

PRIVATE ATTORNEYS GENERAL ACT (LABOR CODE § 2698 ET SEQ.)
SETTLEMENT AGREEMENT

John Coles et al. v. Sally Beauty Holdings, Inc., et al.
Los Angeles County Superior Court
Case Number 21STCV01648

IT IS HEREBY STIPULATED AND AGREED by and among the undersigned Parties (defined below) to this settlement agreement (“Agreement” or “Settlement”), subject to the approval of the Court, that the settlement of this Action (defined below) shall be effectuated upon and subject to the following terms and conditions. Capitalized terms used herein shall have the meanings set forth in Article I or elsewhere herein.

This Agreement is made by and between Defendants Sally Beauty Holdings, Inc., Sally Beauty Supply, LLC, and Beauty Systems Group, LLC (collectively, “Defendants”), on the one hand, and Plaintiffs John Coles (“Plaintiff Coles”) and Michelle Langa (“Plaintiff Langa”) (collectively, “Plaintiffs”), on behalf of themselves, the Aggrieved Employees (defined below), and the State of California, on the other hand (Defendants and Plaintiffs are individually referred to herein as a “Party” and collectively referred to as the “Parties”).

The Parties agree that all representative claims under the California Labor Code Private Attorneys General Act of 2004, Labor Code §§ 2698 et seq. (“PAGA”) that were asserted in *John Coles et al. v. Sally Beauty Holdings, Inc., et al.*, Los Angeles County Superior Court, case number 21STCV01648 (the “Litigation” or “Action”) and Plaintiffs’ letters to the California Labor & Workforce Development Agency (“LWDA”) dated October 8, 2020 and March 29, 2022 shall be, and hereby are, ended, settled, resolved, and concluded by agreement of Defendants to pay the sum of Seventy-Five Thousand Dollars and Zero Cents (\$75,000.00) for settlement of the Claims on the terms outlined in this Agreement, subject to court approval, which sum shall be all-inclusive meaning it will cover Plaintiffs’ attorneys’ fees and costs, settlement administration fees, and payments to the State of California and the Aggrieved Employees, and under no condition will Defendants be obligated to pay additional sums for resolution of the Claims (the “PAGA Settlement Sum”). The Parties further agree this Agreement is a compromise of disputed claims and that nothing in this Agreement shall be construed as an admission of liability.

Article I.

Definitions.

Section 1.01 Definitions.

Unless otherwise defined herein, the following terms used in this Agreement shall have the meanings ascribed to them as set forth below:

- (a) “Aggrieved Employees” means all individuals who worked for Defendants in California as Distributor Sales Consultants, in commissioned sales positions, and/or in similar job positions, whether exempt, salaried, hourly, and/or non-exempt, at any time during the Release Period.

- (b) “Claims” means all claims, causes of action, and primary rights that were alleged or could have been alleged based on the allegations set forth in the Complaint and PAGA Notices.
- (c) “Complaint” means the First Amended Complaint filed in the Action.
- (d) “Court” means the Superior Court for the State of California, County of Los Angeles.
- (e) “Defense Counsel” or “Counsel for Defendant” is:

Spencer C. Skeen, Esq.
Marlene M. Moffitt, Esq.
OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.
4370 La Jolla Village Drive, Suite 990
San Diego, California 92122

- (f) “Effective Date” means the date the Court enters an order and judgment approving and incorporating by reference the terms and conditions of this Agreement.
- (g) “PAGA Notices” means the letters submitted on behalf of Plaintiff Coles and Plaintiff Langa to the California Labor and Workforce Development Agency dated October 8, 2020 and March 29, 2022, respectively, and alleging Labor Code violations against Defendants.
- (h) “Plaintiffs’ Counsel” is:

Kevin Mahoney, Esq.
MAHONEY LAW GROUP, APC
249 E. Ocean Blvd., Suite 814
Long Beach, California 90802

Justin Lo, Esq.
Edward Kim, Esq.
WORK LAWYERS, P.C.
22939 Hawthorne Blvd., Suite 202
Torrance, California 90505

Belal Hamideh, Esq.
BELAL HAMIDEH LAW, P.C.
111 W. Ocean Blvd., Suite 424
Long Beach, California 90802

- (i) “Release Period” means the time period of October 8, 2019 through the Effective Date.

