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7 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
8 **COUNTY OF SANTA CLARA**

9 DEBBIE FELIX, an individual; RICK
10 MALEAD, an individual, on behalf of
11 themselves, and on behalf of all persons
12 similarly situated, and in their representative
13 capacity on behalf of the State of California and
14 fellow Aggrieved Employees,

15 Plaintiffs,

16 vs.

17 TVI, INC., d.b.a. SAVERS, a Washington
18 corporation; and DOES 1 through 50, Inclusive;

19 Defendants.

Case No. 21CV376407

**[PROPOSED] ORDER GRANTING
PLAINTIFF'S MOTION AND MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

Date: October 21, 2021

Time: 1:30 p.m.

Dept.: 1

20 This matter having come before the Superior Court of the State of California, in and for the
21 County of Santa Clara, at 1:30 p.m. on October 21, 2021, with Jean-Claude Lapuyade, Esq., of the
22 JCL Law Firm, APC, and Shani O. Zakay, Esq. of the Zakay Law Group, APLC, as counsel for
23 Plaintiffs DEBBIE FELIX, and RICK MALEAD ("Plaintiffs") and Adam Siegel of Jackson Lewis,
24 PC, appearing for defendant TVI, INC., d.b.a. SAVERS. ("Defendant"). The Court, having
25 carefully considered the briefs, argument of counsel and all the matters presented to the Court, and
26 good cause appearing, hereby GRANTS Plaintiffs' Motion for Preliminary Approval of Class
27 Action Settlement.
28

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1 **IT IS HEREBY ORDERED:**

2 1. The Court preliminarily approves the Stipulation of Settlement of Class Action
3 Claims and Release of Claims (“Settlement Agreement” or “Agreement”) a true and correct copy
4 of which is attached hereto as **Exhibit “1”**. This is based on the Court’s determination that the
5 Settlement Agreement is within the range of possible final approval, pursuant to the provisions of
6 Section 382 of the California Code of Civil Procedure and California Rules of Court, rule 3.769.

7 2. This Order incorporates by reference the definitions in the Agreement, and all terms
8 defined therein shall have the same meaning in this Order as set forth in the Agreement.

9 3. Subject to the terms of the Settlement Agreement, the Total Settlement Amount that
10 Defendant shall pay is One Million Five Hundred Thousand Dollars (\$1,500,000). It appears to
11 the Court on a preliminary basis that the settlement amount and terms are fair, adequate, and
12 reasonable as to the entire Settlement Class when balanced against the probable outcome of further
13 litigation relating to certification, liability, and damages issues. It further appears that investigation
14 and research have been conducted such that counsel for the Parties are able to reasonably evaluate
15 their respective positions. It further appears to the Court that settlement at this time will avoid
16 substantial additional costs by all Parties, as well as avoid the delay and risks that would be
17 presented by the further prosecution of the litigation. It further appears that the Settlement has been
18 reached as the result of intensive, serious, and non-collusive arms-length negotiations.

19 4. The Court preliminarily finds that the Settlement appears to be within the range of
20 reasonableness of a settlement that could ultimately be given final approval by this Court. The
21 Court has reviewed the monetary recovery that is being granted as part of the Settlement and
22 preliminarily finds that the monetary settlement awards made available to the Settlement Class are
23 fair, adequate, and reasonable when balanced against the probable outcome of further litigation
24 relating to certification, liability, and damages issues.

25 5. The Agreement specifies for an award of Attorneys’ Fee and Costs in the amount of
26 up-to one-third of the Total Settlement Amount for attorneys’ fees, currently estimated at \$500,000
27 **and** an award of litigation expenses incurred not to exceed \$25,000.00, and proposed Class
28 Representative Service Award to the Class Representatives, Rick Melead and Debbie Felix, in an

1 amount not to exceed \$7,500.00 each. While these awards appears to be within the range of
2 reasonableness, the Court will not approve the Class Counsel Award or Class Representative
3 Service Award until the Final Approval Hearing.

4 6. The Court recognizes that Plaintiff and Defendant stipulate and agree to certification
5 of a class for settlement purposes only. This stipulation will not be deemed admissible in this or
6 any other proceeding should this Settlement not become final. For settlement purposes only, the
7 Court conditionally certifies the following Settlement Class:

8 “all of Defendant’s current and former non-exempt employees
9 employed in California between April 18, 2017 and July 27, 2021. (the
10 “Class Period).”

11 7. The Court concludes that, for settlement purposes only, the Settlement Class meets
12 the requirements for certification under section 382 of the California Code of Civil Procedure in
13 that: (a) the Settlement Class is ascertainable and so numerous that joinder of all members of the
14 Settlement Class is impracticable; (b) common questions of law and fact predominate, and there is
15 a well-defined community of interest amongst the Settlement Class with respect to the subject
16 matter of the litigation; (c) the claims of the Class Representative are typical of the claims of the
17 Settlement Class; (d) the Class Representative will fairly and adequately protect the interests of the
18 Settlement Class; (e) a class action is superior to other available methods for the efficient
19 adjudication of this controversy; and (f) Class Counsel are qualified to act as counsel for the Class
20 Representative in their individual capacity and as the representative of the Settlement Class
21 Members.

22 8. For settlement purposes only, the Court provisionally appoints plaintiffs Rick
23 Melead and Debbie Felix as the representatives of the Settlement Class.

24 9. The Court provisionally appoints Jean-Claude Lapuyade, Esq., of the JCL Law Firm,
25 A.P.C. and Shani Zakay of the Zakay Law Group, APLC, as Class Counsel for the Settlement
26 Class.

27 10. The Court hereby approves, as to form and content, the Proposed Notice of Pendency
28 of Class and Representative Action Settlement (“Class Notice”) attached to the Agreement as

1 **Exhibit “A”**. The Court finds that both notices appear to fully and accurately inform the Settlement
2 Class and Aggrieved Employees of all material elements of the proposed Settlement, including
3 right of any Settlement Class member to be excluded from the Settlement Class by submitting a
4 written request for exclusion, and of each Settlement Class member’s right and opportunity to
5 object to the Settlement. The Court further finds that the distribution of the notices substantially in
6 the manner and form set forth in the Agreement and this Order meets the requirements of due
7 process, is the most reasonable notice under the circumstances, and shall constitute due and
8 sufficient notice to all persons entitled thereto. The Court orders the mailing of the notices by first
9 class mail, pursuant to the terms set forth in the Agreement.

10 11. The Court hereby appoints ILYM Group, Inc., as Settlement Administrator. Within
11 fourteen (14) calendar days of this order, Defendant shall provide, to the Settlement Administrator
12 the Class List, including information regarding Settlement Class Members that Defendant will in
13 good faith compile from their records, including each Settlement Class Member’s full name; last
14 known address; Social Security Number; dates of employment, and number of Workweeks accrued
15 by each Settlement Class member during the Class Period and the PAGA Period. Within fourteen
16 (14) calendar days after receiving the Class List from Defendant, the Settlement Administrator
17 shall mail the Class Notice to all identified, potential members of the Settlement Class via first
18 class U.S. Mail using the most current mailing address information available.

19 12. The Court hereby preliminarily approves the proposed procedure for exclusion from
20 the Settlement. Any Class Member may individually choose to opt out of and be excluded from
21 the Settlement as provided in the Notice by following the instructions for requesting exclusion from
22 the Settlement of the Released Claims that are set forth in the Notice. All requests for exclusion
23 must be postmarked or received by the Response Deadline which is forty-five (45) calendar days
24 after the date the Class Notice is mailed to the Settlement Class Members or, in the case of a re-
25 mailed Notice, not more than fifteen (15) calendar days after the original Response Deadline. Any
26 such person who chooses to opt out of and be excluded from the Settlement will not be entitled to
27 an Individual Settlement Payment under the Settlement and will not be bound by the Settlement,
28 or have any right to object, appeal or comment thereon. Settlement Class members who have not

1 requested exclusion shall be bound by all determinations of the Court, the Agreement and
2 Judgment. A request for exclusion may only opt out that particular individual, and any attempt to
3 affect an opt-out of a group, class, or subclass of individuals is not permitted and will be deemed
4 invalid.

5 13. Any Settlement Class member who has not opted out may appear at the final approval
6 hearing and may object or express the Member's views regarding the Settlement and may present
7 evidence and file briefs or other papers that may be proper and relevant to the issues to be heard
8 and determined by the Court as provided in the Notice. Settlement Class Members will have forty-
9 five (45) days from the date the Settlement Administrator mails the Class Notice to postmark their
10 written objections to the Settlement Administrator.

11 14. A final approval hearing shall be held before this Court on _____
12 _____at ____AM in Department 1 of the Santa Clara County Superior Court to determine all
13 necessary matters concerning the Settlement, including: whether the proposed settlement of the
14 Action on the terms and conditions provided for in the Agreement is fair, adequate and reasonable
15 and should be finally approved by the Court; whether an Order Granting Final Approval should be
16 entered herein; whether the plan of allocation contained in the Agreement should be approved as
17 fair, adequate and reasonable to the Settlement Class; and to finally approve the Class Counsel
18 Award, Class Representative Service Award, and the Settlement Administration Costs. All papers
19 in support of the motion for final approval and the motion for Attorneys' Fee and Costs and Class
20 Representative Enhancement Award shall be filed with the Court and served on all counsel no later
21 than sixteen (16) court days before the hearing.

22 15. Neither the Settlement nor any exhibit, document, or instrument delivered thereunder
23 shall be construed as a concession or admission by Defendant in any way, and shall not be used as
24 evidence of, or used against Defendant as, an admission or indication in any way, including with
25 respect to any claim of any liability, wrongdoing, fault or omission by Defendant or with respect
26 to the truth of any allegation asserted by any person. Whether or not the Settlement is finally
27 approved, neither the Settlement, nor any exhibit, document, statement, proceeding or conduct
28 related to the Settlement, nor any reports or accounts thereof, shall in any event be construed as,

1 offered or admitted in evidence as, received as or deemed to be evidence for any purpose adverse
2 to the Defendant, including, but not limited to, evidence of a presumption, concession, indication
3 or admission by Defendant of any liability, fault, wrongdoing, omission, concession or damage.

