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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE**

LUCIANO JIMENEZ, as an individual, and
on behalf of all others similarly situated,

Plaintiff,

vs.

ARCADIA CHAIR COMPANY, INC., a
California corporation; and DOES 1 through
100,

Defendants.

Case No. 30-2020-01175920-CU-OE-CXC

*[Assigned for all purposes to Hon. Lon
Hurwitz, Dept. CX-103]*

**DECLARATION OF SEAN M.
BLAKELY IN SUPPORT OF
PLAINTIFF'S SUPPLEMENTAL BRIEF
IN SUPPORT OF PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT**

Date: July 12, 2024
Time: 1:30 p.m.
Dept.: CX-103

Complaint Filed: December 23, 2020
Trial Date: None set

1 I, SEAN M. BLAKELY, declare as follows:

2 1. I am a Partner at Haines Law Group, APC, and counsel for the named Plaintiff
3 Luciano Jimenez (“Plaintiff”) and the proposed Settlement Class in the above-captioned matter.
4 I am a member in good standing of the bar of the State of California and am admitted to practice
5 in this Court. I have personal knowledge of the facts stated in this declaration and could testify
6 competently to them if called upon to do so.

7 2. This declaration is submitted in support of Plaintiff’s Supplemental Brief in
8 Support of Plaintiff’s Motion for Preliminary Approval of Class Action Settlement. Following
9 the Court’s March 22, 2024 Minute Order regarding Plaintiff’s Motion for Preliminary Approval
10 of Class Action Settlement (the “Order”), my firm has worked diligently with defense counsel to
11 amend the Stipulation of Settlement (“Settlement Agreement”) and the Notice of Pendency of
12 Class and PAGA Action and Proposed Settlement (“Class Notice”) in accordance with the issues
13 identified by the Court.

14 3. Attached hereto as **Exhibit 1** is the fully executed amended Settlement Agreement.
15 Attached hereto as **Exhibit 2** is the final version of the Class Notice. Attached hereto as **Exhibit**
16 **3** is a red-line version of the amended Settlement Agreement reflecting all changes. Attached
17 hereto as **Exhibit 4** is a red-line version of the amended Class Notice reflecting all changes.
18 Attached hereto as **Exhibit 5** is a red-line version of the amended [Proposed] Order Granting
19 Preliminary Approval of Class and PAGA Action Settlement reflecting all changes.

20 4. As indicated in Plaintiff’s Motion for Preliminary Approval, the average
21 Settlement Award is estimated at approximately \$3,554.67 and the average payment from the
22 PAGA Amount is estimated at approximately \$23.81. The highest Settlement Award is estimated
23 at approximately \$8,497.68. The lowest Settlement Award is estimated at approximately \$19.62.
24 The highest estimated payment from the PAGA Amount is estimated at approximately \$72.28.
25 The lowest estimated payment from the PAGA Amount is estimated at approximately \$0.35.

26 5. My office has entered into a fee sharing agreement in this case with Michael
27 Burgis & Associates, P.C., who referred this case to my office. Under the terms of the agreement,
28 Haines Law Group, APC will receive 77.5% of any attorneys’ fee award, and Michael Burgis &

1 Associates, P.C. will receive 22.5% of any attorneys' fee award. This fee sharing agreement was
2 expressly agreed to in writing by Plaintiff pursuant to California Rule of Professional Conduct
3 1.5.1 (formerly California Rule of Professional Conduct 2-200(A)).

4 6. I believe Plaintiff's requested Enhancement Payment is reasonable and intended
5 to recognize the significant time and effort Plaintiff expended on behalf of the Settlement Class,
6 including providing substantial factual information and documents to my office, discussing the
7 claims and theories at issue in the litigation, actively participating in the prosecution of his claims,
8 preparing for and attending his deposition, being part of the two mediation sessions in this case,
9 as well as the significant risks Plaintiff undertook by agreeing to serve as the named plaintiff in
10 this case, and the fact that Plaintiff agreed to a general release of all claims subject to a waiver of
11 Civil Code § 1542. Plaintiff remained in regular contact with my office and upheld his duties as
12 a class representative at all times throughout this litigation. Accordingly, I believe the requested
13 Enhancement Payment is appropriate and should be preliminarily approved.

14
15 I declare under penalty of perjury under the laws of the State of California that the
16 foregoing is true and correct. Executed on June 28, 2024, at El Segundo, California.

17 
18 Sean M. Blakely

EXHIBIT 1

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement”) is reached by and between Plaintiff Luciano Jimenez (“Plaintiff” or “Class Representative”), as an individual and on behalf of all members of the Settlement Class (defined below), on one hand, and Defendant Arcadia Chair Company, Inc. (“Defendant”), on the other hand. Plaintiff and Defendant are referred to herein collectively as the “Parties.” Plaintiff and the Settlement Class are represented by Paul K. Haines and Sean M. Blakely of Haines Law Group, APC (collectively, “Class Counsel”). Defendant is represented by Shannon R. Finley and Christine Y. Clark of Pettit Kohn Ingrassia Lutz & Dolin PC.

On December 23, 2020, Plaintiff filed a class action complaint against Defendant in Orange County Superior Court, titled *Luciano Jimenez v. Arcadia Chair Company, Inc.*, Case No. 30-2020-01175920-CU-OE-CXC (the “Action”), alleging that Defendant failed to: (i) pay all overtime wages; (ii) pay all minimum wages; (iii) provide all lawful meal periods; (iv) authorize and permit all lawful rest periods; (v) issue accurate itemized wage statements; (vi) timely pay all final wages; and (vii) comply with California’s unfair competition laws. On March 1, 2021, Plaintiff filed the First Amended Class and Representative Action Complaint (“FAC”) to add a cause of action for civil penalties under the Private Attorneys General Act, Labor Code § 2698, *et seq.* (“PAGA”). Concurrently with the filing of Plaintiff’s Motion for Preliminary Approval, the Parties stipulate to the filing of a Second Amended Class and Representative Action Complaint to add a cause of action for failure to reimburse business expenses pursuant to California Labor Code section 2802 for damages on behalf of the Settlement Class and for civil penalties on behalf of the PAGA Aggrieved Employees. Additionally, Plaintiff will serve an amended PAGA letter.

Given the uncertainty of litigation, Plaintiff and Defendant wish to settle both individually and on behalf of the Settlement Class. Accordingly, Plaintiff and Defendant agree as follows:

1. **Settlement Class.** For the purposes of this Settlement Agreement only, Plaintiff and Defendant stipulate to the certification of the following Settlement Class:

All current and former non-exempt employees of Defendant Arcadia Chair Company, Inc. directly hired by Arcadia Chair Company, Inc. who worked in California at any time between June 23, 2016 through November 30, 2023 (the “Class Period”), and who did not sign a severance agreement.

The Parties agree that certification for purposes of settlement is in no way an admission that class certification of the defined Settlement Class is proper under the more stringent standard applied for litigation purposes under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not granted preliminary or final approval or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible in this or any other proceeding as evidence that a class should be certified as Plaintiff propose or otherwise, or that Defendant are liable in any way to Plaintiff or the class that Plaintiff allege, and will have no force or effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

Defendant expressly reserves its rights to oppose class and conditional certification of any purported class should this settlement fail to become final and effective.

Additionally, the “PAGA Aggrieved Employees” shall be defined as:

All current and former non-exempt employees in California who worked for Defendant Arcadia Chair Company, Inc., whether employed directly by Arcadia Chair Company, Inc. or through a staffing agency, at any time from December 24, 2019, until November 30, 2023 (the “PAGA Period”).

2. **Release by Settlement Class Members and Plaintiff.** Following entry of final judgment, and upon the Gross Settlement Amount being fully funded, as described below, Plaintiff and every member of the Settlement Class (except those who timely opt out) will fully release and discharge Defendant and any of its former or present parents, subsidiaries, affiliates, investors, partners, owners, related organizations, predecessors or successors, and all agents, employees, officers, directors, members, managers, holding companies, insurers, and attorneys thereof, (collectively, the “Released Parties”), as follows:

- A. All Settlement Class members who do not timely opt-out will release and discharge the Released Parties from all causes of action, claims, rights, or statutory damages, penalties, liabilities, expenses, and losses under California law that were alleged in the FAC in the Action or that could have been alleged based on the facts alleged in the FAC in the Action, including, but not limited to: any alleged failure by Defendant (1) to pay overtime wages; (2) to pay minimum wages; (3) to provide all lawful meal periods; (4) to authorize and permit all lawful rest periods; (5) to provide compliant wage statements; (6) to timely pay wages at the end of alleged employment; (7) failure to reimburse for necessary business expenses; (8) any right or claim for unfair business practices in violation of California Business & Professions Code sections 17200, *et seq.*, based on the alleged failures set forth in (1) through (7) above (“California Released Claims”). The period of the California Released Claims shall extend to the limits of the Class Period.
- B. Upon the occurrence of the Effective Date and the Settlement being fully funded, Plaintiff and all PAGA Aggrieved Employees release and forever discharge the Released Parties from all claims for civil penalties under California Labor Code Private Attorneys General Act of 2004 arising out of or based on the facts alleged in Plaintiff’s letter to the Labor & Workforce Development Agency (“LWDA”) dated December 24, 2020, including claims for civil penalties due to an alleged failure to pay all overtime and minimum wages; failure to provide all meal periods in accordance with California law; failure to authorize and permit all rest periods in accordance with California law; failure to furnish accurate and itemized wage statements; and failure to pay all wages owed upon separation of employment as well as failure to reimburse business expenses as alleged in the Second Amended Class and Representative Action Complaint (“PAGA Released Claims”). The period of the PAGA Released Claims shall extend to the limits of the PAGA Period.

- C. In light of Plaintiff's Class Representative Enhancement Payment, Plaintiff has agreed to release, as an individual and in addition to the California Released Claims and PAGA Released Claims described above, all claims, whether known or unknown, under federal law or state law against the Released Parties. Plaintiff understands that this release includes unknown claims, and that Plaintiff is, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

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.

Nothing contained herein shall constitute a release of any rights or claims that cannot be waived as a matter of law (including but not limited to claims arising under workers' compensation laws or unemployment insurance). Nor shall anything contained herein be construed to exclude the filing of an administrative charge or complaint with the Equal Employment Opportunity Commission or National Labor Relations Board, or participation in an administrative investigation or proceeding. Nothing contained herein shall constitute a release of any claims Plaintiff may have under the California Fair Employment and Housing Act ("FEHA").

3. **Gross Settlement Amount.** As consideration, Defendant agrees to pay a non-reversionary "Gross Settlement Amount" of Four Million Three Hundred Fifty Thousand Dollars and Zero Cents (\$4,350,000.00), in full and complete settlement of the Action, as follows:

- A. The Parties have agreed to engage Phoenix Settlement Administrators as the "Settlement Administrator" to administer this settlement.
- B. The Settlement will become final and effective when: (a) the Court's final approval of the Settlement (if no timely objections by or on behalf of Settlement Class members have been filed, or any timely objections have been withdrawn); or (b) the time for appeal has expired if an objection has been filed and no appeal has been filed or withdrawn; or (c) the final resolution of any appeal that has been filed ("Effective Date").
- C. The Gross Settlement Amount shall be deposited into an escrow account to be established by the Settlement Administrator as follows: Defendant will make a first installment of \$1,450,000.00 within thirty (30) days of execution of this Settlement Agreement; Defendant will make a second installment of \$1,450,000.00 within seven (7) months of execution of this Settlement Agreement; and Defendant will make a third and final installment of \$1,450,000.00 within fifteen (15) months of execution of this Settlement Agreement. Should this settlement not receive final approval by the Court, any monies deposited by Defendant will revert to Defendant.