- (j) “Settlement Administration Costs” means and shall include all costs of administering the settlement, including, but not limited to, all tax document preparation, custodial fees, and accounting fees incurred by the Settlement Administrator; all costs and fees associated with preparing, issuing and mailing any and all notices and other correspondence to Aggrieved Employees; all costs and fees associated with communicating with Aggrieved Employees, State of California, Plaintiffs’ Counsel, and Defendants’ Counsel; all costs and fees associated with computing, processing, reviewing, and paying payments to Aggrieved Employees; costs and fees associated with preparing any tax returns and any other filings required by any governmental taxing authority or agency; and any other cost and fees incurred and/or charged by the Settlement Administrator in connection with the execution of its duties under this Agreement.

Article II.

Background.

Section 2.01 Background.

- (a) On January 14, 2021, Plaintiff Coles initiated the Action. The operative complaint is the First Amended Complaint (“Complaint”) filed by Plaintiff Coles and Plaintiff Langa on or around July 26, 2022. The Complaint alleges, among other things, Defendants failed to reimburse necessary business expenditures and failed to timely pay all wages due. The Action seeks relief in the form of civil penalties pursuant to PAGA.
- (b) Defendants deny and dispute all of the allegations in the Complaint and deny that they have committed or are liable for any misconduct, statutory or regulatory violation, wrongdoing, or any other actionable conduct of any kind. Defendants further deny that any of their current and former employees is an “aggrieved employee” or that Defendants should be held liable to Plaintiffs or any other current or former employee as alleged in the Complaint. Defendants contend that, at all times and in good faith, it properly complied with applicable law. Defendants have vigorously defended against the claims in the Complaint and, but for this Settlement, would continue to do so.
- (c) On June 1, 2022, the Parties participated in a full-day mediation with mediator Lisa Klerman, an experienced and highly respected PAGA and wage and hour mediator. The Action did not settle at mediation. However, the Parties continued their settlement discussions. With Ms. Klerman’s expert guidance, the Parties eventually negotiated a complete settlement of the Claims. The Parties’ settlement includes this PAGA Settlement Agreement and a separate individual settlement agreement that includes a general release of claims in exchange for a release payment (“Individual Settlement Agreement”).

- (d) Throughout the Action, the Parties have engaged in extensive discovery. The Parties reached this settlement only after conducting extensive investigation of the facts and law. The fact investigation included formal and informal discovery, including the production of Defendants' corporate practices and policies, wage statements, expense reports, time and pay records, Plaintiffs' employment records, reimbursement requests, and emails. The Parties believe and agree this Agreement provides for a fair, adequate, and reasonable resolution of the Claims and have arrived at the Settlement after extensive, arms-length negotiations in a full-day private mediation, taking into account all relevant factors, present and potential.
- (e) The Parties and their counsel recognize the expense and length of continued proceedings necessary to litigate the disputes through trial and through any possible appeals. The Parties have also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation. The Parties and their counsel are aware of the burdens of proof necessary to establish liability for the claims alleged, and the affirmative and other defenses asserted. Thus, reaching this Settlement now has the potential for having a higher value today than it might have later if the Litigation were to continue. Based on the foregoing, Plaintiffs have determined that the Settlement is fair and promotes PAGA's objectives
- (f) Labor Code section 2699(l)(2) provides that "[t]he superior court shall review and approve any settlement of any civil action filed pursuant to this part." Accordingly, the Parties will seek an order from the Court approving this Agreement pursuant to California Labor Code section 2699(l)(2) and entering judgment incorporating by reference the terms and conditions of this Agreement.

Article III.

Approval and Implementation of Settlement.

Section 3.01 Cooperation.

The Parties will cooperate in preparing and submitting a motion for Court approval of this Settlement and obtaining an order from the Court approving the Settlement, at the earliest possible date. Prior to or concurrently therewith, Plaintiff shall also submit a copy of this Agreement to the California Labor and Workforce Development Agency ("LWDA") as required pursuant to PAGA. The Parties agree to use their best efforts to expedite the preparation and submission of the Settlement documents, within the parameters set by the mediator, Ms. Klerman. The Parties further agree to fully cooperate in the drafting and/or filing of any further documents or filings reasonably necessary to be prepared or filed, shall take all steps that may be requested by the Court relating thereto, or that are otherwise necessary, for the approval and implementation of the payments as set forth in this Agreement.