4 16. In the event the Settlement does not become effective in accordance with the terms
5 of the Agreement, or the Settlement is not finally approved, or is terminated, canceled or fails to
6 become effective for any reason, this Order shall be rendered null and void and shall be vacated,
7 and the Parties shall revert to their respective positions as of before entering into the Agreement.
8 In such an event, the Court's orders regarding the Settlement, including this Preliminary Approval
9 Order, shall not be used or referred to in litigation for any purpose. Nothing in this paragraph is
10 intended to alter the terms of the Settlement Agreement with respect to the effect of the Settlement
11 Agreement if it is not approved.

12 17. Pending final determination of whether the Settlement should be approved, Class
13 Representative and all members of the Settlement Class are barred and enjoined from filing,
14 commencing, prosecuting, intervening in, instigating or in any way participating in the
15 commencement or prosecution of any lawsuit, action or administrative, regulatory, arbitration or
16 other proceeding, in any forum, asserting any claims that are, or relate in any way to, the Class
17 Representative's Released Claims or the Settlement Class' Released Claims, unless and until they
18 submit a timely request for exclusion pursuant to the Agreement.

19 18. The Court reserves the right to adjourn or continue the date of the final approval
20 hearing and all dates provided for in the Agreement without further notice to Settlement Class and
21 retains jurisdiction to consider all further applications arising out of or connected with the proposed
22 Settlement.

23 **IT IS SO ORDERED.**

24 DATED: _____

JUDGE OF THE SUPERIOR COURT

EXHIBIT 1

1 JEAN-CLAUDE LAPUYADE, ESQ. (SBN 248676)
2 **JCL LAW FIRM, APC**
3 3990 OLD TOWN AVENUE, SUITE C204
4 SAN DIEGO, CA 92110
5 TEL: 619-599-8292
6 FAX: 619-599-8291

7 **ZAKAY LAW GROUP, APLC**
8 SHANI O. ZAKAY (STATE BAR #277924)
9 5850 OBERLIN DRIVE, SUITE 230A
10 SAN DIEGO, CA 92121
11 TEL: (619) 255-9047
12 FAX: (858) 404-9203

13
14 **SUPERIOR COURT OF CALIFORNIA**

15 **COUNTY OF SANTA CLARA**

16 DEBBIE FELIX, an individual, in her
17 representative capacity on behalf of the State
18 of California and fellow Aggrieved
19 Employees,

20
21 **PLAINTIFFS,**

22 vs.

23 TVI, INC., d.b.a. SAVERS, a Washington
24 corporation; and DOES 1 through 50,
25 Inclusive;

26 **DEFENDANTS.**

Case No. 21CV376407

[Action Filed 02/24/2021]

**STIPULATION OF SETTLEMENT OF
CLASS ACTION CLAIMS AND
RELEASE OF CLAIMS**

Judge: Hon. Sunil R. Kulkarni
Dept.: 1

1 This Stipulation of Class Action Settlement and Release of Claims is entered into by and
2 between Plaintiffs DEBBIE FELIX and RICK MELEAD (hereinafter “Plaintiffs”), individually and
3 on behalf of the Putative Class, and Defendant TVI, INC., d.b.a. SAVERS (hereinafter
4 “Defendants”):

5 **I. DEFINITIONS**

6 A. “Actions” shall mean the following collectively, *Felix v. TVI, Inc., d.b.a Savers.*,
7 Santa Clara County Superior Court, Case No. 21CV376407, filed February 24,
8 2021(hereinafter “*Felix* PAGA Action”), *Melead v. TVI Savers, Inc.*, Orange County
9 Superior Court, Case No. 30-2020-01140887-CU-OE-CXC, filed May 26, 2020
10 (hereinafter “*Melead* Class Action”), *Melead v. TVI Savers, Inc.*, United States
11 District Court, Central District of California, Case No. 8:20-cv-01224 CJC (ADSx),
12 removed from the Orange County Superior Court on July 7, 2020 (hereinafter
13 “*Melead* Federal Class Action”), and *Melead v. TVI Savers, Inc.*, Orange County
14 Superior Court, Case No. 30-2020-01152545-CU-OE-NJC, filed on July 22, 2020
15 (hereinafter “*Melead* PAGA Action”).
16
17

18 B. “Aggrieved Employees” shall mean all of Defendant’s current and former non-
19 exempt employees employed in California during the PAGA Period. Aggrieved
20 Employees are prohibited from requesting exclusion or objecting to the PAGA
21 Payment.
22

23 C. “Agreement” or “Settlement Agreement” means this Stipulation of Settlement of
24 Class Action and Release of Claims.
25

26 D. “Class Counsel” shall mean Jean-Claude Lapuyade, Esq. of JCL Law Firm, APC and
27 Shani Zakay of Zakay Law Group, APLC.
28

- 1 E. "Class Counsel Award" means the award of fees and expenses that the Court
2 authorizes to be paid to Class Counsel for the services they have rendered to
3 Plaintiffs and the Class in the Actions, consisting of attorneys' fees currently not to
4 exceed one-third of the Total Settlement Amount currently estimated to be \$500,000
5 out of \$1,500,000 plus costs and expenses not to exceed \$25,000.00. Class Counsel's
6 award for attorneys' fees will be divided equally between Class Counsel (50% to
7 JCL Law Firm, APC and 50% to Zakay Law Group, APLC).
- 9 F. "Class Data" means information regarding Class Members that Defendant will in
10 good faith compile from its records and provide to the Settlement Administrator. It
11 shall be formatted as a Microsoft Excel spreadsheet and shall include: each Class
12 Member's full name; last known address; Social Security Number; start dates and end
13 dates of employment.
- 15 G. "Class Members" or the "Class" means all of Defendant's current and former non-
16 exempt employees employed in California during the Class Period.
- 18 H. "Class Period" means the period from April 18, 2017 to July 27, 2021.
- 20 I. "Class Representative Service Award" means the amount that the Court authorizes to
21 be paid to the Class Representatives, in addition to their Individual Settlement
22 Payments and their pro-rata share of the PAGA Settlement, in recognition of their
23 efforts and risks in assisting with the prosecution of the Actions and in exchange for
24 executing a General Release of Defendant.
- 26 J. "Class Representatives" shall mean plaintiff DEBBIE FELIX and RICK MELEAD.

1 K. "Court" means the Superior Court for the State of California, County of Santa Clara
2 presiding over the *Felix* Action.

3
4 L. "Defendant" shall mean TVI, Inc., d.b.a. SAVERS, a Washington corporation.

5
6 M. "Effective Date" means the earliest date, following entry by the Court of an order
7 and judgment finally approving this Settlement, upon which one of the following have
8 occurred: (i) if no objection is filed to the settlement and no objector appears at the
9 hearing on final approval, the date of the Court's entry of the order granting final
10 approval, (ii) if an objection is filed to the settlement and/or an objector appears at the
11 hearing on final approval, then the earlier of the following: (a) the expiration of all
12 potential appeal periods without a filing of a notice of appeal of the final approval
13 order or judgment; (b) final affirmance of the final approval order and judgment by
14 an appellate court as a result of any appeal(s), or (c) final dismissal or denial of all
15 such appeals (including any petition for review, rehearing, certiorari, etc.) such that
16 the final approval order and judgment is no longer subject to further judicial review.

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19 N. "Funding Date" shall mean sixty-five (65) calendar days after the Effective Date and
20 is the date Defendant transfers the Total Settlement Amount into the QSF in accord
21 with the terms of this Agreement.

22
23 O. "Individual Settlement Payment" means the amount payable from the Net Settlement
24 Amount to each Settlement Class Member and excludes any amounts distributed to
25 Aggrieved Employees pursuant to PAGA
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- 1 P. "Net Settlement Amount" or "NSA" means the Total Settlement Amount, less Class
2 Counsel Award, Class Representative Service Award, PAGA Settlement, and
3 Settlement Administration Costs.
4
- 5 Q. "Notice Packet" means the Class Notice to be provided to the Class Members by the
6 Settlement Administrator in the form set forth as Exhibit A to this Agreement (other
7 than formatting changes to facilitate printing by the Settlement Administrator).
8
- 9 R. "PAGA" means the California Labor Code Private Attorneys General Act of 2004,
10 Labor Code § 2698 *et seq.*
- 11 S. "PAGA Payment Ratio" means the respective PAGA Workweeks during the PAGA
12 Period for each Aggrieved Employee divided by the sum total of the PAGA
13 Workweeks for all Aggrieved Employees during the PAGA Period.
14
- 15 T. "PAGA Period" means the period between April 6, 2019 to July 27, 2021.
16
- 17 U. "PAGA Settlement" shall mean Fifty Thousand Dollars (\$50,000.00) to be allocated
18 from the Total Settlement Amount.
19
- 20 V. "Parties" means Plaintiffs and Defendant, collectively, and "Party" shall mean either
21 Plaintiff or Defendant, individually.
- 22 W. "Payment Ratio" means the respective Workweeks for each Class Member divided
23 by the sum total Workweeks for all Class Members.
24
- 25 X. "Plaintiff" or Plaintiffs shall mean either DEBBIE FELIX or RICK MELEAD
26 individually or collectively.
27
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1 Y. “QSF” means the Qualified Settlement Fund established, designated and maintained
2 by the Settlement Administrator to fund the Total Settlement Amount.

3
4 Z. “Released Class Claims” means all class action claims under state, federal, or local
5 law, whether statutory, common law, or administrative law, arising out of the claims
6 expressly plead in the *Felix* Action, *Melead* Class Action and *Melead* Federal Class
7 Action and all other claims that could have been plead based on the facts plead in the
8 *Felix* Action, *Melead* Class Action and *Melead* Federal Class Action including:
9 failure to pay minimum and overtime wages; failure to pay for or provide meal and
10 rest periods, failure to pay all wages due to discharged or quitting employees; failure
11 to provide accurate wage statements; alleged violation of Business and Professions
12 Code Section 17200, based on the alleged labor code violations including, but not
13 limited to, injunctive relief; liquidated damages and penalties of any nature, and
14 expressly excluding all other claims, including claims for vested benefits, wrongful
15 termination, unemployment insurance, disability, social security, workers’
16 compensation, and class claims outside of the Class Period.

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19 AA. “Released PAGA Claims” mean any and all claims for civil penalties, fees and costs
20 arising under PAGA expressly alleged, or that could have been alleged based on the
21 facts alleged in the *Felix* Action and *Melead* PAGA Action and Plaintiffs’ notice
22 letters to the LWDA including, but not limited to, Labor Code sections 201, 202, 203,
23 204, 226, 226.3, 226.7, 510, 512, 558, 1194, 1197, 1197.1, and 1198, and the
24 applicable IWC Wage Orders, including but not limited to Defendant’s alleged failure
25 to provide suitable seating, which occurred during the PAGA Period and expressly
26 excluding all other claims, including claims for vested benefits, wrongful termination,
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1 unemployment insurance, disability, social security, workers' compensation, and
2 PAGA claims outside the PAGA Period.

