

STIPULATION OF SETTLEMENT AND RELEASE

This stipulation of settlement and release (“Stipulation of Settlement”) is made and entered into by and between plaintiff Jose Ruiz (“Plaintiff” or “Class Representative”), individually and on behalf of all others similarly situated, and defendant Disney Store USA, LLC (“Disney Store” or “Defendant”), and their respective counsel of record, subject to the terms and conditions hereof and the court’s approval.

A. Definitions.

1. Plaintiff and the other members of the Settlement Class (as defined below) and Disney Store are collectively referred to herein as “the Parties.”
2. “Class Counsel” are Capstone Law APC.
3. The “Complaint” and the “Lawsuit” mean the class and representative action, entitled *“Jose Ruiz, individually, and on behalf of other members of the general public similarly situated, Plaintiff, vs. Disney Store USA, LLC, a Delaware limited liability company; Disney Worldwide Services, Inc., a Florida corporation; and Does 1 through 10, inclusive, Defendants, Case No. CIVDS2016983, and all amendments thereto, pending before the Superior Court of the State of California for the County of San Bernardino.*
4. The “Class Period” for identifying Class Members means the time period starting on July 31, 2016, through the earlier of the date of preliminary court approval of this Settlement, or the last date on which the number of class members did not exceed 4,130.
5. The “Covered Positions” and a “Covered Position” mean non-exempt (hourly paid) job position(s) at Disney Store in the State of California.
6. The “Settlement Class” means all individuals who are or were employed in a Covered Position during any portion of the Class Period (hereinafter, “Class Member” or “Class Members”).

B. General.

7. The Complaint was originally filed in San Bernardino County Superior Court on July 31, 2020, and was thereafter amended on December 17, 2020. The claims in the Complaint are primarily based on the allegations that the Class Members were not provided legally compliant meal and rest periods, were not paid for all time worked, were not reimbursed for all necessary business expenses, were not provided with suitable seating, were not provided wage statements that comply with the requirements of California Labor Code section 226(a), and were not timely paid all wages owed. Plaintiff seeks recovery of alleged unpaid wages, civil and statutory penalties, and attorneys’ fees and costs.
8. Disney Store denies any liability or wrongdoing of any kind associated with the claims alleged in the Lawsuit, and contends, among other things, that, at all material times, it paid all wages owed and complied with applicable provisions of the California Labor Code and the applicable California Industrial Welfare Commission Wage Order (“Wage Order”). In addition, it is Disney Store’s position that no class could be certified, that any representative claim would be unmanageable,

and that Defendant would be entitled to complete summary judgment on any certified class, representative and/or individual claims as a matter of law if the case proceeded.

9. The Class Representative believes that the Lawsuit is meritorious and that he would prevail on all claims on behalf of the Class Members if the case proceeded.

10. Class Counsel have conducted a thorough investigation into the facts relating to the Lawsuit, including review of extensive documents and information produced by Disney Store and engagement of an expert to analyze Disney Store's time records for the Class Members. Class Counsel are knowledgeable about and have done extensive research with respect to the applicable law and potential defenses to the claims of the Class Members. Class Counsel have diligently pursued an investigation of the Class Members' claims against Disney Store. Based on the their investigation, Class Counsel are of the opinion that the Settlement with Disney Store for the consideration and on the terms set forth in this Stipulation of Settlement is fair, adequate, and reasonable, and is in the best interests of the Class Members in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation, various defenses asserted by Disney Store, and numerous potential appellate issues. Disney Store and its counsel agree that the Settlement is fair, adequate, and reasonable.

C. Terms of Settlement.

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

(a) **Total Settlement Amount:** Disney Store will pay a Total Settlement Amount of two million dollars (\$2,000,000), inclusive of attorneys' fees, costs, and expenses directly related to the Lawsuit, which includes all such fees and costs incurred to date, as well as all such fees and costs incurred in documenting the Settlement, securing court approval of the Settlement, administering the Settlement (including the Settlement Administrator's fees and expenses), and obtaining a dismissal of the action, the service payment to the Class Representative, and the payment to the State of California Labor Workforce and Development Agency ("LWDA") in connection with the claim for penalties under the California Private Attorneys General Act of 2004, California Labor Code sections 2698, et seq. ("PAGA"). Disney Store shall be responsible to pay its own share of payroll taxes above and beyond the Total Settlement Amount. No portion of the Total Settlement Amount will revert to, or be retained by, Disney Store.

