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4

5 Attorney for Plaintiff DEBRA ANDERSON

6 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
7 **COUNTY OF LOS ANGELES**
8

9 DEBRA ANDERSON, individually, and on
10 behalf of all similarly situated Class
11 Members, and all “aggrieved employees”
pursuant to Labor Code § 2698 et seq.,

12 PLAINTIFFS,

13 v.

14 THE TREATMENT SKIN BOUTIQUE,
15 INC, a California corporation; RYAN
JENSEN, an individual; ERIN MARIE
16 JENSEN, an individual and DOES 1 - 20,
inclusive,

17 DEFENDANTS.
18

CASE No.: 21STCV01911

**SUPPLEMENTAL DECLARATION OF
HAROON MANJLAI**

Assigned for all purposes to the Honorable
Maren Nelson

Date: July 21, 2022
Time: 9:00 a.m.
Dept.: 17

19
20 I, HAROON MANJLAI, hereby declare as follows:

- 21
- 22 1. I am an attorney duly licensed to practice in California and before this Court, and I am
23 the principal of Manjlai Law, PC, counsel of record for plaintiff Debra Anderson.
 - 24 2. I make this declaration in support of the Motion for Preliminary Approval of Private
25 Attorneys General Act Representative Action Settlement. If called to testify as to the
26 within facts, I would and could competently do so.
 - 27 3. Based on information provided to me by counsel for Defendants, there are 77 PAGA
28 Employees in the PAGA Period.

- 1 4. Attached hereto as **Exhibit A** is Court's June 16, 2022 Preliminary Approval Checklist.
- 2 5. AMENDED JOINT STIPULATION AND CLASS SETTLEMENT AGREEMENT and
- 3 the redlined version of the AMENDED JOINT STIPULATION AND CLASS
- 4 SETTLEMENT AGREEMENT, are attached hereto as **Exhibit B** and **Exhibit C**,
- 5 respectively.
- 6
- 7 6. The Class Notice and the redlined version of the Class Notice, attached as **Exhibit D** and
- 8 **Exhibit E**, respectively.
- 9 7. I submitted the AMENDED JOINT STIPULATION AND CLASS SETTLEMENT
- 10 AGREEMENT and the supplemental brief and related documents to the LWDA on June
- 11 28, 2022. Submission receipt is attached hereto as **Exhibit F**.

12 I declare under penalty of perjury under the laws of California that the foregoing is true

13 and correct. Executed on June 28, 2022, at Rancho Cucamonga, California.

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18 Haroon Manjlai

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EXHIBIT A

LOS ANGELES SUPERIOR COURT, COMPLEX CIVIL DEPARTMENT

Department SSC 17

RE: Anderson v. The Treatment Skin Boutique, et al. (Case No: 21STCV01911)

As discussed with counsel on June 15, 2022, the Court has reviewed the proposed settlement in this matter and continues the hearing on preliminary approval to July 21, 2022 at 9:00 a.m., for further briefing and/or an amended Settlement Agreement addressed to the following;

- (1) Numerosity: Provide the total number of PAGA Employees.
- (2) Release of Claims: Delete reference to Laura Campa ((¶VII.G.)
- (3) Cy Pres Distribution: Provide declarations from Defendants disclosing their interest or involvement (if any) in the governance or work of the cy pres recipient. (¶IV.Q)
- (4) Confidentiality: Delete the reference to “forging company” in ¶VII.M(b).
- (5) Notice and Notice Administration:
 - a. Confirm that the class list must be delivered to the Settlement Administrator within 10 business days after Preliminary Approval. (¶IV.E.)
 - b. Provide that the Settlement Administrator will attempt to locate a Class Member during the entire notice period. (¶IV.E.)
 - c. Provide a deadline for the Settlement Administrator to inform a Class Member of its determination regarding a workweek dispute. (¶IV.I.)
 - d. The Notice should state verbatim the calculations for the individual settlement and PAGA payments.
 - e. Make clear in the Notice that PAGA Employees cannot opt out of the PAGA payment.

