17200-17208); and (vi) Private Attorneys General Act of 2004 (Labor Code §§ 2698, et seq.). “Released Claims” shall only refer to employment claims (as enumerated above) arising out of labor performed at 880 S. Arroyo Pkwy, Pasadena, CA 91105 and/or 25060 Avenue Stanford, Suite 200, Valencia, CA 91355. No release in this Settlement shall be effective until the Gross Settlement Amount is fully funded.

The Effective Date shall be the date when all of the following events have occurred: (a) the Stipulation has been executed by all Parties; (b) the Court has given preliminary approval to the Settlement; (c) notice has been given to the Class Members providing them with an opportunity to opt out of the Settlement; (d) the Court has held a Final Approval Hearing and entered the Final Approval order and Judgment; (e) The Gross Settlement Amount is fully funded; and (f) the later of the following events: the expiration of the period for filing any appeal, writ, or other appellate proceeding challenging the Final Approval Order and Judgment has elapsed without any appeal, writ or other appellate proceeding having been filed; or the dismissal of any appeal, writ, or other appellate proceeding opposing the Settlement with no right to pursue further remedies or relief; or any appeal, writ, or the issuance of such other final

1 appellate order upholding the Final Approval Order and Judgment with no right to pursue further remedies
2 or relief. (*Id.*) In this regard, it is the intention of the Parties that the Settlement shall not become effective
3 until the Final Approval Order and Judgment is completely final and there is no further recourse by an
4 appellant or objector who seeks to contest the Settlement. (*Id.*) In *Amaro v. Anaheim Arena Management,*
5 *LLC* (2021) 69 Cal.App.5th 521, 537, the Court of Appeal explained that “a court cannot release claims
6 that are outside the scope of the allegations of the complaint.” Here, the operative complaint alleges
7 various wage and hour claims. The release language is confined to wage and hour matters. Therefore,
8 the release complies with *Amaro* because the only claims that are being released were alleged in the
9 operative complaint or could have been alleged based on the facts in the operative complaint. Similarly,
10 the release of PAGA claims is limited to claims for penalties that were brought or could have been brought
11 based on the facts alleged in the notice to the LWDA. (A copy of the LWDA letter is attached as Exhibit
12 3 to the SA.)

13 **VI. PRELIMINARY APPROVAL OF THE SETTLEMENT IS APPROPRIATE**

14 Settlement of a class action requires court approval to prevent fraud, collusion, or unfairness to the
15 class. (*Dunk v. Ford Motor Co.* (1996) 48 Cal. App. 4th 1794, 1800-01.) The purpose of the preliminary
16 evaluation of class action settlements is to determine whether the proposed settlement is within the range
17 of possible approval, and whether notice to the class of the settlement terms and conditions and the
18 scheduling of a formal fairness hearing is worthwhile. (*Wershba v. Apple Computer, Inc.* (2001) 9
19 Cal.App.4th 224, 234-35, disapproved on other grounds in *Hernandez v. Restoration Hardware, Inc.*
20 (2018) 4 Cal.5th 260, 270.) To determine whether a class settlement is fair, adequate, and reasonable, a
21 court must be provided with “basic information about the nature and magnitude of the claims in question
22 and the basis for concluding that the consideration being paid for the release of those claims represents a
23 reasonable compromise.” (*Clark v. American Residential Services LLC*, (2009) 175 Cal. App. 4th 785,
24 799.)

25 When deciding whether a class action settlement is fair, the trial court must exercise its discretion
26 through the application of several well-recognized factors. (*Clark, supra*, 175 Cal. App. 4th at 799.) The
27 list of factors is not exhaustive and “should be tailored to each case,” and includes “the strength of
28

1 plaintiff's case, the risk, expense, complexity and likely duration of further litigation, the risk of
2 maintaining class action status through trial, the amount offered in settlement, the extent of discovery
3 completed and the stage of the proceedings, the experience and views of counsel, the presence of a
4 governmental participant, and the reaction of the class members to the proposed settlement.” (*Kullar v.*
5 *Foot Locker Retail, Inc.* (2008) 168 Cal. App. 4th 116, 128 (quoting *Dunk*, 48 Cal. App. 4th at 1801.)) In
6 determining whether to approve a class action settlement, the most important factor the trial court should
7 consider is the strength of the case for plaintiff on the merits, balanced against the amount offered in
8 settlement. (*Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal. App. 4th 399, 407-08;
9 *Kullar, supra* 168 Cal. App. 4th at 130.) Thus, at the preliminary approval stage, the trial court must
10 determine that the settlement was not the product of fraud, overreaching or collusion, and that the
11 settlement is fair, reasonable, and adequate. (*Nordstrom Com'n Cases* (2010) 186 Cal. App. 4th 576,
12 581.)