3
4 BB. "Released Parties" shall mean Defendant and all its present and former parent
5 companies, subsidiaries, divisions, related or affiliated companies, shareholders,
6 officers, directors, employees, agents, attorneys, insurers, successors and assigns, and
7 any individual or entity which could be liable for any of the Released Class Claims
8 or Released PAGA Claims, and Defendant's counsel of record in the Actions.

9
10 CC. "Response Deadline" means the date forty-five (45) days after the Settlement
11 Administrator mails Notice Packets to Class Members and the last date on which
12 Class Members may submit requests for exclusion or objections to the Settlement.

13
14 DD. "Settlement" means the disposition of the Action pursuant to this Agreement.

15
16 EE. "Settlement Administrator" means ILYM Group Inc., 14771 Plaza Drive, Ste. L,
17 Tustin, CA 92780; Tel: 1-888-250-6810; Fax: 1-888-845-6185. The Settlement
18 Administrator establishes, designates and maintains, as a QSF under Internal Revenue
19 Code section 468B and Treasury Regulation section 1.468B-1, into which the amount
20 of the Total Settlement Amount is deposited for the purpose of resolving the claims
21 of Settlement Class Members. The Settlement Administrator shall maintain the funds
22 until distribution in an account(s) segregated from the assets of Defendant and any
23 person related to Defendant. *All accrued interest shall be paid and distributed to the*
24 *Settlement Class Members as part of their respective Individual Settlement*
25 *Payment.*
26
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1 FF. "Settlement Class Members" or "Settlement Class" means all Class Members who
2 have not submitted a timely and valid request for exclusion as provided in this
3 Agreement.

4
5 GG. "Total Settlement Amount" means One Million Five Hundred Thousand Dollars
6 (\$1,500,000.00) that Defendant must pay into the QSF in connection with this
7 Settlement, inclusive of the sum of the Individual Settlement Payments, the Class
8 Representative Service Awards, the Class Counsel Award, PAGA Settlement and the
9 Settlement Administration Costs and *exclusive* of the employer's share of payroll tax,
10 if any, triggered by any payment under this Settlement.
11

12 HH. "Workweeks", for purposes of calculating the distribution of the Net Settlement
13 Amount, means the number of weeks of employment during the Class Period that
14 each Class Member worked in California. The Settlement Administrator will calculate
15 the number of Workweeks by calculating the number of days each Class Member was
16 employed during the Class Period, dividing by seven (7), and rounding up to the
17 nearest whole number. For purpose of determining the Individual Settlement
18 Payments and Payment Ratio, each Class Member who is a former employee no
19 longer working for Defendant will be assigned four (4) additional Workweeks.
20
21

22 II. "PAGA Workweeks", for purposes of calculating the distribution of the Aggrieved
23 Employee Payment, as defined herein, means the number of weeks of employment
24 during the PAGA Period that each Aggrieved Employee worked in California. The
25 Settlement Administrator will calculate the number of PAGA Workweeks by
26 calculating the number of days each Aggrieved Employee was employed during the
27 PAGA Period, dividing by seven (7), and rounding up to the nearest whole number.
28

1 **II. RECITALS**

2
3 A. On May 8, 2020, Plaintiff Melead filed a Notice of Violations with the Labor and
4 Workforce Development Agency (LWDA) and served the same on Defendant.

5
6 B. On May 26, 2020, plaintiff Melead filed the *Melead* Class Action for:

7 1. Unfair Competition in Violation of Bus. and Prof. Code §§ 17200;

8
9 2. Failure to pay overtime wages in violation of California Labor Code sections
10 510 *et seq.*;

11
12 3. Failure to pay minimum wages in violation of California Labor Code sections
13 1194, 1197 and 1197.1;

14
15 4. Failure to provide required rest periods in violation of California Labor Code
16 sections 226.7 and 512;

17
18 5. Failure to provide required meal periods in violation of California Labor Code
19 sections 226.7 and 512;

20
21 6. Failure to provide accurate itemized wage statements in violation of California
22 Labor Code section 226; and

23
24 7. Failure to provide wages when due in violation of California Labor Code
25 sections 201, 202 and 203.

26 C. On July 14, 2020, Defendant removed the *Melead* Class Action to United States
27 District Court for the Central District of California (*Melead* Federal Class Action).
28

1 D. On September 25, 2020, the United States District Court for the Central District of
2 California remanded the *Melead* Federal Class Action to the Orange County Superior Court.

3
4 E. On July 22, 2020, Plaintiff Melead filed the *Melead* PAGA Action against Defendant
5 alleging a single cause of action for violations of PAGA for, *inter alia*, the following:

- 6
- 7 1. Failure to provide complaint meal and rest periods;
 - 8 2. Failure to pay all minimum, regular and overtime wages;
 - 9 3. Failure to pay the correct rate of overtime pay;
 - 10 4. Failure to provide suitable seating;
 - 11 5. Failure to maintain true and accurate records;
 - 12 6. Failure to provide accurate itemized wages statements; and
 - 13 7. Failure to timely pay wages when due during, and upon termination of
 - 14 employment.

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19 F. On October 22, 2020, Plaintiff Felix filed a Notice of Violations with the Labor and
20 Workforce Development Agency (LWDA) and served the same on Defendant.

21
22 G. On February 24, 2021, Plaintiff Felix filed the *Felix* PAGA Action against Defendant
23 alleging a single cause of action for violations of PAGA for, *inter alia*, the following:

- 24
- 25 1. Failure to provide complaint meal and rest periods;
 - 26 2. Failure to allow employees to take duty-free, off-the-premises rest periods;
 - 27

3. Failure to pay all minimum, regular and overtime wages;
4. Failure to pay the correct rate of overtime pay;
5. Failure to provide suitable seating;
6. Failure to maintain true and accurate records;
7. Failure to provide accurate itemized wages statements;
8. Failure to pay employee wages for time spent getting their bags checked; and
9. Failure to timely pay wages when due during, and upon termination of employment.

H. On March 25, 2021, the Parties participated in mediation presided over by Mark Rudy, Esq., a well-respected wage and hour class action mediator. The mediation concluded without a settlement. However, following the mediation, each side, represented by its respective counsel, agreed to settle the Action based on a Mediator's proposal which was memorialized in the form of a Memorandum of Understanding.

I. This Agreement replaces and supersedes the Memorandum of Understanding and any other agreements, understandings, or representations between the Parties. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant that the claims in the Action of Plaintiff or the Class Members have merit or that Defendant bears any liability to Plaintiff or the Class on those claims or any

1 other claims, or as an admission by Plaintiffs that Defendant's defenses in the Action
2 have merit. The Parties agree to certification of the Class for purposes of this
3 Settlement only. If for any reason the settlement does not become effective,
4 Defendant reserves the right to contest certification of any class for any reason and
5 reserves all available defenses to the claims in the Action.
6

7 Based on these Recitals that are a part of this Agreement, the Parties agree as follows:
8

9 **III. TERMS OF AGREEMENT**

10 A. Settlement Consideration and Settlement Payments by Defendant.
11

12 1. Settlement Consideration. In full and complete settlement of the Actions, and
13 in exchange for the releases set forth below, Defendant and the Released
14 Parties will pay the sum of the Individual Settlement Payments, the Class
15 Representative Service Award, the Class Counsel Award, PAGA Settlement,
16 and the Settlement Administration Costs, as specified in this Agreement, equal
17 to the Total Settlement Amount of One Million Five Hundred Thousand
18 Dollars (\$1,500,000.00). The Parties agree that this is a non-reversionary
19 Settlement and that no portion of the Total Settlement Amount shall revert to
20 Defendant. Other than the Defendant's share of employer payroll taxes, or as
21 otherwise specified in the Agreement, Defendant shall not be required to pay
22 more or less than the Total Settlement Amount, except as provided for
23 hereinbelow.
24

25 2. Class Size. At the time of mediation, Defendant estimated that the Settlement
26 Class was comprised of 3,098 individuals that collectively worked
27
28

1 approximately 178,668 Workweeks (“Projected Workweeks”) during the
2 Class Period. In regard hereto, Defendant will provide a declaration under
3 penalty of perjury confirming the number of Class Members and Workweeks
4 they worked during the Class Period prior to the filing of the motion for
5 preliminary approval. If, at the time of Defendant’s declaration, the actual
6 number of Workweeks exceeds the Projected Workweeks by more than 10%
7 (i.e., greater than 196,535), Defendant shall have the option to increase the
8 Gross Settlement Amount proportionally with each added workweek at a rate
9 of \$8.40 per Workweek or Defendant shall have the ability to cut off the Class
10 Period as of the date that any workweeks exceed 10% of 178,668.
11

12
13 3. Settlement Payment. Defendant and the Released Parties, and each of them,
14 are jointly and severally liable for payment of the Total Settlement Amount.
15 Defendant shall pay, via wire transfer, the Total Settlement Amount to the
16 Settlement Administrator on the Funding Date:
17

18 4. Defendant’s Share of Payroll Taxes. Defendant’s share of employer side
19 payroll taxes is in addition to the Total Settlement Amount and shall be paid
20 together with the Total Settlement Amount.
21

22 B. Right to File Amended Complaint in the *Felix* Action. Prior to filing the Motion for
23 Preliminary Approval of this Settlement, Defendants shall stipulate for leave for
24 Plaintiffs to file a First Amended Complaint in the *Felix* Action. The First Amended
25 Complaint will join plaintiff Melead and add all class action causes of action asserted
26 in the *Melead* Class Action and *Melead* Federal Class Action into the *Felix* Action.
27 Defendant shall not be required to Answer or in any way respond to the First Amended
28

1 Complaint as the First Amended Complaint is solely being filed to effectuate this
2 Settlement Agreement.

3
4 C. Release by Settlement Class Members. As of the Funding Date, in exchange for the
5 consideration set forth in this Agreement, Plaintiffs and the Settlement Class Members
6 release the Released Parties from the Released Class Claims for the Class Period.

7
8 D. Release by the Aggrieved Employees. As of the Funding Date, in exchange for the
9 consideration set forth in this Agreement, the Plaintiff, the LWDA and the State of
10 California release the Released Parties from the PAGA Released Claims for the PAGA
11 Period.

