DOUGLAS J. FARMER, CA Bar No. 139646
douglas.farmer@ogletree.com
OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.
One Embarcadero Center, Suite 900
San Francisco, CA 94111
Telephone: 415-442-4810
Facsimile: 415-442-4870

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

Attorneys for Defendants
IKEA NORTH AMERICA SERVICES, LLC, IKEA US RETAIL LLC, and IKEA DISTRIBUTION SERVICES INC.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

KYREE WILSON, RHONDA GUERRERO, individually, and on behalf of other members of the general public similarly situated, Plaintiffs, vs. IKEA NORTH AMERICA SERVICES, LLC, an unknown business entity; IKEA US RETAIL LLC, an unknown business entity; IKEA DISTRIBUTION SERVICES INC., an unknown business entity and DOES 1 through 100, inclusive Defendants.	Case No. 20STCV32154 **CLASS ACTION** **JOINT STIPULATION RE: CLASS ACTION SETTLEMENT** [Assigned for all purposes to The Honorable Elihu M. Berle, Dept. 6] Action Filed: November 5, 2020 Trial Date: None

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

This Joint Stipulation Re: Class Action Settlement (hereinafter, "Stipulation") is made and entered into by and between plaintiffs Kyree Wilson and Rhonda Guerrero ("Plaintiffs"), on behalf of themselves and on behalf of others similarly situated; and defendants IKEA North America Services, LLC, IKEA US Retail, LLC, and IKEA Distribution Services, Inc. ("Defendants"), hereinafter collectively referred to as the "Parties." Subject to the approval of the Court, the Action (defined below) is hereby being compromised and settled pursuant to the terms and conditions set forth in this Stipulation. This Stipulation shall be binding on Plaintiffs, Participating Class Members (defined below), Defendants, and on their respective counsel, subject to the terms and conditions hereof and the approval of the Court.

THE PARTIES STIPULATE AND AGREE as follows:

I. DEFINITIONS

1. The following terms, as used throughout this Stipulation are defined as follows:

a) Action. The term "Action" shall mean and refer to the legal action pending in the Superior Court of California for the County of Los Angeles, entitled *Kyree Wilson, et al., vs. IKEA North America Services, LLC, et al.*, Case No. 20STCV32154.

b) Check Cashing Deadline. The term "Check Cashing Deadline" shall mean one hundred eighty (180) calendar days after an Individual Settlement Amount is issued to a Participating Class Member by check.

c) Class. The term "Class" shall mean and refer, collectively, to all Class Members.

d) Class Counsel. The term "Class Counsel" shall mean Schneider Wallace Cottrell Konecky LLP.

e) Class Members. The term "Class Members" shall mean: all current and former hourly-paid or non-exempt employees who worked for any of the Defendants within the State of California at any time during the Class Period.

f) Class Period. The term "Class Period" shall mean the time period from August 24, 2016 through the Preliminary Approval Date or January 31, 2023, whichever occurs sooner.

g) Class Representatives. The term "Class Representatives" shall mean and refer to plaintiffs Kyree Wilson and Rhonda Wilson. The term "Class Representatives" shall be synonymous with the term "Plaintiffs."

h) Court. The term "Court" shall refer to the Superior Court of California for the County of Los Angeles, where the Action is pending.

i) Defendants. The term "Defendants" shall mean and refer to IKEA North America Services, LLC, IKEA US Retail, LLC, and IKEA Distribution Services, Inc.

j) Defendants' Counsel. The term "Defendants' Counsel" shall refer to Ogletree, Deakins, Nash, Smoak & Stewart, P.C.

k) Document Receipt Deadline. The term "Document Receipt Deadline" shall mean thirty (30) calendar days after the Notices are mailed to Class Members by the Settlement Administrator.

l) Effective Date. The term "Effective Date" shall mean the date on which the Court's Judgment becomes final, as further detailed in Paragraph 8, herein.

m) Final Approval Hearing. The term "Final Approval Hearing" shall mean and refer to a hearing before the Court to finally approve the Settlement as fair, reasonable, and adequate, as further detailed in Paragraph 31, herein.

n) Final Settlement Papers. The term "Final Settlement Papers" shall refer to and include a Motion for Final Approval of Settlement, Motion for Attorneys' Fees and Costs and Plaintiffs' Enhancement Award, and [Proposed] Final Approval Order and Judgment.

o) Individual Settlement Amount. The term "Individual Settlement Amount" shall mean a Class Member's share of the Net Settlement Amount, as further detailed in Paragraph 21, subparagraph (f), herein.

p) Judgment. The term "Judgment" shall mean the Judgment entered by the Court upon granting final approval of the Settlement.

q) Net Settlement Amount. The term "Net Settlement Amount" shall mean and refer to the balance of the Total Class Action Settlement Amount, after all Court-approved deductions for attorneys' fees and actual costs to Class Counsel, the Settlement Administrator's cost and fees, the

Class Representatives' enhancement awards, and the PAGA Allocation. The Net Settlement Amount is the maximum amount that will be available for distribution to Class Members.

r) Notice. The term "Notice" shall mean the Notice of Class Action Settlement, attached hereto as **Exhibit 1**.

s) PAGA Group Members. The term "PAGA Group Members" shall mean: all current and former non-exempt employees employed in California at any time during the PAGA Period.

t) PAGA Period. The term "PAGA Period" shall mean the time period between September 1, 2019 through Preliminary Approval Date or January 31, 2023, whichever occurs sooner.

u) Participating Class Member. The term "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement, as further detailed in Paragraph 11, herein.

v) Parties. The term "Parties" shall mean and refer collectively to Plaintiffs and Defendants.

w) Plaintiffs. The term "Plaintiffs" shall mean and refer to plaintiffs Kyree Wilson and Rhonda Guerrero. The term "Plaintiffs" shall be synonymous with the term "Class Representatives."

x) Preliminary Approval Date. The term "Preliminary Approval Date" shall mean the date that the Court enters the Preliminary Approval Order.

y) Qualified Settlement Fund. The term "Qualified Settlement Fund" shall mean a qualified settlement fund under Section 468B of the Internal Revenue Code established by the Settlement Administrator for the purpose of administering this Settlement.

z) Released Parties. The term "Released Parties" shall mean and refer to Defendants and all of Defendants' current or former parent companies, subsidiary companies, and/or related companies, partnerships, joint ventures, affiliates, divisions, and, with respect to each of them, all of their and/or such related entities' predecessors and successors, and, with respect to each such entity, all of its past, present, and/or future, officers, partners, principals, directors, stockholders, managers, owners, representatives, assigns, attorneys, agents, insurers, employee benefit programs (and the trustees, administrators, fiduciaries, and insurers of such programs), and any other persons acting by, through, under, or in concert with any of the persons or entities listed in this subsection, and their successors.

aa) Settlement. The term "Settlement" shall refer to the disposition of the Action effected by this Stipulation and the Judgment.

bb) Settlement Administrator. The term "Settlement Administrator" shall refer to Phoenix, or any other third-party class action settlement administrator agreed to by the Parties and approved by the Court for the purposes of administering this Settlement. If a Settlement Administrator is not agreed upon by the Parties, Class Counsel shall select a Settlement Administrator on the bases of cost and competence, with the best interest of the Class in mind, subject to approval by the Court for purposes of administering this Settlement.