EXHIBIT B

1 Haroon Manjlai (State Bar No. 310822)
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2 **MANJLAI LAW PC**
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3 Rancho Cucamonga, California 91701
Phone: 951-268-4384

4 Attorney for Plaintiff DEBRA ANDERSON, individually, and on behalf of all others similarly
5 situated

6 Adam Y. Siegel (SBN 238568)
JACKSON LEWIS P.C.
7 725 South Figueroa St., Ste. 2500
Los Angeles, CA 90017
8 Phone: (213) 689-0404
Adam.Siegel@jacksonlewis.com

9 John Andrew Schaffer (SBN 320905)
10 JACKSON LEWIS P.C.
200 Spectrum Center Drive, Suite 500 Irvine, CA 92618
11 Phone: (949) 885-1360
John.Schaffer@jacksonlewis.com

12 Attorneys for Defendants THE TREATMENT SKIN BOUTIQUE, INC.; RYAN JENSEN; and
13 ERIN MARIE JENSEN

14
15
16 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
17 **COUNTY OF LOS ANGELES**
18

19 DEBRA ANDERSON, individually, and on
20 behalf of all others similarly situated,

21 **PLAINTIFF,**

22 **v.**

23 THE TREATMENT SKIN BOUTIQUE,
INC, a California corporation; RYAN
24 JENSEN, an individual; ERIN MARIE
JENSEN, an individual and DOES 1 - 20,
25 inclusive,

26 **DEFENDANTS.**
27

CASE No.: 21STCV01911

**AMENDED JOINT STIPULATION OF
CLASS ACTION AND PAGA
SETTLEMENT AND RELEASE BETWEEN
PLAINTIFF AND DEFENDANTS**

28 IT IS HEREBY STIPULATED AND AGREED by and between Defendants THE

1 TREATMENT SKIN BOUTIQUE, INC, RYAN JENSEN, and ERIN MARIE JENSEN (hereinafter
2 referred to as “Defendants”) on the one hand, and Plaintiff DEBRA ANDERSON (hereinafter
3 referred to as Plaintiff) on her own behalf and on behalf of the other “Class Members” as defined
4 herein, on the other hand (hereafter collectively referred to as the “Parties”), subject to the approval
5 of the Court pursuant to section 382 of the California Code of Civil Procedure and Rule 3.769 of
6 the California Rules of Court, that the settlement of the Action (as defined herein) shall be
7 effectuated and subject to the following terms and conditions:

8 I. **SUMMARY OF SETTLEMENT TERMS**

9 Under the terms of the Settlement, Defendants will pay the Maximum Settlement Amount
10 (“MSA”) of Two Hundred and Eighteen Thousand Five Hundred Dollars and Zero Cents
11 (\$218,500.00), without reversion, in exchange for the full and final settlement and release of any
12 and all claims that were or could have been alleged in the operative Complaint in this Action, based
13 upon the claims and allegations in the operative Complaint, and subject to the terms and conditions
14 outlined in this Agreement (as defined herein). This settlement does not require submission of a
15 claim form as a condition of participation and will be administered by Phoenix Settlement
16 Administrators, a third-party administrator. Defendants conditionally agree to stipulate, solely for
17 the limited purpose of consummating the terms of the Settlement contained in this Agreement, to
18 have the Court certify a class of all current and former non-exempt employees of Defendants who
19 worked for Defendants in California during the Class Period (as defined herein).

20 In addition, Plaintiff and Class Counsel will seek from the Maximum Settlement Amount:
21 (1) attorney’s fees in the amount of no more than Seventy-Two Thousand One Hundred and Five
22 Dollars and Zero Cents (\$72,105.00), representing 33% of the MSA; (2) Class Counsel Costs in the
23 amount of no more than Ten Thousand Dollars and Zero Cents (\$10,000.00); and (3) Enhancement
24 Payment for Plaintiff Debra Anderson in the amount of Fifteen Thousand Dollars and Zero Cents
25 (\$15,000.00). Furthermore, the Parties have agreed that Ten Thousand Dollars and Zero Cents
26 (\$10,000.00) of the Maximum Settlement Amount will be allocated as civil penalties under the
27 California Labor Code Private Attorneys General Act of 2004 (“PAGA”), with 75% of this amount,
28 Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00), to be paid to the California

1 Labor & Workforce Development Agency (“LWDA”) in satisfaction of any claim for civil penalties
2 that may be owed to that agency under the PAGA. The other 25%, or Two Thousand Five Hundred
3 Dollars and Zero Cents (\$2,500.00), will be distributed to the PAGA Employees (as defined herein)
4 on a pro-rata basis.