13 Here, Class Counsel assesses the potential exposure on the claims asserted in the operative
14 complaint as follows:

- 15 a. Failure to Pay Wages –Class Counsel “assessed the potential exposure for meal and rest period
16 wages at \$30,030.” (Cole Decl., ¶ 34.a.) Class Counsel states: “This is based on the following
17 analysis of Defendant’s data: the class worked a total of 231 weeks, had an average hourly rate
18 of \$13, and assuming five violations per worker, per week (unlikely to actually be the case).”
19 (*Id.*) Defendants maintain that they always provided employees with the opportunity to take
20 timely and compliant meal and rest breaks. (*Id.*) Defendants contend they had compliant
21 policies. Again, Mr. Stax contends that it was not Plaintiff’s employer. (*Id.*)
- 22 b. Failure to Provide Accurate Itemized Wage Statements – Class Counsel “assessed the potential
23 exposure for wage statement penalties at \$110,60 [sic] because Defendants’ data showed a
24 total number of pay periods of 1079.” (Cole Decl., ¶ 34.b.) Class Counsel states: “The initial
25 violations were \$2,750 (number of total class members times the \$50 statutory penalty).” (*Id.*)
26 Class Counsel further states: “The subsequent violations were \$107,900 (1079 pay periods
27 times \$100 statutory penalty capped at \$4,000 per person).” (*Id.*) Class Counsel states: “The
28

combined penalties come out to \$110,650.” (*Id.*) Defendants maintain that their wage statements contained all information required by Labor Code § 226. (*Id.*) Again, Mr. Stax contends that it was not Plaintiff’s employer. (*Id.*)

c. Failure to Pay Wages on Termination – Class Counsel “assessed the potential exposure for waiting time penalties at \$171,600.” (Cole Decl., ¶ 34.c.) Class Counsel states: “This is based on Defendants’ data.” (*Id.*) Class Counsel further states; “Specially [sic], the average hourly rate was \$13. Times 8 hours worked comes out to \$104 dollars per day per class member. The 30-day maximum comes out to \$3,120 per class members. Assuming the maximum penalty for each class member comes out to \$171,600.” (*Id.*) Defendants argue that they accurately and timely paid employees’ wages during the relevant time period. (*Id.*) Again, Mr. Stax contends that it was not Plaintiff’s employer. (*Id.*)

d. Unfair Business Practices (Business & Professions Code § 17200) – Class Counsel “assessed the potential monetary exposure for the UCL claim to be minimal because the UCL does not provide for money damages, only equitable relief.” (Cole Decl., ¶ 34.d.) Defendants maintain that their business practices were lawful, fair, and not fraudulent. (*Id.*) Again, Mr. Stax contends that it was not Plaintiff’s employer. (*Id.*)

e. Private Attorneys General Act Claim (Labor Code § 2699) – Paragraph 34.e of the Declaration of Scott Cole in Support of Plaintiff’s Motion for Preliminary Approval of Class and Representative Action Settlement states that Class Counsel “assessed the potential exposure for PAGA civil penalties at \$428,936 because. [sic] The initial statutory penalty is \$50 with a penalty of \$100 for subsequent violations. The total penalties for initial violations were \$2,750 (55 employees times \$50). Penalties for the subsequent violations amount to \$107,900 (1079 subsequent violations times \$100).” Defendants deny that there are any underlying violations of the Labor Code, and as such, an award of civil penalties under PAGA would be inappropriate under these circumstances. (Cole Decl., ¶ 34.e.) Class Counsel states: “Thus, PAGA Payment is fair to PAGA Group Members because this will maximize the amount of the settlement allocated to them.” (*Id.*)

1 Defendants deny that, for any purpose other than settling this Action, these claims are appropriate
2 for class or representative treatment. (Cole Decl., ¶ 15; SA ¶ 2.7(b).) Nonetheless, Defendants have
3 concluded that further proceedings in the Action would be protracted and expensive and agree to the
4 Settlement.

5 In considering the merits of this Settlement, Class Counsel analyzed the strengths of the case versus
6 the amount offered in settlement; the risk, expense, and complexity and likely duration of further litigation
7 and maintaining class certification through trial. (Cole Decl., ¶ 33.) Defendants and their counsel have
8 also taken into account the uncertainty and risks inherent in any litigation, especially in complex cases
9 such as the Action.

10 Plaintiff and Class Counsel contend that the Settlement provides a substantial benefit to all Class
11 Members. (Cole Decl., ¶ 33; Declaration of Plaintiff Vanessa Gonzalez in Support of Motion for
12 Preliminary Approval of Class and Representative Action Settlement (“Gonzalez Decl.”), ¶ 8.) To that
13 end, Plaintiff and Class Counsel also contend that the Gross Settlement Amount of \$190,000 is an
14 excellent result, given the highly disputed nature of the claims, and warrants preliminary approval. (*Id.*)
15 In reaching this Settlement, Class Counsel carefully considered the strength of the case versus the amount
16 offered in settlement and the risk, expense, and complexity of maintaining class certification through trial;
17 the present state of the law as it applies to wage-and-hour class actions; and the burdens of proof necessary
18 to establish liability against Defendants. (Cole Decl., ¶ 33.) Defendants have concluded that further
19 proceedings in the Action would be protracted and expensive and agree to the Action being fully and
20 finally settled in the manner and upon the terms and conditions set forth in the Stipulation in order to
21 dispose of burdensome and protracted litigation, to permit the operation of Defendants’ respective
22 businesses without further expensive litigation and the distraction and diversion of their personnel with
23 respect to matters at issue in the Action. (Cole Decl., ¶ 15; SA ¶ 2.7 (b).)