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

dd) Total Class Action Settlement Amount. The term "Total Class Action Settlement Amount" shall mean Two Million Seven Hundred Fifty Thousand Dollars and Zero Cents ($2,750,000.00). This is the maximum possible amount that may be paid by Defendants to resolve the Action with the limited exceptions of: (1) Defendants' responsibility for the employer's share of taxes associated with the Class Members' Individual Settlement Amounts; and (2) the additional amount to be paid, if any, due to a possible increase of the Total Class Action Settlement amount as described in Paragraph 14. The Total Class Action Settlement Amount is a common fund, non-reversionary amount.

2. Date Of This Stipulation: This Stipulation is made as of the date set forth below by and between Plaintiffs, on behalf of themselves and the Class, on the one hand, and Defendants, on the other hand, subject to approval of the Court.

II. BACKGROUND OF THE LEGAL ACTION

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

a) On August 24, 2020, Plaintiffs filed the instant Action entitled *Kyree Wilson, et al. vs. IKEA North America Services, LLC, et al*., Case No. 20STCV3154 ("*Wilson I*"), in the Superior Court for the County of Los Angeles. *Wilson I* alleges the following causes of action against Defendants: (1) failure to pay overtime wages; (2) failure to provide legally required meal periods; (3) failure to provide legally required rest periods; (4) failure to pay minimum wages; (5) failure to pay wages upon termination or separation of employment; (6) failure to pay wages twice monthly; (7) failure to provide accurate, itemized wage statements; (8) failure to maintain complete and accurate payroll records; (9) failure to reimburse necessary business expenses; and (10) unfair, and deceptive business practices.

b) On September 1, 2020, pursuant to California's Labor Code section 2699.3, subd.(a), Plaintiffs gave timely written notice to Defendants and the California Labor and Workforce Development Agency ("LWDA") of Plaintiffs' intent to file the PAGA Action by sending the PAGA Notice.

c) On October 2, 2020, Defendants removed *Wilson I* to the United States District Court for the Central District of California.

d) On November 5, 2020, Plaintiffs filed the Action entitled *Kyree Wilson, et al. vs. IKEA North America Services, LLC, et al*., Case No. 20BBCV00789 ("*Wilson II*") in the Los Angeles Superior Court. *Wilson II* alleges a single cause of action for civil penalties under California's Private Attorneys General Act ("PAGA") for alleged violations of California's Labor Code for: (1) failure to pay overtime wages; (2) failure to provide legally required meal periods; (3) failure to provide legally required rest periods; (4) failure to pay minimum wages; (5) failure to pay wages upon termination or separation of employment; (6) failure to provide accurate, itemized wage statements; (8) failure to maintain complete and accurate payroll records; and (9) failure to reimburse necessary business expenses.

e) On December 14, 2020, *Wilson I* was remanded back to the Los Angeles Superior Court.

f) On February 9, 2021, Defendants filed a Motion for Judgment on the Pleadings in *Wilson I* arguing that Plaintiffs could not bring claims for rest periods, waiting time penalties, nor wage statements as they previously released those claims in an action titled *Allyza Cahilig v. IKEA US Retail, LLC*, United States District Court for the Central District of California, Case No. 2:19-cv-00182-CJC.

g) On April 7, 2021, Defendants filed a Motion to Strike portions of *Wilson II* complaint seeking PAGA penalties for alleged failure to provide rest periods, failure to provide accurate, itemized wage statements, and failure to pay wages upon termination or separation of employment.

h) On April 22, 2021, the above-entitled court granted Defendants' Motion for Judgement on the Pleading as to third, fifth, and seventh causes of action of the instant Action.

4. Mediation And Settlement Agreement Reached By The Parties. On June 28, 2022, the Parties, by and through their counsel, participated in a private mediation before Jeffrey Krivis, Esq. Those mediation efforts were ultimately successful with the Parties agreeing to resolve the Action in principle and on a class-wide basis on July 15, 2022 through mutual agreement of the mediator's proposal. This Stipulation formalizes the settlement agreement reached by the Parties.

5. Investigation. The Parties have conducted a detailed and comprehensive investigation of the claims asserted against Defendants and of the applicable law. The Parties exchanged informal discovery, which included: (a) analysis by the Parties of certain records, data, and policies pertaining to Plaintiffs, Class Members, and the claims asserted in the Action; (b) research of the law applicable to Plaintiffs' claims and Defendants' affirmative defenses, as well as the damages alleged by Plaintiffs; (c) examination and analysis of information and documents; and (d) consideration of information disclosed at and in connection with mediation.

6. Benefits of Settlement. The Class Representatives and Class Counsel recognize the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation. The Class Representatives and Class Counsel also are aware of the burdens of proof necessary to establish liability for the claims asserted in the Action, the defenses thereto, and the difficulties inherent in the Action. Based on the foregoing, the Class Representatives and Class Counsel have determined that the Settlement set forth in this Stipulation is a fair, adequate, and reasonable settlement, and that it is in the best interest of the Class Members. Based on their

discovery and investigation, Class Counsel has determined that the settlement is well within the range of reasonableness. The settlement embodied and documented in this Stipulation is the product of extensive, arms-length negotiations, and is not the product of collusion. Likewise, Defendants have concluded that any further defense of the Action would be protracted and expensive. Substantial amounts of time, energy, and resources have been, and will continue to be, devoted to the defense of the Action unless this settlement is made. Therefore, Defendants have agreed to settle, in the manner and upon the terms set forth in this Stipulation, in order to fully and finally resolve the claims asserted in the Action.

7. Denial of Wrongdoing. Defendants have denied and continue to deny each of the claims asserted by Plaintiffs in the Action and the related action, as identified and referenced in Paragraph 3, above. Defendants contend, among other things, that they complied at all times with the California Labor Code and applicable California Wage Orders, that it paid all wages owed to Plaintiffs and Class Members, and that any claim for wage payments or penalties owed is not actionable and/or does not give rise to any liability under the California Labor Code. Defendants further contend that they complied at all times with the provisions of the California Business & Professions Code § 17200 *et seq*. Neither this Stipulation nor any action taken to carry out the Stipulation may be construed as an admission by Defendants of any fault, wrongdoing, or liability whatsoever.

III. DATE OF SETTLEMENT

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

a) The Stipulation has been executed by all Parties, Class Counsel, and Defendants' Counsel;

b) The Court has granted preliminary approval to the Settlement;

c) The Court has held a Final Approval Hearing and has granted final approval to the Settlement; and

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

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

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

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

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

IV. CLASS MEMBERS INCLUDED IN THE SETTLEMENT

9. Scope Of The Class. The Class is defined in Paragraph 1(c), above.

10. Class Members' Objection To This Settlement. Any Class Member may object to the Settlement by mailing a written objection to the Settlement Administrator at the address detailed in the Notice by no later than the Document Receipt Deadline which is thirty (30) calendar days after the date that the Settlement Administrator first mails Notices to Class Members. Even if a Class Member fails to timely submit a written objection to the Settlement Administrator, he or she may appear at the Final Fairness Hearing to object to the Settlement. Any Class Member who does not object to the Settlement through a written objection and/or by appearing at the Final Fairness Hearing, however, may not appeal the final Judgment. In the event that the Court approves this Settlement notwithstanding the objections of any Class Members, Class Members who object to the Settlement will nonetheless be bound by the Settlement. Class Members who have opted out of the Settlement as detailed in Paragraph 23, subparagraph (d), herein do not have standing to object to the Settlement or to file an appeal for purposes of Paragraph 8.