- D. This is a non-reversionary settlement. The Gross Settlement Amount includes:
- i. All payments (including interest) to the Settlement Class members;
 - ii. All costs of the Settlement Administrator, which are anticipated to be no greater than Nineteen Thousand Dollars and Zero Cents (\$19,000.00);
 - iii. Up to Fifteen Thousand Dollars and Zero Cents (\$15,000.00) for Plaintiff's Class Representative Enhancement Payment in recognition of Plaintiff's contributions to the Action and Plaintiff's service to the Settlement Class. In the event that the Court reduces or does not approve the requested Class Representative Enhancement Payment, Plaintiff shall not have the right to revoke the Settlement Agreement for that reason, and the settlement will remain binding;
 - iv. Up to one-third (1/3) of the Gross Settlement Amount in Class Counsel's attorneys' fees (currently estimated at \$1,450,000.00), plus actual costs and expenses incurred by Class Counsel related to the Action as supported by declaration, which are currently estimated to be no greater than One Hundred Thousand Dollars and Zero Cents (\$100,000.00). In the event that the Court reduces or does not approve the requested Class Counsel attorneys' fees or costs, Class Counsel shall not have the right to revoke the Settlement Agreement based on that reason, and the settlement will remain binding; and
 - v. One Hundred Thousand Dollars and Zero Cents (\$100,000.00) of the Gross Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code section 2699(i), 75% of such penalties, or Seventy-Five Thousand Dollars and Zero Cents (\$75,000.00), will be payable to the California Labor & Workforce Development Agency ("LWDA"), and the remaining 25%, or Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00), will be payable to the Settlement Class members as the "PAGA Amount," as described below.
 - vi. Defendant will not oppose the reasonableness of these requests. Any reduction by the Court of these requests will revert to the Net Settlement Amount for distribution to the Settlement Class members who do not opt-out.
- E. Defendant's share of employer payroll taxes shall be paid by Defendant separately from, and in addition to, the Gross Settlement Amount, at the time of the third and final installment.
- F. Excluded from receiving a Settlement Payment under the terms of this Agreement are those members of the Class who submit a valid and timely request for exclusion from the Settlement. If five percent (5%) or more of the members of the Settlement Class timely and affirmatively opt out of this Settlement, Defendant shall have the absolute right, in its sole discretion, and notwithstanding any other provisions of

this Settlement, to withdraw from and cancel this Settlement in its entirety, whereupon this Settlement will be null and void for all purposes, and may not be used or introduced in further litigation. This right can be exercised only by a writing stating clearly that Defendant is cancelling, and withdrawing from, this Settlement, which is sent by counsel for Defendant to Class Counsel, Haines Law Group, APC, Attn: Paul K. Haines, by facsimile and e-mail, no later than ten (10) calendar days after the claims administrator first notifies counsel of record for Defendant in writing of the total number of timely opt-outs. If the right provided in this paragraph is not so exercised, it shall be waived and cannot later be exercised. Should Defendant exercise this right, it shall pay all expenses incurred by the settlement administrator through the date of withdrawal.

- G. Escalator Clause. Defendant represents that there are approximately 107,997 aggregate workweeks worked by all Settlement Class members during the Class Period. If, as of the date of preliminary approval, the actual number of aggregate workweeks worked by all Settlement Class members exceeds the figure by more than 10% (i.e., if there are 118,797 or more aggregate workweeks worked by all Settlement Class members during the Class Period), then the Gross Settlement Amount shall increase on a proportional basis equal to the increase in aggregate workweeks (e.g., if the number of aggregate workweeks increases by 12%, Defendant will increase the Gross Settlement Amount by 12%).

4. **Payments to the Settlement Class Members.** Settlement Class members are not required to submit a claim form to receive a payment (“Settlement Award”) from the settlement. Settlement Awards will be determined and paid as follows:

- A. The Settlement Administrator shall first deduct from the Gross Settlement Amount the amounts approved by the Court for Class Counsel’s attorneys’ fees, Class Counsel’s costs and expenses, the Class Representative Enhancement Payment, the Settlement Administrator’s fees and expenses for administration, and the amount designated as PAGA civil penalties. The remaining amount shall be known as the “Net Settlement Amount.”
- B. From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class member’s Settlement Award based on the following formula:
- i. Payments to all participating Settlement Class members: Eighty percent (80%) of the Net Settlement Amount will be distributed to all participating Settlement Class members based on each participating Settlement Class member’s proportionate workweeks worked during the Class Period, and will be calculated by multiplying 80% of the Net Settlement Amount by a fraction, the numerator of which is the participating Settlement Class member’s number of workweeks worked during the Class Period, and the denominator of which is the total workweeks worked by all participating Settlement Class members during the Class Period.

- ii. Waiting Time Amount: Ten Percent (10%) of the Net Settlement Amount shall be designated as the “Waiting Time Amount.” Each participating Settlement Class member whose employment with Defendant ended at any time from June 23, 2017 to November 30, 2023, shall receive an equal, pro-rata share of the Waiting Time Amount. In other words, the Waiting Time Amount will be divided equally among all participating Settlement Class members whose employment with Defendant ended at any time from June 23, 2017 to November 30, 2023.
- iii. Wage Statement Amount: Ten percent (10%) of the Net Settlement Amount shall be designated as the “Wage Statement Amount.” Each participating Settlement Class member who was employed by Defendant at any time from June 23, 2019 to November 30, 2023 shall receive a portion of the Wage Statement Amount proportionate to the number of workweeks that he or she worked during the period from June 28, 2019 to November 30, 2023, and which will be calculated by multiplying 10% of the Net Settlement Amount by a fraction, the numerator of which is the participating Settlement Class member’s number of workweeks worked from June 23, 2019 to November 30, 2023, and the denominator of which is the total number of workweeks worked by all participating Settlement Class members during the time period from June 23, 2019 to November 30, 2023.
- iv. PAGA Amount: In addition to the Net Settlement Amount, each PAGA Aggrieved Employee (including those who submit a valid and timely Request for Exclusion from the class action settlement) shall receive a portion of the Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00) of the Gross Settlement Amount that has been designated as the “PAGA Amount” proportionate to the number of workweeks that he or she worked during the PAGA Period, and which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the PAGA Aggrieved Employee’s number of workweeks worked during the PAGA Period, and the denominator of which is the total number of workweeks worked by all PAGA Aggrieved Employees during the PAGA Period (including those who submit a valid and timely Request for Exclusion from the class action settlement).

- C. Within ten (10) calendar days following Defendant’s third and final installment with the Settlement Administrator, the Settlement Administrator will calculate Settlement Award amounts and provide the same to counsel for review and approval. Within seven (7) calendar days of approval by counsel, the Settlement Administrator will prepare and mail Settlement Awards, less applicable taxes and withholdings, to participating Settlement Class members. The Settlement Administrator shall simultaneously pay the withholdings to the applicable authorities with the necessary reports, submitting copies to Defendant’s counsel. After Settlement Awards are mailed to Settlement Class members, the Settlement Administrator shall distribute the amounts approved for Class Counsel’s attorneys’

fees and litigation costs, Plaintiff's Enhancement Payment, payment to the LWDA for its share of PAGA civil penalties, and settlement administration expenses.

- D. Each Settlement Award from the Net Settlement Amount shall be allocated as 20% wages and 80% penalties and interest. Any payment from the PAGA Amount shall be allocated as 100% penalties. The Settlement Administrator will be responsible for issuing to participating Settlement Class members an IRS Form W-2 (for amounts paid as wages) and an IRS Form 1099 (for amounts paid as penalties and interest). The Settlement Administrator shall be responsible for calculating and withholding all employment taxes and other legally required withholdings from each Settlement Award. Notwithstanding the treatment of the payments to each Settlement Class member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans.
- E. Neither Plaintiff, Defendant, nor their respective counsel are giving any tax advice in connection with the settlement or any payments to be made pursuant to this settlement.
 - a. Each Settlement Class member who receives a Settlement Award must cash that check within 180 days from the date the Settlement Administrator mails it.. For any Settlement Class member whose check for their Settlement Award is uncashed and cancelled after the void date, the Settlement Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Settlement Class member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure § 384(b).
- F. Neither Plaintiff nor Defendant shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

5. **Attorneys' Fees and Costs.** Defendant will not object to Class Counsel's request for a total award of attorneys' fees of up to one-third of the Gross Settlement Amount, which is currently estimated to be \$1,450,000.00. Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed \$100,000.00 from the Gross Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with the Action, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator for the fees and costs award approved by the Court.

6. **Class Representative Enhancement Payment.** Defendant will not object to a request for Class Representative Enhancement Payment of \$15,000.00 for Plaintiff's time and risk in prosecuting the Action and Plaintiff's service to the Settlement Class. This award will be in

addition to Plaintiff's respective individual Settlement Award as a Settlement Class member and shall be reported on an IRS Form 1099 issued by the Settlement Administrator.

7. **Settlement Administrator.** Defendant will not object to the appointment of Phoenix Settlement Administrator as Settlement Administrator. Defendant will not object to Plaintiff seeking approval to pay up to \$19,000.00 for the administration services from the Gross Settlement Amount. The Settlement Administrator shall be responsible for depositing into an account and holding the payments from Defendant comprising the Gross Settlement Amount, sending Notice Packets in English and Spanish to the Settlement Class members, calculating Settlement Awards and preparing all checks and mailings, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Amount only after Settlement Awards have been mailed to all participating Settlement Class members. The Settlement Administrator shall maintain a website and post important documents from the case, including the operative complaint, the Settlement Agreement, the Notice Packet, and the orders granting preliminary and final approval, and the final judgment.

8. **Preliminary Approval.** Within thirty (30) days after execution of this Settlement Agreement by the Parties, Plaintiff shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for settlement purposes only;
- B. Appointing Paul K. Haines and Sean M. Blakely of Haines Law Group, APC as Class Counsel;
- C. Appointing Plaintiff as Class Representatives for the Settlement Class;
- D. Approving Phoenix Settlement Administrators as Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- F. Approving the form and content of the Notice Packet (which is comprised of the Class Notice, Notice of Estimated Settlement Award, and Request for Exclusion Form), and directing the mailing of same in English and Spanish; and
- G. Scheduling a Final Approval hearing.

9. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

- A. Within ten (10) business days after the Court signs an order preliminarily approving this Settlement Agreement and appointing the Settlement Administrator, Defendant will provide the Settlement Administrator with a confidential class list containing the names, ID numbers, last known addresses and telephone number(s), dates of employment, number of workweeks worked in California during the Class Period as a non-exempt employee, number of pay periods worked in California during the PAGA Period, and social security numbers for all Settlement Class members, for the Settlement Administrator to use to facilitate the administration of the Settlement

(the “Class Data”). The Class Data shall be provided to the Settlement Administrator in an electronic format reasonably satisfactory to the Settlement Administrator.

- B. Within ten (10) business days from receipt of this information, the Settlement Administrator shall (i) run the names of all Settlement Class members through the National Change of Address (“NCOA”) database to determine any updated addresses for Settlement Class members; (ii) update the address of any Settlement Class member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Settlement Award for each Settlement Class member; and (iv) mail a Notice Packet to each Settlement Class member in English and Spanish at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a “skip trace,” to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class member immediately, and in any event within five (5) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class member. Settlement Class members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have an additional forty-five (45) calendar days after re-mailing to opt-out, object, or dispute their Settlement Award. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline.
- D. Counsel for the parties will work cooperatively to agree on the form and content of all documents included in the Notice Packets.
- E. Requests for Exclusion. Any Settlement Class member who wishes to opt-out of the Settlement must complete and mail a Request for Exclusion Form to the Settlement Administrator within sixty (60) calendar days of the date of the initial mailing of the Notice Packets (the “Response Deadline”).
 - i. The Notice Packet shall state that Settlement Class members who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class member; (2) contain a statement that the Settlement Class member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information

listed in (1)-(3), it will not be deemed valid for exclusion from the Settlement, except a Request for Exclusion not containing a Settlement Class member's telephone number and/or last four digits of the Social Security number will be deemed valid. The Court shall make the final determination regarding the validity and authenticity of any Requests for Exclusion. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Untimely Requests for Exclusion will be void. Any Settlement Class member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the settlement or have any right to object, appeal or comment thereon. Notwithstanding the foregoing, the PAGA settlement and release provisions will apply to all PAGA Aggrieved Employees employed during the PAGA Period, whether or not they exclude themselves from the class action settlement. PAGA Aggrieved Employees who were employed by Defendant at any time during the PAGA Period and submit a valid and timely Request for Exclusion shall still be entitled to their portion of the PAGA Amount described above, and will release the PAGA Released Claims.