(b) **Net Settlement Proceeds:** To calculate the proceeds distributable to Class Members, the Total Settlement Amount will be reduced by (a) Class Counsel's awarded attorneys' fees and litigation costs and expenses; (b) the Settlement Administrator's fees and expenses; (c) the payment to the LWDA; and (d) the awarded service payment to Plaintiff as the Class Representative. The amount remaining after these deductions are made is defined as the "Net Settlement Proceeds." The Net Settlement Proceeds distributable to each Class Member will be calculated as follows:

(i) "Total Weeks Worked" will be the total number of weeks worked by all Class Members in the Covered Positions during the Class Period according to the records of Disney Store. "Individual Weeks Worked" will be the total number of weeks worked by an individual Class Member during the Class Period according to the records of Disney Store; and

(ii) “The Individual Settlement Payment” will be based on a ratio of the Total Weeks Worked to the Individual Weeks Worked, calculated by dividing the Individual Weeks Worked of a Class Member by the Total Weeks Worked of all Class Members in the Covered Positions during the Class Period and multiplying this result by the Net Settlement Proceeds.

(c) **Tax Treatment of Class Member Settlement Payments:** Because the Individual Settlement Payments are for settlement of claims for alleged unpaid wages, interest, and statutory and civil penalties, 20% of the Individual Settlement Payments will be allocated to the unpaid wages claims, will be subject to tax withholdings, and this portion of the payment will be reported on an IRS Form W-2; 40% will be allocated to the interest claim; and 40% will be allocated to the statutory and civil penalties claims, and the portions allocated to the interest and statutory and civil penalty claims will be paid without withholding any amount and will be reported on an IRS Form 1099. Disney Store shall pay the employer’s share of payroll taxes on the portion of the settlement attributable to unpaid wages.

(d) **Payment to LWDA:** The Parties agree that \$100,000 of the Total Settlement Amount shall be allocated to settle the PAGA claim, and will be distributed as follows: 75% of the apportioned PAGA settlement amount (\$75,000) will be paid to the LWDA, and the remaining 25% (\$25,000) will be divided among the Class Members on a pro rata basis by their portion of Weeks Worked, and included in their Individual Settlement Payments.

(e) **Service Payment to Class Representative:** The amount awarded to the Class Representative as a service payment will be set by the Court in its discretion, not to exceed \$10,000, and the awarded amount will come from the Total Settlement Amount, and shall be in addition to Plaintiff’s Individual Settlement Payment; provided, however, that to be eligible for the Class Representative service payment, Plaintiff must execute a settlement agreement and general release document, containing a general release of all known and unknown claims he may have against Disney Store, and its current and former parents, subsidiaries and affiliated entities, based on his employment with Disney Store. An IRS Form 1099 will be issued with respect to Plaintiff’s awarded Class Representative service payment. Should the Court approve a lesser amount, the difference shall be added to the Net Settlement Proceeds.

(f) **Attorneys’ Fees and Litigation Costs:** Disney Store agrees and will not object to an award of attorneys’ fees and litigation costs to Class Counsel from the Total Settlement Amount in amounts to be set by the Court, but not exceeding one-third of the Total Settlement Amount (*i.e.*, \$666,667) for attorneys’ fees and not exceeding \$25,000 for documented out-of-pocket litigation costs and expenses. A Form 1099 will be issued to Class Counsel with respect to their awarded attorneys’ fees and litigation costs and expenses. Should the Court approve lesser amounts, the difference shall be added to the Net Settlement Proceeds.

(g) **Settlement Administration Costs:** The Parties have agreed upon and will propose that the Court approve and appoint CPT Group, Inc. as the third-party settlement administrator (“Settlement Administrator”). The Parties shall obtain a “not to exceed” commitment from the Settlement Administrator for its fees and other charges, which amount shall be paid from the Total Settlement Amount.

12. Plaintiff and Class 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 this case and/or the fact, amount, or terms of the Settlement. In addition, Plaintiff and Class Counsel agree that they will not engage in any advertising or distribute any marketing materials relating to the Settlement, including but not limited to any postings on any websites maintained by Class Counsel. Any communication about the Settlement to Class Members prior to the court-approved mailing will be limited to a statement that a settlement has been reached and the details will be communicated in a forthcoming court-approved notice. Disney Store shall have the right to rescind this Settlement, rendering it null and void, if Plaintiff or Class Counsel violate the obligations in this section.

13. The Parties agree that the Settlement is fair, adequate, and reasonable, and will so represent to the Court. In addition, David A. Rotman, Esq., who served as the mediator may, at his discretion, execute a declaration supporting the Settlement and the reasonableness of the Settlement, and the Court may, in its discretion, contact Mr. Rotman to discuss the Settlement and whether this Settlement is fair, adequate, and reasonable.