11. Class Members' Exclusion ("Opt-Out") From This Settlement. Any Class Member may request to be excluded ("opt-out") from this Settlement by mailing a written Request for Exclusion to the Settlement Administrator as prescribed in Paragraph 23, subparagraph (d), herein. Each Class Member who submits a valid Request for Exclusion shall not be a Class Member and

shall not be bound by the Settlement, except that if he or she is a PAGA Group Member he or she will still be bound by the PAGA Release (*see* Paragraph 17, herein) and will receive his or her proportionate share of the portion of the PAGA Allocation (*see* Paragraph 21, subparagraph (e), herein) that is allocated to PAGA Group Members. Each Class Member who has not validly and timely opted-out as prescribed in Paragraph 23, subparagraph (d), herein, will be subject to the Release.

12. Class Members and PAGA Group Members' Disputes Regarding The Number Of Qualifying Workweeks or Qualifying Pay Periods attributable to Them. If a Class Member and/or PAGA Group Member wishes to dispute the number of Qualifying Workweeks (*see* Paragraph 21, subparagraph (f), herein) or Qualifying Pay Periods *see* Paragraph 21, subparagraph (h), herein) attributed to them and listed on the Class Notice, the Class or PAGA Group Member must notify the Settlement Administrator and should produce any available supporting evidence to the Settlement Administrator of the dates the Class Member or PAGA Group Member contends he or she worked during the Class Period or PAGA Period by no later than the Document Receipt Deadline. Defendants will review their records and provide information to the Settlement Administrator in response to any such disputed claim. Defendants' records will be presumed to be determinative, but the Settlement Administrator will evaluate the evidence submitted by the Class Member or PAGA Group Member and make the decision as to which dates should be applied. The determination by the Settlement Administrator will be final and binding, subject to oversight by the Court.

If a person believes that he or she was wrongly excluded from being a member of the Class or PAGA Group, that person must notify the Settlement Administrator by the Document Receipt Deadline or he or she will be excluded from the Class or PAGA Group. The Parties will endeavor to resolve the issue informally. If they are unable to do so, the Parties will refer the matter to the Court for a final determination on whether relief should be provided to that individual.

13. Termination Provision. Defendants reserve the right to revoke this Stipulation and the settlement provided for herein prior to the Final Approval Hearing in the event that five percent (5%) or more Class Members opt out of the Settlement by submitting timely and valid Requests for

Exclusion in the manner set forth in Paragraph 23, subparagraph (d), below, in which case this Stipulation will not have any force and/or effect. Defendants must notify Class Counsel and the Court of its election to withdraw not later than seven (7) calendar days after the Settlement Administrator sends the total percentage of opt-outs; late elections will have no effect. If the Settlement is voided pursuant to this paragraph, no payment will be made by Defendants to Plaintiffs, any Class Member, or Class Counsel; and all Parties and third parties referenced in this Stipulation will bear their own costs, fees, and expenses associated with the Litigation. However, Defendants will be responsible for the costs incurred by the Settlement Administrator.

14. Pro Rata Increase. In the event that the total number of weeks worked by the Class Members through the date of the Parties' mediation exceeds the total number of workweeks as represented at mediation by more than ten percent (10%), Defendants will increase the Total Class Action Settlement Amount by the percentage over ten percent (10%). For example, if the actual number is increased by twelve percent (12%), then the Total Class Action Settlement Amount will be increased by two percent (2%).

15. Finality Of Settlement. As of the Effective Date, the settlement contained herein, including the Release outlined below, shall be final and binding upon all Participating Class Members.

V. RELEASES

16. Release By Plaintiffs And Participating Class Members. As of the Effective Date, Plaintiffs and Participating Class Members (including the Class Representatives) release the Released Parties from the following, collectively referred to as the "Released Class Claims":

> All causes of action and factual or legal theories/allegations that were alleged in the operative complaint in the Action, including but not limited to all of the following claims for relief: (a) failure to pay minimum wages or overtime wages; (b) failure to provide all legally required meal periods or pay premiums in lieu thereof; (c) failure to provide all legally required rest periods or pay premiums in lieu thereof; (d) failure to pay final wages due at time of separation; (e) failure to pay all wages timely during employment; (f) failure to provide accurate itemized wage statements; (g) failure to maintain complete and accurate payroll

records; (h) failure to indemnify for necessary business expenditures; (i) unfair, and unlawful business practices in violation of California's Business & Professions Code section 17200, et seq.; (j) any other claims or penalties under the wage and hour laws pleaded in the Action or primary rights associated with such laws; and (k) all damages, penalties, interest and other amounts recoverable under said causes of action under California and federal law, to the extent permissible, including but not limited to the California Labor Code, the applicable Wage Orders, the California Unfair Competition Law, and the Fair Labor Standards Act as to the facts alleged in the Action (collectively, the "Released Claims"). Plaintiffs and Participating Class Members do not release claims or actions to enforce this Stipulation, claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period. The period of the Release shall extend to the Preliminary Approval Date, or January 31, 2023, whichever occurs sooner. The res judicata effect of the Judgment will be the same as that of the Release.

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

17. PAGA Release. As of the Effective Date, Plaintiffs, the PAGA Group Members, and the State of California will release the Released Parties from the following claims for civil penalties, collectively referred to as the "Released PAGA Claims" during the PAGA Period:

All causes of action, claims, and/or legal theories for civil penalties, both potential and actual, that were alleged or reasonably could have been alleged based on the facts and theories of the operative complaints in the Action, including but not limited to claims for: (a) failure to pay minimum wages or overtime wages; (b) failure to provide legally required meal periods or pay premiums in lieu thereof; (c) failure to provide legally required rest periods or pay premiums in lieu thereof; (d) failure to pay final wages due at time of separation; (e) failure to pay all wages timely during employment; (f) failure to provide accurate itemized wage statements; (g) failure to maintain complete and accurate payroll records; (h) failure to indemnify for necessary business expenditures; (i) failure to provide a day of rest pursuant to Labor Code sections 551 and 552; (j) failure to pay split shift premiums; (k) any other claims for civil penalties under the wage and hour laws pleaded in the Action or that are based on the same predicate facts or primary rights associated with such laws; and (l) all statutory penalties and other amounts recoverable under said causes of action under California law, to the extent permissible, including but not limited to the California Labor Code and the applicable Wage Orders (collectively, the "PAGA Released Claims"). The Released PAGA Claims do not include any claims or actions to enforce this Stipulation, claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the PAGA Period. The period of the Release shall extend to the Preliminary Approval Date, or January 31, 2023, whichever occurs sooner. The res judicata effect of the Judgment will be the same as that of the Release. These PAGA Released Claims will be released for PAGA Group Members regardless of whether they request exclusion from the Settlement as a Class member pursuant to Paragraph 11.

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

The Class Representatives also agree to expressly waive the provisions of California Civil Code section 1542, which provides as follows:

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

The Class Representatives' general releases shall cover the time period from August 24, 2016 up to the Preliminary Approval Date.