24 **A. The Settlement is Presumptively Fair**

25 California courts recognize that a “presumption of fairness exists where (1) the settlement is reach
26 through arm’s-length bargaining; (2) sufficient investigation allows counsel and the court to act
27 intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small.”
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(*Dunk, supra*, 48 Cal. App. 4th at 1802.) Here, although the percentage of objectors is unknown at this time, the Settlement objectively meets the other requirements and this Court should give considerable weight to the competency and integrity of the Parties' counsel, who are experienced in wage and hour class action litigation and reached the Settlement with the assistance of mediator Eve Wagner and through arm's-length negotiations without self-dealing or other misconduct. (*See Kullar, supra* 168 Cal. App. 4th at 129.)

i. The Settlement is the Product of Arm's-Length Negotiations

"[W]hat transpires in settlement negotiations is highly relevant to the assessment of a proposed settlement's fairness." (*State v. Levi Strauss & Co.* (1986) 41 Cal. 3d 460, 482.) Courts presume the absence of fraud or collusion in the negotiation of a settlement unless evidence to the contrary is offered. In short, there is a presumption that the negotiations were conducted in good faith. (*William B. Rubenstein, et al., Newberg on Class Actions* § 13:45 (5th ed. 2011-2017.))

On March 5, 2021, the Parties participated in a mediation before experienced employment mediator Eve Wagner. (Cole Decl., ¶ 16; SA ¶ 2.4.) At mediation, the Parties engaged in intensive discussions regarding their evaluations of the litigation and various aspects of the litigation, including the risks and delays of further litigation, the risks to the Settling Parties of proceeding with class certification, the law relating to the allegations, the evidence produced and analyzed, and the possibility of appeals, among other things. (*Id.*) Following mediation, on April 7, 2021, with the assistance of the mediator's evaluation, the Parties reached a settlement of the Action. (*Id.*)

Based on the information, data, and documents exchanged, and their own independent investigation and evaluation, Class Counsel is of the opinion that the settlement with Defendants for the consideration and on the terms set forth in the Stipulation is fair, reasonable, and adequate and is in the best interest of the Class Members in light of all known facts and circumstances. (Cole Decl., ¶ 19) Further, the Class Representative has carefully evaluated the terms of the Settlement, and, based upon that review, has determined that it is fair, reasonable, and adequate. (*Id.*; Gonzalez Decl., ¶¶ 7-8.)

Based on the exchange of information and documents, the mediation session, and the Parties'

negotiations and discussions, Class Representative and Class Counsel have assessed the Parties' positions and evaluated the value of the claims of the Class. (Cole Decl., ¶¶ 20, 34; SA ¶ 2.5(a).) The information and documents exchanged by the Parties and settlement discussions are sufficient to reliably assess the merits of the Parties' respective positions and to compromise the issues on a fair and equitable basis. (Cole Decl., ¶ 20.)

ii. The Settlement is the Product of Informed Investigation And Discovery

There is a presumption that a proposed settlement is fair and reasonable when there has been sufficient investigation and discovery to permit counsel and the court to act intelligently, and counsel are experienced in similar litigation. (*Dunk, supra*, 48 Cal. App. 4th at 1802.)

Class Counsel has "conducted a thorough investigation into the facts of the Action," including "limited formal discovery, extensive informal discovery and exchange of a volume of documents and information, which included and was not limited to, Seven Forty One's production of a sampling of information/data for 19% of the putative class members to allow Plaintiff to perform an analysis and valuation of all claims."³ (Cole Decl., ¶ 18; SA ¶ 2.3.) Prior to mediation the Parties exchanged information and documents to investigate the veracity, strength, and scope of the claims, and to allow analysis and evaluation of the claims and Defendants' defenses thereto. (*Id.*) Class Counsel's investigation included but was not limited to interviewing Plaintiff, reviewing publicly available information about Defendants, and relying on substantial prior experience with and knowledge of this industry. (Cole Decl., ¶ 18.) The Class Representative has vigorously prosecuted this case, and Defendants have vigorously contested it including Plaintiff's allegation that Mr. Stax was her employer. (*Id.*)

Class Counsel believes that the documents and information exchanged and analyzed in preparation for mediation, as well as the Parties' discussions during mediation and subsequent negotiations, are sufficient for the Parties to make an informed decision about a fair resolution of this action. (Cole Decl., ¶ 18.)

³ Defendants provided the number of full-time equivalent employees and total number of workweeks from August 12, 2016 to August 23, 2021, which Class Counsel then used to perform an analysis and valuation of all claims extrapolated to the entire Class. Defendants also produced the number of employees and workweeks in the PAGA Period from August 12, 2019 through August 23, 2021. In addition to this data, Defendants produced their Employee Handbooks, which contain all relevant employee policies implicated by Plaintiff's wage and hour claims.

1 **iii. Class Counsel are Highly Experienced and Support Preliminary Approval**

2 Although the recommendations of counsel proposing the class settlement are not conclusive, the
3 Court can properly consider the recommendations, particularly if counsel have been involved in litigation
4 for some period of time, appear to be competent, have experience with this type of litigation, and
5 significant discovery has been completed. (*Newberg on Class Actions* § 13:53 (5th ed. 2011-2017.))

6 Class Counsel, Cole & Van Note, is a very specialized practice, devoted almost exclusively to the
7 prosecution of wage and hour class action matters such as this Action. (Cole Decl., ¶ 7.) Class Counsel
8 has prosecuted roughly 300 wage and hour class actions. (Cole Decl., ¶ 7; Exh. 3.)