12
13 E. General Release by Plaintiffs. As of the Funding Date, for the consideration set forth
14 in this Agreement, Plaintiffs, for themselves and each of them individually, waive,
15 release, acquit and forever discharge the Released Parties from any and all claims,
16 actions, charges, complaints, grievances and causes of action, of whatever nature,
17 whether known or unknown, which exist or may exist on their behalf as of the date of
18 this Agreement, including but not limited to any and all tort claims, contract claims,
19 wage claims, wrongful termination claims, disability claims, benefit claims, public
20 policy claims, retaliation claims, statutory claims, personal injury claims, emotional
21 distress claims, invasion of privacy claims, defamation claims, fraud claims, quantum
22 meruit claims, and any and all claims arising under any federal, state or other
23 governmental statute, law, regulation or ordinance, including, but not limited to
24 claims for violation of the Fair Labor Standards Act, the California Labor Code, the
25 Wage Orders of California's Industrial Welfare Commission, other state wage and
26 hour laws, the Americans with Disabilities Act, the Age Discrimination in
27
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1 Employment Act (ADEA), the Employee Retirement Income Security Act, Title VII
2 of the Civil Rights Act of 1964, the California Fair Employment and Housing Act,
3 the California Family Rights Act, the Family Medical Leave Act, California's
4 Whistleblower Protection Act, California Business & Professions Code Section
5 17200 et seq., and any and all claims arising under any federal, state or other
6 governmental statute, law, regulation or ordinance. Plaintiffs also waive and
7 relinquish any and all claims, rights or benefits that they may have under California
8 Civil Code § 1542, which provides as follows:
9

10
11 ***A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE***
12 ***CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO***
13 ***EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE***
14 ***RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE***
15 ***MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE***
16 ***DEBTOR OR RELEASED PARTY.***
17

18 Thus, notwithstanding the provisions of section 1542, and to implement a full and
19 complete release and discharge of the Released Parties, Plaintiffs expressly
20 acknowledge this Settlement Agreement is intended to include in its effect, without
21 limitation, all claims Plaintiffs do not know or suspect to exist in Plaintiffs' favor at
22 the time of signing this Settlement Agreement, and that this Settlement Agreement
23 contemplates the extinguishment of any such claims. Plaintiffs warrant that Plaintiffs
24 have read this Settlement Agreement, including this waiver of California Civil Code
25 section 1542, and that Plaintiffs have consulted with or had the opportunity to consult
26 with counsel of Plaintiffs' choosing about this Settlement Agreement and specifically
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28

1 about the waiver of section 1542, and that Plaintiffs understand this Settlement
2 Agreement and the section 1542 waiver, and so Plaintiffs freely and knowingly enter
3 into this Settlement Agreement. Plaintiffs further acknowledge that Plaintiffs later
4 may discover facts different from or in addition to those Plaintiffs now know or
5 believe to be true regarding the matters released or described in this Settlement
6 Agreement, and even so Plaintiffs agree that the releases and agreements contained in
7 this Settlement Agreement shall remain effective in all respects notwithstanding any
8 later discovery of any different or additional facts. Plaintiffs expressly assume any and
9 all risk of any mistake in connection with the true facts involved in the matters,
10 disputes, or controversies released or described in this Settlement Agreement or with
11 regard to any facts now unknown to Plaintiffs relating thereto.
12
13

14 F. Dismissal of the *Melead* Class Action and *Melead* PAGA Action: Upon the Funding
15 Date, Class Counsel will take all steps necessary to dismiss the *Melead* Class Action
16 and *Melead* PAGA Action with prejudice.
17

18 G. Conditions Precedent: This Settlement will become final and effective only upon the
19 occurrence of all of the following events:
20

- 21 1. The Court enters an order granting preliminary approval of the Settlement;
- 22 2. The Court enters an order granting final approval of the Settlement and a Final
23 Judgment;
- 24 3. If an objector appears at the final approval hearing, the time for appeal of the
25 Final Judgment and Order Granting Final Approval of Class Action
26 Settlement expires; or, if an appeal is timely filed, there is a final resolution of
27
28

1 any appeal from the Judgment and Order Granting Final Approval of Class
2 Action Settlement; and

3
4 4. Defendant fully funds the Total Settlement Amount.

5
6 H. Nullification of Settlement Agreement. In the event that this Settlement Agreement is
7 not preliminarily or finally approved by the Court, fails to become effective, or is
8 reversed, withdrawn or modified by the Court, or in any way prevents or prohibits
9 Defendant from obtaining a complete resolution of the Released Claims, or if
10 Defendant fails to fully fund the Total Settlement Amount:

11
12 1. This Settlement Agreement shall be void *ab initio* and of no force or effect,
13 and shall not be admissible in any judicial, administrative or arbitral
14 proceeding for any purpose or with respect to any issue, substantive or
15 procedural;

16
17 2. The conditional class certification (obtained for any purpose) shall be void *ab*
18 *initio* and of no force or effect, and shall not be admissible in any judicial,
19 administrative or arbitral proceeding for any purpose or with respect to any
20 issue, substantive or procedural; and

21
22 3. The First Amended Complaint in the *Felix* Action shall be void *ab initio* and
23 of no force or effect, and the initial complaint filed in the *Felix* Action shall
24 thereafter become the operative complaint.
25
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1 4. None of the Parties to this Settlement will be deemed to have waived any
2 claims, objections, defenses or arguments in the Action, including with respect
3 to the issue of class certification.

4
5 5. Defendant shall bear the sole responsibility for any cost to issue or reissue any
6 curative notice to the Settlement Class Members and the all Settlement
7 Administration Costs incurred to the date of nullification.

8
9 I. Certification of the Settlement Class. The Parties stipulate to conditional class
10 certification of the Class for the Class Period for purposes of settlement only. In the
11 event that this Settlement is not approved by the Court, fails to become effective, or is
12 reversed, withdrawn or modified by the Court, or in any way prevents or prohibits
13 Defendant from obtaining a complete resolution of the Released Claims, the
14 conditional class certification (obtained for any purpose) shall be void *ab initio* and of
15 no force or effect, and shall not be admissible in any judicial, administrative or arbitral
16 proceeding for any purpose or with respect to any issue, substantive or procedural.

17
18
19 J. Tax Liability. The Parties make no representations as to the tax treatment or legal
20 effect of the payments called for, and Class Members and/or Aggrieved Employees are
21 not relying on any statement or representation by the Parties in this regard. Class
22 Members and/or Aggrieved Employees understand and agree that they will be
23 responsible for the payment of any taxes and penalties assessed on the Individual
24 Settlement Payments and/or Aggrieved Employees' individual shares of the PAGA
25 Settlement described and will be solely responsible for any penalties or other
26 obligations resulting from their personal tax reporting of Individual Settlement
27 Payments and/or Aggrieved Employees' individual shares of the PAGA Settlement.

1 K. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section,
2 the “acknowledging party” and each Party to this Agreement other than the
3 acknowledging party, an “other party”) acknowledges and agrees that: (1) no provision
4 of this Agreement, and no written communication or disclosure between or among the
5 Parties or their attorneys and other advisers, is or was intended to be, nor shall any
6 such communication or disclosure constitute or be construed or be relied upon as, tax
7 advice within the meaning of United States Treasury Department circular 230 (31 CFR
8 part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his,
9 her or its own, independent legal and tax counsel for advice (including tax advice) in
10 connection with this Agreement, (b) has not entered into this Agreement based upon
11 the recommendation of any other Party or any attorney or advisor to any other Party,
12 and (c) is not entitled to rely upon any communication or disclosure by any attorney
13 or adviser to any other party to avoid any tax penalty that may be imposed on the
14 acknowledging party, and (3) no attorney or adviser to any other Party has imposed
15 any limitation that protects the confidentiality of any such attorney’s or adviser’s tax
16 strategies (regardless of whether such limitation is legally binding) upon disclosure by
17 the acknowledging party of the tax treatment or tax structure of any transaction,
18 including any transaction contemplated by this Agreement.

22 L. Preliminary Approval Motion. At the earliest practicable time, Plaintiffs shall file with
23 the Court a Motion for Order Granting Preliminary Approval and supporting papers,
24 which shall include this Settlement Agreement.

26 M. Settlement Administrator. The Settlement Administrator shall be responsible for:
27 establishing and administering the QSF; calculating, processing and mailing payments
28

1 to the Class Representatives, Class Counsel, LWDA and Class Members; printing and
2 mailing the Notice Packets to the Class Members as directed by the Court; receiving
3 and reporting the objections and requests for exclusion; calculating, deducting and
4 remitting all legally required taxes from Individual Settlement Payments and
5 distributing tax forms for the Wage Portion and Non-Wage Portion of the Individual
6 Settlement Payments and/or Aggrieved Employees' individual shares of the PAGA
7 Settlement; processing and mailing tax payments to the appropriate state and federal
8 taxing authorities; providing declaration(s) as necessary in support of preliminary
9 and/or final approval of this Settlement; and other tasks as the Parties mutually agree
10 or the Court orders the Settlement Administrator to perform. The Settlement
11 Administrator shall keep the Parties timely apprised of the performance of all
12 Settlement Administrator responsibilities by among other things, sending a weekly
13 status report to the Parties' counsel stating the date of the mailing, the of number of
14 Elections Not to Participate in Settlement it receives (including the numbers of valid
15 and deficient), and number of objections received.

16
17
18
19 N. Notice Procedure.