The Court's approval of this Agreement shall be embodied in a written order and judgment, which shall be transmitted to the LWDA promptly upon entry, as required by PAGA.

Section 3.02 Escalator Clause

Based on a review of their records to date, Defendants estimate there are 77 Aggrieved Employees who worked a total of 2,865 PAGA Pay Periods. If the actual number of PAGA Pay Periods increases by more than ten percent (10%), i.e., totals more than 3,152 pay periods, Defendants shall either, at their choosing: (1) increase the PAGA Settlement Sum on a proportional basis that the actual number of PAGA Pay Periods exceeds 10%, or (2) modify the Release Period such that the end date of the Release Period is the date where the actual total PAGA Pay Periods does not exceed 10% of the number represented herein. For example, if the actual number of PAGA Periods exceeds 2,865 by 12%, the PAGA Settlement Sum shall increase by 2%, in an amount to be calculated by the settlement administrator.

Section 3.03 Settlement Payment Procedures.

(a) Payment of PAGA Settlement Sum and Notice to Aggrieved Employees.

- (1) Defendants agree to pay the PAGA Settlement Sum to settle, resolve, and fully discharge the Claims. The PAGA Settlement Sum is all-inclusive, meaning it shall cover, resolve, and fully satisfy any and all amounts owed to Plaintiffs, the Aggrieved Employees, the State of California, the Settlement Administrator, and Plaintiffs' Counsel, including all amounts allocated to attorneys' fees and costs. The Parties agree there are no circumstances that would require Defendants to pay any amount greater than the PAGA Settlement Sum. In the event this Agreement is canceled, rescinded, terminated, voided or nullified, however that may occur as permitted herein, or the Settlement is barred by operation of law, invalidated, or ordered not to be carried out by a court of competent jurisdiction, Defendants shall have no obligation to pay any of the PAGA Settlement Sum and the Parties' respective positions shall be restored to positions prior to mediation. Further, in the foregoing event, nothing in this Agreement, the negotiations leading to this Settlement, nor any papers prepared in connection with this Agreement shall be admissible in any proceeding for any purpose whatsoever.
- (2) This Agreement contemplates a separate, additional settlement agreement for Plaintiffs' individual claims ("Individual Settlement Agreement"). If the court requires an additional amount to secure court approval of this PAGA settlement, Defendants shall not be required to contribute any additional amount. Any additional amount required to secure PAGA settlement approval shall be deducted from the amounts set forth in the Individual Settlement Agreement.
- (3) The Parties agree there are no circumstances that would require Defendants to pay any amount greater than the PAGA Settlement Sum in connection with this Agreement. In the event this Agreement is canceled, rescinded, terminated, voided or nullified, however that may occur as permitted herein, or the settlement is barred by operation of law, invalidated, or ordered not to be carried out by a court of competent jurisdiction, Defendants shall have no obligation to pay any of the PAGA Settlement Sum and the

Parties' respective positions shall be restored to their respective positions prior to mediation. Further, in that event, nothing in this Agreement, the negotiations leading to this settlement, nor any papers prepared in connection with this Agreement shall be admissible in any proceeding for any purpose whatsoever.