5 Finally, any and all Settlement Administration Fees, as defined herein, currently estimated
6 to be Ten Thousand Dollars and Zero Cents (\$10,000.00), will be paid from the Maximum
7 Settlement Amount. Other than the employer’s share of payroll taxes, Defendants will not be
8 responsible for anything more than the Maximum Settlement Amount. Payment of employer’s share
9 of payroll taxes and other required withholdings, based on Settlement Payment(s) to the Class
10 Members shall be paid by the Defendants in addition to the Maximum Settlement Amount. There
11 will be no reversion of any funds to the Defendants.

12 II. **DEFINITIONS**

13 As used in this Stipulation and Settlement Agreement the following terms shall have the
14 meanings specified below:

15 1. “Action” means this lawsuit, and the operative Complaint in the matter entitled Debra
16 Anderson v. The Treatment Skin Boutique, Inc., et. al., Los Angeles County Superior Court, Case
17 No. 21STCV01911.

18 2. “Agreement,” “Settlement,” or “Settlement Agreement” means this Stipulation and
19 Settlement Agreement, including any attached exhibits.

20 3. “Authorized Claimant(s)” means those Class Members who do not timely file a valid
21 Request for Exclusion with the Settlement Administrator provided under this Agreement.

22 4. “Class,” “Class Member,” or “Class Members” means any current or former non-exempt
23 employee of Defendants in California who worked for Defendants at any time during the Class
24 Period.

25 5. “Class Counsel” means Haroon Manjlai, Esq. of Manjlai Law, PC, 6371 Haven Ave.,
26 Suite 3-141, Rancho Cucamonga, California 91701.

27 6. “Class Counsel Costs” or “Attorneys’ Costs” means the amounts to be paid, after Court
28 approval, to Class Counsel for costs incurred by Class Counsel in this Action.

1 7. "Class Counsel Fees" or "Attorneys' Fees" means the amount to be paid, after Court
2 approval, to Class Counsel for attorneys' fees.

3 8. "Class Notice" or "Notice of Settlement" means the form to be prepared by the Parties
4 and sent to the Class Members, after the Court preliminarily approves the terms contained in the
5 Agreement informing them of the material terms of the Agreement, why they are receiving the
6 notice, and what their options are to object, or be excluded from the Settlement. The Class Notice
7 is attached hereto as Exhibit 1. The Class Notice shall be in English.

8 9. "Class Notice Period," "Notice Period," or "Response Period" means a period of forty-
9 five (45) calendar days after the original date of the Settlement Administrator's mailing of the Notice
10 of Settlement.

11 10. "Class Pay Period Value" means the value of all Class Member pay periods which the
12 Settlement Administrator shall determine by dividing the Net Settlement Proceeds (less the PAGA
13 Payment to the PAGA Employees) by the Total Class Pay Periods.

14 11. "Class Period" means the time period from January 19, 2017, through Preliminary
15 Approval.

16 12. "Complaint" or "Operative Complaint" means the First Amended Class Action and
17 Representative Complaint ("FAC") for: (1) Failure to Pay Minimum and Straight Time Wages [Cal.
18 Lab. Code §§ 204, 1194, 1194.2, and 1197]; (2) Failure to Pay Overtime Wages; (3) Failure to
19 Provide Meal Periods [Cal. Lab. Code §§ 226.7, 512]; (4) Failure to Authorize and Permit Rest
20 Breaks [Cal. Lab. Code § 226.7]; (5) Failure to Timely Pay Final Wages at Termination [Cal. Lab.
21 Code §§ 201-203]; (6) Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code §
22 226]; (7) Unfair Business Practices [Cal. Bus. & Prof. Code §§ 17200, et seq.]; and (8) Civil
23 Penalties Under PAGA [Cal. Lab. Code § 2699, et seq.].

24 13. "Counsel for Defendants," "Defense Counsel," or "Defendants' Counsel" means Adam
25 Y. Siegel, Esq., of JACKSON LEWIS, PC., 725 South Figueroa St., Ste. 2500, Los Angeles, CA
26 90017, Telephone No.: (213) 689-0404 and John Andrew Schaffer, Esq., of JACKSON LEWIS,
27 PC, 200 Spectrum Center Dr., Suite 500, Irvine, CA 92618, Telephone No.: (949) 885-1360.

28 14. "Court" means the Los Angeles Superior Court in which the Action is currently pending,

1 and located at 312 N. Spring Street, Los Angeles, California 90012. Court shall also mean any other
2 Court that acquires proper jurisdiction of this Action.