19. Representation Regarding Claims. Plaintiffs and Class Counsel make a binding representation that Plaintiffs and Class Counsel are not currently aware of any: (a) unalleged claims in addition to, or different from, those which are finally and forever settled and released against the Released Parties by this Stipulation; and (b) unalleged facts or legal theories upon which any claims or causes of action could be brought against Defendants, except such facts and theories specifically alleged in the operative complaint in this Action. Plaintiffs and Class Counsel further represent that, other than the actions being resolved by this Stipulation, they have no current intention of asserting any other claims against Defendants in any judicial or administrative forum. Plaintiffs and Class Counsel represent that they do not currently know of or represent any persons who have expressed any interest in pursuing litigation or seeking any recovery against Defendants. The Parties acknowledge, understand and agree that the representations described in this paragraph are essential to the Stipulation and that this Agreement would not have been entered into were it not for this representation. Any misrepresentation regarding the above are deemed material breaches of this Stipulation and cause for nullification of the Stipulation pursuant to Paragraph 35.

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

VI. AMOUNT AND DISTRIBUTION OF SETTLEMENT

20. Settlement Amount. The Total Class Action Settlement Amount shall be Two Million Seven Hundred Fifty Thousand Dollars and Zero cents ($2,750,000.00). Defendants will pay the Total Class Action Settlement Amount within thirty (30) calendar days following the Effective Date by wiring that amount into the Qualified Settlement Fund. Under no circumstances will Defendants be obligated to pay more than the amount of $2,750,000.00 as a result of this Settlement except as provided by Paragraph 14 or as is required by Defendants paying the employer's share of taxes associated with the Settlement.

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

a) Attorneys' Fees. Class Counsel may apply for an award of attorneys' fees, not to exceed 33.33% of the Total Class Action Settlement Amount, that is, Nine Hundred Sixteen Thousand Six Hundred Sixty-Six Dollars and Sixty-Seven cents ($916,666.67). The attorneys' fees award shall be paid from the Total Class Action Settlement Amount. Defendants agree not to oppose any such applications that are consistent with this paragraph. Even in the event that the Court reduces or does not approve the award of attorneys' fees discussed in this paragraph, Class Representatives and Class Counsel shall not have the right to revoke this Stipulation.

b) Attorneys' Costs. In addition to attorneys' fees, Class Counsel may apply for an award of costs, not to exceed the sum of Twenty Thousand Dollars and Zero Cents ($20,000.00). The costs award shall be paid from the Total Class Action Settlement Amount. Defendants agree not to oppose any such applications that are consistent with this paragraph. Even in the event that the Court reduces or does not approve the award of costs discussed in this paragraph, Class Representatives and Class Counsel shall not have the right to revoke this Stipulation.

c) Class Representatives' Enhancement Award. Class Counsel may apply for an enhancement award to the Class Representatives in an amount not to exceed Ten Thousand Dollars and Zero Cents ($10,000.00) for each Class Representative. The enhancement award shall be paid from the Total Class Action Settlement Amount. Defendants agree not to oppose any such application that is consistent with this paragraph. Even in the event that the Court reduces or does not approve the enhancement awards discussed in this paragraph, Class Representatives and Class Counsel shall not have the right to revoke this Stipulation.

d) Claims Administration Costs and Fees. All actual costs for claims administration, including related accounting costs, in an amount not to exceed Sixty-Three Thousand Five Hundred Dollars and Zero Cents ($63,500), shall be paid from the Total Class Action Settlement Amount. The Parties contemplate that the Settlement Administrator shall be Phoenix, or any other third-party class action settlement administrator agreed to by the Parties and approved by the Court for the purposes of administering this Stipulation. If a Settlement Administrator is not agreed upon by the Parties, Class Counsel shall select a Settlement Administrator on the bases of cost and competence, with the best interest of the Class in mind, subject to approval by the Court for purposes of administering this Stipulation. To the extent actual costs for claims administration are less than $______, those amounts will be credited to the Total Class Action Settlement Amount prior to distribution of the Net Settlement Amount to Class Members. Defendants agree not to oppose any such applications that are consistent with this paragraph.

e) PAGA Allocation. The Parties agree to allocate One Hundred Fifty Thousand Dollars and Zero Cents ($150,000.00) of the Total Class Action Settlement Amount to resolve the Class Members' claims arising under PAGA (the "PAGA Allocation"). Pursuant to PAGA, seventy-five percent (75%) of the PAGA Allocation, or One Hundred Twelve Thousand Five Hundred Dollars and Zero Cents ($112,500.00), shall be paid to the State of California Labor and Workforce Development Agency (the "LWDA"), with the remaining twenty-five percent (25%), or Thirty-Seven Thousand Five Hundred Dollars and Zero Cents ($37,500.00), paid pro rata to the PAGA Group Members as set forth below.

f) Payment of Individual Settlement Amounts To Participating Class Members. After the amounts described in Paragraph 21, subparagraphs (a) through (e), above, have been deducted from the Total Class Action Settlement Amount, the remainder – the Net Settlement Amount – shall be distributed to each Participating Class Member, in the following manner:

The Net Settlement Amount shall be divided by the number of aggregate Qualified Workweeks worked by Class Members during the Class Period to produce a "Weekly Settlement Value." A "Qualified Workweek" shall be a week where a Class Member was employed by Defendants in California as a non-exempt employee, at any time from August 24, 2016 through the Preliminary Approval Date or January 31, 2023, whichever occurs sooner. If possible, Defendants may exclude from these calculation any weeks where the Participating Class Member did not perform any work for Defendants. Each Participating Class Member shall be eligible to receive a settlement payment in the amount of the total number of Qualified Workweeks attributable to the Participating Class Member during the Class Period multiplied by the Weekly Settlement Value, less applicable withholdings, provided that the Participating Class Member has not submitted a Request for Exclusion.

g) Effect of Non-Participating Class Members on Calculation of Individual Settlement Amounts. Non-Participating Class Members will not receive any Individual Settlement Amounts. The Administrator will retain amounts equal to their Individual Settlement Amounts in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

h) Payment of Portion of PAGA Allocation to PAGA Group Members. Twenty-five (25%), or Sixteen Thousand Seven Hundred Fifty Dollars and Zero Cents ($16,750.00), of the PAGA Allocation to be paid to the PAGA Group Members shall be divided by the number of aggregate Qualified Pay Periods worked by all PAGA Group Members during the PAGA Period to produce a "Pay Period Settlement Value." A "Qualified Pay Period" shall be a pay period where a PAGA Group Member was employed by Defendants in California as a non-exempt employee, at any time from September 1, 2019 through Preliminary Approval or January 31, 2023, whichever occurs sooner. Each PAGA Group Member shall be eligible to receive a settlement payment in the amount of the total number of Qualified Pay Periods attributable to the PAGA Group Member during the PAGA Period multiplied by the Pay Period Settlement Value.

22. Non-Reversionary Settlement. There will be no reversion to Defendants following the claims process. In the event that an Individual Settlement Amount is paid to a Participating Class Member by check and the check is not cashed on or before the Check Cashing Deadline, the

amount of the Individual Settlement Amount shall be considered unclaimed. These monies shall be distributed as follows, subject to the Court's approval:

a. If the total residual amount is less than $75,000, then the amount will revert to *cy pres*. The *cy pres* recipient shall be proposed by the Parties and approved by the Court. The Parties propose Legal Aid at Work which provides legal services assisting low-income, working families and promotes better understanding of the conditions, policies, and institutions that affect the well-being of workers and their families and communities. The Settlement Administrator shall distribute any *cy pres* payment.

b. If the total residual amount is $75,000 or greater, a second distribution will occur to those Participating Class Members who cashed their checks for their Individual Settlement Amounts. The second distribution will occur on a pro rata basis as provided for in Paragraph 21, subparagraph (f). In the event of a redistribution of uncashed check funds to Participating Class Members who cashed their Individual Settlement Amounts checks, the additional settlement administration costs related to the redistribution will be deducted from the total amount of uncashed checks prior to the redistribution. If a check to a Class Member is returned to the Settlement Administrator as undeliverable during the second distribution, the Settlement Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace search and, if another address is identified, shall mail the check to the newly identified address. If none is found, then said check shall revert to the *cy pres* recipient. If there are uncashed check funds remaining from redistribution as described in this Paragraph, then the amount will revert to *cy pres*.