- (4) The "Net Settlement Fund" shall be calculated by deducting from the PAGA Settlement Sum up to 33% of the PAGA Settlement Sum (projected to be \$24,750) for the payment of Plaintiffs' Counsel's fees; up to \$10,000 for the payment of Plaintiffs' Counsel's costs; and up to \$6,750 for Settlement Administration Costs, all of which are subject to the Court's approval. The Net Settlement Fund is estimated to be approximately \$33,500. Seventy-five percent (75%) of the Net Settlement Fund, or approximately \$25,125, shall be distributed to the LWDA, and the remaining twenty-five percent (25%) of the Net Settlement Fund, or approximately \$8,375, shall be distributed to the Aggrieved Employees. This is a non-reversionary settlement and any amount not approved by the Court including for Plaintiffs' Counsel's fees or costs and/or Settlement Administration Costs, shall be added to the Net Settlement Fund for distribution as set forth herein.
- (5) Payments to Aggrieved Employees. The twenty-five percent (25%) of the Net Settlement Fund to be distributed to the Aggrieved Employees will be divided by the total number of pay periods worked by all Aggrieved Employees during the Release Period to yield the "Pay Period Value." Each Aggrieved Employee will be paid an amount equal to their individual number of pay periods worked in California during the Release Period multiplied by the Pay Period Value. A "PAGA Pay Period" is a pay period during the Release Period in which an Aggrieved Employee worked at least one day during the pay period.
- (6) Upon the later of thirty (30) business days after the Effective Date or fourteen (14) business days of the Settlement Administrator (defined below) establishing a qualified settlement fund ("QSF") pursuant to this Agreement, Defendants shall pay the entire PAGA Settlement Sum into the QSF established by the Settlement Administrator. Payment shall be made via wire, bank transfer, or other means acceptable to the Settlement Administrator on or before the scheduled due date. The Settlement Administrator will provide to Defendants' Counsel IRS Form W-9 for the QSF prior to their funding of the PAGA Settlement Sum.
- (7) The Settlement Administrator shall disburse court-approved amounts from the PAGA Settlement Sum to: (a) Aggrieved Employees; (b) the LWDA; (c) Plaintiffs' Counsel; and (d) itself, no later than fifteen (15) business days after Defendants' deposit of the PAGA Settlement Sum. The Settlement Administrator shall transmit the "Notice of PAGA Settlement" (in substantially the same form as **Exhibit "A"** attached hereto), together with settlement checks containing their individual settlement amounts, with no claims process required, to all Aggrieved Employees by first-class United States mail, postage prepaid, to the last known address of each recipient with directions to the Postmaster to forward the Notice of PAGA Settlement and return those that are undeliverable. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any checks returned as non-deliverable on

or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address or Social Security number of the Aggrieved Employee involved, and will then perform a single re-mailing. Checks will remain negotiable for 180 days after their issuance. After the 180 day-period, the Settlement Administrator shall remit any unclaimed funds to the California State Controller as unclaimed property in the name of each such Aggrieved Employee, unless otherwise ordered by the Court.

- (8) All settlement payments to Aggrieved Employees will be treated as miscellaneous income for which an IRS Form 1099 will be issued and no withholdings will be made.

Section 3.04 Settlement Administration Costs.

The Parties will retain CPT Group, Inc. as the third-party settlement administrator ("Settlement Administrator"). The Settlement Administrator will be responsible for establishing the QSF and issuing notices, payments and appropriate tax forms to Aggrieved Employees, the LWDA, Plaintiffs, and Plaintiffs' Counsel, pursuant to this Agreement and as approved by the Court. The Settlement Administration Costs shall be paid from the PAGA Settlement Sum. Settlement Administration Costs are estimated to be \$6,750.

Article IV.

Limitations On Use Of This Settlement.

Section 4.01 No Admission.

This Agreement and compliance with this Agreement shall not be construed as an admission by Defendants of any liability whatsoever, or as an admission by Defendants of any violations of Plaintiffs' or Aggrieved Employees' rights, violation of any order, law, statute, duty or contract whatsoever. Defendants specifically disclaims any liability to Plaintiffs or any other allegedly aggrieved employee for any alleged violation of their rights, or for any alleged violation of any order, law, statute, duty or contract. Defendants further deny that, for any purpose other than settling these matters, this action is appropriate for representative treatment.

Section 4.02 Non-Evidentiary Use.

This Agreement is admissible for purposes of obtaining approval from the Court of the Settlement and is intended to be binding on the Parties. It is also admissible in the event either Party is required to file a motion to enforce any of the terms of the Agreement. Neither this Agreement, nor any of its terms, nor any of the negotiations connected with it or proceedings relating to this Agreement, payouts or anything else associated with it, shall be offered or used as evidence by any of the Parties, or their respective counsel in the Litigation or in any other action or proceeding, including to establish any liability or admission on the part of Defendants or any

Released Parties (defined below) or to establish the existence of any condition constituting a violation of, or noncompliance with, federal, state, local or other applicable law; provided, however, this shall not prevent this Agreement from being used, offered, or received in evidence in any proceeding to enforce, construe, or finalize this Agreement. Neither this Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it or proceedings relating to this Agreement, payouts or other events associated with it, shall be construed as an admission or concession by Defendants or any Released Parties or establishment of any such violation(s) or failure(s) to comply with any applicable law. Defendants specifically retain the right to defend, on the merits, against any non-settled claims brought by any Aggrieved Employees.