- ii. At no time will the Parties or their counsel seek to solicit or otherwise encourage any Settlement Class member to object to the Settlement or opt-out of the Settlement Class, or encourage any Settlement Class member to appeal from the final judgment.

- F. Objections. Members of the Settlement Class who do not opt-out may object to this Settlement Agreement as explained in the Class Notice by filing a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendant's counsel, as well as file all such objections with the Court) within the Response Deadline. Defendant's counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval, unless the objections are filed within ten (10) days of the Motion for Final Approval filing deadline, in which case Defendant's counsel and Class Counsel shall have ten (10) days from the date of service to the objections by the Settlement Administrator to file a response to the objections. All objections should contain the objecting Settlement Class member's full name and current address, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection. Late written objections will not be considered. The Court shall make the final determination regarding the validity and authenticity of any Objections. Settlement Class members may also appear at the final approval hearing to orally object, even if they have not submitted a written objection.
- G. Notice of Estimated Settlement Award / Disputes. Each Notice Packet mailed to a Settlement Class member shall disclose the amount of the Settlement Class member's estimated Settlement Award as well as all of the information that was used to calculate the Settlement Award. Settlement Class members will have the opportunity, should they disagree with Defendant's records regarding the

information stated in the Notice of Estimated Settlement Award, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Settlement Awards under the terms of this Settlement Agreement. However, if the Settlement Administrator and the Parties cannot agree on a resolution, the Parties will submit the dispute to the Court for a final determination.

10. **Final Approval.** Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:

- A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;
- B. Approving Plaintiff's and Class Counsel's application for attorneys' fees and costs, Class Representative enhancement payment, LWDA payment, and settlement administration costs; and
- C. Entering judgment pursuant to California Rule of Court 3.769. Said judgment shall be posted on the website of the Settlement Administrator.

11. **Non-Admission of Liability.** Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this settlement. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152.

12. **Non-Disclosure and Non-Publication.** Plaintiff and Class Counsel agree that they have not and will not publish the Settlement Agreement, except to Settlement Class members and as shall be contractually required to effectuate the terms of the Settlement Agreement as set forth herein. Class Counsel shall not report the Settlement Agreement in any medium or in any publication, shall not post or report anything regarding the claims of Plaintiff, the Settlement Class, or the settlement on their website, and shall not contact any reporters or media regarding the settlement. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the names of the Parties in this Action, the venue/case number of this Action, and a general description of the Action, to a court in a declaration by Class Counsel.

13. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties, and subject

to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

14. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Plaintiff: Paul K. Haines of Haines Law Group, APC
2155 Campus Drive, Suite 180, El Segundo, CA 90245
phaines@haineslawgroup.com

if to Defendant: Shannon R. Finley of Pettit Kohn Ingrassia Lutz & Dolin
11622 El Camino Real, Suite 300, San Diego, CA 92130
sfinley@pettitkohn.com

15. **Stay of Proceedings.** The Parties agree to stay all proceedings in the Action, except such proceedings necessary to implement and complete the Settlement, pending the Final Settlement Hearing to be conducted by the Court.

16. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

17. **Enforcement Action.** The Parties agree that the Orange County Superior Court shall have continuing jurisdiction to enforce this Settlement Agreement pursuant to California Code of Civil Procedure Section 664.6 and California Rules of Court Rule 3.769. In the event that one or more of the Parties institutes any legal action or other proceeding against any other party to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this settlement, the successful party will be entitled to recover from the unsuccessful party reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

18. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS THEREOF, the Parties to this Settlement Agreement each acknowledge that they have read the foregoing Settlement Agreement, accept and agree to the provisions contained herein, and hereby execute it voluntarily and with full understanding of its consequences.

Dated: 06/27/24

PLAINTIFF LUCIANO JIMENEZ

By: Luciano Jimenez
Luciano Jimenez (Jun 27, 2024 14:24 PDT)
Plaintiff and Settlement Class Representative

Dated: _____

DEFENDANT ARCADIA CHAIR COMPANY, INC.

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

Dated: 06/27/24

HAINES LAW GROUP, APC

By: Sean Blakely
Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiff

Dated: _____

PETTIT KOHN INGRASSIA LUTZ & DOLIN PC

By: _____
Shannon R. Finley
Christine Y. Clark
Attorneys for Defendant

Dated: _____

PLAINTIFF LUCIANO JIMENEZ

By: _____
Plaintiff and Settlement Class Representative

Dated: 6/25/24

DEFENDANT ARCADIA CHAIR COMPANY, INC.

By: Christopher Burgess
Name: Christopher Burgess
Title: Executive Vice President

APPROVED AS TO FORM:

Dated: _____

HAINES LAW GROUP, APC

By: _____
Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiff

Dated: June 26, 2024

PETTIT KOHN INGRASSIA LUTZ & DOLIN PC

By: Shannon R. Finley
Christine Y. Clark
Attorneys for Defendant

EXHIBIT 2

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ORANGE

LUCIANO JIMENEZ, as an individual, and on behalf
of all others similarly situated,

Plaintiff,

vs.

ARCADIA CHAIR COMPANY, INC., a California
corporation; and DOES 1 through 100,

Defendants.

Case No. 30-2020-01175920-CU-OE-CXC

**NOTICE OF PENDENCY OF CLASS AND
PAGA ACTION AND PROPOSED
SETTLEMENT**

To: All current and former non-exempt employees of Defendant Arcadia Chair Company, Inc. directly hired by Arcadia Chair Company, Inc. who worked in California at any time between June 23, 2016 through November 30, 2023 (the “Class Period”), and who did not sign a severance agreement. Additionally, all current and former non-exempt employees in California who worked for Arcadia Chair Company, Inc., whether employed directly by Arcadia Chair Company, Inc. or through a staffing agency, at any time from December 24, 2019 until November 30, 2023 (the “PAGA Period”) are “PAGA Aggrieved Employees.” Collectively, these employees will be referred to as “Settlement Class members.”

**PLEASE READ CAREFULLY
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT
THIS NOTICE IS BEING PROVIDED TO YOU IN ENGLISH AND SPANISH**

Why should you read this Notice?

The Court has granted preliminary approval of a proposed class and Private Attorneys General Act (“PAGA”) action settlement (the “Settlement”) in the matter of *Luciano Jimenez v. Arcadia Chair Company, Inc.*, Orange County Superior Court Case No. 30-2020-01175920-CU-OE-CXC (the “Action”). Because your rights may be affected by the Settlement, it is important that you read this Notice carefully.

You may be entitled to money from this Settlement. Arcadia Chair Company, Inc.’s (“Arcadia Chair”) records show that you were directly hired by Arcadia Chair and worked in California as a non-exempt employee in California between June 23, 2016 through November 30, 2023 (the “Class Period”). Additionally, all current and former non-exempt employees in California who worked for Arcadia Chair, whether employed directly by Arcadia Chair or through a staffing agency, at any time from December 24, 2019 until November 30, 2023, are entitled to a payment from the PAGA Amount, as described below. The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this Notice is to provide you with a brief description of the Action, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound to the terms of the Settlement and any final judgment.

What is this case about?

Plaintiff Luciano Jimenez (“Plaintiff”) brought this Action against Arcadia Chair on a class and representative action basis on behalf of a class of non-exempt employees directly hired by Arcadia Chair who worked in California during the Class Period. Plaintiff is known as the “Class Representative,” and his attorneys, who also represent the interests of all Settlement Class members, are known as “Class Counsel.”

Plaintiff alleges that Arcadia Chair failed to pay Settlement Class members all minimum and overtime wages owed; failed to provide all meal periods in accordance with California law; failed to authorize and permit all rest periods in accordance with California law; failed to reimburse for necessary business expenditures; failed to furnish accurate and itemized wage statements to Settlement Class members; and failed to timely pay all wages owed upon separation of employment. As a result of the foregoing alleged violations, Plaintiff alleges that Arcadia Chair engaged in unfair business practices and is liable for civil penalties under the PAGA.

Arcadia Chair denies Plaintiff's claims and denies that it has violated any laws or done anything wrong. Arcadia Chair also denies that it owes Settlement Class members any wages, restitution, penalties, damages, or other amounts. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Arcadia Chair, by whom all liability is expressly denied.

The Court has not ruled on the merits of Plaintiff's claims. However, to avoid additional expense, inconvenience, and interference with Arcadia Chair's business operations, the parties have agreed to settle the Action on the terms summarized in this Notice. After Class Counsel had the opportunity to review certain relevant information, the Settlement was reached after multiple mediation sessions and arm's length negotiations between the parties.

The Class Representative and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Arcadia Chair, the risk of denial of class certification, the inherent risk of trial on the merits, and the delays and uncertainties associated with ongoing litigation.

If you are still employed by Arcadia Chair, your decision about whether to participate in the Settlement will not affect your employment. California law strictly prohibits unlawful retaliation. Arcadia Chair will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Settlement Class member because of his/her decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for Plaintiff/Settlement Class: HAINES LAW GROUP, APC Paul K. Haines phaines@haineslawgroup.com Sean M. Blakely sblakely@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 haineslawgroup.com	Attorneys for Arcadia Chair: PETTIT KOHN INGRASSIA LUTZ & DOLIN PC Shannon R. Finley sfinley@pettitkohn.com Christine Y. Clark cyclark@pettitkohn.com 11622 El Camino Real, Suite 300 San Diego, CA 92130 Tel.: (858) 755-8500 Fax: (858) 755-8504 pettitkohn.com
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What are the terms of the Settlement?

On <<PRELIM APPROVAL DATE>>, the Court preliminarily certified a class, for settlement purposes only, of all current and former non-exempt employees of Arcadia Chair directly hired by Arcadia Chair who worked in California at any time between June 23, 2016 through November 30, 2023. Settlement Class members who do not opt out of the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against Arcadia Chair as described below.

Arcadia Chair has agreed to pay \$4,350,000.00 (the "Gross Settlement Amount") to fully resolve all claims in the Action, including payments to Settlement Class members, Class Counsel's attorneys' fees and expenses, settlement administration costs, payment to the Labor & Workforce Development Agency ("LWDA") for its share of civil penalties under the PAGA, and the Class Representative enhancement payment.

The following deductions from the Gross Settlement Amount will be requested by the parties:

Attorneys' Fees and Expenses. Class Counsel have been prosecuting the Action on behalf of Settlement Class members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees and expenses which will be paid from the Gross Settlement Amount. Settlement Class members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for up to one-third of the Gross Settlement Amount, which is currently estimated at \$1,450,000.00, as reasonable compensation for the work Class Counsel performed and will continue to perform in this Action through Settlement finalization. Class Counsel also will ask for reimbursement of up to \$100,000.00 in verified costs incurred in connection with the Action.

Settlement Administration Costs. The Court has approved Phoenix Settlement Administrators to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the Settlement. The Parties request setting aside up to \$19,000.00 from the Gross Settlement Amount to pay the settlement administration costs.

Class Representative Enhancement Payment. Class Counsel will ask the Court to award the Class Representative an enhancement payment in the amount of \$15,000.00 to compensate him for his service and extra work provided on behalf of the Settlement Class.

PAGA Payment to State of California. The parties have agreed to allocate \$100,000.00 towards the settlement of the PAGA claims in the Action. \$75,000.00 will be paid to the State of California Labor & Workforce Development Agency, representing its 75% share of the civil penalties. The remaining \$25,000.00 will be allocated to Settlement Class members as described below.