VII. SETTLEMENT ADMINISTRATION

23. Settlement Administrator's Duties. The Settlement Administrator shall be responsible for (a) processing the data provided by Defendants to be used in calculating Individual Settlement Amounts and payments of the PAGA Allocation; (b) preparing, printing, and mailing to Class Members the Notice (attached hereto as **Exhibit 1**), as well as following up with reasonable

skip tracing; (c) notifying the Parties of the identity of Class Members who submit timely Requests for Exclusion and Objections; (d) calculating and mailing Individual Settlement Amounts to Participating Class Members and payments of the PAGA Allocation; (e) filing any required federal and state tax forms and related agency reporting; (f) filing any required reports with the Court; and (g) any and all such other tasks described in this Stipulation, as to which the Parties mutually agree, or which the Court orders the Settlement Administrator to perform. The claims process shall be anonymous to the extent possible.

Specifically, the Settlement Administrator shall perform the following duties:

a) Processing Of Data Provided By Defendants Regarding Class/PAGA Group Members. Upon receipt of the data provided by Defendants pursuant to Paragraph 28 herein, the Settlement Administrator shall determine, for each Class Member and/or PAGA Group Member: (i) the Class Member and/or PAGA Group Member's name, (ii) the Class Member and/or PAGA Group Member's last known address, (iii) the last four digits of the Class Member and/or PAGA Group Member's social security number, (iv) the Class Member's number of Qualified Workweeks; (v) the Weekly Settlement Value and the Individual Settlement Amount to be paid to each Class Member pursuant to Paragraph 21, subparagraph (f), above; (vi) the PAGA Group Member's number of Qualified Pay Periods; (vii) the payment to be paid to each PAGA Group Member pursuant to Paragraph 21, subparagraph (h), above; and (viii) whether the escalator is triggered pursuant to Paragraph 14, and if so by how much.

b) Mailing Of Documents. Within ten (10) calendar days of receipt of the database containing the information to be provided by Defendants pursuant to Paragraph 28 herein, the Settlement Administrator shall mail a copy of the Notice to all Class Members by first class regular U.S. Mail, using the most current mailing address information provided by Defendants and/or obtained by the Settlement Administrator. Prior to mailing the Notice to Class Members, the Settlement Administrator shall run the addresses in the data provided by Defendants through the National Change of Address Database for any address updates and update the data as necessary. The Settlement Administrator will engage in address searches consistent with its normal practices in administering settlements of wage claims, including skip tracing. Such search efforts shall include, where necessary, using social security numbers to obtain better address information and attempting to call such Class Members. Any returned envelopes from this mailing with forwarding addresses will be utilized by the Settlement Administrator to forward the Notices to the Class Members.

c) Re-Mailing Of Returned Notices. Notices returned to the Settlement Administrator as non-delivered shall be re-sent to the forwarding address, if any, on the returned envelope. A returned Notice will be forwarded only once per Class Member by the Settlement Administrator. Upon completion of these steps by the Settlement Administrator, the Parties shall be deemed to have satisfied their obligation to provide the Notice to the affected Class Member. The affected Class Member shall be a Participating Class Member and shall be bound by all the terms of this Stipulation and the Court's Final Order and Judgment.

d) Processing Requests For Exclusion ("Opt-Outs") From Settlement. In the event that a Class Member wishes to be excluded ("opts out") from the settlement provided herein, he or she must mail a written Request for Exclusion to the Settlement Administrator by first class U.S. Mail, or equivalent, postage paid and postmarked, by no later than the Document Receipt Deadline, which is thirty (30) calendar days after the date that the Settlement Administrator first mails Notices to Class Members. To be valid, the written Request for Exclusion must include (i) the Class Member's name, (ii) the Class Member's address, (iii) a request that the Class Member wishes to be excluded from the settlement, and (iv) the Class Member's signature. The Settlement Administrator shall notify Class Counsel and Defendants' Counsel of its receipt of all valid Requests for Exclusion within five (5) business days after having received each such Request for Exclusion.

e) Payment of Individual Settlement Amounts. The Settlement Administrator shall be solely responsible for the disbursement of the Individual Settlement Amount payments.

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

g) Allocating Portions Of the Individual Settlement As Wages. The Settlement Administrator shall be responsible for calculating the portion of each Individual Settlement Amount to be allocated as wages. One-third (33.334%) of each Individual Settlement Amount shall be allocated as wages, and two-thirds (66.666%) of each Individual Settlement Amount shall be allocated as interest and penalties.

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

i. Federal Tax Reporting. The Settlement Administrator shall issue an IRS Form W-2 to each Class Member for the portion of the Individual Settlement Amount that is designated as wages. The Settlement Administrator shall issue an IRS Form 1099 to each Class Member for the portion of the Individual Settlement Amounts that is not designated as wages. The Settlement Administrator shall issue an IRS Form 1099 to the Class Representatives for any enhancement award paid pursuant to Paragraph 21, subparagraph (c), above, in connection with their role as the Class Representatives.

ii. State Tax Reporting. The Settlement Administrator shall file, with the California Employment Development Department ("EDD"), the required reports of Personal Income Tax ("PIT") wages withheld from the Individual Settlement Amounts, as well as the amounts to be paid as Unemployment Insurance ("UI"), Employment Training Tax ("ETT"), and State Disability Insurance ("SDI"). For purposes of this reporting, prior to disbursement of the Individual Settlement Amounts, the Settlement Administrator shall provide Defendants with a list of all Class Members, and Defendants shall provide to the Settlement Administrator with its Form DE 2088, Notice of Contribution Rates and Statement of UI Account, for the current calendar year (if unavailable, Defendants may provide instead their California State Employer's Identification Number and applicable UI and ETT Rates).

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

iv. Class Counsel and Defendant's Counsel do not intend this Stipulation to constitute legal advice relating to the tax liability of any Class Member. To the extent that this Stipulation is interpreted to contain or constitute advice regarding any federal, state or local tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any tax liability or penalties.

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

j) Mailing Of Individual Settlement Amounts and Portion of PAGA Allocation to PAGA Group Members. Within ten (10) calendar days after Defendants' transfer of funds to the Settlement Administrator, the Settlement Administrator shall mail all Participating Class Members and PAGA Group Members their Individual Settlement Amounts and/or portion of the PAGA Allocation. Each check issued to a Class Member shall remain valid and negotiable for one hundred eighty (180) days from the date of issuance. Those Individual Settlement Amounts and/or portion of the PAGA Allocation payment not cashed by the Check Cashing Deadline shall be treated in accordance with Paragraph 22 herein.

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

l) Payments To Class Counsel. Within ten (10) calendar days after Defendants' transfer of funds to the Qualified Settlement Fund, the Settlement Administrator shall pay the attorneys' fees and costs, as detailed in Paragraph 21, subparagraphs (a) and (b), above.

m) Payment Of PAGA Allocation. Within ten (10) calendar days after Defendants' transfer of funds to the Settlement Administrator, the Settlement Administrator shall pay seventy-five percent (75%) of the PAGA Allocation to the LWDA as civil penalties, as detailed in Paragraph 21, subparagraph (e), above.