9 **B. The Settlement Provides Substantial Monetary Relief to The Class**

10 **i. The Settlement Provides Fair, Reasonable, and Adequate Relief to The Class**
11 **Members in Light of the Significant Risks and Expense of Further Litigation**

12 In order to determine whether a class settlement is fair, adequate, and reasonable, courts must be
13 provided with “basic information about the nature and magnitude of the claims in question and the basis
14 for concluding that the consideration being paid for the release of those claims represents a reasonable
15 compromise.” (*Kullar, supra*, 168 Cal. App. 4th at 133; *Clark, supra*, 175 Cal. App. 4th at 799.) A
16 settlement is not judged against what might have been recovered had a plaintiff prevailed at trial, nor does
17 the settlement have to provide 100% of the damages sought to be fair and reasonable. (*Wershba, supra*,
18 91 Cal. App. 4th at 246, 250.)

19 Here, the Settlement results in a substantial benefit to all Class Members, and the Gross Settlement
20 Amount of \$190,000.00 is an excellent result by any measure and warrants preliminary approval. (Cole
21 Decl., ¶ 33.) In reaching this Settlement, Class Counsel carefully considered the strength of the case
22 versus the amount offered in settlement; the risk, expense, complexity, and likely duration of further
23 litigation and maintaining class certification through trial; the present state of the law as it applies to wage
24 and hour class actions; and the burdens of proof necessary to establish liability against Defendants. (*Id.*)

25 Plaintiff and Class Counsel recognize and acknowledge the expense and delay of continued
26 lengthy proceedings necessary to prosecute the Action against Defendants through trial and through
27 appeals. (Cole Decl., ¶ 21; SA ¶ 2.5.) Class Counsel has taken into account the uncertain outcome of the
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1 litigation, the risk of continued litigation in complex actions such as this, as well as the difficulties and
2 delays inherent in such litigation, and the potential difficulty of obtaining certification of the Action as
3 well as trying the claims of the Class Members. (*Id.*) Class Counsel is mindful of the potential problems
4 of proof under, and possible defenses to, the claims alleged in the Action. (*Id.*) Class Counsel has also
5 taken into account Defendants' potential defenses to Plaintiff's allegations. (*Id.*) Class Counsel believes
6 that the Settlement set forth in the Stipulation confers substantial benefits upon Plaintiff and the Settlement
7 Class Members and that an independent review of the Stipulation by the Court in the approval process
8 will confirm this conclusion. (*Id.*) Based on their own independent investigation and evaluation, Class
9 Counsel has determined that the Settlement set forth in the Stipulation is in the best interests of Plaintiff
10 and the Class Members. (*Id.*)

11 Defendants deny and continue to deny each and all of the allegations, claims, and contentions
12 alleged by Plaintiff in the Action. (Cole Decl., ¶¶ 14-15; SA, at ¶ 2.7(a).) Defendants have expressly
13 denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the
14 conduct, statements, acts or omissions alleged in the Action. (*Id.*) Seven Forty One contends that it
15 complied in good faith with California and federal wage and hour laws and dealt legally and fairly with
16 Plaintiff and Class Members. (*Id.*) Further, Seven Forty One contends that it appropriately paid its
17 employees at all times, that it always provided employees with the opportunity to take timely and
18 compliant meal and rest breaks, that it complied with all applicable wage-and-hour laws, and all other
19 laws, at all times, and that, if this matter were to be further litigated, it would have strong defenses on the
20 merits and as to class certification. (*Id.*) In evaluating its position at mediation, Seven Forty One agreed
21 to the Gross Settlement Amount with the express understanding that the Gross Settlement Amount
22 included its share of Employment and Payroll Taxes. (*Id.*) Additionally, Mr. Stax denies that it employed
23 either Plaintiff or most of the Class Members for purposes of the claims alleged in the Action. (*Id.*) Mr.
24 Stax contends that it complied in good faith with California and federal wage and hour laws and dealt
25 legally and fairly with Plaintiff and Settlement Class Members. (*Id.*) Further, Mr. Stax contends that it
26 appropriately paid its employees at all times, that it always provided employees with the opportunity to
27 take timely and compliant meal and rest breaks, that it complied with all applicable wage-and-hour laws,
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1 and all other laws, at all times, and that, if this matter were to be further litigated, it would have strong
2 defenses on the merits and as to class certification. (*Id.*)

3 **ii. The Amount Offered in Settlement Supports the Preliminary Approval of the**
4 **Settlement**

5 The Settlement results in a substantial benefit to all Class Members and the Gross Settlement
6 Amount of \$190,000 is an excellent result given the highly disputed nature of the claims and warrants
7 preliminary approval. (Cole Decl., ¶ 33.) In reaching this settlement, Class Counsel carefully considered
8 the strength of the case versus the amount offered in settlement and the risk, expense, and complexity of
9 maintaining class certification through trial. (*Id.*) Class Counsel analyzed the strengths of the case versus
10 the amount offered in settlement; the risk, expense, and complexity and likely duration of further litigation
11 and maintaining class certification through trial; the present state of the law as it applies to wage-and-hour
12 class actions; and the burdens of proof necessary to establish liability against Defendants. (*Id.*)

13 **iii. The Settlement Has No Obvious Deficiencies and Does Not Grant Improper**
14 **Preferential Treatment to Part of the Class or the Class Representatives**

15 Each Settlement Class Member shall be eligible to receive payment of the Individual Settlement
16 Amount, which is a share of the Net Settlement Amount based on the pro rata number of Workweeks
17 allocated to a Settlement Class Member as a proportion of all Workweeks allocated to all Settlement Class
18 Members. (Cole Decl., ¶ 28; SA, at ¶ 4.2). As such, all Class Members are therefore treated equitably and
19 fairly, and no Class Member is granted improper preferential treatment, as distribution of the Net
20 Settlement Amount takes into consideration the length of employment for each Class Member and the
21 number of violations suffered. (*Id.*)