Calculation of Individual Settlement Class Members' Settlement Awards. After deducting the Court-approved amounts above, the balance of the Gross Settlement Amount will form the Net Settlement Amount, which will be distributed to all Settlement Class members who do not submit a valid and timely Request for Exclusion from the Settlement. The Net Settlement Amount is estimated at approximately \$2,666,000, and will be divided as follows:

- (i) 80% of the Net Settlement Amount will be allocated to all participating Settlement Class members in proportion to the number of workweeks that he or she worked during the Class Period.
- (ii) 10% of the Net Settlement Amount shall be designated as the "Waiting Time Amount" and will be allocated in equal amounts to all participating Settlement Class members whose employment with Arcadia Chair ended at any time between June 23, 2017 through November 30, 2023.
- (iii) 10% of the Net Settlement Amount shall be designated as the "Wage Statement Amount." Each participating Settlement Class member who was employed by Arcadia Chair at any time from June 23, 2019 to November 30, 2023 shall receive a portion of the Wage Statement Amount proportionate to the number of workweeks that he or she worked during that time period.

Payment from PAGA Amount: In addition to the Net Settlement Amount, \$25,000.00 of the Gross Settlement Amount has been designated as the "PAGA Amount." All current and former non-exempt employees in California who worked for Arcadia Chair, whether employed directly by Arcadia Chair or through a staffing agency, at any time from December 24, 2019 until November 30, 2023 (the "PAGA Period") (including those who opt out of the class action settlement) are "PAGA Aggrieved Employees" and shall receive a portion of the PAGA Amount proportionate to the number of workweeks he or she worked during the PAGA Period.

Payments to Settlement Class members. If the Court grants final approval of the Settlement, individual Settlement Awards will be mailed to all Settlement Class members who did not submit a valid and timely Request for Exclusion from the Settlement. PAGA Aggrieved Employees may not opt-out of the release of PAGA claims (as described in the "Release" Paragraph on page 4) and will thus receive payment for their share of the PAGA Amount even if they opt out of the Settlement. Pursuant to the Settlement, Arcadia Chair will make three equal installments to fund the

Gross Settlement Amount. Arcadia Chair has timely made the first two installments, and the third and final installment payment is due on January 27, 2025. Payments to Settlement Class members and PAGA Aggrieved Employees will be distributed after the Court grants final approval and after Arcadia Chair makes the final installment payment on or before January 27, 2025. **Therefore, you must notify the Settlement Administrator of any changes to your address that take place prior to disbursement to avoid delays in receiving your payment.**

Settlement checks will be valid for 180 days. Any funds payable to Settlement Class members whose checks were not cashed within 180 days after mailing shall be distributed to the California Controller's Unclaimed Property Fund in the name of the Settlement Class member.

Allocation and Taxes. For tax purposes, each Settlement Award shall be treated as follows: 20% as "wages," for which an IRS Form W-2 will be issued; and 80% as "penalties" and "interest" for which an IRS Form 1099 will be issued. Any payment from the PAGA Amount shall be allocated as 100% penalties. Settlement Class members are responsible for the proper income tax treatment of the individual Settlement Awards. The Settlement Administrator, Arcadia Chair and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement Class members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. Following entry of final judgment, and upon Arcadia Chair's complete funding of the Gross Settlement Amount, Plaintiff and every member of the Settlement Class will fully release and discharge Arcadia Chair, and any of its former or present parents, subsidiaries, affiliates, investors, partners, owners, related organizations, predecessors or successors, and all agents, employees, officers, directors, members, managers, holding companies, insurers, and attorneys thereof (collectively, the "Released Parties") from all causes of action, claims, rights, or statutory damages, penalties, liabilities, expenses, and losses under California law that were alleged in the Second Amended Class and Representative Action Complaint ("SAC") in the Action or that could have been alleged based on the facts alleged in the SAC in the Action, including, but not limited to: any alleged failure by Arcadia Chair (1) to pay overtime wages; (2) to pay minimum wages; (3) to provide all lawful meal periods; (4) to authorize and permit all lawful rest periods; (5) to provide compliant wage statements; (6) to timely pay wages at the end of alleged employment; (7) failure to reimburse for necessary business expenses; (8) any right or claim for unfair business practices in violation of California Business & Professions Code sections 17200, *et seq.*, based on the alleged failures set forth in (1) through (7) above ("California Released Claims"). The period of the California Released Claims shall extend to the limits of the Class Period.

Additionally, upon the occurrence of the Effective Date and the Settlement being fully funded, Plaintiff and all PAGA Aggrieved Employees release and forever discharge the Released Parties from all claims for civil penalties under California Labor Code Private Attorneys General Act of 2004 arising out of or based on the facts alleged in Plaintiff's letter to the Labor & Workforce Development Agency ("LWDA") dated December 24, 2020, including claims for civil penalties due to an alleged failure to pay all overtime and minimum wages; failure to provide all meal periods in accordance with California law; failure to authorize and permit all rest periods in accordance with California law; failure to furnish accurate and itemized wage statements; and failure to pay all wages owed upon separation of employment as well as failure to reimburse business expenses as alleged in the SAC ("PAGA Released Claims"). The period of the PAGA Released Claims shall extend to the limits of the PAGA Period.

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate, and in the best interests of the Settlement Class, and the entry of a Judgment.

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the proportionate number of workweeks you worked during the Class Period; whether you have separated employment from Arcadia Chair between June 23, 2017 and November 30, 2023; the proportionate number of workweeks you worked between June 23, 2019 to November 30, 2023; and the proportionate number of workweeks you worked during the PAGA Period, as stated in the accompanying Notice of Estimated Settlement Award. You also will be bound by the Settlement, including the release of claims stated above.

What other options do I have?

Dispute Information in Notice of Estimated Settlement Award. Your award is based on the proportionate number of workweeks you worked during the Class Period; whether you have separated employment from Arcadia Chair between June 23, 2017 and November 30, 2023; the proportionate number of workweeks you worked between June 23, 2019 to November 30, 2023; and the proportionate number of workweeks you worked during the PAGA Period. The information contained in Arcadia Chair's records regarding each of these factors, along with your estimated Settlement Award, is listed on the accompanying Notice of Estimated Settlement Award. If you disagree with the information in your Notice of Estimated Settlement Award, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Estimated Settlement Award. Any disputes, along with supporting documentation, must be postmarked no later than <<RESPONSE DEADLINE>>. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The Parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class members. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Settlement Awards. However, if the Settlement Administrator and the Parties cannot agree on a resolution, the Parties will submit the dispute to the Court for a final determination.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator an executed Request for Exclusion Form no later than <<RESPONSE DEADLINE>>, with your name, address, telephone number, last four digits of your social security number, and your signature. A Request for Exclusion Form is included with this Notice.

Send the Request for Exclusion Form directly to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. Any person who submits a timely Request for Exclusion Form shall, upon receipt by the Settlement Administrator, no longer be a Settlement Class member, shall be barred from participating in any portion of the class action Settlement, and shall receive no benefits from the class action Settlement. However, all PAGA Aggrieved Employees who worked during the PAGA Period, including those who opt out, will be bound by the PAGA portion of the Settlement and will receive a portion from the PAGA Amount. **Do not submit both a Dispute and a Request for Exclusion.** If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement. The Court shall make the final determination regarding the validity and authenticity of any Requests for Exclusion.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you may mail a written objection to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. All objections and correspondence must be sent directly to the Settlement Administrator, please do not send objections or correspondence to the Court. Any objections will be provided to the Court by Plaintiff in connection with the Final Approval Hearing. Your written objection should include your name, address, as well as contact information for any attorney representing you regarding your objection, and the case name and number. Objections should be in writing and must be postmarked on or before <<RESPONSE DEADLINE>>. Notwithstanding the foregoing, you do not need to object in writing to be heard at the Final Approval Hearing. The Court shall make the final determination regarding the validity and authenticity of any Objections.

You may also appear at the Final Approval Hearing scheduled for **INSERT DATE**, at **INSERT TIME** in Department CX103 of the Orange County Superior Court, located at 751 West Santa Ana Boulevard, Santa Ana, California 92701. You have the right to appear either in person or through your own attorney at this hearing. All objections or other correspondence must state the name and number of the case, which is *Luciano Jimenez v. Arcadia Chair Company, Inc.*, Orange County Superior Court Case No. 30-2020-01175920-CU-OE-CXC.

Settlement Class members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have forty-five (45) calendar days from the date of re-mailing to submit a Request for Exclusion, Objection, or dispute.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on **INSERT DATE**, at **INSERT TIME** in Department CX103 of the Orange County Superior Court, located at 751 West Santa Ana Boulevard, Santa Ana, California 92701. The Court will also be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses, and the Class Representative enhancement payment. The Final Approval Hearing may be postponed without further notice to Settlement Class members. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing. **You are not required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing.**

If the Court grants Final Approval, the Court will issue a final judgment which shall be posted on the Settlement Administrator's website (<http://www.phoenixclassaction.com>). The Settlement Administrator's website shall also post important documents from the case, including the operative complaint, the Settlement Agreement, the Notice Packet, and the orders granting preliminary and final approval.

How can I get additional information?

This Notice is only a summary of the Action and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the Orange County Superior Court, located at 751 West Santa Ana Boulevard, Santa Ana, California 92701, during regular court hours. You may also visit the Orange County Superior Court website at www.occourts.org to inspect the Court's files by going to the "Case Access" tab under "Online Services," selecting "Civil Case & Document Access," and entering the case number information for this case, which is Case No. 30-2020-01175920-CU-OE-CXC. If you wish to download documents from the Court's website, you may watch the video tutorial "How to order documents online" for more information about how to download documents from the Court's website. You may also contact Class Counsel using the contact information listed above for more information.

**PLEASE DO NOT CALL OR WRITE TO THE COURT FOR INFORMATION ABOUT THIS SETTLEMENT OR
THE SETTLEMENT PROCESS**

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is **<<RESPONSE DEADLINE>>**. These deadlines will be strictly enforced.

EXHIBIT 3

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement”) is reached by and between Plaintiff Luciano Jimenez (“Plaintiff” or “Class Representative”), as an individual and on behalf of all members of the Settlement Class (defined below), on one hand, and Defendant Arcadia Chair Company, Inc. (“Defendant”), on the other hand. Plaintiff and Defendant are referred to herein collectively as the “Parties.” Plaintiff and the Settlement Class are represented by Paul K. Haines and Sean M. Blakely of Haines Law Group, APC (collectively, “Class Counsel”). Defendant is represented by Shannon R. Finley and Christine Y. Clark of Pettit Kohn Ingrassia Lutz & Dolin PC.

On December 23, 2020, Plaintiff filed a class action complaint against Defendant in Orange County Superior Court, titled *Luciano Jimenez v. Arcadia Chair Company, Inc.*, Case No. 30-2020-01175920-CU-OE-CXC (the “Action”), alleging that Defendant failed to: (i) pay all overtime wages; (ii) pay all minimum wages; (iii) provide all lawful meal periods; (iv) authorize and permit all lawful rest periods; (v) issue accurate itemized wage statements; (vi) timely pay all final wages; and (vii) comply with California’s unfair competition laws. On March 1, 2021, Plaintiff filed the First Amended Class and Representative Action Complaint (“FAC”) to add a cause of action for civil penalties under the Private Attorneys General Act, Labor Code § 2698, *et seq.* (“PAGA”). Concurrently with the filing of Plaintiff’s Motion for Preliminary Approval, the Parties stipulate to the filing of a Second Amended Class and Representative Action Complaint to add a cause of action for failure to reimburse business expenses pursuant to California Labor Code section 2802 for damages on behalf of the Settlement Class and for civil penalties on behalf of the PAGA Aggrieved Employees. Additionally, Plaintiff will serve an amended PAGA letter.