D. Release of Claims.

14. Upon the final approval of the Settlement by the Court, and except as to such rights or claims as may be created by this Stipulation of Settlement, the Class Members (other than those who timely request to be excluded in accordance with the terms of the Settlement) will release and discharge Disney Store and all of its former and present parents, subsidiaries, and affiliates, and their current and former officers, directors, employees, partners, shareholders and agents, and the predecessors and successors, assigns, and legal representatives of all such entities and individuals (“Class Members’ Released Parties”), from any and all claims, rights, demands, liabilities of every nature and description alleged or which could reasonably have been alleged based upon the factual allegations in the Lawsuit (and all amendments thereto), and specifically, all claims for: (a) failure to pay wages, including unpaid minimum wages and overtime premium pay, for all hours worked (such as time spent waiting and/or undergoing exit inspections and/or bag checks); (b) failure to provide meal and/or rest periods in accordance with applicable law, including payments for non-compliant meal and/or rest periods; (c) failure to pay reporting time pay; (d) failure to timely pay wages, both during employment and upon termination and/or resignation of employment; (e) failure to provide accurate itemized wage statements and maintain accurate payroll records; (f) failure to reimburse necessary business expenses; (g) forced patronage; (h) failure to provide suitable seating; and (i) civil and statutory penalties, including those recoverable under the PAGA (“Class Members’ Released Claims”), arising during the period from July 31, 2016 to the date of Final Approval of this Settlement (“Class Members’ Released Period”). The Class Members’ Released Claims include, without limitation, claims meeting the above definition(s) under any and all applicable statutes alleged or that could reasonably have been alleged based upon the factual allegations in the Lawsuit, including without limitation California Labor Code §§ 201, 202, 203, 204, 226, 226.7, 256, 450, 510, 512, 516, 558, 1174, 1182.12, 1194, 1194.5, 1197, 1197.1, 1198, 2802 and PAGA; the California Unfair Competition Law, Bus. & Prof. Code §§ 17200, *et seq.*; California Civil Procedure Code § 1021.5; and any applicable California Industrial Welfare Commission Wage Orders, in all of their iterations, as alleged in the Lawsuit, specifically including provisions governing reporting time pay and suitable seating.

In consideration of their awarded attorneys’ fees and litigation costs and expenses, Class

Counsel waive any and all claims to any further attorneys' fees and expenses in connection with the Lawsuit.

E. Notices.

15. Pursuant to PAGA, Class Counsel will submit a copy of this Agreement to the LWDA at the same time that it is submitted to the Court for preliminary approval of this Settlement.

16. Within thirty (30) calendar days after entry of the order granting preliminary approval, Disney Store shall provide to the Settlement Administrator a list of all Class Members, including their last known address and telephone number, as well as the information needed to calculate the Individual Settlement Payment for each Class Member.

17. A notice of pendency of class action, proposed settlement and hearing date for court approval ("Notice") in the form attached hereto as Exhibit 1, and as approved by the Court, shall be sent by the Settlement Administrator to the Class Members, by first class mail, within fourteen (14) calendar days after receiving the Class Member list from Disney Store. The Notice will inform each Class Member of his or her Individual Weeks Worked and the Court-established deadlines for filing objections and the right to request exclusion. The Settlement Administrator shall use standard skip-tracing methods to obtain forwarding addresses of Class Members if any Notices are returned as undeliverable.

18. The Settlement Administrator will make reasonable efforts to ensure that the Notice is mailed to all Class Members. It will be conclusively presumed that a Class Member's Notice was received if the Notice has not been returned within thirty (30) days of the original mailing of Notice to the Class Member.

19. At least ten (10) calendar days prior to the final approval hearing, the Settlement Administrator will provide a declaration of due diligence and proof of mailing with regard to the mailing of the Notice to counsel for the Parties.

20. Each Class Member will be fully advised of the Settlement and the ability to request exclusion from the Settlement or to object to the Settlement.

21. The number of workweeks for each Class member will be determined using Disney Store's records. Disney Store's records will be presumed determinative. To the extent a Class Member disputes the information listed on his or her Notice form, the Class Member may produce evidence to the Settlement Administrator showing such other dates he or she contends should be shown on the Notice form. The Parties will meet and confer to evaluate the evidence submitted by the Class Member. If the Parties cannot agree, the dispute will be submitted to the Settlement Administrator for input, and if the Parties still do not agree, the matter will be submitted to the court whose decision as to which information should be applied will be final and binding.