22 **C. The Work Performed by Class Counsel Supports the Fees and Costs Requested**

23 The California Supreme Court has unanimously held “that when class action litigation establishes
24 a monetary fund for the benefit of the class members, and the trial court in its equitable powers awards
25 class counsel a fee out of that fund, the court may determine the amount of a reasonable fee by choosing
26 an appropriate percentage of the fund created.” (*Laffitte v. Robert Half International, Inc.* (2016) 1 Cal.
27 5th 480, 503.) The Court further held that although trial courts have discretion to use a lodestar multiplier
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1 cross-check or to forego a lodestar multiplier cross-check if some other means to evaluate the
2 reasonableness of a requested fee percentage exists, “the percentage method is a valuable tool that should
3 not be denied our trial court.” (*Laffitte, supra*, 1 Cal.5th at 503-06.) California courts have awarded
4 common fund fees calculated using a percentage-of-fund method that is not dependent on counsel’s
5 lodestar amount. (*In re Sutter Health Uninsured Pricing Cases* (2009) 171 Cal. App. 4th 495, 512; *Bell*
6 *v. Farmers Ins. Exch.* (2004) 115 Cal. App. 4th 715, 726; *Apple Computer, Inc. v. Superior Ct.* (2005) 126
7 Cal. App. 4th 1253, 1270.)

8 The settlement provides for an attorneys’ fee award of 35% of the settlement amount, a typical
9 percentage in the resolution of common fund cases. (Declaration of Scott Cole in Support of Plaintiff’s
10 Motion for Preliminary Approval of Class and Representative Action Settlement, file stamped September
11 3, 2021, ¶ 44.) Class Counsel has devoted numerous hours to and faced significant risk⁴ in the prosecution
12 of this matter and, more importantly, made an extraordinary fund available given the challenges faced
13 here and the modest claim values—to a large number of otherwise- underrepresented, low paid workers.
14 (*Id.*)

15 The “common fund” method, or “percentage-of-the-benefit” analysis, calculates attorneys’ fees
16 based on a percentage of the common benefit to the class. (*In re Consumer Privacy Cases*, 175 Cal.App.4th
17 545 (2009); *Serrano v. Priest*, 20 Cal.3d 25 (1977).) In cases where a common fund has been created—
18 i.e., where each class member will “receive a mathematically ascertainable payment”⁵—California state
19 courts,⁶ the Ninth Circuit⁷ and the United States Supreme Court⁸ agree that awarding attorneys’ fees as a
20 percentage of the common fund is the proper method.⁹

21 ⁴ Class Counsel undertook this matter solely on a contingent basis, with no guarantee regarding the
22 potential duration of the litigation or even the ultimate reimbursement of fees or costs.

23 ⁵ (*Vasquez*, 266 F.R.D. 482 at *491 (E.D. Cal. 2010).)

24 ⁶ See, fn. 10; (*Lealao v. Beneficial California*, 82 Cal.App.4th 19 (2000); *Serrano v. Priest*, 20 Cal.3d
25 25 (1977).)

26 ⁷ (*Staten v. Boeing Co.*, 327 F.3d 938, 952 (9th Cir. 2003); *Powers v. Eichen*, 229 F.3d 1249, 1256 (9th
27 Cir. 2000).)

28 ⁸ The United States Supreme Court has always computed common fund fee awards on a percentage of
the fund basis. (*Boeing Co. v. Van Gemert*, 444 U.S. 472, 100 S.Ct. 745 (1980); *Central Railroad &*
Banking Co. of Georgia v. Pettus, 113 U.S. 116, 5 S.Ct. 387 (1885); *Sprague v. Ticonic Nat’l Bank*, 307
U.S. 161, 59 S.Ct. 777 (1939).)

⁹ A lodestar approach (enhanced by a multiplier) can be used as an alternative to the common fund
theory when “there is no way to gauge the net value of the settlement or any percentage thereof.”
(*Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1029 (9th Cir. 1998).)

As expressed by the Third Circuit’s Task Force on the Selection of Class Counsel¹⁰, in Conte and Newberg’s treatise on class actions (“Newberg”)¹¹ and, *inter alia*, in *Blum v. Stenson*, 465 U.S. 886, 900 n.16 (1984), the rationale for this is commonsensical: in common fund cases, fees are not assessed against the unsuccessful litigant (a.k.a. “fee shifting”), but rather, are taken from the fund or damage recovery (a.k.a. “fee spreading”). In contrast to the calculation of a statutory fee, payable by the Defendant depending on the extent of success achieved, a common fund is itself the measure of success and represents the benchmark from which a fee will be awarded. 5 *Newberg* § 15.53 at 183. Consequently, the analysis in a common fund case focuses not on the plaintiffs’ position as “prevailing parties,” but on a showing that the fund conferring a benefit on the class which resulted from their efforts. *Id.*, § 2.06 at 40.¹²

Here, Class Counsel harnessed evidence from all available resources, conducted formal and informal discovery and, thereupon, used its skills and experience to negotiate an outstanding result for Class Members. (Declaration of Scott Cole in Support of Plaintiff’s Motion for Preliminary Approval of Class and Representative Action Settlement, file stamped September 3, 2021, ¶ 44.) A common fund doctrine award of fees for that work performed,¹³ risks assumed and results achieved is appropriate. (*Id.*)

¹⁰ See, (*Third Circuit Task Force on the Selection of Class Counsel* (Final Report, January 2002), available at <https://www.ca3.uscourts.gov/sites/ca3/files/final%20report%20of%20third%20circuit%20task%20for%20ce.pdf> (recommending that all fee awards in common fund cases be awarded as a percentage of the fund, but that a lodestar analysis continue to be the applicable method for determining statutory fee shifting awards); *Report of the Third Circuit Task Force*, 108 F.R.D. 237, 255 (hardcopy not exhibited here due to length of document).)