Given the uncertainty of litigation, Plaintiff and Defendant wish to settle both individually and on behalf of the Settlement Class. Accordingly, Plaintiff and Defendant agree as follows:

1. **Settlement Class.** For the purposes of this Settlement Agreement only, Plaintiff and Defendant stipulate to the certification of the following Settlement Class:

All current and former non-exempt employees of Defendant Arcadia Chair Company, Inc. directly hired by Arcadia Chair Company, Inc. who worked in California at any time between June 23, 2016 through November 30, 2023 (the “Class Period”), and who did not sign a severance agreement.

The Parties agree that certification for purposes of settlement is in no way an admission that class certification of the defined Settlement Class is proper under the more stringent standard applied for litigation purposes under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not granted preliminary or final approval or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible in this or any other proceeding as evidence that a class should be certified as Plaintiff propose or otherwise, or that Defendant are liable in any way to Plaintiff or the class that Plaintiff allege, and will have no force or effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

Defendant expressly reserves its rights to oppose class and conditional certification of any purported class should this settlement fail to become final and effective.

Additionally, the “PAGA Aggrieved Employees” shall be defined as:

All current and former non-exempt employees in California who worked for Defendant Arcadia Chair Company, Inc., whether employed directly by Arcadia Chair Company, Inc. or through a staffing agency, at any time from December 24, 2019, until November 30, 2023 (the “PAGA Period”).

2. **Release by Settlement Class Members and Plaintiff.** Following entry of final judgment, and upon the Gross Settlement Amount being fully funded, as described below, Plaintiff and every member of the Settlement Class (except those who timely opt out) will fully release and discharge Defendant and any of its former or present parents, subsidiaries, affiliates, investors, partners, owners, related organizations, predecessors or successors, and all agents, employees, officers, directors, members, managers, holding companies, insurers, and attorneys thereof, (collectively, the “Released Parties”), as follows:

- A. All Settlement Class members who do not timely opt-out will release and discharge the Released Parties from all causes of action, claims, rights, or statutory damages, penalties, liabilities, expenses, and losses under California law that were alleged in the FAC in the Action or that could have been alleged based on the facts alleged in the FAC in the Action, including, but not limited to: any alleged failure by Defendant (1) to pay overtime wages; (2) to pay minimum wages; (3) to provide all lawful meal periods; (4) to authorize and permit all lawful rest periods; (5) to provide compliant wage statements; (6) to timely pay wages at the end of alleged employment; (7) failure to reimburse for necessary business expenses; (8) any right or claim for unfair business practices in violation of California Business & Professions Code sections 17200, *et seq.*, based on the alleged failures set forth in (1) through (7) above (“California Released Claims”). The period of the California Released Claims shall extend to the limits of the Class Period.
- B. Upon the occurrence of the Effective Date and the Settlement being fully funded, Plaintiff and all PAGA Aggrieved Employees release and forever discharge the Released Parties from all claims for civil penalties under California Labor Code Private Attorneys General Act of 2004 arising out of or based on the facts alleged in Plaintiff’s letter to the Labor & Workforce Development Agency (“LWDA”) dated December 24, 2020, including claims for civil penalties due to an alleged failure to pay all overtime and minimum wages; failure to provide all meal periods in accordance with California law; failure to authorize and permit all rest periods in accordance with California law; failure to furnish accurate and itemized wage statements; and failure to pay all wages owed upon separation of employment as well as failure to reimburse business expenses as alleged in the Second Amended Class and Representative Action Complaint (“PAGA Released Claims”). The period of the PAGA Released Claims shall extend to the limits of the PAGA Period.

- C. In light of Plaintiff's Class Representative Enhancement Payment, Plaintiff has agreed to release, as an individual and in addition to the California Released Claims and PAGA Released Claims described above, all claims, whether known or unknown, under federal law or state law against the Released Parties. Plaintiff understands that this release includes unknown claims, and that Plaintiff is, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

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.

Nothing contained herein shall constitute a release of any rights or claims that cannot be waived as a matter of law (including but not limited to claims arising under workers' compensation laws or unemployment insurance). Nor shall anything contained herein be construed to exclude the filing of an administrative charge or complaint with the Equal Employment Opportunity Commission or National Labor Relations Board, or participation in an administrative investigation or proceeding. Nothing contained herein shall constitute a release of any claims Plaintiff may have under the California Fair Employment and Housing Act ("FEHA").

3. **Gross Settlement Amount.** As consideration, Defendant agrees to pay a non-reversionary "Gross Settlement Amount" of Four Million Three Hundred Fifty Thousand Dollars and Zero Cents (\$4,350,000.00), in full and complete settlement of the Action, as follows:

- A. The Parties have agreed to engage Phoenix Settlement Administrators as the "Settlement Administrator" to administer this settlement.
- B. The Settlement will become final and effective when: (a) the Court's final approval of the Settlement (if no timely objections by or on behalf of Settlement Class members have been filed, or any timely objections have been withdrawn); or (b) the time for appeal has expired if an objection has been filed and no appeal has been filed or withdrawn; or (c) the final resolution of any appeal that has been filed ("Effective Date").
- C. The Gross Settlement Amount shall be deposited into an escrow account to be established by the Settlement Administrator as follows: Defendant will make a first installment of \$1,450,000.00 within thirty (30) days of execution of this Settlement Agreement; Defendant will make a second installment of \$1,450,000.00 within seven (7) months of execution of this Settlement Agreement; and Defendant will make a third and final installment of \$1,450,000.00 within fifteen (15) months of execution of this Settlement Agreement. Should this settlement not receive final approval by the Court, any monies deposited by Defendant will revert to Defendant.

- D. This is a non-reversionary settlement. The Gross Settlement Amount includes:
- i. All payments (including interest) to the Settlement Class members;
 - ii. All costs of the Settlement Administrator, which are anticipated to be no greater than Nineteen Thousand Dollars and Zero Cents (\$19,000.00);
 - iii. Up to Fifteen Thousand Dollars and Zero Cents (\$15,000.00) for Plaintiff's Class Representative Enhancement Payment in recognition of Plaintiff's contributions to the Action and Plaintiff's service to the Settlement Class. In the event that the Court reduces or does not approve the requested Class Representative Enhancement Payment, Plaintiff shall not have the right to revoke the Settlement Agreement for that reason, and the settlement will remain binding;
 - iv. Up to one-third (1/3) of the Gross Settlement Amount in Class Counsel's attorneys' fees (currently estimated at \$1,450,000.00), plus actual costs and expenses incurred by Class Counsel related to the Action as supported by declaration, which are currently estimated to be no greater than One Hundred Thousand Dollars and Zero Cents (\$100,000.00). In the event that the Court reduces or does not approve the requested Class Counsel attorneys' fees or costs, Class Counsel shall not have the right to revoke the Settlement Agreement based on that reason, and the settlement will remain binding; and
 - v. One Hundred Thousand Dollars and Zero Cents (\$100,000.00) of the Gross Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code section 2699(i), 75% of such penalties, or Seventy-Five Thousand Dollars and Zero Cents (\$75,000.00), will be payable to the California Labor & Workforce Development Agency ("LWDA"), and the remaining 25%, or Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00), will be payable to the Settlement Class members as the "PAGA Amount," as described below.
 - vi. Defendant will not oppose the reasonableness of these requests. Any reduction by the Court of these requests will revert to the Net Settlement Amount for distribution to the Settlement Class members who do not opt-out.
- E. Defendant's share of employer payroll taxes shall be paid by Defendant separately from, and in addition to, the Gross Settlement Amount, at the time of the third and final installment.
- F. Excluded from receiving a Settlement Payment under the terms of this Agreement are those members of the Class who submit a valid and timely request for exclusion from the Settlement. If five percent (5%) or more of the members of the Settlement Class timely and affirmatively opt out of this Settlement, Defendant shall have the absolute right, in its sole discretion, and not withstanding any other provisions of

this Settlement, to withdraw from and cancel this Settlement in its entirety, whereupon this Settlement will be null and void for all purposes, and may not be used or introduced in further litigation. This right can be exercised only by a writing stating clearly that Defendant is cancelling, and withdrawing from, this Settlement, which is sent by counsel for Defendant to Class Counsel, Haines Law Group, APC, Attn: Paul K. Haines, by facsimile and e-mail, no later than ten (10) calendar days after the claims administrator first notifies counsel of record for Defendant in writing of the total number of timely opt-outs. If the right provided in this paragraph is not so exercised, it shall be waived and cannot later be exercised. Should Defendant exercise this right, it shall pay all expenses incurred by the settlement administrator through the date of withdrawal.

- G. Escalator Clause. Defendant represents that there are approximately 107,997 aggregate workweeks worked by all Settlement Class members during the Class Period. If, as of the date of preliminary approval, the actual number of aggregate workweeks worked by all Settlement Class members exceeds the figure by more than 10% (i.e., if there are 118,797 or more aggregate workweeks worked by all Settlement Class members during the Class Period), then the Gross Settlement Amount shall increase on a proportional basis equal to the increase in aggregate workweeks (e.g., if the number of aggregate workweeks increases by 12%, Defendant will increase the Gross Settlement Amount by 12%).

4. **Payments to the Settlement Class Members.** Settlement Class members are not required to submit a claim form to receive a payment ("Settlement Award") from the settlement. Settlement Awards will be determined and paid as follows:

- A. The Settlement Administrator shall first deduct from the Gross Settlement Amount the amounts approved by the Court for Class Counsel's attorneys' fees, Class Counsel's costs and expenses, the Class Representative Enhancement Payment, the Settlement Administrator's fees and expenses for administration, and the amount designated as PAGA civil penalties. The remaining amount shall be known as the "Net Settlement Amount."
- B. From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class member's Settlement Award based on the following formula:
- i. Payments to all participating Settlement Class members: Eighty percent (80%) of the Net Settlement Amount will be distributed to all participating Settlement Class members based on each participating Settlement Class member's proportionate workweeks worked during the Class Period, and will be calculated by multiplying 80% of the Net Settlement Amount by a fraction, the numerator of which is the participating Settlement Class member's number of workweeks worked during the Class Period, and the denominator of which is the total workweeks worked by all participating Settlement Class members during the Class Period.

- ii. Waiting Time Amount: Ten Percent (10%) of the Net Settlement Amount shall be designated as the “Waiting Time Amount.” Each participating Settlement Class member whose employment with Defendant ended at any time from June 23, 2017 to November 30, 2023, shall receive an equal, pro-rata share of the Waiting Time Amount. In other words, the Waiting Time Amount will be divided equally among all participating Settlement Class members whose employment with Defendant ended at any time from June 23, 2017 to November 30, 2023.
 - iii. Wage Statement Amount: Ten percent (10%) of the Net Settlement Amount shall be designated as the “Wage Statement Amount.” Each participating Settlement Class member who was employed by Defendant at any time from June 23, 2019 to November 30, 2023 shall receive a portion of the Wage Statement Amount proportionate to the number of workweeks that he or she worked during the period from June 28, 2019 to November 30, 2023, and which will be calculated by multiplying 10% of the Net Settlement Amount by a fraction, the numerator of which is the participating Settlement Class member’s number of workweeks worked from June 23, 2019 to November 30, 2023, and the denominator of which is the total number of workweeks worked by all participating Settlement Class members during the time period from June 23, 2019 to November 30, 2023.
 - iv. PAGA Amount: In addition to the Net Settlement Amount, each PAGA Aggrieved Employee (including those who submit a valid and timely Request for Exclusion from the class action settlement) shall receive a portion of the Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00) of the Gross Settlement Amount that has been designated as the “PAGA Amount” proportionate to the number of workweeks that he or she worked during the PAGA Period, and which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the PAGA Aggrieved Employee’s number of workweeks worked during the PAGA Period, and the denominator of which is the total number of workweeks worked by all PAGA Aggrieved Employees during the PAGA Period (including those who submit a valid and timely Request for Exclusion from the class action settlement).
- C. Within ten (10) calendar days following Defendant’s third and final installment with the Settlement Administrator, the Settlement Administrator will calculate Settlement Award amounts and provide the same to counsel for review and approval. Within seven (7) calendar days of approval by counsel, the Settlement Administrator will prepare and mail Settlement Awards, less applicable taxes and withholdings, to participating Settlement Class members. The Settlement Administrator shall simultaneously pay the withholdings to the applicable authorities with the necessary reports, submitting copies to Defendant’s counsel. After Settlement Awards are mailed to Settlement Class members, the Settlement Administrator shall distribute the amounts approved for Class Counsel’s attorneys’

fees and litigation costs, Plaintiff's Enhancement Payment, payment to the LWDA for its share of PAGA civil penalties, and settlement administration expenses.