22. The Notice shall provide that Class Members who wish to exclude themselves from the Class must submit to the Settlement Administrator a written statement requesting exclusion from the Class no later than forty-five (45) calendar days after the original mailing of the Notice. Such written request for exclusion must contain the name, address, and telephone number of the person requesting exclusion, be returned to the Settlement Administrator's address provided in the Notice, and be

postmarked on or before the request for exclusion deadline. Any Class Member who properly requests exclusion using this procedure will not be entitled to any payment from the Settlement and will not be bound by the Settlement or have any right to object, appeal or comment thereon. Class Members who fail to submit a valid and timely request for exclusion on or before the request for exclusion deadline date shall be bound by all terms of the Settlement and any judgment or order of dismissal entered in the Lawsuit if the Settlement is finally approved by the court, regardless of whether they ineffectively or untimely request exclusion from the Settlement.

23. If five percent (5%) or more of the Class Members submit a timely request for exclusion, or if a number of Class Members whose share of the Net Settlement Proceeds represents five percent (5%) or more of the Net Settlement Proceeds validly elect not to participate in the Settlement, Disney Store shall have the option of canceling this Settlement and all actions taken in its furtherance will be null and void. Disney Store must exercise this right within fourteen (14) calendar days after the Settlement Administrator notifies the Parties of the number of valid requests for exclusion received, which the Settlement Administrator must do within five (5) calendar days after the deadline for submission of the requests for exclusion. If Disney Store exercises its right to cancel the Settlement, it shall be responsible for payment of the portion of the Settlement Administrator's costs incurred through the date notice of cancelation is given.

24. In order to object to the Settlement, a Class Member must mail his or her objection to the Settlement Administrator, and it must be postmarked no later than forty-five (45) calendar days after the mailing of the Notice.

25. Disney Store will deposit the Total Settlement Amount and employer portion of payroll taxes into a Qualified Settlement Fund ("QSF") established by the Settlement Administrator within thirty (30) calendar days after the final approval of the Settlement by the court if there are no objectors, and if there are objectors, within five (5) business days of receiving final court approval of the Settlement **and** the expiration of the time to file appeals or the resolution of any appeals filed.

26. The Settlement Administrator will mail or wire all required payments no later than fourteen (14) calendar days after receipt of the funds from Disney Store. Proof of payment will be filed with the court. It is expressly understood and agreed that the Individual Settlement Payments will become void and no longer available if not cashed within 180 days after mailing. Thereafter, amounts represented by uncashed checks will be donated, as authorized by California Code of Civil Procedure section 384, to Inclusion Matters by Shane's Inspiration, a non-profit disabled children's advocacy and support organization.

F. Duties of the Parties Prior to Final Court Approval.

27. Promptly after execution of this Stipulation of Settlement, Plaintiff will move the Court for preliminary approval of this Settlement, which will not be opposed by Disney Store as long as Disney Store is allowed to review and provide input into the moving papers, requesting entry of an order:

- (a) preliminarily approving this Settlement;
- (b) approving the proposed Notice as to form and content;

- (c) directing the mailing of the Notice to the Class Members;
- (d) preliminarily approving the PAGA payment of \$100,000 to the LWDA;
- (e) preliminarily setting attorneys' fees and costs payable to Class Counsel;
- (f) preliminarily setting the service payment to the Class Representative;
- (g) appointing a Settlement Administrator and approving its not to exceed fees; and
- (h) scheduling a final approval hearing on the question of whether the proposed Settlement should be approved as fair, adequate, and reasonable as to the Class Members.

A copy of this Stipulation of Settlement shall be submitted in support of the motion for preliminary approval of the Settlement.

G. Duties of the Parties in Connection with and Following Final Court Approval.

28. In connection with the hearing on final approval of the Settlement provided for in this Stipulation of Settlement, a proposed final order will be submitted:

- (a) approving the Settlement, adjudging the terms thereof to be fair, adequate, and reasonable, and directing consummation of its terms and provisions;
- (b) approving Class Counsel's application for an award of attorneys' fees and reimbursement of documented litigation costs and expenses, the service payments to the Class Representative, the payment to the LWDA, and the costs of administering the Settlement; and
- (c) terminating the Lawsuit, and permanently barring all Class Members from prosecuting any Class Members' Released Claims against any of the Class Members' Released Parties.

H. Voiding the Agreement.

29. A failure of the court to approve any material provision or condition of this Stipulation of Settlement that effects a fundamental change of the Parties' Settlement, or any reversal or material modification on appeal of any court order preliminarily or finally approving the Settlement, shall render the entire Stipulation of Settlement voidable and unenforceable as to all Parties herein at the option of Plaintiff or Disney Store.

I. Parties' Authority.

30. The signatories hereto represent that they are fully authorized to enter into this Stipulation of Settlement and bind the Parties hereto to the terms and conditions hereof.

J. Mutual Full Cooperation.

31. The Parties agree to fully cooperate with each other to accomplish the terms of this Stipulation of Settlement, including but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms of this Stipulation of Settlement.