- 20
21 1. Class Data. No later than ten (10) business days after the Preliminary
22 Approval Date, Defendant shall provide the Settlement Administrator with the
23 Class Data for purposes of preparing and mailing Notice Packets to the Class
24 Members.
- 25 2. Notice Packets.
- 26 a) The Notice Packet shall contain the Notice of Class Action Settlement
27 in a form substantially similar to the form attached as Exhibit A. The
28

1 Notice of Class Action Settlement shall inform Class Members and
2 Aggrieved Employees that they need not do anything in order to
3 receive an Individual Settlement Payment and/or Aggrieved
4 Employees' individual shares of the PAGA Settlement and to keep the
5 Settlement Administrator apprised of their current mailing address, to
6 which the Individual Settlement Payments and/or Aggrieved
7 Employees' individual shares of the PAGA Settlement will be mailed
8 following the Funding Date. The Notice of Class Action Settlement
9 shall set forth the release to be given by all members of the Class who
10 do not request to be excluded from the Settlement Class and/or
11 Aggrieved Employees' in exchange for an Individual Settlement
12 Payment and/or Aggrieved Employees' individual shares of the PAGA
13 Settlement, the number of Workweeks worked by each Class Member
14 during the Class Period and PAGA Workweeks worked by each
15 Aggrieved Employee during the PAGA Period, if any, and the
16 estimated amount of their Individual Settlement Payment if they do
17 not request to be excluded from the Settlement and each Aggrieved
18 Employee's share of the PAGA Settlement, if any. The Settlement
19 Administrator shall use the Class Data to determine Class Members'
20 Workweeks and PAGA Workweeks.
21
22
23

- 24 b) The Notice Packet's mailing envelope shall include the following
25 language: "IMPORTANT LEGAL DOCUMENT- YOU MAY BE
26 ENTITLED TO PARTICIPATE IN A CLASS ACTION
27 SETTLEMENT; A PROMPT REPLY TO CORRECT YOUR
28

1 ADDRESS IS REQUIRED AS EXPLAINED IN THE ENCLOSED
2 NOTICE.”

3
4 3. Notice by First Class U.S. Mail and Email. Upon receipt of the Class Data,
5 the Settlement Administrator will perform a search based on the National
6 Change of Address Database to update and correct any known or identifiable
7 address changes. No later than fourteen (14) calendar days after receiving the
8 Class Data from Defendant, the Settlement Administrator shall mail and email
9 copies of the Notice Packet to all Class Members via regular First-Class U.S.
10 Mail and electronic mail. The Settlement Administrator shall exercise its best
11 judgment to determine the current mailing address for each Class Member.
12 The address identified by the Settlement Administrator as the current mailing
13 address shall be presumed to be the best mailing address for each Class
14 Member.
15

16
17 4. Undeliverable Notices. Any Notice Packets returned to the Settlement
18 Administrator as non-delivered on or before the Response Deadline shall be
19 re-mailed to any forwarding address provided. If no forwarding address is
20 provided, the Settlement Administrator shall promptly attempt to determine a
21 correct address by lawful use of skip-tracing, or other search using the name,
22 address and/or Social Security number of the Class Member involved, and
23 shall then perform a re-mailing, if another mailing address is identified by the
24 Settlement Administrator. In addition, if any Notice Packets, which are
25 addressed to Class Members who are currently employed by Defendant, are
26 returned to the Settlement Administrator as non-delivered and no forwarding
27
28

1 address is provided, the Settlement Administrator shall notify Defendant.
2 Defendant will request that the currently employed Class Member provide a
3 corrected address, and transmit to the Administrator any corrected address
4 provided by the Class Member. Class Members who received a re-mailed
5 Notice Packet shall have their Response Deadline extended fifteen (15) days
6 from the original Response Deadline.
7

8 5. Disputes Regarding Individual Settlement Payments. Class Members will
9 have the opportunity, should they disagree with Defendant's records regarding
10 the start and end dates of employment to provide documentation and/or an
11 explanation to show contrary dates. If there is a dispute, the Settlement
12 Administrator will consult with the Parties to determine whether an
13 adjustment is warranted. The Settlement Administrator shall determine the
14 eligibility for, and the amounts of, any Individual Settlement Payments under
15 the terms of this Agreement. The Settlement Administrator's determination
16 of the eligibility for and amount of any Individual Settlement Payment shall
17 be binding upon the Class Member and the Parties.
18
19

20 6. Disputes Regarding Administration of Settlement. Any disputes not resolved
21 by the Settlement Administrator concerning the administration of the
22 Settlement will be resolved by the Court under the laws of the State of
23 California. Before any such involvement of the Court, counsel for the Parties
24 will confer in good faith to resolve the disputes without the necessity of
25 involving the Court.
26
27
28

1 7. Exclusions. The Notice of Class Action Settlement contained in the Notice
2 Packet shall state that Class Members who wish to exclude themselves from
3 the Settlement must submit a written request for exclusion by the Response
4 Deadline. The written request for exclusion must state that the Class Member
5 wishes to exclude himself or herself from the Settlement and (1) must contain
6 the name, address, and the last four digits of the Social Security number of the
7 person requesting exclusion; (2) must be signed by the Class Member; (3)
8 must be postmarked or fax stamped by the Response Deadline and returned to
9 the Settlement Administrator at the specified address or fax telephone number;
10 and (4) contain a typewritten or handwritten notice stating in substance: "I
11 wish to opt out of the settlement of the class action lawsuit entitled *Felix v.*
12 *TVI, Inc., d.b.a Savers.*, currently pending in the Superior Court for the County
13 of Santa Clara, Case No. 21CV376407 . I understand that by requesting to
14 be excluded from the settlement, I will receive no money from the Settlement
15 described in this Notice." The request for exclusion will not be valid if it is
16 not timely submitted, if it is not signed by the Class Member, or if it does not
17 contain the name and address and last four digits of the Social Security number
18 of the Class Member. The date of the postmark on the mailing envelope or
19 fax stamp on the request for exclusion shall be the exclusive means used to
20 determine whether the request for exclusion was timely submitted. Any Class
21 Member who requests to be excluded from the Settlement Class will not be
22 entitled to an Individual Settlement Payment and will not be otherwise bound
23 by the terms of the Settlement or have any right to object, appeal or comment
24 thereon. However, any Class Member that submits a timely request for
25 thereon. However, any Class Member that submits a timely request for
26 thereon. However, any Class Member that submits a timely request for
27 thereon. However, any Class Member that submits a timely request for
28 thereon. However, any Class Member that submits a timely request for

1 exclusion that is also a member of the Aggrieved Employees will still receive
2 their pro rata share of the PAGA Settlement, as specified below, and in
3 consideration, will be bound by the Release by the Aggrieved Employees as
4 set forth herein. Settlement Class Members who fail to submit a valid and
5 timely written request for exclusion on or before the Response Deadline shall
6 be bound by all terms of the Settlement and any final judgment entered in this
7 Action if the Settlement is approved by the Court. No later than fourteen (14)
8 calendar days after the Response Deadline, the Settlement Administrator shall
9 provide counsel for the Parties with a final list of the Class Members who have
10 timely submitted written requests for exclusion. At no time shall any of the
11 Parties or their counsel seek to solicit or otherwise encourage members of the
12 Class to submit requests for exclusion from the Settlement.
13
14

- 15 8. Objections. The Notice of Class Action Settlement contained in the Notice
16 Packet shall state that Class Members who wish to object to the Settlement
17 must submit to the Settlement Administrator a written statement of objection
18 (“Notice of Objection”) by the Response Deadline. The postmark date of
19 mailing shall be deemed the exclusive means for determining that a Notice of
20 Objection was served timely. The Notice of Objection must be signed by the
21 Settlement Class Member and state: (1) the case name and number; (2) the
22 name of the Settlement Class Member; (3) the address of the Settlement Class
23 Member; (4) the last four digits of the Settlement Class Member’s Social
24 Security number; (4) the basis for the objection; and (5) if the Settlement Class
25 Member intends to appear at the Final Approval/Settlement Fairness Hearing.
26
27 Class Members who fail to make objections in writing in the manner specified
28

1 above may still make their objections orally at the Final Approval/Settlement
2 Fairness Hearing with the Court's permission. Settlement Class Members will
3 have a right to appear at the Final Approval/Settlement Fairness Hearing to
4 have their objections heard by the Court. At no time shall any of the Parties
5 or their counsel seek to solicit or otherwise encourage Class Members to file
6 or serve written objections to the Settlement or appeal from the Order and
7 Final Judgment. Class Members who submit a written request for exclusion
8 may not object to the Settlement. Class Members may not object to the PAGA
9 Settlement
10 Settlement
11

12 O. Funding and Allocation of the Total Settlement Amount. Defendant is required to pay
13 the Total Settlement Amount on or before the Funding Date, plus any employer's share
14 of payroll taxes as mandated by law within the time specified herein.
15

16 1. Individual Settlement Payments. Individual Settlement Payments shall be
17 paid from the Net Settlement Amount and shall be paid pursuant to the
18 formula set forth below.
19

20 Calculation of Individual Settlement Payments. Using the Class Data, the
21 Settlement Administrator shall add up the total number of Workweeks for all
22 Class Members. The respective Workweeks for each Class Member will be
23 divided by the total Workweeks for all Class Members, resulting in the
24 Payment Ratio for each Class Member. Each Class Member's Payment Ratio
25 will then be multiplied by the Net Settlement Amount to calculate each Class
26 Member's estimated Individual Settlement Payments. Each Individual
27 Settlement Payment will be reduced by any legally mandated employee tax
28

1 withholdings (e.g., employee payroll taxes, etc.). Individual Settlement
2 Payments for Class Members who submit valid and timely requests for
3 exclusion will be redistributed to Settlement Class Members who do not
4 submit valid and timely requests for exclusion on a pro rata basis based on
5 their respective Payment Ratios.