- D. Each Settlement Award from the Net Settlement Amount shall be allocated as 20% wages and 80% penalties and interest. Any payment from the PAGA Amount shall be allocated as 100% penalties. The Settlement Administrator will be responsible for issuing to participating Settlement Class members an IRS Form W-2 (for amounts paid as wages) and an IRS Form 1099 (for amounts paid as penalties and interest). The Settlement Administrator shall be responsible for calculating and withholding all employment taxes and other legally required withholdings from each Settlement Award. Notwithstanding the treatment of the payments to each Settlement Class member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans.
- E. Neither Plaintiff, Defendant, nor their respective counsel are giving any tax advice in connection with the settlement or any payments to be made pursuant to this settlement.
 - a. Each Settlement Class member who receives a Settlement Award must cash that check within 180 days from the date the Settlement Administrator mails it. For any Settlement Class member whose check for their Settlement Award is uncashed and cancelled after the void date, the Settlement Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Settlement Class member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure § 384(b).
- F. Neither Plaintiff nor Defendant shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

5. **Attorneys' Fees and Costs.** Defendant will not object to Class Counsel's request for a total award of attorneys' fees of up to one-third of the Gross Settlement Amount, which is currently estimated to be \$1,450,000.00. Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed \$100,000.00 from the Gross Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with the Action, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator for the fees and costs award approved by the Court.

6. **Class Representative Enhancement Payment.** Defendant will not object to a request for Class Representative Enhancement Payment of \$15,000.00 for Plaintiff's time and risk in prosecuting the Action and Plaintiff's service to the Settlement Class. This award will be in

addition to Plaintiff's respective individual Settlement Award as a Settlement Class member and shall be reported on an IRS Form 1099 issued by the Settlement Administrator.

7. **Settlement Administrator.** Defendant will not object to the appointment of Phoenix Settlement Administrator as Settlement Administrator. Defendant will not object to Plaintiff seeking approval to pay up to \$19,000.00 for the administration services from the Gross Settlement Amount. The Settlement Administrator shall be responsible for depositing into an account and holding the payments from Defendant comprising the Gross Settlement Amount, sending Notice Packets in English and Spanish to the Settlement Class members, calculating Settlement Awards and preparing all checks and mailings, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Amount only after Settlement Awards have been mailed to all participating Settlement Class members. The Settlement Administrator shall maintain a website and post important documents from the case, including the operative complaint, the Settlement Agreement, the Notice Packet, and the orders granting preliminary and final approval, and the final judgment.

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8. **Preliminary Approval.** Within thirty (30) days after execution of this Settlement Agreement by the Parties, Plaintiff shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for settlement purposes only;
- B. Appointing Paul K. Haines and Sean M. Blakely of Haines Law Group, APC as Class Counsel;
- C. Appointing Plaintiff as Class Representatives for the Settlement Class;
- D. Approving Phoenix Settlement Administrators as Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- F. Approving the form and content of the Notice Packet (which is comprised of the Class Notice, Notice of Estimated Settlement Award, and Request for Exclusion Form), and directing the mailing of same in English and Spanish; and
- G. Scheduling a Final Approval hearing.

9. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

- A. Within ten (10) business days after the Court signs an order preliminarily approving this Settlement Agreement and appointing the Settlement Administrator, Defendant will provide the Settlement Administrator with a confidential class list containing the names, ID numbers, last known addresses and telephone number(s), dates of employment, number of workweeks worked in California during the Class Period as a non-exempt employee, number of pay periods worked in California during the PAGA Period, and social security numbers for all Settlement Class members, for the Settlement Administrator to use to facilitate the administration of the Settlement

(the “Class Data”). The Class Data shall be provided to the Settlement Administrator in an electronic format reasonably satisfactory to the Settlement Administrator.

- B. Within ten (10) business days from receipt of this information, the Settlement Administrator shall (i) run the names of all Settlement Class members through the National Change of Address (“NCOA”) database to determine any updated addresses for Settlement Class members; (ii) update the address of any Settlement Class member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Settlement Award for each Settlement Class member; and (iv) mail a Notice Packet to each Settlement Class member in English and Spanish at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a “skip trace,” to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class member immediately, and in any event within five (5) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class member. Settlement Class members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have an additional ~~fourteen (14)~~forty-five (45) calendar days after ~~the Response Deadline~~re-mailing to opt-out, object, or dispute their Settlement Award. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline.
- D. Counsel for the parties will work cooperatively to agree on the form and content of all documents included in the Notice Packets.
- E. Requests for Exclusion. Any Settlement Class member who wishes to opt-out of the Settlement must complete and mail a Request for Exclusion Form to the Settlement Administrator within sixty (60) calendar days of the date of the initial mailing of the Notice Packets (the “Response Deadline”).
 - i. The Notice Packet shall state that Settlement Class members who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class member; (2) contain a statement that the Settlement Class member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in

the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the Settlement, except a Request for Exclusion not containing a Settlement Class member's telephone number and/or last four digits of the Social Security number will be deemed valid. The Court shall make the final determination regarding the validity and authenticity of any Requests for Exclusion. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Untimely Requests for Exclusion will be void. Any Settlement Class member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the settlement or have any right to object, appeal or comment thereon. Notwithstanding the foregoing, the PAGA settlement and release provisions will apply to all PAGA Aggrieved Employees employed during the PAGA Period, whether or not they exclude themselves from the class action settlement. PAGA Aggrieved Employees who were employed by Defendant at any time during the PAGA Period and submit a valid and timely Request for Exclusion shall still be entitled to their portion of the PAGA Amount described above, and will release the PAGA Released Claims.

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- ii. At no time will the Parties or their counsel seek to solicit or otherwise encourage any Settlement Class member to object to the Settlement or opt-out of the Settlement Class, or encourage any Settlement Class member to appeal from the final judgment.
- F. Objections. Members of the Settlement Class who do not opt-out may object to this Settlement Agreement as explained in the Class Notice by filing a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendant's counsel, as well as file all such objections with the Court) within the Response Deadline. Defendant's counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval, unless the objections are filed within ten (10) days of the Motion for Final Approval filing deadline, in which case Defendant's counsel and Class Counsel shall have ten (10) days from the date of service to the objections by the Settlement Administrator to file a response to the objections. All objections should contain the objecting Settlement Class member's full name and current address, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection. Late written objections will not be considered. The Court shall make the final determination regarding the validity and authenticity of any Objections. Settlement Class members may also appear at the final approval hearing to orally object, even if they have not submitted a written objection.
- G. Notice of Estimated Settlement Award / Disputes. Each Notice Packet mailed to a Settlement Class member shall disclose the amount of the Settlement Class member's estimated Settlement Award as well as all of the information that was used to calculate the Settlement Award. Settlement Class members will have the

opportunity, should they disagree with Defendant's records regarding the information stated in the Notice of Estimated Settlement Award, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Settlement Awards under the terms of this Settlement Agreement. However, if the Settlement Administrator and the Parties cannot agree on a resolution, the Parties will submit the dispute to the Court for a final determination.

10. **Final Approval.** Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:

- A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;
- B. Approving Plaintiff's and Class Counsel's application for attorneys' fees and costs, Class Representative enhancement payment, LWDA payment, and settlement administration costs; and
- C. Entering judgment pursuant to California Rule of Court 3.769. Said judgment shall be posted on the website of the Settlement Administrator.

11. **Non-Admission of Liability.** Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this settlement. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152.

12. **Non-Disclosure and Non-Publication.** Plaintiff and Class Counsel agree that they have not and will not publish the Settlement Agreement, except to Settlement Class members and as shall be contractually required to effectuate the terms of the Settlement Agreement as set forth herein. Class Counsel shall not report the Settlement Agreement in any medium or in any publication, shall not post or report anything regarding the claims of Plaintiff, the Settlement Class, or the settlement on their website, and shall not contact any reporters or media regarding the settlement. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the names of the Parties in this Action, the venue/case number of this Action, and a general description of the Action, to a court in a declaration by Class Counsel.

13. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

14. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Plaintiff: Paul K. Haines of Haines Law Group, APC
2155 Campus Drive, Suite 180, El Segundo, CA 90245
phaines@haineslawgroup.com

if to Defendant: Shannon R. Finley of Pettit Kohn Ingrassia Lutz & Dolin
11622 El Camino Real, Suite 300, San Diego, CA 92130
sfinley@pettitkohn.com

15. **Stay of Proceedings.** The Parties agree to stay all proceedings in the Action, except such proceedings necessary to implement and complete the Settlement, pending the Final Settlement Hearing to be conducted by the Court.

16. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

17. **Enforcement Action.** The Parties agree that the Orange County Superior Court shall have continuing jurisdiction to enforce this Settlement Agreement pursuant to California Code of Civil Procedure Section 664.6 and California Rules of Court Rule 3.769. In the event that one or more of the Parties institutes any legal action or other proceeding against any other party to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this settlement, the successful party will be entitled to recover from the unsuccessful party reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

18. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS THEREOF, the Parties to this Settlement Agreement each acknowledge that they have read the foregoing Settlement Agreement, accept and agree to the provisions contained herein, and hereby execute it voluntarily and with full understanding of its consequences.

Dated: _____

PLAINTIFF LUCIANO JIMENEZ

By: _____
Plaintiff and Settlement Class Representative

Dated: _____

DEFENDANT ARCADIA CHAIR COMPANY, INC.

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

Dated: _____

HAINES LAW GROUP, APC

By: _____
Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiff

Dated: _____

PETTIT KOHN INGRASSIA LUTZ & DOLIN PC

By: _____
Shannon R. Finley
Christine Y. Clark
Attorneys for Defendant

EXHIBIT 4

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ORANGE

LUCIANO JIMENEZ, as an individual, and on behalf
of all others similarly situated,

Plaintiff,

vs.

ARCADIA CHAIR COMPANY, INC., a California
corporation; and DOES 1 through 100,

Defendants.

Case No. 30-2020-01175920-CU-OE-CXC

**NOTICE OF PENDENCY OF CLASS AND
PAGA ACTION AND PROPOSED
SETTLEMENT**

To: All current and former non-exempt employees of Defendant Arcadia Chair Company, Inc. directly hired by Arcadia Chair Company, Inc. who worked in California at any time between June 23, 2016 through November 30, 2023 (the "Class Period"), and who did not sign a severance agreement. Additionally, all current and former non-exempt employees in California who worked for Arcadia Chair Company, Inc., whether employed directly by Arcadia Chair Company, Inc. or through a staffing agency, at any time from December 24, 2019 until November 30, 2023 (the "PAGA Period") are "PAGA Aggrieved Employees." Collectively, these employees will be referred to as "Settlement Class members."

**PLEASE READ CAREFULLY
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT
THIS NOTICE IS BEING PROVIDED TO YOU IN ENGLISH AND SPANISH**

Why should you read this Notice?

The Court has granted preliminary approval of a proposed class and Private Attorneys General Act ("PAGA") action settlement (the "Settlement") in the matter of *Luciano Jimenez v. Arcadia Chair Company, Inc.*, Orange County Superior Court Case No. 30-2020-01175920-CU-OE-CXC (the "Action"). Because your rights may be affected by the Settlement, it is important that you read this Notice carefully.