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

VIII. DUTIES OF THE PARTIES PRIOR TO PRELIMINARY COURT APPROVAL

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

a) Scheduling a fairness hearing on the question of whether the proposed Settlement – including payment of attorneys' fees, attorneys' costs, appointment of the Class Representatives and the amount of their enhancement awards, and the method of determining Individual Settlement Amounts to be paid to Class Members – should be finally approved as fair, reasonable, and adequate as to the Class;

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

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

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

e) Enjoining the Class Representatives and all Participating Class Members from filing or prosecuting any claims, suits, or administrative proceedings (including filing claims with the California Division of Labor Standards Enforcement) regarding claims released by the Settlement unless such individuals have submitted valid Requests for Exclusion to the Settlement Administrator.

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

IX. DUTIES OF THE PARTIES FOLLOWING PRELIMINARY COURT APPROVAL

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

28. Defendants' Provision Of Class Member Data To Settlement Administrator. No later than fourteen (14) calendar days following preliminary approval of this Settlement by the Court, Defendants shall provide the Settlement Administrator with data that is within Defendants' possession containing, for each Class Member and/or PAGA Group Member: (a) the Class Member/PAGA Group Member's name; (b) the Class Member/PAGA Group Member's last known address; (c) the Class Member/PAGA Group Member's social security number; (d) the Class Member/PAGA Group Member's first date of employment in California as a non-exempt employee; and (e) the Class Member/PAGA Group Members' last date of employment (if any) in

California as a non-exempt employee. This Class Member/PAGA Group Member information is confidential and not to be disclosed to anyone other than the Settlement Administrator. In the event that a dispute arises about the number of Qualifying Workweeks or Qualifying Pay Periods for a Class Member and/or PAGA Group Member, Class Counsel may be provided with information identifying each Class Member and/or PAGA Group Member by number (with all other identifying information removed), and reflecting the number of Qualifying Workweeks or Qualifying Pay Periods during the Class Period and PAGA Period. This information shall be based on Defendants' payroll and other business records, and shall be in a format readily accessible to Defendants. In the event that approval of the documents pursuant to Paragraph 27 takes more than four (4) business days, the Settlement Administrator shall mail the Notice to the Class Members within three (3) business days of receiving approval of the documents pursuant to Paragraph 27.

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

30. Motions By Class Counsel.

a) Motions Required For Final Approval Of The Settlement. Class Counsel shall timely prepare, subject to Defendants' review and right to comment, Final Settlement Papers in conformance with the terms of this Settlement, including (1) a motion for final approval of the Settlement; (2) a motion for award of attorneys' fees and costs; (3) a motion for the Class Representatives' enhancement awards; (4) the [Proposed] Final Approval Order and Judgment; and (5) any other documents, petitions, or motions required to effectuate this Stipulation– including, but not limited to, any additional proposed orders requested by the Court. Class Counsel will endeavor to submit the Final Settlement Papers to Defendants' Counsel no later than three (3) court days prior to the deadline for filing the motion for final approval of the Stipulation. In the event that Class Counsel and Defendants' Counsel cannot resolve any dispute regarding the Final Settlement Papers arising from Defendants' right to review and comment, Defendants' Counsel shall submit its objections to the Final Settlement Papers to the Court before or during the Final Approval Hearing.

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

i. Approval of the Stipulation, adjudging the terms thereof to be fair, reasonable, adequate, and directing consummation of its terms and provisions;

ii. Approval of Class Counsel's application for an award of attorneys' fees and costs (Class Counsel will separately submit a motion for award of attorneys' fees and costs);

iii. Approval of the enhancement award to the Class Representatives;

iv. Dismissal of the Action with prejudice and permanently barring and enjoining the Class Representatives and all Class Members from prosecuting against the Released Parties any claims released herein pursuant to Paragraphs 16 and 17, above, including any Released Class Claims and, with respect to the Class Representatives, any claims covered by the general release, upon satisfaction of all payments and obligations hereunder; and

v. Reserving jurisdiction over the construction, interpretation, implementation, and enforcement of the Parties' Stipulation, and over the administration and distribution of the settlement amounts.

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

X. DUTIES OF THE PARTIES FOLLOWING COURT APPROVAL

32. Final Approval, And Entry Of Judgment. At or before the Final Approval Hearing, Class Counsel shall submit the [Proposed] Final Approval Order and Judgment to the Court for the

Court's approval and entry. After entry of the Final Approval Order and Judgment, the Court shall have continuing jurisdiction over the administration of the Stipulation.

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

34. Provision Of Final Approval Order And Judgment To Settlement Administrator. Within three (3) business days of final approval by the Court of the Settlement provided for in this Stipulation, Class Counsel shall provide the Settlement Administrator with a copy of the Final Approval Order and Judgment.

XI. ADDITIONAL TERMS

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

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

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

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

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

e) Plaintiffs or Class Counsel misrepresented their awareness of any unalleged claims against the Released Parties or unalleged facts or legal theories upon which claims or causes of actions could be brought against Defendants, pursuant to Paragraph 19.

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

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

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

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

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

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

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

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

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

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

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

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

To The Class:
SCHNEIDER WALLACE COTTRELL KONECKY LLP
Carolyn Hunt Cottrell
Esther L. Bylsma
2000 Powell Street, Suite 1400
Emeryville, CA 94608

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

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

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

49. Confidentiality.

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

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

c) Class Counsel Marketing And Adequacy Declarations. Class Counsel agrees not to use Defendants' name in marketing materials. Class Counsel and the Class Representatives will not make any posting on any website, instant message site, blog, or social networking site that uses

Defendants' name, and will not list or refer to the Action in any website, mailings, publicity, or other similar fora or materials. However, for the limited purpose of allowing Class Counsel to demonstrate adequacy as class counsel in other actions, Class Counsel may disclose to the Judge in the other action, the name of the Parties in this Action, the venue/case number of this action, and relevant pleadings in this Action.

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

51. Interim Stay Of Proceedings. The Parties agree to refrain from further litigation in the Action, except such proceedings necessary to implement and obtain an Order granting Final Approval of the terms of the Stipulation. The Parties further agree that the mutual, voluntary cessation of litigation shall terminate either as of the Effective Date or the date upon which this Stipulation has been denied by the Court and all subsequent attempts to cure deficiencies pursuant to Paragraph 26 have ended.

52. Invalidity Of Any Provision. To the extent the Court indicates that it may declare any provision of this Stipulation invalid, the Parties shall first attempt to construe or amend the provisions valid to the fullest extent possible so as to define all provisions of this Stipulation valid and enforceable.

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

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

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

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

DATED: February 02, 2023

CLASS REPRESENTATIVE

By: ______________________
Kyree Wilson
Plaintiff and Class Representative

DATED: February ___, 2023

CLASS REPRESENTATIVE

By: ______________________
Rhonda Guerrero
Plaintiff and Class Representative

DATED: February 2, 2023

IKEA NORTH AMERICA SERVICES, LLC

DocuSigned by:
Stephani Lewis
3DF03DE40C78412...

By: ______________________
Stephani Lewis
Amanda Wickstrom

For Defendants IKEA North America Services, LLC, IKEA US Retail, LLC, IKEA Distribution Services, Inc.