¹¹ *Newberg on Class Actions* (5th ed. 2017).

¹² The common fund doctrine is based on the commonsense notion that the “one who expends attorneys’ fees in winning a suit which creates a fund from which others derive benefits, may require those passive beneficiaries to bear a fair share of the litigation costs.” (*Quinn v. State of California* (1975) 15 Cal.3d 162, 167; *Boeing Co. v. Van Gemert*, 444 U.S. 472, 478 (1980) [“a lawyer who recovers a common fund for the benefit of persons other than himself or his client is entitled to a reasonable attorney’s fee from the fund as a whole,” and class members who benefit from a lawsuit “without contributing to its cost are unjustly enriched at the successful litigant’s expense.”].)

¹³ Attorney fee awards in common funds cases are intended to compensate class counsel for work performed both before and after the date of judgment. In nearly every class action, the efforts during litigation and in pursuing approval of the settlement are only part of the overall work picture. Post judgment, class counsel is required to stay in close contact with the claims administrator to ensure payment of the settlement proceeds, to communicate with class members, their CPAs, even other attorneys regarding the tax treatment of settlement proceeds, and report compliance with the terms of the Court’s final approval order thereto.

1 **D. Service Awards to the Class Representatives are Routinely Awarded**

2 Courts routinely approve service awards to compensate named plaintiffs for the services they
3 provide and the risks they incur during the course of the class litigation. (*Bell v. Farmers Ins. Exch.* (2004)
4 115 Cal. App. 4th 715, 726 (upholding “service payments” to plaintiffs for their efforts in bringing a class
5 case); *Manual for Complex Litigation (Fourth)* § 21.62 n. 971 (2004) (noting that service awards are
6 warranted).) In approving service awards, courts frequently approve awards as high as \$10,000 or more.
7 (*In re Cellphone Termination Cases*, (2010) 186 Cal. App. 4th 1380, 1393-95 (upholding \$10,000 service
8 award to each of four class representatives).) The factors the courts use in determining the amount of an
9 award include: (1) a comparison between the service awards and the range of monetary recovery available
10 to the class; (2) time and effort put into the litigation; (3) whether the litigation will further the public
11 policy underlying the statutory scheme; and (4) risks of retaliation. (*See Clark, supra*, 175 Cal. App. 4th
12 at 804-07.)

13 Here, Plaintiff requests a Service Award not to exceed \$7,500.00. (Cole Decl., ¶ 36; Gonzalez
14 Decl., ¶¶ 9-10.)

15 **VII. PROVISIONAL CERTIFICATION OF THE CLASS IS APPROPRIATE**

16 Provisional certification is appropriate at the preliminary approval stage where, as here, the Court
17 has not yet certified the class and the requirements for certification are met.¹⁴ (*Newberg on Class Actions*
18 §§ 13:16-13:18 (5th Ed. 2011-2017); *Dunk, supra*, 48 Cal. App. 4th at 1806; *Vasquez v. Superior Court*
19 (1971) 4 Cal.3d 800, 809-811.)

20 **A. There is an Ascertainable and Sufficiently Numerous Class**

21 Whether a class is ascertainable is determined by examining the class definition, the size of the
22 class, and the means available for identifying the class members. (*See Vasquez, supra*, 4 Cal.3d at 810-
23 811.) Here, documents and information exchanged during the litigation reflect a class size of
24 approximately 170 Class Members and 10,424 Workweeks for the period of August 12, 2016 to August
25 23, 2021. (Cole Decl., ¶ 37.) The class definition is precise, objective, and presently ascertainable, and it
26 makes abundantly clear who is a Class Member. (*Id.*) In addition, Class Members can be identified easily

27 ¹⁴ Defendants do not oppose certification for settlement purposes only and deny that the class would
28 satisfy certification requirements if the issue were to be fully litigated.

1 by way of Defendant’s records. Seven Forty One maintained records containing relevant information
2 about Plaintiff and Class Members. (*Id.*) Additionally, Mr. Stax denies that it employed either Plaintiff
3 or most of the Class Members for purposes of the claims alleged in the Action. (*Id.*)

4 **B. There is a Well-Defined Community of Interest**

5 A community of interest is established by the preponderance of common issues of law and fact.
6 “The community of interest requirement involves three factors: (1) predominant common questions of law
7 or fact; (2) class representatives with claims or defenses typical of the class; and (3) class representatives
8 who can adequately represent the class.” (*Linder v. Thrifty Oil Co* (2000) 23 Cal.4th 429, 435.) For the
9 reasons set forth below, a well-defined community of interest exists in this case.