You may be entitled to money from this Settlement. Arcadia Chair Company, Inc.'s ("Arcadia Chair") records show that you were directly hired by Arcadia Chair and worked in California as a non-exempt employee in California between June 23, 2016 through November 30, 2023 (the "Class Period"). Additionally, all current and former non-exempt employees in California who worked for Arcadia Chair, whether employed directly by Arcadia Chair or through a staffing agency, at any time from December 24, 2019 until November 30, 2023, are entitled to a payment from the PAGA Amount, as described below. The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this Notice is to provide you with a brief description of the Action, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound to the terms of the Settlement and any final judgment.

What is this case about?

Plaintiff Luciano Jimenez ("Plaintiff") brought this Action against Arcadia Chair on a class and representative action basis on behalf of a class of non-exempt employees directly hired by Arcadia Chair who worked in California during the Class Period. Plaintiff is known as the "Class Representative," and his attorneys, who also represent the interests of all Settlement Class members, are known as "Class Counsel."

Plaintiff alleges that Arcadia Chair failed to pay Settlement Class members all minimum and overtime wages owed; failed to provide all meal periods in accordance with California law; failed to authorize and permit all rest periods in accordance with California law; failed to reimburse for necessary business expenditures; failed to furnish accurate and itemized wage statements to Settlement Class members; and failed to timely pay all wages owed upon separation of employment. As a result of the foregoing alleged violations, Plaintiff alleges that Arcadia Chair engaged in unfair business practices and is liable for civil penalties under the PAGA.

Arcadia Chair denies Plaintiff's claims and denies that it has violated any laws or done anything wrong. Arcadia Chair also denies that it owes Settlement Class members any wages, restitution, penalties, damages, or other amounts. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Arcadia Chair, by whom all liability is expressly denied.

The Court has not ruled on the merits of Plaintiff's claims. However, to avoid additional expense, inconvenience, and interference with Arcadia Chair's business operations, the parties have agreed to settle the Action on the terms summarized in this Notice. After Class Counsel had the opportunity to review certain relevant information, the Settlement was reached after multiple mediation sessions and arm's length negotiations between the parties.

The Class Representative and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Arcadia Chair, the risk of denial of class certification, the inherent risk of trial on the merits, and the delays and uncertainties associated with ongoing litigation.

If you are still employed by Arcadia Chair, your decision about whether to participate in the Settlement will not affect your employment. California law strictly prohibits unlawful retaliation. Arcadia Chair will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Settlement Class member because of his/her decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for Plaintiff/Settlement Class:	Attorneys for Arcadia Chair:
HAINES LAW GROUP, APC Paul K. Haines phaines@haineslawgroup.com Sean M. Blakely sblakely@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 haineslawgroup.com	PETTIT KOHN INGRASSIA LUTZ & DOLIN PC Shannon R. Finley sfinley@pettitkohn.com Christine Y. Clark cyclark@pettitkohn.com 11622 El Camino Real, Suite 300 San Diego, CA 92130 Tel.: (858) 755-8500 Fax: (858) 755-8504 pettitkohn.com

What are the terms of the Settlement?

On <<PRELIM APPROVAL DATE>>, the Court preliminarily certified a class, for settlement purposes only, of all current and former non-exempt employees of Arcadia Chair directly hired by Arcadia Chair who worked in California at any time between June 23, 2016 through November 30, 2023. Settlement Class members who do not opt out of the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against Arcadia Chair as described below.

Arcadia Chair has agreed to pay \$4,350,000.00 (the "Gross Settlement Amount") to fully resolve all claims in the Action, including payments to Settlement Class members, Class Counsel's attorneys' fees and expenses, settlement administration costs, payment to the Labor & Workforce Development Agency ("LWDA") for its share of civil penalties under the PAGA, and the Class Representative enhancement payment.

The following deductions from the Gross Settlement Amount will be requested by the parties:

Attorneys' Fees and Expenses. Class Counsel have been prosecuting the Action on behalf of Settlement Class members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees and expenses which will be paid from the Gross Settlement Amount. Settlement Class members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for up to one-third of the Gross Settlement Amount, which is currently estimated at \$1,450,000.00, as reasonable compensation for the work Class Counsel performed and will continue to perform in this Action through Settlement finalization. Class Counsel also will ask for reimbursement of up to \$100,000.00 in verified costs incurred in connection with the Action.

Settlement Administration Costs. The Court has approved Phoenix Settlement Administrators to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the Settlement. The Parties request setting aside up to \$19,000.00 from the Gross Settlement Amount to pay the settlement administration costs.

Class Representative Enhancement Payment. Class Counsel will ask the Court to award the Class Representative an enhancement payment in the amount of \$15,000.00 to compensate him for his service and extra work provided on behalf of the Settlement Class.

PAGA Payment to State of California. The parties have agreed to allocate \$100,000.00 towards the settlement of the PAGA claims in the Action. \$75,000.00 will be paid to the State of California Labor & Workforce Development Agency, representing its 75% share of the civil penalties. The remaining \$25,000.00 will be allocated to Settlement Class members as described below.

Calculation of Individual Settlement Class Members' Settlement Awards. After deducting the Court-approved amounts above, the balance of the Gross Settlement Amount will form the Net Settlement Amount, which will be distributed to all Settlement Class members who do not submit a valid and timely Request for Exclusion from the Settlement. The Net Settlement Amount is estimated at approximately \$2,666,000, and will be divided as follows:

- (i) 80% of the Net Settlement Amount will be allocated to all participating Settlement Class members in proportion to the number of workweeks that he or she worked during the Class Period.
- (ii) 10% of the Net Settlement Amount shall be designated as the "Waiting Time Amount" and will be allocated in equal amounts to all participating Settlement Class members whose employment with Arcadia Chair ended at any time between June 23, 2017 through November 30, 2023.
- (iii) 10% of the Net Settlement Amount shall be designated as the "Wage Statement Amount." Each participating Settlement Class member who was employed by Arcadia Chair at any time from June 23, 2019 to November 30, 2023 shall receive a portion of the Wage Statement Amount proportionate to the number of workweeks that he or she worked during that time period.

Payment from PAGA Amount: In addition to the Net Settlement Amount, \$25,000.00 of the Gross Settlement Amount has been designated as the "PAGA Amount." All current and former non-exempt employees in California who worked for Arcadia Chair, whether employed directly by Arcadia Chair or through a staffing agency, at any time from December 24, 2019 until November 30, 2023 (the "PAGA Period") (including those who opt out of the class action settlement) are "PAGA Aggrieved Employees" and shall receive a portion of the PAGA Amount proportionate to the number of workweeks he or she worked during the PAGA Period.

Payments to Settlement Class members. If the Court grants final approval of the Settlement, individual Settlement Awards will be mailed to all Settlement Class members who did not submit a valid and timely Request for Exclusion from the Settlement. PAGA Aggrieved Employees may not opt-out of the release of PAGA claims (as described in the "Release" Paragraph on page 4) and will thus receive payment for their share of the PAGA Amount even if they opt out of the Settlement. [Pursuant to the Settlement, Arcadia Chair will make three equal installments to fund the](#)

Gross Settlement Amount. Arcadia Chair has timely made the first two installments, and the third and final installment payment is due on January 27, 2025. Payments to Settlement Class members and PAGA Aggrieved Employees will be distributed after the Court grants final approval and after Arcadia Chair makes the final installment payment on or before January 27, 2025. **Therefore, you must notify the Settlement Administrator of any changes to your address that take place prior to disbursement to avoid delays in receiving your payment.**

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Settlement checks will be valid for 180 days. Any funds payable to Settlement Class members whose checks were not cashed within 180 days after mailing shall be distributed to the California Controller's Unclaimed Property Fund in the name of the Settlement Class member.

Allocation and Taxes. For tax purposes, each Settlement Award shall be treated as follows: 20% as "wages," for which an IRS Form W-2 will be issued; and 80% as "penalties" and "interest" for which an IRS Form 1099 will be issued. Any payment from the PAGA Amount shall be allocated as 100% penalties. Settlement Class members are responsible for the proper income tax treatment of the individual Settlement Awards. The Settlement Administrator, Arcadia Chair and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement Class members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. Following entry of final judgment, and upon Arcadia Chair's complete funding of the Gross Settlement Amount, Plaintiff and every member of the Settlement Class will fully release and discharge Arcadia Chair, and any of its former or present parents, subsidiaries, affiliates, investors, partners, owners, related organizations, predecessors or successors, and all agents, employees, officers, directors, members, managers, holding companies, insurers, and attorneys thereof (collectively, the "Released Parties") from all causes of action, claims, rights, or statutory damages, penalties, liabilities, expenses, and losses under California law that were alleged in the Second Amended Class and Representative Action Complaint ("SAC") in the Action or that could have been alleged based on the facts alleged in the SAC in the Action, including, but not limited to: any alleged failure by Arcadia Chair (1) to pay overtime wages; (2) to pay minimum wages; (3) to provide all lawful meal periods; (4) to authorize and permit all lawful rest periods; (5) to provide compliant wage statements; (6) to timely pay wages at the end of alleged employment; (7) failure to reimburse for necessary business expenses; (8) any right or claim for unfair business practices in violation of California Business & Professions Code sections 17200, *et seq.*, based on the alleged failures set forth in (1) through (7) above ("California Released Claims"). The period of the California Released Claims shall extend to the limits of the Class Period.

Additionally, upon the occurrence of the Effective Date and the Settlement being fully funded, Plaintiff and all PAGA Aggrieved Employees release and forever discharge the Released Parties from all claims for civil penalties under California Labor Code Private Attorneys General Act of 2004 arising out of or based on the facts alleged in Plaintiff's letter to the Labor & Workforce Development Agency ("LWDA") dated December 24, 2020, including claims for civil penalties due to an alleged failure to pay all overtime and minimum wages; failure to provide all meal periods in accordance with California law; failure to authorize and permit all rest periods in accordance with California law; failure to furnish accurate and itemized wage statements; and failure to pay all wages owed upon separation of employment as well as failure to reimburse business expenses as alleged in the SAC ("PAGA Released Claims"). The period of the PAGA Released Claims shall extend to the limits of the PAGA Period.

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate, and in the best interests of the Settlement Class, and the entry of a Judgment.

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the proportionate number of workweeks you worked during the Class Period; whether you have separated employment from Arcadia Chair between June 23, 2017 and November 30, 2023; the proportionate number of workweeks you worked between June 23, 2019 to November 30, 2023; and the proportionate number of workweeks you worked during the PAGA Period, as stated in the accompanying Notice of Estimated Settlement Award. You also will be bound by the Settlement, including the release of claims stated above.

What other options do I have?

Dispute Information in Notice of Estimated Settlement Award. Your award is based on the proportionate number of workweeks you worked during the Class Period; whether you have separated employment from Arcadia Chair between June 23, 2017 and November 30, 2023; the proportionate number of workweeks you worked between June 23, 2019 to November 30, 2023; and the proportionate number of workweeks you worked during the PAGA Period. The information contained in Arcadia Chair's records regarding each of these factors, along with your estimated Settlement Award, is listed on the accompanying Notice of Estimated Settlement Award. If you disagree with the information in your Notice of Estimated Settlement Award, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Estimated Settlement Award. Any disputes, along with supporting documentation, must be postmarked no later than **<<RESPONSE DEADLINE>>**. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The Parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class members. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Settlement Awards. However, if the Settlement Administrator and the Parties cannot agree on a resolution, the Parties will submit the dispute to the Court for a final determination.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator an executed Request for Exclusion Form no later than **<<RESPONSE DEADLINE>>**, with your name, address, telephone number, last four digits of your social security number, and your signature. A Request for Exclusion Form is included with this Notice.