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

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

DATED: February ___, 2023

CLASS REPRESENTATIVE

By: ______________________________
Kyree Wilson
Plaintiff and Class Representative

DATED: February 3__, 2023

CLASS REPRESENTATIVE

By: ______________________________
Rhonda Guerrero
Plaintiff and Class Representative

DATED: February 2__, 2023

IKEA NORTH AMERICA SERVICES, LLC

DocuSigned by:

By: Stephani Lewis
3DF03DE40C78412...
Stephani Lewis
Amanda Wickstrom

For Defendants IKEA North America Services, LLC, IKEA US Retail, LLC, IKEA Distribution Services, Inc.

DATED: February 10, 2023

SCHNEIDER WALLACE COTTRELL KONECKY LLP

By: Esther Lee Bylsma
Carolyn Hunt Cottrell
Esther Lee Bylsma

Attorneys for Plaintiffs
Kyree Wilson and Rhonda Guerrero, and those similarly situated.

DATED: February 2, 2023

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

By: DocuSigned by: Alexander Chemers 958D51E4CC1A455...
Alexander M. Chemers
Omar M. Aniff

Attorneys for Defendants
IKEA North America Services, LLC, IKEA US Retail, LLC, IKEA Distribution Services, Inc.

EXHIBIT 1

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

NOTICE OF CLASS ACTION SETTLEMENT

PLEASE READ CAREFULLY AS
THIS NOTICE MAY AFFECT YOUR RIGHTS

KYREE WILSON, RHONDA GUERRERO Plaintiffs, vs. IKEA NORTH AMERICA SERVICES, LLC; IKEA US RETAIL LLC; IKEA DISTRIBUTION SERVICES INC. and DOES 1 to 100, inclusive, Defendants.	Case No.: 20STCV32154 Related Case No.: 20BBCV00789 Judge: Honorable Elihu M. Berle Department: 6 **NOTICE OF CLASS ACTION SETTLEMENT**

I. WHY DID I GET THIS NOTICE?

This notice explains that a settlement has been reached in the case entitled *Kyree Wilson et al. v. IKEA North America Services, LLC et al.*, (Case No. 20STCV32154). You are receiving this notice because the records of IKEA North America Services, LLC, IKEA Us Retail LLC, and IKEA Distribution Services Inc. (together "IKEA") indicate that you are a current or former hourly-paid or non-exempt employee who worked for IKEA or its affiliates within the State of California at any time during the time period of April 24, 2016 through January 31, 2023 ("Class Period") (the "Class"). As a result, you are eligible to receive a portion of the settlement amount.

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

The Court has ordered that this notice be sent to you because IKEA's records indicate that you are a member of the Class who has not already released any and all claims you may have possessed against IKEA and/or its affiliates. The purpose of this notice is to inform you of the proposed Settlement of the Action. The notice is also intended (i) to describe the Settlement, including how the Settlement monies will be allocated and how the Settlement may affect you, and (ii) to advise you of your rights and options with respect to the Settlement.

II. WHAT IS THIS LAWSUIT ABOUT?

On August 24, 2020 and November 5, 2020, two former IKEA employees filed lawsuits in which they alleged multiple violations of California wage-and-hour laws on a class-wide and representative basis as to all current and former hourly-paid or non-exempt employees who worked for IKEA in California, including: (1) failure to pay minimum wages and overtime wages; (2) failure to provide legally required meal periods; (3) failure to provide legally required rest periods; (4) failure to timely pay wages; (5) failure to provide accurate itemized wage statements; (6) failure to maintain complete and accurate payroll records; (7) failure to provide accurate, itemized wage statements; (8) failure to indemnify for necessary business expenditures; (9) unfair, and deceptive business practices; and (10) civil penalties under the Private Attorneys General Act ("PAGA"). The August 24, 2020 and November 5, 2020 lawsuits are collectively referred to in this document as the "Action." The individuals who are suing IKEA are referred to in this document as "Plaintiffs." The Action was litigated in State Court prior to this Settlement.

IKEA contends that the members of the Class have been paid all monies that were due to them, maintains that it has at all times complied with California's wage-and-hour laws, and vigorously denies any wrongdoing alleged by Plaintiffs.

The Court has not ruled on whether Plaintiffs' allegations have any merit. However, for the purpose of avoiding the time and expense of further litigation, the ultimate outcome of which is uncertain, and to provide a fair and reasonable resolution of this legal dispute, Plaintiffs and IKEA have negotiated a settlement whereby IKEA has agreed to pay $2,750,000.00 to resolve the Action, and Class members will be eligible to claim a portion of this amount. This settlement is not an admission by IKEA or its affiliates of any liability.

III. WHO IS INCLUDED IN THIS ACTION?

All persons who work or worked as hourly-paid or non-exempt employees who worked for IKEA in California at any time during the period of April 24, 2016 through January 31, 2023, who have not already released any and all claims they may have possessed against IKEA and/or affiliates.

IV. WHAT DOES THE PROPOSED SETTLEMENT OFFER?

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

A. IKEA will pay Two Million Seven Hundred Fifty Thousand Dollars and no cents ($2,750,000.00) to settle the claims of all Class members.

B. A claims administrator has been appointed by the Court to administer the settlement. The claims administrator will pay from the $2,750,000.00: **(1)** Plaintiffs' counsel's attorneys' fees, up to $916,666.67; **(2)** Plaintiffs' counsel's costs, up to $20,000.00; (**3**) the expenses of administering the settlement, up to the amount of $63,500.000; **(4)** An enhancement award of $10,000.00 to each Plaintiff ($20,000.00 total); **(5)** A payment of $112,500.00 to the California Labor & Workforce Development Agency, representing 75% of the $150,000.00 allocated to the settlement of Plaintiffs' claim for penalties under PAGA, and $37,500.00 to

PAGA Group Members, representing 25%. The remainder of the $2,750,000.00 will be available to make individual settlement payments to Class members.

C. The amount to be distributed to Class members will be divided among all Class members. The amount of money you will receive will be based on the total amount to be distributed to Class members, after the amounts described in paragraph IV.B, above, are deducted, divided by the number of aggregate qualified weeks worked by all Class members during the Class Period to produce a "Weekly Settlement Value." A "Qualified Workweek" is any week in which a Class member was employed by IKEA in California in a non-exempt job position during the Class Period. If you do not opt out of the settlement, you will be eligible to receive a settlement payment in the amount of the total number of your Qualified Workweeks multiplied by the Weekly Settlement Value, less applicable withholdings**.**

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

D. The amount to be distributed to PAGA Group Members will be divided among all PAGA Group Members. The amount of money you will receive will be based on the amount to be distributed to the PAGA Group Members, $37,500.00, divided by the number of aggregate qualified pay periods worked by all Class members during the Class Period to produce a "Pay Period Settlement Value." A "Qualified Pay Period" shall be a pay period where a PAGA Group Member was employed by Defendant in California as a non-exempt employee, at any time from September 1, 2019 through January 31, 2023. Even if you opt out of the settlement, you will receive a settlement payment in the amount of the total number of your Qualified Pay Periods multiplied by the Pay Period Settlement Value.