10 **i. Common Issues of Law and Fact Predominate**

11 The predominance inquiry tests whether proposed classes are sufficiently cohesive to warrant
12 adjudication by representation. (*See, e.g., Clothesrigger, Inc. v. GTE Corp.* (1987) 191 Cal. App. 3d 605;
13 *Lazar v. Hertz Corp.* (1983) 143 Cal. App. 3d 128.) Here, Plaintiff contends that common issues of fact
14 and law predominate as to “each of the claims alleged by Plaintiff on behalf of the Class, because the issue
15 of the legality of Defendant’s policies and practices is an issue that predominates the claims of all Class
16 Members.” (Cole Decl., ¶ 38.) For example, Plaintiff contends that “an issue of law common to all Class
17 Members is Defendants’ policies in effect during the claims period.” (*Id.*) In addition, Plaintiff contends
18 that “an issue of fact common to all Class Members is Defendants’ staffing practices during the claims
19 period.” (*Id.*)

20 **ii. Plaintiff’s Claims are Typical of the Claims of the Class**

21 The typicality requirement does not focus on the individual characteristics or circumstances of the
22 representative plaintiff compared to those of the remainder of the class, but rather upon the typicality of
23 the proposed representative’s claims as they relate to the defendant’s conduct and activities. (*Classen v.*
24 *Weller*, (1983) 145 Cal. App. 3d 27, 46-47.) Here, Plaintiff asserts that her claims are typical of the Class:
25 “At all times during her employment with Seven Forty One, Plaintiff performed the same or similar duties
26 as other Class Members and contend that she was a non-exempt employee, just like other Class Members.”
27 (Cole Decl., ¶ 39.) Plaintiff further contends that she “was subject to the same handbooks and policies
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1 and procedures during the Class Period, which she contends was similarly applicable to all other Class
2 Members.” (*Id.*)

3 Additionally, Mr. Stax denies that it employed either Plaintiff or most of the Class Members for
4 purposes of the claims alleged in the Action. (Cole Decl., ¶ 40.)

5 **iii. The Adequacy Requirement is Met**

6 The adequacy or representation requirement is met by fulfilling two conditions: first, a named
7 plaintiff must be represented by counsel qualified to conduct the pending litigation; second, a named
8 plaintiff’s interests cannot be antagonistic to those of the class. (*McGhee v. Crocker-Citizens Nat. Bank*
9 (1976) 60 Cal. App. 3d 442, 450.) Here, Plaintiff contends that both adequacy requirements are met.
10 First, Plaintiff contends that she “retained counsel with extensive experience in prosecuting complex wage
11 and hour class actions who have worked diligently to obtain this Settlement for the Class.” (Cole Decl.,
12 ¶ 41.) Second, Plaintiff contends that she “has no conflict of interest with the Class and has, along with
13 Class Counsel, worked toward a positive resolution of this case, demonstrating her interest in prosecuting
14 this Action and dedication to obtaining the best possible recovery for the Class.” (; Cole Decl., ¶ 41; see
15 Gonzalez Decl., ¶ 6-8..) In addition, Plaintiff contends that her “interest is co-extensive with those of the
16 Class, and Plaintiff seeks relief identical to that sought by every other Class Member.” (*Id.*) Thus, Plaintiff
17 asserts that she is “an adequate class representative because she has claims common to the class and has
18 no conflict of interest or any other interest adverse to the class.” (Cole Decl., ¶ 42.)

19 **VIII. THE PROPOSED CLASS NOTICE IS APPROPRIATE**

20 In order to protect the rights of absent class members, California Rule of Court 3.769(f) requires
21 that Class Members be provided with notice of the final approval hearing and an explanation of the
22 proposed settlement and objection procedures. Procedural due process does not guarantee any particular
23 procedure, but requires only notice reasonably calculated to apprise interested parties of the pendency of
24 the action affecting their interests and an opportunity to present their objections. (*Ryan v. Cal.*
25 *Interscholastic Fed’n – San Diego Section* (2001) 94 Cal. App. 4th 1048, 1072.) Notice that meets this
26 standard and is neutrally worded satisfies due process. (*Phillips Petroleum Co. v. Shutts* (1985).472 U.S.
27 797, 812).

1 **A. The Notice is Accurate, Informative, and Satisfies Due Process**

2 There is no statutory or due process requirement that all class members in a case receive actual
3 notice, and as the Court of Appeal has explained, “[t]he notice given should have a reasonable chance of
4 reaching a substantial percentage of the class members.” (*Cartt v. Superior Court* (1975) 50 Cal.App.3d
5 960, 973–74.) The Judicial Council of California’s Deskbook on the Management of Complex Civil
6 Litigation (Matthew Bender 2007), § 3.74, notes that individual notice by mail is preferred when possible
7 and dissemination of a combined certification/settlement notice is a common and accepted practice. (*In*
8 *re Vitamin Cases* (2003) 107 Cal. App. 4th 820, 828-29.) Here, the proposed notice plan, calling for first-
9 class mailed notice to all Class Members, as well as in-depth skip tracing at the outset, is consistent with
10 class notice practices approved by state and federal courts, and under the circumstances here, Class
11 Counsel believes it to be the best notice practicable and the method most likely to reach the greatest
12 number of Class Members. (Cole Decl., ¶ 43; SA ¶ 5.2.)