6
7 2. Calculation of Individual Payments to the Aggrieved Employees. Using the
8 Class Data, the Settlement Administrator shall add up the total number of
9 PAGA Workweeks for all Aggrieved Employees during the PAGA Period.
10 The respective PAGA Workweeks for each Aggrieved Employee will be
11 divided by the total PAGA Workweeks for all Aggrieved Employees,
12 resulting in the “PAGA Payment Ratio” for each Aggrieved Employee. Each
13 Aggrieved Employee’s PAGA Payment Ratio will then be multiplied by the
14 Aggrieved Employee Payment to calculate each Aggrieved Employee’s
15 estimated share of the PAGA Settlement.
16

17
18 3. Allocation of Individual Settlement Payments. For tax purposes, Individual
19 Settlement Payments shall be allocated and treated as follows: 25% as wages
20 (“Wage Portion”); 75% as penalties and interest (“Non-Wage Portion”). The
21 Wage Portion is subject to wage withholdings and shall be reported on IRS
22 Form W-2. The Non-Wage Portion shall not be subject to wage withholdings
23 and shall be reported on IRS Form 1099.
24

25 4. Allocation of Aggrieved Employee Payments. For tax purposes, Aggrieved
26 Employee Settlement Payments shall be allocated and treated as 100%
27 penalties and shall be reported on IRS Form 1099.
28

1 5. No Credit Toward Benefit Plans. The Individual Settlement Payments and
2 individual shares of the PAGA Settlement made to Settlement Class Members
3 and/or Aggrieved Employees under this Settlement Agreement, as well as any
4 other payments made pursuant to this Settlement Agreement, will not be
5 utilized to calculate any additional benefits under any benefit plans to which
6 any Class Members may be eligible, including, but not limited to profit-
7 sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans,
8 sick leave plans, PTO plans, and any other benefit plan. Rather, it is the
9 Parties' intention that this Settlement Agreement will not affect any rights,
10 contributions, or amounts to which any Class Members may be entitled under
11 any benefit plans.
12

13
14 6. All monies received by Settlement Class Members under the Settlement which
15 are attributable to wages shall constitute income to such Settlement Class
16 Members solely in the year in which such monies actually are received by the
17 Settlement Class Members. It is the intent of the Parties that Individual
18 Settlement Payments and individual shares of the PAGA Settlement provided
19 for in this Settlement agreement are the sole payments to be made by Defendant
20 to Settlement Class Members and/or Aggrieved Employees in connection with
21 this Settlement Agreement, with the exception of Plaintiffs, and that the
22 Settlement Class Members and/or Aggrieved Employees are not entitled to any
23 new or additional compensation or benefits as a result of having received the
24 Individual Settlement Payments and/or their shares of the PAGA Settlement.
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1 7. Mailing. Individual Settlement Payments and Aggrieved Employee Payments
2 shall be mailed by regular First-Class U.S. Mail to Settlement Class Members'
3 and/or Aggrieved Employees last known mailing address no later than fifteen
4 (15) calendar days after the Funding Date.

5
6 8. Expiration. Any checks issued to Settlement Class Members and Aggrieved
7 Employees shall remain valid and negotiable for one hundred and eighty (180)
8 days from the date of their issuance. If a Settlement Class Member and/or
9 Aggrieved Employee does not cash his or her settlement check within 90 days,
10 the Settlement Administrator will send a letter to such persons, advising that
11 the check will expire after the 180th day, and invite that Settlement Class
12 Member and/or Aggrieved Employee to request reissuance in the event the
13 check was destroyed, lost or misplaced. In the event an Individual Settlement
14 Payment and/or Aggrieved Employee's individual share of the PAGA
15 Settlement check has not been cashed within one hundred and eighty (180)
16 days, all funds represented by such uncashed checks, plus any interest accrued
17 thereon, shall be distributed consistent with California Code of Civil
18 Procedure Section 384 as follows: to The Children's Advocacy Institute
19 (CAI), founded at the nonprofit University of San Diego School of Law in
20 1989. Neither Class Counsel nor Defendant's counsel has any interest,
21 pecuniary or otherwise, in CAI.

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23
24
25 9. Class Representative Service Award. In addition to the Individual Settlement
26 Payment and their individual share of the PAGA Settlement to be paid to
27 Plaintiffs, Plaintiffs will apply to the Court for an award of not more than
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1 \$7,500, each, as the Class Representative Service Awards. Defendant does
2 not presently intend to oppose a Class Representative Service Awards of no
3 more than \$7,500 for each Plaintiff. The Settlement Administrator shall pay
4 the Class Representative Service Awards, either in the amount stated herein if
5 approved by the Court or some other amount as approved by the Court, to
6 Plaintiffs from the Total Settlement Amount no later than ten (10) calendar
7 days after the Funding Date. Any portion of the requested Class
8 Representative Service Awards that are not awarded to the Class
9 Representatives shall be part of the Net Settlement Amount and shall be
10 distributed to Settlement Class Members as provided in this Agreement. The
11 Settlement Administrator shall issue an IRS Form 1099 — MISC to Plaintiffs
12 for their Class Representative Service Award. Plaintiffs shall be solely and
13 legally responsible to pay any and all applicable taxes on their Class
14 Representative Service Award and shall hold harmless the Released Parties
15 from any claim or liability for taxes, penalties, or interest arising as a result of
16 the Class Representative Service Awards. The Class Representative Service
17 Awards shall be in addition to Plaintiffs' Individual Settlement Payment as a
18 Settlement Class Member. Approval of this Settlement shall not be
19 conditioned on Court approval of the requested amount of the Class
20 Representative Service Awards. In the event that the Court reduces or does
21 not approve the requested Class Representative Service Awards, Plaintiffs
22 shall not have the right to revoke the Settlement, and it will remain binding.
23
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27 10. Class Counsel Award. Defendant understands a motion by Class Counsel for
28 attorneys' fees not to exceed one-third of the Total Settlement Amount

1 currently estimated to be \$500,000.00 plus costs and expenses supported by
2 declaration not to exceed Twenty-Five Thousand Dollars (\$25,000.00), from
3 the Total Settlement Amount will be filed. Any portion of the requested Class
4 Counsel Award that is not awarded to Class Counsel shall be part of the Net
5 Settlement Amount and shall be distributed to Settlement Class Members as
6 provided in this Agreement. The Settlement Administrator shall allocate and
7 pay the Class Counsel Award to Class Counsel from the Total Settlement
8 Amount no later than five (5) calendar days after the Funding Date. Class
9 Counsel shall be solely and legally responsible to pay all applicable taxes on
10 the payment made pursuant to this paragraph. The Settlement Administrator
11 shall issue an IRS Form 1099 — MISC to Class Counsel for the payments
12 made pursuant to this paragraph. In the event that the Court reduces or does
13 not approve the requested Class Counsel Award, Plaintiffs and Class Counsel
14 shall not have the right to revoke the Settlement, or to appeal such order, and
15 the Settlement will remain binding.
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- 19 11. PAGA Settlement. Fifty Thousand Dollars (\$50,000) shall be allocated from
20 the Total Settlement Amount for settlement of claims for civil penalties under
21 the Private Attorneys General Act of 2004 (“PAGA Settlement”). The
22 Settlement Administrator shall pay seventy-five percent (75%) of the PAGA
23 Settlement (\$37,500) to the California Labor and Workforce Development
24 Agency no later than twenty-five (25) calendar days after the Funding Date
25 (hereinafter “LWDA Payment”). Twenty-five (25%) of the PAGA Settlement
26 (\$12,500) will be distributed to the Aggrieved Employees as described in this
27 Agreement (hereinafter “Aggrieved Employee Payment”). For purposes of
28

1 distributing the PAGA Settlement to the Aggrieved Employees, each
2 Aggrieved Employee shall receive their pro-rata share of the Aggrieved
3 Employee Payment using the PAGA Payment Ratio as defined above.
4

- 5 12. Settlement Administration Costs. The Settlement Administrator shall be paid
6 for the costs of administration of the Settlement from the Total Settlement
7 Amount. The estimate of the Settlement Administration Costs is \$22,500.00.
8 The Settlement Administrator shall be paid the Settlement Administration
9 Costs no later than twenty-five (25) calendar days after the Funding Date.
10

- 11 P. Final Approval Motion. Class Counsel and Plaintiffs shall use best efforts to file with
12 the Court a Motion for Order Granting Final Approval and Entering Judgment, within
13 twenty-eight (28) days following the expiration of the Response Deadline, which
14 motion shall request final approval of the Settlement and a determination of the
15 amounts payable for the Class Representative Service Award, the Class Counsel
16 Award, the PAGA Settlement, and the Settlement Administration Costs.
17

- 18 1. Declaration by Settlement Administrator. No later than fourteen (14) days
19 after the Response Deadline, the Settlement Administrator shall submit a
20 declaration in support of Plaintiffs' motion for final approval of this
21 Settlement detailing the number of Notice Packets mailed and re-mailed
22 to Class Members, the number of undeliverable Notice Packets, the number of
23 timely requests for exclusion, the number of objections received, the amount
24 of the average Individual Settlement Payment and highest Individual
25 Settlement Payment, the Settlement Administration Costs, and any other
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1 information as the Parties mutually agree or the Court orders the Settlement
2 Administrator to provide.

3
4 2. Final Approval Order and Judgment. Class Counsel shall present an Order
5 Granting Final Approval of Class Action Settlement to the Court for its
6 approval, and Judgment thereon, at the time Class Counsel files the Motion
7 for Final Approval.

8
9 N. Defendant's Option to Revoke Settlement. Defendant has the unilateral right to
10 revoke the Settlement and Defendant shall have, in its sole discretion, the option to
11 terminate this Settlement if, after the Response Deadline, the number of Settlement
12 Class Members who submitted timely and valid written requests for exclusion from
13 the Settlement is at least five percent (5%) of all Settlement Class Members. If
14 Defendant exercises the option to terminate this Settlement, Defendant shall: (a)
15 provide written notice to Class Counsel within five (5) calendar days after (i)
16 providing the Class Data to the Settlement Administrator or (ii) the Settlement
17 Administrator provides information regarding opt outs (which is to occur no later than
18 fourteen (14) calendar days after the Response Deadline, and (b) pay all Settlement
19 Administration Costs incurred up to the date or as a result of the termination; and the
20 Parties shall proceed in all respects as if this Agreement had not been executed.

21
22
23 O. Review of Motions for Preliminary and Final Approval. Class Counsel will provide
24 an opportunity for Counsel for Defendant to review the Motions for Preliminary and
25 Final Approval, including the Order Granting Final Approval of Class Action
26 Settlement, and Judgment before filing with the Court. The Parties and their counsel
27 will cooperate with each other and use their best efforts to affect the Court's approval
28

1 of the Motions for Preliminary and Final Approval of the Settlement, and entry of
2 Judgment.

3
4 P. Cooperation. The Parties and their counsel will cooperate with each other and use
5 their best efforts to implement the Settlement.

6
7 Q. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Actions,
8 except such proceedings necessary to implement and complete the Settlement, pending
9 the Final Approval/Settlement Fairness Hearing to be conducted by the Court

10
11 R. Amendment or Modification. This Agreement may be amended or modified only by
12 a written instrument signed by counsel for all Parties or their successors-in-interest.

13
14 S. Entire Agreement. This Agreement and any attached Exhibit constitute the entire
15 Agreement among these Parties, and no oral or written representations, warranties or
16 inducements have been made to any Party concerning this Agreement or its Exhibit
17 other than the representations, warranties and covenants contained and memorialized
18 in this Agreement and its Exhibit.