The Parties to this Stipulation of Settlement shall use their best efforts, including all efforts contemplated by this Stipulation of Settlement and any other efforts that may become necessary by order of the court, or otherwise, to effectuate this Stipulation of Settlement and the terms set forth herein. As soon as practicable after execution of this Stipulation of Settlement, Class Counsel shall, with the assistance and cooperation of Disney Store and its counsel, take all necessary steps to secure the court's preliminary and final approval of the Settlement.

K. No Prior Assignments.

32. The Parties hereto represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights released and discharged by this Stipulation of Settlement.

L. No Admission.

33. Nothing contained herein, nor the consummation of this Stipulation of Settlement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Disney Store or any of the other Class Members' Released Parties. Each of the Parties hereto has entered into this Stipulation of Settlement with the intention of avoiding further disputes and litigation with the attendant risk, inconvenience, and expenses. This Stipulation of Settlement is a settlement document and, pursuant to California Evidence Code sections 1119, 1122, and 1152, and/or any other similar law, shall not be admissible in evidence in any proceeding, except an action or proceeding to approve the Settlement, and/or interpret or enforce this Stipulation of Settlement.

M. Retained Jurisdiction and Enforcement Actions.

34. Pursuant to Code of Civil Procedure section 664.6, the court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Stipulation of Settlement, and all orders and judgment entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the court for purposes of interpreting, implementing, and enforcing the Settlement and all orders and judgments in connection therewith. Except as otherwise provided in this Stipulation of Settlement, in the event that either of the Parties to this Stipulation of Settlement institutes any legal action, arbitration, or other proceeding against the other of the Parties to enforce the provisions of this Stipulation of Settlement or to declare rights and/or obligations under this Stipulation of Settlement, the successful party shall be entitled to recover from the unsuccessful party reasonable attorneys' fees and costs, including expert witness fees, incurred in connection with any enforcement actions.

N. Notices.

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

To Plaintiff and the Class Members:

Mark Ozzello, Esq.
Brandon Brouillette, Esq.
Joseph Hakakian, Esq.
Capstone Law APC
1875 Century Park East, Suite 1000
Los Angeles, CA 90067

To Defendant:

Stephen L. Berry, Esq.
Blake R. Bertagna
Paul Hastings LLP
695 Town Center Drive, 17th Floor
Costa Mesa, California 92626

O. Construction.

36. The Parties hereto agree that the terms and conditions of this Stipulation of Settlement are the result of lengthy, intensive arms-length negotiations between the Parties and that this Stipulation of Settlement shall not be construed in favor of or against any of the Parties by reason of the extent to which any party or his or its counsel participated in the drafting of this Stipulation of Settlement.

P. Captions and Interpretations.

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

Q. Modification.

38. This Stipulation of Settlement may not be changed, altered, or modified, except in writing and signed by Plaintiff, Class Counsel, and Disney Store and its counsel, and if after preliminary court approval, upon approval of the court. This Stipulation of Settlement may not be discharged except by performance in accordance with its terms or by a writing signed by Plaintiff, Class Counsel, and Disney Store and its counsel.

R. Integration Clause.

39. This Stipulation of Settlement contains the entire agreement between Plaintiff and the Class Members, on the one hand, and Disney Store, on the other hand, relating to the Settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a party or such party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

S. Binding On Assigns.

40. This Stipulation of Settlement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

T. No Solicitation of Settlement Objections or Exclusions.

41. Plaintiff and Disney Store agree to use their best efforts to carry out the terms of this Settlement. None of the Parties or their counsel shall seek to solicit or otherwise encourage Class Members to submit written objections to the Settlement or request exclusion from the Settlement Class, or encourage Class Members to appeal from the court's final approval order.

U. Signatures of All Class Members Unnecessary to be Binding.

42. It is agreed that, because the Class Members are numerous, it is impossible or impractical to have each Class Member execute this Stipulation of Settlement. The Notice will advise all Class Members of the binding nature of the release provided herein and such shall have the same force and effect as if this Stipulation of Settlement were executed by each Class Member.

V. Counterparts.

43. This Stipulation of Settlement may be executed in counterparts, and when Plaintiff, Class Counsel, Disney Store, and counsel for Disney Store have signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one fully-signed Stipulation of Settlement, which shall be binding upon and effective as to all Parties.

Dated: 3/8/2022, 2022

PLAINTIFF AND CLASS REPRESENTATIVE:

DocuSigned by:

Jose Ruiz

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JOSE RUIZ

Dated: March 8, 2022

CLASS COUNSEL:

CAPSTONE LAW APC

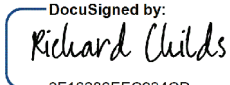
By: *Raul Perez*

RAUL PEREZ

[SIGNATURES CONTINUED ON NEXT PAGE]

Dated: 4/13/2022, 2022

DISNEY STORE USA, LLC

By:  _____
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Dated: 4/13/2022, 2022

DEFENDANT'S COUNSEL:

PAUL HASTINGS LLP

By:  _____
STEPHEN L. BERRY

Exhibit 1

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Ruiz v. Disney Store USA, LLC, et al.