Section 4.03 Nullification.

In the event (i) the Court does not approve this Agreement, or (ii) the Court's order and judgment approving and incorporating this Agreement does not become final, then this Agreement, and any documents generated to bring it into effect, will be null and void in their entirety and the Parties will return to their original respective positions, unless otherwise agreed upon in writing between the Parties.

Article V.

Release and Waiver of Claims.

Section 5.01 Limited Release By LWDA, Plaintiffs, and Aggrieved Employees.

Upon the Effective Date and Defendants' payment of the PAGA Settlement Sum, the LWDA and Plaintiffs, on behalf of themselves, their heirs, executors, and assigns, and the Aggrieved Employees, shall be deemed to have fully, finally, and forever released, relinquished, and discharged Defendants, and each of their present and former affiliates, parent companies, subsidiaries, divisions, successors, predecessors, and assigns, and each of their respective past and present shareholders, officers, partners, directors, current and former employees, agents, attorneys, insurers, successors, assigns, representatives, accountants, and all persons acting under, by, through, or in concert with any of them (collectively, "Released Parties") from any and all claims, rights, demands, liabilities, primary rights, and causes of action of every nature and description, that were asserted in the Complaint and/or PAGA Notices, or that could have been asserted in the Complaint and/or PAGA Notices, and accrued during the Release Period ("Released Claims").

There is no ability for Aggrieved Employees to opt-out and all Aggrieved Employees will be bound by the terms of the Settlement, including this release, upon court approval of the Settlement.

Miscellaneous Provisions.

Section 6.01 Voluntariness and Consultation with Counsel.

This Agreement is executed voluntarily and without duress or undue influence on the part of or on behalf of any of the Parties, or of any other person, firm or other entity. The Parties, and each of them, acknowledge that they have had the opportunity to consult with legal counsel of their choice prior to execution and delivery of this Agreement, and they have in fact done so. The Parties represent that they have entered into this agreement knowingly and voluntarily, after consulting with their attorneys, with a full understanding of its terms.

Section 6.02 Amendments.

This Agreement may only be modified or changed by a writing signed by the Parties hereto or by their undersigned counsel. Any waiver of any provision of this Agreement shall not constitute a waiver of any other provision of this Agreement unless expressly so indicated otherwise.

Section 6.03 Assignment.

None of the rights, commitments, or obligations recognized under this Agreement may be assigned by any Party, Aggrieved Employee, Plaintiffs' Counsel, or Defense Counsel without the express written consent of each other Party and their respective counsel hereto. The representations, warranties, covenants, and agreements contained in this Agreement are for the sole benefit of the Parties under this Agreement, and shall not be construed to confer any right or to avail any remedy to any other person. Plaintiff expressly warrants that he has not transferred to any person or entity any right or cause of action, or claim released by this Agreement.

Section 6.04 Governing Law.

This Agreement shall be governed, construed, and interpreted, and the rights of the Parties shall be determined, in accordance with the laws of the State of California.

Section 6.05 Entire Agreement.

This Agreement and the Individual Settlement Agreement contain the entire understanding of the Parties hereto with respect to resolution of the Claims. This Agreement, together with the Individual Settlement Agreement, supersede any other agreements, understandings, or representations between the Parties.

Section 6.06 Waiver of Compliance.

Any failure of any Party, Defense Counsel, and/or Plaintiffs' Counsel hereto to comply with any obligation, covenant, agreement, or condition herein may be expressly waived in writing, to the extent permitted under applicable law, by the Party or Parties and their respective counsel hereto entitled to the benefit of such obligation, covenant, agreement, or condition. A

waiver or failure to insist upon strict compliance with any representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

Section 6.07 Counterparts.

This Agreement, and any amendments hereto, may be executed in any number of counterparts and any Party and/or their respective counsel hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. Facsimile, pdf, or other copies of signatures of any Party hereto, including by DocuSign, shall be deemed to be an original signature for all purposes.