19
20 T. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
21 represent they are expressly authorized by the Parties whom they represent to negotiate
22 this Agreement and to take all appropriate Action required or permitted to be taken by
23 such Parties pursuant to this Agreement to effectuate its terms, and to execute any other
24 documents required to effectuate the terms of this Agreement. The persons signing
25 this Agreement on behalf of Defendant represents and warrants that he/she is
26 authorized to sign this Agreement on behalf of Defendant. Plaintiffs represent and
27
28

warrant that they are authorized to sign this Agreement and that he/she has not assigned any claim, or part of a claim, covered by this Settlement to a third-party.

U. No Public Comment: The Parties and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry, or have any communication with the press about the fact, amount or terms of the Settlement Agreement. Class Counsel further agrees not to use the Settlement Agreement or any of its terms for any marketing or promotional purposes. Nothing herein will restrict Class Counsel from including publicly available information regarding this settlement in future judicial submissions regarding Class Counsel's qualifications and experience. Further, Class Counsel will not include, reference or use the Settlement Agreement for any marketing or promotional purposes, or for attempting to influence business relationships at Saver's locations, either before or after the Motion for Preliminary Approval is filed.

V. Binding on Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of the Parties, as previously defined.

W. California Law Governs. All terms of this Agreement and the Exhibit and any disputes shall be governed by and interpreted according to the laws of the State of California.

X. Counterparts. This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument provided that counsel for the Parties to this Agreement shall exchange among themselves copies or originals of the signed counterparts.

1 Y. This Settlement Is Fair, Adequate and Reasonable. The Parties believe this Settlement
2 is a fair, adequate and reasonable settlement of this Action and have arrived at this
3 Settlement after extensive arms-length negotiations, taking into account all relevant
4 factors, present and potential.

5
6 Z. Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction with
7 respect to the interpretation, implementation and enforcement of the terms of this
8 Agreement and all orders and judgments entered in connection therewith, and the
9 Parties and their counsel submit to the jurisdiction of the Court for purposes of
10 interpreting, implementing and enforcing the settlement and all orders and judgments
11 entered in connection with this Agreement.

12
13 AA. Invalidity of Any Provision. Before declaring any provision of this Agreement invalid,
14 the Court shall first attempt to construe the provisions valid to the fullest extent
15 possible consistent with applicable precedents so as to define all provisions of this
16 Agreement valid and enforceable.

17
18 BB. No Unalleged Claims. Plaintiffs and Class Counsel represent that they do not currently
19 intend to pursue any claims against the Released Parties, including, but not limited to,
20 any and all claims relating to or arising from Plaintiffs' employment with Defendant,
21 regardless of whether Class Counsel is currently aware of any facts or legal theories
22 upon which any claims or causes of action could be brought against Released Parties,
23 including those facts or legal theories alleged in the operative complaint in this Action.
24 The Parties further acknowledge, understand and agree that this representation is
25 essential to the Agreement and that this Agreement would not have been entered into
26 were it not for this representation.
27
28

1 CC. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class
2 certification for purposes of this settlement only.

3
4 DD. No Admissions by the Parties. Plaintiffs have claimed and continue to claim that the
5 Released Claims have merit and give rise to liability on the part of Defendant.
6 Defendant claims that the Released Claims have no merit and do not give rise to
7 liability. This Agreement is a compromise of disputed claims. Nothing contained in
8 this Agreement and no documents referred to and no action taken to carry out this
9 Agreement may be construed or used as an admission by or against the Defendant or
10 Plaintiffs or Class Counsel as to the merits or lack thereof of the claims asserted. Other
11 than as may be specifically set forth herein, each Party shall be responsible for and
12 shall bear its/his own attorney's fees and costs.
13

14
15 IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:

16 DATED: 7/19/2021

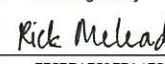
17 DEBBIE FELIX

DocuSigned by:

3E897D37E6024D9...

18 DATED: 7/24/2021

19 RICK MELEAD

DocuSigned by:

7757EA753F7A4F5...

20
21 IT IS SO AGREED, FORM AND CONTENT, BY DEFENDANTS:

22 DATED: 8/2/2021

23 TVI, INC d.b.a. SAVERS

24 
25 RICHARD MEADOWS
26 Printed Name

27 General Counsel
28 Title

1 IT IS SO AGREED AS TO FORM BY COUNSEL:

2
3 DATED: 7/24/2021

JCL LAW FIRM, A.P.C.

4 By:

DocuSigned by:

Jean-Claude Lapuyade

0EBC25D5B9CD469...

5 Attorneys for the Plaintiffs and the Settlement Class
6 Members

7
8
9 DATED: 7/24/2021

ZAKAY LAW GROUP, APLC

10 By:

DocuSigned by:

4ECDE73A91D4420...

11 Attorneys for Plaintiffs and the Settlement Class
12 Members

13
14 DATED: 8/2/2021

JACKSON LEWIS, P.C.

15 By:

16 Attorneys for Defendants

17 4828-2706-0977, v. 2

EXHIBIT A

**NOTICE OF PENDENCY OF CLASS ACTION SETTLEMENT
AND FINAL HEARING DATE**

(Felix, et al., v. TVI, Inc., d.b.a. Savers, Santa Clara County Superior Court Case No. 21CV376407)

**YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT ACT. PLEASE
READ THIS NOTICE CAREFULLY.**

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	To receive a cash payment from the Settlement, you do not have to do anything. Your estimated Settlement Share is: \$<<[REDACTED]>>. See the explanation below. After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, please notify the Settlement Administrator as explained below. In exchange for the settlement payment, you will release claims against the Defendant as detailed below.
Exclude Yourself	If you wish to exclude yourself from the Settlement, you must send a written request for exclusion to the Settlement Administrator as provided below. If you request exclusion, you will receive no money from the Settlement. Instructions are set forth below.
Object	You may write to the Court about why you believe the settlement should not be approved. Directions are provided below.

1. Why did I get this Notice?

A proposed class action settlement (the “Settlement”) of the following lawsuits has been reached between Plaintiff Debbie Felix (“Felix”) and Rick Melead (“Mlead”) (collectively, “Plaintiffs”) and Defendant TVI, Inc., d.b.a. Savers (“Defendant”): *Felix v. TVI, Inc., d.b.a. Savers*, Santa Clara County Superior Court, Case No. 21CV376407 (hereinafter “*Felix* PAGA Action”), *Mlead v. TVI Savers, Inc.*, Orange County Superior Court, Case No. 30-2020-01140887-CU-OE-CXC (hereinafter “*Mlead* Class Action”), and *Mlead v. TVI Savers, Inc.*, Orange County Superior Court, Case No. 30-2020-01152545-CU-OE-NJC (hereinafter “*Mlead* PAGA Action”) (collectively, the “Actions”). The Santa Clara County Superior Court (the “Court”) has granted preliminary approval of the Settlement. **You may be entitled to receive money from this Settlement.**

You have received this Class Notice because you have been identified as a member of the Class, which is defined as:

All of Defendant’s current and former non-exempt employees employed in California during the period of April 18, 2017 to July 27, 2021.

The “Class Period” is the period of time running from April 18, 2017 to July 27, 2021.

This Class Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

On May 26, 2020, Plaintiff Melead filed the *Melead* Class Action Complaint against Defendant in the Superior Court of the State of California, County of Orange. Plaintiff Melead asserted claims that Defendant: (a) Unfair Competition in Violation of Bus. and Prof. Code §§ 17200; (b) Failure to pay overtime wages in violation of California Labor Code sections 510 *et seq.*; (c) Failure to pay minimum wages in violation of California Labor Code sections 1194, 1197 and 1197.1; (d) Failure to provide required rest periods in violation of California Labor Code sections 226.7 and 512; (e) Failure to provide required meal periods in violation of California Labor Code sections 226.7 and 512; (f) Failure to provide accurate itemized wage statements in violation of California Labor Code section 226; and (g) Failure to provide wages when due in violation of California Labor Code sections 201, 202 and 203.

On July 14, 2020, Defendant removed the *Melead* Class Action to the United States District Court for the Central District of California (*Melead* Federal Class Action). On September 25, 2020, the United States District Court for the Central District of California remanded the *Melead* Federal Class Action to the Orange County Superior Court.

On July 22, 2020, Plaintiff Melead filed the *Melead* PAGA Action against Defendant alleging a single cause of action for Violations of the Private Attorney General Act at Labor Code Sections 2698 *et seq.*

On February 24, 2021, Plaintiff Felix filed the *Felix* PAGA Action against Defendant alleging a single cause of action for Violations of the Private Attorney General Act at Labor Code Sections 2698 *et seq.*

Defendant denies and disputes all claims asserted in the Action. Specifically, Defendant contended (and continues to contend) that the Actions could not properly be maintained as a class action; that Defendant properly paid members of the class all wages and overtime that was due; that Defendant provided members of the class with all legally required meal breaks and rest breaks; that Defendant paid any members of the class all wages due them at the time of their termination; that Defendant provided accurate, itemized wage statements to members of the class; that Defendant did not violate California Business and Professions Code section 17200 *et seq.*; and that Defendant is not liable for any of the penalties claimed or that could be claimed in the Actions.

On March 25, 2021, the Parties participated in an all-day mediation with Mark Rudy, Esq., a respected mediator of wage and hour class actions. At the conclusion of the full-day mediation, the Parties were unable to reach an agreement for settlement. However, following the mediation, each side, represented by its respective counsel, agreed to settle the Actions based on a mediator's proposal. The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved the Plaintiffs to serve as the Class Representatives, and the law firms of JCL Law Firm, APC and Zakay Law Group, APC to serve as Class Counsel.

3. What are the terms of the Settlement?

Total Settlement Amount. Defendant has agreed to pay an “all in” amount of One Million Five Hundred Thousand Dollars (\$1,500,000.00) (the “Total Settlement Amount”) to fund the settlement. The Total Settlement Amount includes the payment of all Settlement Shares to Settlement Class Members, Class Counsel's attorneys' fees and costs, Settlement Administration Expenses, the LWDA Payment, PAGA Shares, and the Class Representative Service Payments to the Plaintiffs.

After the Judgment becomes Final, Defendant will pay the Total Settlement Amount by depositing the money with the Settlement Administrator. “Final” means the date the Judgment is no longer subject to appeal, or if an appeal is filed, the date the appeal process is completed and the Judgment is affirmed.