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

E. If you disagree with the number of qualified weeks or qualified pay periods attributed to you from April 24, 2016 or September 1, 2019, respectively, through January 31, 2023, you must submit a dispute to the Settlement Administrator in writing on or before ______________, 2022 (*30 calendar days after mailing this notice*) stating the dates you contend you worked for IKEA from April 24, 2016 or September 1, 2019 through January 31, 2023, and you should produce any available supporting evidence of these dates (e.g., copies of paper pay checks or wage statements). The Settlement Administrator will evaluate the evidence submitted and make the decision as to which dates should be applied.

F. If the Court grants final approval of the settlement agreement and you do not opt out of the settlement, then you will release IKEA and all of IKEA's current or former parent companies, subsidiary companies and/or related companies, partnerships, joint ventures, affiliates, divisions, and, with respect to each of them, all of their and/or such related entities' predecessors and successors, and, with respect to each such entity, all of its past, present, and/or future, officers, partners, principals, directors, stockholders, managers, owners, representatives, assigns, attorneys, agents, insurers, employee benefit programs (and the trustees, administrators, fiduciaries, and insurers of such programs), and any other persons acting by, through, under, or in concert with any of the persons or entities listed herein, and their successors (the "Released Parties"), from all causes of action and factual or legal theories/allegations that were alleged in the operative complaint in the Action, including but not limited to all of the following claims for relief: (a) failure to pay minimum wages or overtime wages; (b) failure to provide all legally required meal periods or pay premiums in lieu thereof; (c) failure to provide all legally required rest periods or pay premiums in lieu thereof; (d) failure to pay final wages due at time of separation; (e) failure to pay all wages timely during employment; (f) failure to provide accurate itemized wage statements; (g) failure to maintain complete and accurate payroll records; (h) failure to indemnify for necessary business expenditures; (i) unfair, and unlawful business practices in violation of California's Business & Professions Code section 17200, et seq.; (j) any other claims or penalties under the wage and hour laws pleaded in the Action or primary rights associated with such laws; and (k) all damages, penalties, interest and other amounts recoverable under said causes of action under California and federal law, to the extent permissible, including but not limited to the California Labor Code, the applicable Wage Orders, the California Unfair Competition Law, and the Fair Labor Standards Act as to the facts alleged in the Action (collectively, the "Released Claims"). You will be barred from prosecuting any of the Released Class Claims against the Released Parties.

You will also release claims for civil penalties pursuant to the Private Attorneys General Act of 2004 against the Released Parties irrespective of whether you opt out of the Settlement, including all causes of action, claims, and/or legal theories for civil penalties, both potential and actual, that were alleged or reasonably could have been alleged based on the facts and theories of the operative complaints in the Action, including but not limited to claims for: (a) failure to pay minimum wages or overtime wages; (b) failure to provide legally required meal periods or pay premiums in lieu thereof; (c) failure to provide legally required rest periods or pay premiums in lieu thereof; (d) failure to pay final wages due at time of separation; (e) failure to pay all wages timely during employment; (f) failure to provide accurate itemized wage statements; (g) failure to maintain complete and accurate payroll records; (h) failure to indemnify for necessary business expenditures; (i) failure to provide a day of rest pursuant to Labor Code sections 551 and 552; (j) failure to pay split shift premiums; (k) any other claims for civil penalties under the wage and hour laws pleaded in the Action or that are based on the same predicate facts or primary rights associated with such laws; and (l) all statutory penalties and other amounts recoverable under said causes of action under California law, to the extent permissible, including but not limited to the California Labor Code and the applicable Wage Orders (collectively, the "PAGA Released Claims").

V. WHAT ARE MY OPTIONS?

A. ***You may accept your share of the $2,750,000.00 settlement and be bound by the release of all claims described above.*** Settlement awards will be paid by check after the settlement is given final approval by the Court. The checks will be mailed to you by the claims administrator. Your check will remain valid and negotiable for one hundred eighty (180) days from the date on which it is issued. After those one hundred eighty (180) days expire, the check will becomes void and the unclaimed funds shall be sent to the California State Controller's Office Unclaimed Property Fund in your name; ***or***

B. ***You may exclude yourself from the settlement, in which case you will not receive your share of the settlement and you will not be bound by the settlement*.** If you choose to be excluded, by no later than _____ (30 calendar days after mailing of this Notice), you must send a written request for exclusion, by mail, to the claims administrator, Name and Address. In order to be considered valid, your request for exclusion ***must*** be timely sent and ***must*** include your name, your address, a request for exclusion, and your signature.

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

VI. WHAT ARE THE PROCEDURES FOR PAYMENT?

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

B. One-third of your share of the settlement will be considered wages from which ordinary tax withholdings will be deducted. No tax deductions shall be made from the remaining two-thirds of your share of the settlement. You will be given IRS tax forms for each of these amounts. You are responsible for paying the correct amount of taxes on each portion of your share of the settlement.

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

VII. HEARING ON PROPOSED SETTLEMENT

A final fairness hearing will be held before the Court on __________, 2023, at _____ a.m., in Department 6 of the Los Angeles Superior Court, located at the Stanley Mosk Courthouse at 111 North Hill Street, Los Angeles, CA 90012 to decide whether or not the proposed settlement is fair, reasonable, and adequate. The Court may adjourn or continue the hearing without further notice to you.

You are not required to attend the hearing. Counsel for Plaintiffs and the Class will answer any questions the Court may have. However, you are welcome to attend the hearing at your own expense, and may do so either in person, or virtually by audio or video. Should you decide to appear in person, please check the Court's COVID-19 related rules regarding face masks and social distancing. For more information and directions on how to appear, visit https://www.lacourt.org/.

VIII. PROCEDURES FOR OBJECTING TO SETTLEMENT

If you don't think the Settlement is fair, you can object to the Settlement and tell the Court that you don't agree with the Settlement or some part of it. The Court will consider your views. To object, you must send a letter, which you sign, saying that you object to the settlement of *Kyree Wilson et al. v. IKEA North America Services, LLC et al.*, (Case No. 20STCV32154). Be sure to include the case name and case number (as shown in the preceding sentence), your name, your address, the specific reasons you object to the terms of the Settlement, and your signature. If you wish to speak at the Final Approval Hearing, you must also indicate in your objection letter that you intend to appear at the Final Approval Hearing. Mail the objection to the address listed below postmarked or faxed to (800) ___________ on or before _____________, 2023 (*30 days after mailing this notice*).

IX. EXAMINATION OF COURT PAPERS AND QUESTIONS

This Notice summarizes the Settlement. For more detailed information, you may view a complete copy of the settlement agreement, and any papers filed in the Action, which are on file with the Clerk of the Court, case number 20STCV32154. The pleadings and all other records from this litigation may be examined by inspecting the Court file in the at the Archives and Records Center of the Los Angeles County Superior Court, located at 222 North Hill Street, Room 212, Los Angeles, CA, 90012.

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

Class Counsel:	Counsel for IKEA
SCHNEIDER WALLACE COTTRELL KONECKY LLP Carolyn Cottrell (State Bar No. 166977) ccottrell@schneiderwallace.com Esther Lee Bylsma (State Bar No. 264308) ebylsma@schneiderwallace.com 2000 Powell Street, Suite 1400 San Francisco, California 94608 Telephone: (415) 421-7100 Facsimile: (415) 421-7105	**OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.** ALEXANDER M. CHEMERS, CA Bar No. 263726 alexander.chemers@ogletree.com OMAR M. ANIFF, CA Bar No. 315446 omar.aniff@ogletreedeakins.com 400 South Hope Street, Suite 1200 Los Angeles, CA 90071 Telephone: 213-239-9800 Facsimile: 213-239-9045