Section 6.08 Attorneys' Fees and Costs.

With respect to this Agreement, neither Plaintiffs' Counsel nor any other attorneys acting for, or purporting to act for the Aggrieved Employees, or Plaintiffs may recover or seek to recover any amounts for fees, costs, or disbursements from the Released Parties or the PAGA Settlement Sum except as expressly provided herein. Defendants shall bear their own attorney's fees and costs, and neither Plaintiffs' Counsel, Aggrieved Employees, nor Plaintiffs shall be responsible for Defendants' attorney's fees and costs. If any Party moves the Court to enforce this Agreement, the prevailing party shall be entitled to recover from the other Party all attorneys' fees and costs incurred to enforce this Agreement.

Section 6.09 Dispute(s).

Should any dispute(s) arise among the Parties or their respective counsel regarding the implementation or interpretation of this Agreement, but excluding any dispute related to non-payment or late payment of the PAGA Settlement Sum, the Parties agree to submit any such dispute(s) first to mediation and/or continued negotiations before mediator Lisa Klerman, and then, if unsuccessful, to the Los Angeles County Superior Court. To the extent any Party seeks to enforce any of the terms of this Agreement in Court or before the Court, the prevailing party shall be entitled to recover his/her/its/their reasonable attorneys' fees and costs.

Section 6.10 Binding.

This Agreement shall bind and inure to the benefit of the Parties hereto and to their respective successors, assigns, legatees, heirs, and personal representatives.

Section 6.11 Court's Retention of Jurisdiction.

The Court shall retain jurisdiction, pursuant to Code of Civil Procedure section 664.6 and otherwise as permitted by law, to enforce this Settlement.

Section 6.12 Authority.

Each Party to this Agreement expressly represents and warrants to have the authority necessary to execute this Agreement. Each person signing this Agreement on behalf of

a corporation or as counsel for a Party represents that he or she has the authority to agree to the terms hereof and to execute this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Private Attorneys General Act Settlement Agreement on the date set forth.

APPROVED AND ACCEPTED.

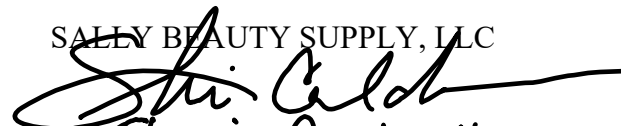
Dated: August 5, 2022

SALLY BEAUTY HOLDINGS, INC.


By Sheri Caldwell
Its Deputy General Counsel

Dated: August 5, 2022

SALLY BEAUTY SUPPLY, LLC


By Sheri Caldwell
Its Deputy General Counsel

Dated: August 5, 2022

BEAUTY SYSTEMS GROUP, LLC


By Sheri Caldwell
Its Deputy General Counsel

Dated: August __, 2022

By _____
JOHN COLES

Dated: August __, 2022

By _____
MICHELLE LANGA

a corporation or as counsel for a Party represents that he or she has the authority to agree to the terms hereof and to execute this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Private Attorneys General Act Settlement Agreement on the date set forth.

APPROVED AND ACCEPTED.

Dated: August __, 2022

SALLY BEAUTY HOLDINGS, INC.

By _____
Its _____

Dated: August __, 2022

SALLY BEAUTY SUPPLY, LLC

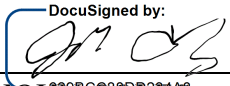
By _____
Its _____

Dated: August __, 2022

BEAUTY SYSTEMS GROUP, LLC

By _____
Its _____

Dated: August __, 2022
8/9/2022

DocuSigned by:
By  _____
JOHN COLES

Dated: August __, 2022
8/9/2022

DocuSigned by:
By  _____
MICHELLE LANGA

**APPROVED AS TO FORM AND
ATTORNEY OBLIGATIONS ONLY**

Dated: August __, 2022

WORK LAWYERS, P.C.

By _____
Justin Lo, Esq.
Edward Kim, Esq.
Attorneys for Plaintiff

Dated: August 5, 2022

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

By  _____
Spencer C. Skeen, Esq.
Marlene M. Moffitt, Esq.
Attorneys for Defendants

**APPROVED AS TO FORM AND
ATTORNEY OBLIGATIONS ONLY**

Dated: August __, 2022
8/4/2022

WORK LAWYERS, P.C.