Amounts to be Paid From the Total Settlement Amount. The Settlement provides for certain payments to be made from the Total Settlement Amount, which will be subject to final Court approval, and which will be deducted from the Total Settlement Amount before settlement payments are made to Class Members, as follows:

- Settlement Administration Expenses. Payment to the Settlement Administrator, estimated not to exceed \$[REDACTED], for expenses, including expenses of sending this Notice, processing opt outs, and distributing settlement payments.
- Attorneys’ Fees and Costs. Payment to Class Counsel of an award of a Class Counsel Fees Payment of no more than 1/3 of the Total Settlement Amount (currently \$500,000.000) and a Class Counsel Litigation Expenses Payment of not more than \$25,000.00 for all expenses incurred as documented in Class Counsel’s billing records, both subject to Court approval. Class Counsel have been prosecuting the Actions on behalf of Plaintiffs and the Class on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses.
- Class Representative Service Payments. Class Representative Service Payments of up to Seven Thousand and Five Hundred Dollars (\$7,500.00) to each Plaintiff, or such lesser amount as may be approved by the Court, to compensate them for services on behalf of the Class in initiating and prosecuting the Action, and for the risks they undertook.
- PAGA Payment. A payment of \$50,000 relating to Plaintiffs’ claim under the Private Attorneys General Act (“PAGA”), \$37,500 of which will be paid to the State of California’s Labor and Workforce Development Agency (“LWDA”) and the remaining \$12,500 will be distributed to PAGA Employees as part of the Net PAGA Amount.
- Calculation of Payments to Participating Class Members. After all the above payments of the court-approved Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Class Representative Service Payments, the LWDA Payment, and the Settlement Administration Expenses are deducted from the Net Settlement Amount, the remaining portion, called the “Net Settlement Amount,” shall be distributed to class members who do **not** request exclusion (“Settlement Class Members”). The Settlement Share for each Settlement Class Member will be calculated by calculating the number of days each Settlement Class Member was employed during the Class Period, dividing by seven (7), and rounding up to the nearest whole number. For purpose of determining the Settlement Share and Payment Ratio, each Class Member who is a former employee no longer working for Defendant will be assigned four (4) additional workweeks. A “workweek” is defined as a normal seven-day week of work during the Class Period in which, according to Defendant’s records, a member of the class worked at least one-day during any such workweek.
- Calculation of PAGA Penalties Payments to Aggrieved Employees. The Net PAGA Amount shall be distributed to Aggrieved Employees irrespective of whether they exclude themselves or opt-out. The Settlement Administrator will calculate the number of PAGA Workweeks by calculating the number of days each Aggrieved Employee was employed during the PAGA Period, dividing by seven (7), and rounding up to the nearest whole number. “Aggrieved Employees” means all of Defendant’s current and former non-exempt employees employed in California during the period of April 6, 2019 to July 27, 2021.

If the Settlement is approved by the Court, you will automatically be mailed a check for your Settlement Share to the same address as this Class Notice. You do not have to do anything to receive a payment. If

your address has changed, you must contact the Settlement Administrator to inform them of your correct address to insure you receive your payment.

Tax Matters. One-Fourth of each Settlement Share is allocated to wages. Taxes are withheld from this amount, and each Settlement Class Member will be issued an Internal Revenue Service Form W-2 for such payment. Three-Fourths of each Settlement Share is allocated to interest, penalties and other non-wage payments, and no taxes will be withheld, and each Settlement Class Member will be issued an Internal Revenue Service Form 1099 for such payment. In addition, no taxes will be withheld from the PAGA Penalties paid to PAGA Employees, and each Aggrieved Employee will be issued an Internal Revenue Service Form 1099 for such payment. Neither Class Counsel nor Defendant's counsel intend anything contained in this Settlement to constitute advice regarding taxes or taxability. You may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering judgment.

4. What Do I Release Under the Settlement?

Released Claims. Upon entry of final judgment and funding in full of the Total Settlement Amount by Defendant, Plaintiffs and the Settlement Class Members shall release all Released Class Claims that occurred during the Class Period as to the Released Parties. Released Class Claims are defined as all class action claims under state, federal, or local law, whether statutory, common law, or administrative law, arising out of the claims expressly plead in the *Felix* Action, *Melead* Class Action and *Melead* Federal Class Action and all other claims that could have been plead based on the facts plead in the *Felix* Action, *Melead* Class Action and *Melead* Federal Class Action including: failure to pay minimum and overtime wages; failure to pay for or provide meal and rest periods, failure to pay all wages due to discharged or quitting employees; failure to provide accurate wage statements; alleged violation of Business and Professions Code Section 17200, based on the alleged labor code violations including, but not limited to, injunctive relief; liquidated damages and penalties of any nature, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and class claims outside of the Class Period ("Released Class Claims").

This means that, if you do not timely and formally exclude yourself from the settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant about the legal issues resolved by this Settlement. It also means that all of the Court's orders in this Action will apply to you and legally bind you.

The Released PAGA Claims shall be released as follows. As of the Settlement Effective Date and upon funding in full of the Total Settlement Amount by Defendant, all Aggrieved Employees shall release all Released PAGA Claims, irrespective of whether they opted-out of the class settlement, and will be bound by this PAGA Release (the "PAGA Release"). "Released PAGA Claims" are defined as any and all claims for civil penalties, fees and costs arising under PAGA expressly alleged, or that could have been alleged based on the facts alleged in the *Felix* Action and *Melead* PAGA Action and Plaintiffs' notice letters to the LWDA including, but not limited to, Labor Code sections 201, 202, 203, 204, 226, 226.3, 226.7, 510, 512, 558, 1194, 1197, 1197.1, and 1198, and the applicable IWC Wage Orders, including but not limited to Defendant's alleged failure to provide suitable seating, which occurred during the PAGA Period and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and PAGA claims outside the PAGA Period.

5. How much will my payment be?

Defendant's records reflect that you have <<____>> work-weeks worked during the Class Period (April 18, 2017 to July 27, 2021).

Based on this information, your estimated Settlement Share is <<_____>>.

If you wish to challenge the information set forth above, then you must submit a written, signed dispute challenging the information along with supporting documents, to the Settlement Administrator at the address provided in this Notice no later than _____ [forty-five (45) days after the Notice or re-mailed Notice].

6. How can I get a payment?

To get money from the settlement, you do not have to do anything. A check for your settlement payment will be mailed automatically to the same address as this Notice. If your address is incorrect or has changed, you must notify the Settlement Administrator. The Settlement Administrator is: _____. (800) _____.

The Court will hold a hearing on _____ to decide whether to finally approve the Settlement. If the Court approves the Settlement and there are no objections or appeals, payments will be mailed within a few months after this hearing. If there are objections or appeals, resolving them can take time, perhaps more than a year. Please be patient. After entry of the Judgment, the Settlement Administrator will provide notice of the final judgment to the Class Members by posting a copy of the Judgment on the administrator's website at www._____.com.

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or "opt out." **If you opt out, you will receive NO money from the Settlement, and you will not be bound by its terms, except as provided as follows.** Irrespective of whether you exclude yourself from the Settlement or "opt out," you will be bound by the PAGA Release, you will be deemed to have released the Released PAGA Claims, and you will receive a share of the Net PAGA Amount.

To opt out, you must submit to the Settlement Administrator, by First Class Mail, a written, signed and dated request for exclusion postmarked no later than _____. The address for the Settlement Administrator is _____. The request for exclusion must state in substance: "I have read the Class Notice and I wish to opt out of the class action and settlement of the case *Felix, et al., v. TVI, Inc., d.b.a. Savers, Santa Clara County Superior Court Case No. 21CV376407*." The request for exclusion must contain your name, address, signature and the last four digits of your Social Security Number for verification purposes. The request for exclusion must be signed by you. No other person may opt out for a member of the Class.

Written requests for exclusion that are postmarked after _____, or are incomplete or unsigned will be rejected, and those Class Members will remain bound by the Settlement and the release described above.

8. How do I tell the Court that I would like to challenge the Settlement?

Any Class Member who has not opted out and believes that the Settlement should not be finally approved by the Court for any reason, may object to the proposed Settlement. Objections may be in writing and state the Class Member's name, current address, telephone number, and describe why you believe the Settlement is unfair and whether you intend to appear at the final approval hearing. All objections or other correspondence must also state the name and number of the case, which is *Felix, et al., v. TVI, Inc., d.b.a. Savers, Santa Clara County Superior Court Case No. 21CV376407*. You may also object without submitting a written objection by appearing at the final approval hearing scheduled as described in Section 9 below.

To object to the Settlement, you cannot opt out. If the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object. Any Class Member who does not object in the manner provided in this Class Notice shall have waived any objection to the Settlement, whether by

appeal or otherwise.

Written objections must be delivered or mailed to the Settlement Administrator no later than . The address for the Settlement Administrator is _____.

The addresses for the Parties' counsel are as follows:

Class Counsel:

Jean-Claude Lapuyade, Esq.
JCL Law Firm, APC
3990 Old Town Ave., Suite C204
San Diego, CA 92110
Tel: (619) 599-8292
Email: jlapuyade@jcl-lawfirm.com
Website: www.jcl-lawfirm.com

Class Counsel:

Shani O. Zakay, Esq.
Zakay Law Group, APLC
3990 Old Town Ave., Suite C204
San Diego, CA 92110
Tel: (619) 255-9047
Email: shani@zakaylaw.com
Website: www.zakaylaw.com

Counsel for Defendant:

Adam Y. Siegel, Esq.
Jackson Lewis P.C.
725 South Figueroa Street, Suite 2500
Los Angeles, CA 90017-5408
Tel: (213) 689-0404
Fax: (213) 689-0430
Email: Adam.Siegel@jacksonlewis.com

9. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at 00:00 AM/PM on _____, at the Santa Clara County Superior Court, located at 191 N. First Street, San Jose, CA 95113-1090 in Department 1 before Judge Sunil R. Kulkarni. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement. If there are objections, the Court will consider them. The Court will listen to people who have made a timely written request to speak at the hearing or who appear at the hearing to object. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

10. How do I get more information about the Settlement?

You may call the Settlement Administrator at _____ or write to *Felix, et al., v. TVI, Inc., d.b.a. Savers, Santa Clara County Superior Court Case No. 21CV376407*, Settlement Administrator, c/o _____.

This notice summarizes the proposed settlement. More details are in the Settlement Agreement. You may receive a copy of the Settlement Agreement, the Final Judgment or other Settlement documents by writing to JCL Law Firm, APC, 3990 Old Town Ave., Suite C204, San Diego, CA 92110.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.
- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall pay all funds from such uncashed checks to the Children Advocacy Institute in accordance with Code of Civil Procedure Section 384 in the name of the Settlement Class Member. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.