San Bernardino County Superior Court, Case No. CIVDS2016983

THIS IS A COURT-AUTHORIZED NOTICE. IT IS NOT A SOLICITATION.

PLEASE READ THIS NOTICE CAREFULLY.

YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT.

To:	All current and former non-exempt (hourly-paid) employees who were employed by Disney Store USA, LLC in the State of California from July 31, 2016 through [date of preliminary court approval, or last date on which the number of class members did not exceed 4,130, whichever is earlier].
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BASIC INFORMATION

1. What is this settlement about?

A lawsuit was commenced by a former employee of Disney Store USA, LLC (“Disney Store”) on July 31, 2020. The case is currently pending in the San Bernardino County Superior Court, Case No. CIVDS2016983 (the “Lawsuit”).

The Lawsuit claims that Disney Store violated sections of the California Labor Code and California Business and Professions Code. Specifically, Plaintiff is alleging that Disney Store failed to provide compliant meal and rest periods, did not pay employees for all time worked, did not reimburse employees for all necessary business expenses, did not provide suitable seating, did not provide accurate wage statements, did not timely pay all wages during employment and all wages owed at termination of employment, and engaged in unfair business practices. The settlement also seeks to recover penalties pursuant to the California Private Attorneys General Act (“PAGA”). The Lawsuit claims that the proposed class members are entitled to monetary damages, civil and statutory penalties, and restitution. Disney Store denies all alleged violations and denies that it owes Plaintiff or any of the members of the proposed class any amount of money, including for wages, or any penalty payments. The court has not made a ruling on the merits of the case.

2. Why is this a class action?

In a class action, the named plaintiff asks the court to certify a class of individuals whom the plaintiff claims were subjected to the same alleged non-compliant policies and practices of the defendant, and asks the court to approve him or her as the class representative. If a class is certified, the court resolves the issues in the lawsuit for all class members, except for those who exclude themselves from the class. The San Bernardino County Superior Court is in charge of this proposed class action. In this case, the proposed class is all individuals who have been employed by Disney Store in the State of California as an hourly-paid (non-exempt) employee at any time from July 31, 2016 through [date of preliminary court approval, or last date on which the number of class members did not exceed 4,130, whichever is earlier]. All such individuals are referred to in this Notice as “Class Members.”

3. Why is there a settlement?

The court has not decided in favor of the Plaintiff or Disney Store. Instead, both sides agreed to a settlement which is documented in a written Stipulation of Settlement and Release (“Agreement” or “Settlement”), which is on file with the clerk of the court.

On [DATE OF PRELIMINARY APPROVAL], the court granted preliminary approval of the Settlement, appointed Plaintiff as the Class Representative, and appointed his attorneys at Capstone Law APC as counsel for the proposed Class (“Class Counsel”).

The Class Representative and Class Counsel think the Settlement is best for the Class Members.

WHO IS IN THE SETTLEMENT?

4. How do I know if I am part of the settlement?

You are part of the Settlement, and a Class Member, if you are or were employed by Disney Store as an hourly-paid (non-exempt) employee in the State of California at any time from July 31, 2016 through [date of preliminary court approval, or last date on which the number of class members did not exceed 4,130, whichever is earlier].

THE SETTLEMENT BENEFITS

5. What does the settlement provide?

The Settlement provides that Disney Store will pay a maximum of Two Million Dollars (\$2,000,000) (“Total Settlement Amount”). This includes all costs and attorneys’ fees of Class Counsel.

The “Net Settlement Amount” is the portion of the Total Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion. The Net Settlement Amount is the Total Settlement Amount minus the following amounts (which are subject to court approval):

- A. **Attorneys’ Fees to Class Counsel** not to exceed one-third of the Total Settlement Amount or \$666,667;
- B. **Litigation Costs/Expenses to Class Counsel** not to exceed \$25,000;
- C. **Service Payment to the Class Representative** not to exceed \$10,000;
- D. **Settlement Administration Costs**, which are currently estimated to be \$23,500.
- E. **Payment to California the Labor Workforce Development Agency (“LWDA”)** in the amount of 75,000, which represents the LWDA’s 75% portion of civil penalties from the \$100,000 of the Total Settlement Amount allocated toward PAGA claims (“PAGA Settlement Amount”). The remaining \$25,000 will remain a part of the Net Settlement Amount for distribution to Class Members.