Send the Request for Exclusion Form directly to the Settlement Administrator at **<<INSERT ADMINISTRATOR CONTACT INFO>>**. Any person who submits a timely Request for Exclusion Form shall, upon receipt by the Settlement Administrator, no longer be a Settlement Class member, shall be barred from participating in any portion of the class action Settlement, and shall receive no benefits from the class action Settlement. However, all PAGA Aggrieved Employees who worked during the PAGA Period, including those who opt out, will be bound by the PAGA portion of the Settlement and will receive a portion from the PAGA Amount. **Do not submit both a Dispute and a Request for Exclusion.** If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement. The Court shall make the final determination regarding the validity and authenticity of any Requests for Exclusion.

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Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you may mail a written objection to the Settlement Administrator at **<<INSERT ADMINISTRATOR CONTACT INFO>>**. All objections and correspondence must be sent directly to the Settlement Administrator, please do not send objections or correspondence to the Court. Any objections will be provided to the Court by Plaintiff in connection with the Final Approval Hearing. Your written objection should include your name, address, as well as contact information for any attorney representing you regarding your objection, and the case name and number. Objections should be in writing and must be postmarked on or before **<<RESPONSE DEADLINE>>**. Notwithstanding the foregoing, you do not need to object in writing to be heard at the Final Approval Hearing. The Court shall make the final determination regarding the validity and authenticity of any Objections.

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You may also appear at the Final Approval Hearing scheduled for **INSERT DATE**, at **INSERT TIME** in Department CX103 of the Orange County Superior Court, located at 751 West Santa Ana Boulevard, Santa Ana, California 92701. You have the right to appear either in person or through your own attorney at this hearing. All objections or other correspondence must state the name and number of the case, which is *Luciano Jimenez v. Arcadia Chair Company, Inc.*, Orange County Superior Court Case No. 30-2020-01175920-CU-OE-CXC.

Settlement Class members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have forty-five (45) calendar days from the date of re-mailing to submit a Request for Exclusion, Objection, or dispute.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on **INSERT DATE**, at **INSERT TIME** in Department CX103 of the Orange County Superior Court, located at 751 West Santa Ana Boulevard, Santa Ana, California 92701. The Court will also be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses, and the Class Representative enhancement payment. The Final Approval Hearing may be postponed without further notice to Settlement Class members. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing. **You are not required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing.**

If the Court grants Final Approval, the Court will issue a final judgment which shall be posted on the Settlement Administrator's website (<http://www.phoenixclassaction.com>). The Settlement Administrator's website shall also post important documents from the case, including the operative complaint, the Settlement Agreement, the Notice Packet, and the orders granting preliminary and final approval.

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How can I get additional information?

This Notice is only a summary of the Action and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the Orange County Superior Court, located at 751 West Santa Ana Boulevard, Santa Ana, California 92701, during regular court hours. You may also visit the Orange County Superior Court website at www.occourts.org to inspect the Court's files by going to the "Case Access" tab under "Online Services," selecting "Civil Case & Document Access," and entering the case number information for this case, which is Case No. 30-2020-01175920-CU-OE-CXC. If you wish to download documents from the Court's website, you may watch the video tutorial "How to order documents online" for more information about how to download documents from the Court's website. You may also contact Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE TO THE COURT FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is **<<RESPONSE DEADLINE>>**. These deadlines will be strictly enforced.

EXHIBIT 5

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Attorneys for Plaintiff

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE**

LUCIANO JIMENEZ, as an individual, and
on behalf of all others similarly situated,

Plaintiff,

vs.

ARCADIA CHAIR COMPANY, INC., a
California corporation; and DOES 1 through
100,

Defendants.

Case No. 30-2020-01175920-CU-OE-CXC

*[Assigned for all purposes to Hon. Lon
Hurwitz, Dept. CX-103]*

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF
CLASS AND PAGA ACTION
SETTLEMENT**

Date: ~~February 16~~ July 12, 2024

Time: 1:30 p.m.

Dept.: CX-103

Complaint Filed: December 23, 2020

Trial Date: None set

1 The Motion of Plaintiff Luciano Jimenez ("Plaintiff") for Preliminary Approval of Class
2 Action Settlement came on regularly for hearing before this Court on ~~February 16~~ July 12, 2024
3 at 1:30 p.m. This Court, having considered the proposed amended Stipulation of Settlement (the
4 "Settlement") attached as Exhibit ~~A-1~~ to the Declaration of ~~Paul K. Haines~~ Sean M. Blakely filed
5 concurrently herein (ROA # XX); having considered Plaintiff's Motion for Preliminary Approval
6 of Class Action Settlement, Memorandum of Points and Authorities in support thereof, and
7 supporting declarations filed therewith; Plaintiff's Supplemental Briefing; and good cause
8 appearing, HEREBY ORDERS THE FOLLOWING:

9 1. The Court GRANTS preliminary approval of the class action settlement as set
10 forth in the Settlement and finds its terms to be within the range of reasonableness of a settlement
11 that ultimately could be granted approval by the Court at a Final Fairness Approval Hearing. For
12 purposes of the Settlement, the Court finds that the proposed Settlement Class is ascertainable
13 and that there is a sufficiently well-defined community of interest among the members of the
14 Settlement Class in questions of law and fact. Therefore, for settlement purposes only, the Court
15 grants conditional certification of the following Settlement Class:

16 All current and former non-exempt employees of Defendant
17 Arcadia Chair Company, Inc. directly hired by Arcadia Chair
18 Company, Inc. who worked in California at any time between June
19 23, 2016 through November 30, 2023 ("Class Period"), and who
20 did not sign a severance agreement.

21 2. The "PAGA Aggrieved Employees" shall be defined as "All current and former
22 non-exempt employees in California who worked for Defendant Arcadia Chair Company, Inc.,
23 whether employed directly by Arcadia Chair Company, Inc. or through a staffing agency, at any
24 time from December 24, 2019, until November 30, 2023 (the "PAGA Period").

25 2-3. For purposes of the Settlement, the Court designates named Plaintiff Luciano
26 Jimenez as Class Representative, and designates Paul K. Haines and Sean M. Blakely of Haines
27 Law Group, APC as Class Counsel.

28 3-4. The Court designates Phoenix Settlement Administrators as the third-party
Settlement Administrator for mailing notices.

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1 ~~4-5.~~ The Court approves, as to form and content, the Class Notice, Request for
2 Exclusion Form, and Notice of Estimated Settlement Award (collectively, the “Notice Packet”),
3 attached as Exhibits 1, 2, and 3, respectively, to the Settlement.

4 ~~5-6.~~ The Court finds that the form of notice to the Settlement Class regarding the
5 pendency of the action and of the Settlement, and the methods of giving notice to members of the
6 Settlement Class, constitute the best notice practicable under the circumstances, and constitute
7 valid, due, and sufficient notice to all of the Settlement Class members. The form and method of
8 giving notice complies fully with the requirements of California Code of Civil Procedure section
9 382, California Civil Code section 1781, California Rules of Court 3.766 and 3.769, the California
10 and United States Constitutions, and other applicable law.

11 ~~6-7.~~ The Court further approves the procedures for the Settlement Class members to
12 opt out of or object to the Settlement, as set forth in the Class Notice. The Court shall make the
13 final determination regarding the validity and authenticity of any Request for Exclusion or
14 Objection.

15 ~~7-8.~~ The procedures and requirements for filing objections in connection with the Final
16 Fairness-Approval Hearing are intended to ensure the efficient administration of justice and the
17 orderly presentation of any Settlement Class member’s objection to the Settlement in accordance
18 with the due process rights of all members of the Settlement Class.

19 ~~8-9.~~ The Court directs the Settlement Administrator to mail the Notice Packet to the
20 members of the Settlement Class in accordance with the terms of the Settlement.

21 ~~9-10.~~ The Class Notice shall provide at least sixty (60) calendar days’ notice for
22 Settlement Class members to opt out of, or object to, the Settlement, or submit a dispute.

23 ~~10-11.~~ The Final Approval-Fairness Hearing on the question of whether the Settlement
24 should be finally approved as fair, reasonable, and adequate is scheduled in Department CX-103
25 of this Court, located at 751 West Santa Ana Boulevard, Santa Ana, California 92701 on ~~July~~
26 December 6, 2024 at 1:30 p.m.

27 ~~11-12.~~ At the Final Approval-Fairness Hearing, the Court will consider: (a) whether the
28 Settlement should be finally approved as fair, reasonable, and adequate for the Settlement Class;

(b) whether a judgment granting final approval of the Settlement should be entered; and (c) whether Plaintiff's application for reasonable attorneys' fees, reimbursement of litigation expenses, enhancement payment to Plaintiff, settlement administration costs, and payment to the Labor & Workforce Development Agency ("LWDA") for penalties under the Labor Code Private Attorneys General Act should be granted.

~~12,13.~~ Counsel for the parties shall file memoranda, declarations, or other statements and materials in support of their request for final approval of the Settlement, attorneys' fees, litigation expenses, Plaintiff's enhancement payment, payment to the LWDA, and settlement administration costs, prior to the Final ~~Fairness-Approval~~ Hearing according to the time limits set by the Code of Civil Procedure and the California Rules of Court. ~~At-In advance of~~ the Final ~~Fairness-Approval~~ Hearing, the Settlement Administrator shall provide a copy of its invoice attached to its declaration regarding settlement administration.

~~13,14.~~ An implementation schedule is below:

Event	Date
Defendant to provide Class Data to the Settlement Administrator no later than [10 business days after preliminary approval]:	March 1 July 26, 2024
Settlement Administrator to mail the Notice Packet to Settlement Class members no later than [10 business days after receiving Class Data]:	March 15 August 9, 2024
Deadline for Settlement Class members to request exclusion from, submit dispute, or object to, the Settlement [60 calendar days after mailing]:	May 14 October 8, 2024
Deadline for Plaintiff to file his Motion for Final Approval of Class Action Settlement:	June 7 November 5, 2024
Final Fairness-Approval Hearing:	July 12 December 6, 2024 at 1:30 p.m.

~~14,15.~~ Pending the Final ~~Fairness-Approval~~ Hearing, all proceedings in this action, other than proceedings necessary to carry out or enforce the terms and conditions of the Settlement and this Order, are stayed.

~~15,16.~~ Counsel for the parties are hereby authorized to utilize all reasonable procedures in connection with the administration of the Settlement which are not materially inconsistent with either this Order or the terms of the Settlement.

1 ~~16,17.~~ To the extent consistent with class action procedure, the Court shall retain
2 continuing jurisdiction over this Action and the Settlement pursuant to California Code of Civil
3 Procedure § 664.6 and California Rule of Court 3.769(h).

4 18. The Settlement Administrator shall give notice to Settlement Class members of
5 final judgment by posting the final judgment to the Settlement Administrator's website. The
6 Settlement Administrator shall also post the operative complaint, the Settlement Agreement, the
7 Notice Packet, and the orders granting preliminary and final approval to the Settlement
8 Administrator's website.

9 ~~17,19.~~ The Court approves the installment-payment nature of funding the \$4,350,000.00
10 Gross Settlement Amount as described in the Settlement Agreement. The Court finds that
11 Defendant has made the first two installments of \$1,450,000.00, and the third and final installment
12 payment of \$1,450,000.00 is due on January 27, 2025. Pursuant to the Settlement Agreement,
13 within ten (10) calendar days following Defendant's third and final installment with the
14 Settlement Administrator, the Settlement Administrator will calculate Settlement Award amounts
15 and provide the same to counsel for review and approval. Within seven (7) calendar days of
16 approval by counsel, the Settlement Administrator will mail Settlement Awards to participating
17 Settlement Class members. After Settlement Awards are mailed to participating Settlement Class
18 members, the Settlement Administrator shall distribute the amounts approved for Class Counsel's
19 attorneys' fees and litigation costs, Plaintiff's Enhancement Payment, payment to the LWDA for
its share of PAGA civil penalties, and settlement administration expenses.

20 **IT IS SO ORDERED.**

21
22 Dated: _____, 2024

Hon. Lon F. Hurwitz
Judge of the Superior Court