13 The proposed Class Notice provides all the information a reasonable person would need to make
14 a fully informed decision about the Settlement. (Cole Decl., ¶ 45.) The Class Notice summarizes the
15 lawsuit and the terms and conditions of the Settlement in plain language in an informative and coherent
16 manner. (*Id.*) The Class Notice also fully informs Class Members of the terms of the Settlement, of its
17 effect on their rights, of their options as Class Members (*i.e.*, to object, opt out, and/or do nothing), and of
18 the consequences of exercising those options. (*Id.*) The Class Notice also outlines the procedure and
19 deadlines for opting out of the Settlement, for submitting objections to the Settlement, and how to receive
20 a settlement payment. (*Id.*)

21 The Class Notice also states the amounts to be paid out of the Gross Settlement Amount, including
22 the the Class Member’s share of the Net Settlement Amount, the Settlement Administration Fees, the
23 Class Representative Service Award, and Class Counsel’s fees and costs. (Cole Decl., ¶ 45.) The Class
24 Notice states the date, time, and location of the Final Approval Hearing, and explains how Class Members
25 can obtain additional information. (*Id.*)

26 Furthermore, the Class Notice also makes clear that the Settlement does not constitute an
27 admission of liability by Defendants, that the Court has not ruled on the merits of the action, and that the
28

1 final settlement approval decision has yet to be made. (Cole Decl., ¶ 46.)

2 The notice will be in English, Spanish, and Vietnamese. (SA, ¶ 5.1; Declaration of Settlement
3 Administrator in Support of Motion for Preliminary Approval of Class and Representative Action
4 Settlement, ¶ 8.)

5 **IX. CONCLUSION**

6 Based on the foregoing, the Parties respectfully request that this Court enter an Order: (1)
7 preliminarily approving the Class and Representative Action Settlement; (2) provisionally certifying the
8 settlement class; (3) approving the class notice and notice plan; (4) appointing Class Representatives and
9 Class Counsel; (5) appointing the Settlement Administrator; and (6) scheduling a Final Approval Hearing.

10 DATED: April 29, 2022

CLARK HILL LLP

12 By: _____

13 Ryan C. McKim
14 Attorneys for Defendants
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Exhibit 3

Employment and Consumer
Class Action Experts

SCOTT COLE & ASSOCIATES
ATTORNEYS & COUNSELORS
555 12TH STREET, SUITE 1725
OAKLAND, CALIFORNIA 94607

Telephone: (510) 891-9800
Web: www.scalaw.com

August 12, 2020

Via On-Line Submission to:
California Labor and Workforce Development Agency
LWDA Case Number: TBD

re: **Gonzalez v. Seven Forty One Company, Inc., and Mr. Stax, Inc.**

Dear Sir or Madam:

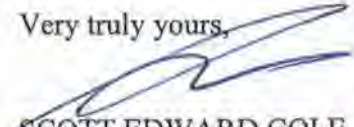
This letter will serve as Notice, as required under the California Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*), on behalf of our client, Vanessa Gonzalez ("Plaintiff"), and the Aggrieved Employees she intends to represent (specifically, all non-exempt employees of Seven Forty One Company, Inc. and Mr. Stax, Inc. ("Defendants") within the State of California at any time after August 11, 2019 (aka, the "Claims Period"). The facts and theories underpinning this dispute include, but are not necessarily limited to, the following:

Plaintiff Vanessa Gonzalez was employed as a food server by Defendants in California at Defendants' "I.H.O.P."-branded restaurants during the Claims Period and to be treated as non-exempt from the California Wage Order provisions. As such, Plaintiff was entitled to, but was routinely denied, overtime pay and the opportunity to take off-duty, uninterrupted meal and/or rest breaks and was, instead, required to remain on-duty throughout her shifts. More specifically, Defendants maintained a consistent policy which failed to provide statutorily compliant breaks arising, *inter alia*, from a lack of proper staffing of Defendants' facility, as well as insufficient communication to the entirety of its workforce regarding the timing and duration of meal/rest breaks, including a failure to explain that, even when such breaks were ostensibly available, they should be off-duty and uninterrupted. In her anticipated legal action, Plaintiff intends to allege various derivative claims for penalties arising out of these same theories.

By these allegations, Plaintiff alleges that Defendants willfully violated California Labor Code §§ 200-204, 218, 218.5, 510, 558, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199 and 2802 and §§ 11 and 12 of the relevant IWC Wage Order by failing to pay all wages due, by failing to provide Plaintiff and Aggrieved Employees with timely, full and uninterrupted meal and/or rest breaks due, by failing to issue accurate itemized wage statements, and by failing to timely pay all wages upon termination.

Please contact me if you have any questions and/or concerns. By courtesy copy of this letter, the requisite filing fee has been sent to the Department of Industrial Relations' Accounting Unit.

Very truly yours,


SCOTT EDWARD COLE, ESQ.

cc: Seven Forty One Company, Inc.
c/o Brian Alpert, Agent for Service
1323 Newbury Road, Ste. 100
Newbury Park, CA 91320

Mr. Stax, Inc.
c/o Brian Alpert, Agent for Service
1323 Newbury Road, Ste. 100
Newbury Park, CA 91320

International House of Pancakes
Authorized Employees: Amanda Garcia, Vivian Imperial, Gladys Aguilera, Gabriela Sanchez, Daisy Montenegro, Beatrice Casarez-Barrientez, Carlos Paz, Alberto Damonte, Jessie Gastelum, Peter Cayetano
818 West Seventh Street, Suite 930
Los Angeles, CA 90017

Department of Industrial Relations
Accounting Unit
455 Golden Gate Avenue, 10th Floor
San Francisco, CA 94102
(via online submission and certified mail, with filing fee enclosed)