The portion of the Net Settlement Amount that you are eligible to claim (“Estimated Settlement Share”) will be determined on a pro rata basis, based on the number of weeks you worked in California as an hourly-paid (non-exempt) employee of Disney Store during the covered time period described above.

Your Estimated Settlement Share will be apportioned as twenty percent (20%) wages, forty percent (40%) penalties, and forty percent (40%) interest. The wage portion of the Estimated Settlement Share will be subject to withholding for employee taxes and will be reported on a W-2 Form. The employer’s share of payroll taxes will be paid separately from and in addition to the Total Settlement Amount by Disney Store. The penalties and

interest portions of each Class Member's settlement payment will not be subject to any withholdings and will be reported on an IRS Form 1099.

According to Disney Store's records, you worked **XXX workweeks during the class period. Your Estimated Settlement Share is **\$XXX.XX**. The amount of the payment may change depending on final calculations, including the number of timely and valid requests for exclusion submitted in the Settlement, if any.**

This amount was determined based on Disney Store's record of your employment during the time period from July 31, 2016 through [date of preliminary court approval, or last date on which the number of class members did not exceed 4,130, whichever is earlier] ("Class Period"), and is presumed correct. If you dispute the accuracy of Disney Store's records as to the number of weeks worked during the Class Period, you must contact the Settlement Administrator and provide any documentation you have supporting such dispute by [45 days after mailing of notice]. All disputes regarding your workweeks will be discussed for resolution by the Settlement Administrator and counsel for the parties, and if they cannot agree, then by court, whose decision on all such disputes will be final and binding. The Settlement Administrator's contact information is listed below:

[Settlement Administrator]
[Address]
[Telephone No].
[Fax No.]

HOW TO GET A PAYMENT FROM THE NET SETTLEMENT AMOUNT

6. How can I get a payment?

You do not have to do anything to qualify for a payment from the Net Settlement Amount.

7. What am I giving up if I do not request to be excluded from the Settlement?

In exchange for the consideration provided under this Settlement, Class Members who do not submit a timely request for exclusion will release the "Released Parties" from the "Released Claims" for the Class Period.

The "Released Parties" are Disney Store and all of its former and present parents, subsidiaries, and affiliates, and their current and former officers, directors, employees, partners, shareholders and agents, and the predecessors and successors, assigns, and legal representatives of all such entities and individuals.

The "Released Claims" are any and all claims, rights, demands, liabilities of every nature and description alleged or which could reasonably have been alleged based upon the factual allegations in the Lawsuit (and all amendments thereto), and specifically, all claims for: (a) failure to pay wages, including unpaid minimum wages and overtime premium pay, for all hours worked (such as time spent waiting and/or undergoing exit inspections and/or bag checks); (b) failure to provide meal and/or rest periods in accordance with applicable law, including payments for non-compliant meal and/or rest periods; (c) failure to pay reporting time pay; (d) failure to timely pay wages, both during employment and upon termination and/or resignation of employment; (e) failure to provide accurate itemized wage statements and maintain accurate payroll records; (f) failure to reimburse necessary business expenses; (g) forced patronage; (h) failure to provide suitable seating; and (i) civil and statutory penalties, including those recoverable under the PAGA ("Class Members' Released Claims"), arising during the period from July 31, 2016 to the date of final approval of this Settlement. The Class Members' Released Claims include without limitation claims meeting the above definition(s) under any and all applicable statutes alleged or could reasonably have been alleged based upon the factual allegations in the

Lawsuit, including without limitation California Labor Code §§ 201, 202, 203, 204, 226, 226.7, 256, 450, 510, 512, 516, 558, 1174, 1182.12, 1194, 1194.5, 1197, 1197.1, 1198, 2802 and PAGA; the California Unfair Competition Law, Bus. & Prof. Code §§ 17200, *et seq.*; California Civil Procedure Code § 1021.5; and any applicable California Industrial Welfare Commission Wage Orders, in all of their iterations, as alleged in the Lawsuit, specifically including provisions governing reporting time pay and suitable seating.

EXCLUDING YOURSELF FROM THE RELEASE OF NON-PAGA CLAIMS

If you want to keep the right to sue or continue to sue Disney Store with respect to the Released Claims (other than those that arise under the Private Attorneys General Act [“PAGA”], California Labor Code sections 2698, *et seq.*), then you must submit a request for exclusion in conformity with the requirements set forth in the next section. *If you exclude yourself, you will not receive payment of a portion of the Net Settlement Amount, but you may (if the Court approves the settlement) receive payment in an amount equal to your estimated pro rata share of the PAGA Settlement Amount.*

All Class Members will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged any and all Released Claims arising under the Labor Code Private Attorneys General Act (California Labor Code sections 2698, *et seq.*) with respect to all of the Released Parties irrespective of whether a Class Member submits a request for exclusion.