DocuSigned by:
By Justin Lo
Justin Lo, Esq.
Edward Kim, Esq.
Attorneys for Plaintiff

Dated: August __, 2022

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

By _____
Spencer C. Skeen, Esq.
Marlene M. Moffitt, Esq.
Attorneys for Defendants

EXHIBIT A

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

JOHN COLES, et al.,

Plaintiffs,

v.

SALLY BEAUTY HOLDINGS, INC., et
al.,

Defendants.

Case No. 21STCV01648

**NOTICE OF SETTLEMENT OF PRIVATE
ATTORNEYS GENERAL ACT CLAIM
(CAL. LABOR CODE § 2698 *ET SEQ.*)**

You have been identified as an exempt, salaried, hourly, and/or non-exempt employee of Sally Beauty Holdings, Inc., Sally Beauty Supply LLC, and Beauty Systems Group, LLC (collectively, “Defendants”) who worked as a Distributor Sales Consultant, commissioned sales person or similar job position, in California at some time between October 8, 2019 and [RELEASE PERIOD END DATE] (“Aggrieved Employee”).

Plaintiffs John Coles and Michelle Langa (together, “Plaintiffs”) filed a lawsuit in Los Angeles County Superior Court against Defendants, titled *John Coles, et al. v. Sally Beauty Holdings, Inc.* and designated Case Number 21STCV01648 (the “Lawsuit”). Plaintiffs allege, among other things, Defendants failed to reimburse necessary business expenses and timely pay all wages due. For these alleged violations, Plaintiff seeks penalties under the California Labor Code’s Private Attorneys General Act of 2004, codified as Labor Code section 2698 *et seq.* (“PAGA”).

Defendants deny Plaintiffs’ allegations and dispute all of Plaintiffs’ claims. The Lawsuit was litigated extensively. Following an investigation and full-day mediation before a third-party mediator, the Parties reached a settlement which takes into account the uncertainties and risks of proceeding with litigation (the “Settlement”).

The Court approved the Settlement on [insert date of entry of order approving Settlement] and has determined that the Settlement is fair and reasonable. A portion of the Settlement is being paid to the government and a portion is being to each Aggrieved Employee, as required under PAGA. Aggrieved Employees, including you, are receiving a portion of the Settlement based on the number of pay periods actually worked for Defendants in California from October 8, 2019 to [RELEASE PERIOD END DATE] (“Release Period”).

The court-approved Settlement contains the following release of claims, to which you are bound:

Upon the Effective Date and Defendants' payment of the PAGA Settlement Sum, the LWDA and Plaintiffs, on behalf of themselves, their heirs, executors, and assigns, and the Aggrieved Employees, shall be deemed to have fully, finally, and forever released, relinquished, and discharged Defendants, and each of their present and former affiliates, parent companies, subsidiaries, divisions, successors, predecessors, and assigns, and each of their respective past and present shareholders, officers, partners, directors, current and former employees, agents, attorneys, insurers, successors, assigns, representatives, accountants, and all persons acting under, by, through, or in concert with any of them (collectively, "Released Parties") from any and all claims, rights, demands, liabilities, primary rights, and causes of action of every nature and description, that were asserted in the Complaint and/or PAGA Notices, or that could have been asserted in the Complaint and/or PAGA Notices, and accrued during the Release Period ("Released Claims").

The payment which accompanies this notice is made to you pursuant to the terms of the Settlement. You will not be retaliated against for cashing the check. It is entirely up to you if you cash your check or not. Checks that are not cashed within 180 days of issuance will be transmitted to the California State Controller as unclaimed property, to be held on your behalf. Regardless of what you do with the check issued to you, by law and Court order, you will be deemed to have released the Released Parties from the Released Claims described above.

Your payment under this Settlement is considered penalties and will be reported to the IRS and state tax authorities. You will receive an IRS Form 1099 pertaining to your payment if required by law. You are responsible for payment of any and all taxes that are due as a result of this payment.

Do not call or write the Court or Office of the Clerk to ask questions about the settlement.

If you have any questions, you may call or write the Settlement Administrator, at the following number or address: [INSERT].