8. How can I exclude myself from the Settlement?

To exclude yourself from the Settlement and not be covered by the release, you must submit a written request for exclusion. You must include your name, address, and telephone number. Your request for exclusion must also include a statement that you do not wish to be included in the Class and the settlement of the Lawsuit.

The written Request for Exclusion must be mailed to the Settlement Administrator at the address listed below, post-marked by **[45 days after mailing of notice]**. **You cannot exclude yourself by phone.**

[Settlement Administrator]
[Address]
[Telephone No.
[Fax No.]

If you ask to be excluded, you will not receive payment of any portion of the Net Settlement Amount (except for an amount attributable to you from the PAGA Settlement Amount), and you will not be able to object to the Settlement. You will not be legally bound by the release of Released Claims (except for Released Claims that arise under PAGA).

You may be able to sue Disney Store and/or the other Released Parties or continue any suit you have pending against Disney Store or the Released Parties, regarding the Released Claims (except for Released Claims that arise under PAGA).

9. If I don’t exclude myself, can I sue Disney Store for the same thing later?

No. Unless you submit a request for exclusion, you give up the right to sue Disney Store and the other Released Parties for the Released Claims. If you have a pending legal action involving the Released Claims, speak to your lawyer in that lawsuit immediately.

10. If I exclude myself, can I get money from this settlement?

No (except for money for Released Claims that arise under PAGA). But if you submit a timely and valid request for exclusion, you retain any right that you may have to sue, continue to sue, or be part of a different lawsuit against the Released Parties for Released Claims (except for Released Claims that arise under PAGA).

THE LAWYERS REPRESENTING YOU

11. Do I have a lawyer in this case?

The court has approved Capstone Law APC as Class Counsel to represent the interests of the Class as a whole. The firm's contact information is:

Capstone Law APC
Mark Ozzello, Esq.
Brandon Brouillette, Esq.
Joseph Hakakian, Esq.
1875 Century Park East, Suite 1000
Los Angeles, CA 90067
Telephone: 1 (855) 228-3313

12. How will the lawyers be paid?

Class Counsel will ask the court for attorneys' fees of up to \$666,667 and reimbursement of litigation cost/expenses of up to \$25,000. These amounts are subject to court approval.

OBJECTING TO THE SETTLEMENT

You can present reasons why you feel the Court should deny approval of the settlement by filing an objection. You can't ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue.

13. How do I tell the Court if I object to the settlement?

If you are a Class Member, you can object to the Settlement, and you can give reasons for why you think the court should not approve it. The court will consider your views. To object, you must mail a written objection to the Settlement Administrator no later than **[45 days after mailing of notice]**. Your objection must include your full name, address, the last four digits of your social security number or employee ID number, the dates you worked for Disney Store, the specific reason for your objection, and whether you plan to attend the final approval hearing. You may also come to the Final Approval Hearing and make an objection at that time.

14. What is the difference between objecting and requesting exclusion?

Objecting is telling the Court the reason(s) why you feel the Court should not approve the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FINAL APPROVAL HEARING

The Court will hold a hearing to decide whether to grant final approval of the Settlement (“Final Approval Hearing”). You may attend, but you do not have to attend.

15. When and where will the Court decide whether to approve the settlement?

The Court will hold the Final Approval Hearing on [DATE] at [TIME] at the San Bernardino County Superior Court located at 247 West Third Street, San Bernardino, CA 92415-0210, in Department S-26.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, and determine whether to grant final approval of the Settlement. If there are objections, the Court will consider them at or before the hearing.

16. Do I have to come to the hearing?

No. If you have not objected to the Settlement, you do not have to be present at the Final Approval Hearing. However, you may attend if you choose to do so. You may also retain your own lawyer at your expense to attend on your behalf.

17. How will I learn if the settlement was approved

A notice of final judgment will be posted on the Settlement Administrator’s website located at www._____com

IF YOU DO NOTHING

18. What happens if I do nothing at all?

If you do nothing, you will receive your share of the Net Settlement Amount, and you will release the Released Claims. You will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Disney Store or the other Released Parties about the Released Claims, ever again.

GETTING MORE INFORMATION

19. How do I get more information?

This notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement from the court file or by contacting the Settlement Administrator or Class Counsel.

WHAT IF MY CONTACT INFORMATION CHANGES?

20. What if my contact information changes?

It is your responsibility to inform the Settlement Administrator of your updated information to ensure receipt of settlement payments or communications regarding this matter. You can change or update your contact information by contacting the Settlement Administrator.

DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE CLERK OF THE COURT OR THE JUDGE