3 15. "Distributable Amount," "Net Settlement Proceeds," or "NSP" means the amount that is
4 distributable to the Authorized Claimants, and equals the Maximum Settlement Amount less Class
5 Counsel Fees, Class Counsel Costs, Enhancement Payment, PAGA Payment, and Settlement
6 Administration Fees.

7 16. "Effective Date" means the date when all of the following events have occurred: (1) the
8 Settlement Agreement has been executed by all Parties, Class Counsel, and Defendant's Counsel;
9 (2) the Court has granted preliminary approval to the Settlement; (3) the Notice of Class Action
10 Settlement has been mailed to the Class, providing them with an opportunity to object to or opt out
11 of the Class Settlement; (4) the Court has held a Final Approval Hearing and entered a Final
12 Approval Order and Judgment; (5) sixty-five (65) calendar days have passed since the Court has
13 entered the Final Approval Order and Judgment; and (6) in the event there are written objections
14 filed prior to the Final Approval Hearing that are not later withdrawn or denied, the later of the
15 following events: (a) five (5) business days after the period for filing any appeal, writ, or other
16 appellate proceeding in connection with the Final Approval Order and Judgment has elapsed without
17 any appeal, writ, or other appellate proceeding having been filed; or (b) if any appeal, writ, or other
18 appellate proceeding in connection with the Final Approval Order and Judgment has been filed, five
19 (5) business days after any appeal, writ, or other appellate proceedings in connection with the Final
20 Approval Order and Judgment has been finally and conclusively dismissed with no right to pursue
21 further remedies or relief. "Final Approval" means the Court's entry of the Final Approval Order
22 and Judgment.

23 17. "Enhancement Payment" or "Class Representative Enhancement" means the payment to
24 Representative Plaintiff Debra Anderson, in addition to whatever payment she would otherwise be
25 entitled to as an Authorized Claimant.

26 18. "Final Approval Hearing" refers to the hearing during which the Parties will seek final
27 approval of this Agreement.

28 19. "Final Judgment" means the order and/or judgment entered by the Court pursuant to the

1 terms set forth in this Agreement finally and fully giving effect to the terms contained in this
2 Agreement as to the Representative Plaintiff and the Class, except those Class Members who timely
3 Opt-Out.

4 20. "Plaintiff" or "Representative Plaintiff" means Plaintiff Debra Anderson (and her
5 representative(s), heir(s), assign(s), and attorney(s)).

6 21. "PAGA Employee" or "PAGA Employees" means the Class Members employed during
7 the PAGA Period.

8 22. "PAGA Payment" means the amount of Ten Thousand Dollars and Zero Cents
9 (\$10,000.00) of the Maximum Settlement Amount to be allocated as civil penalties under the
10 California Labor Code Private Attorneys General Act of 2004 ("PAGA"), with 75% of this amount,
11 Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00), to be paid to the LWDA in
12 satisfaction of any claim for civil penalties that may be owed to that agency under the PAGA. The
13 other 25%, or Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00), will be distributed
14 to the PAGA Employees based on the PAGA Pay Period Value.

15 23. "PAGA Period" means the time period from January 14, 2020, through Preliminary
16 Approval.

17 24. "PAGA Pay Period Value" means the value of all PAGA Employee pay periods that the
18 Settlement Administrator shall determine by dividing the PAGA Payment by Total PAGA Pay
19 Periods.

20 25. "Maximum Settlement Amount" or "MSA" means the total amount of Two Hundred
21 Eighteen Thousand Five Hundred Dollars and Zero Cents (\$218,500.00) to be paid by Defendants
22 pursuant to the terms of this Agreement.

23 26. "Notice Returns" means envelopes containing the Class Notice that were mailed by the
24 Settlement Administrator to Class Members but were undeliverable and returned to the Settlement
25 Administrator by the United States Postal Service.

26 27. "Objection to Class Settlement" means any written objection to this Settlement by Class
27 Members who do not choose to be excluded from the Class that is served on the Settlement
28 Administrator within the Opt-Out Period.

1 28. "Opt-Out Period" refers to the deadline of no later than forty-five (45) calendar days
2 after the original date of the Settlement Administrator's mailing of the Notice of Settlement that any
3 Class Member, who wishes to be excluded from the Settlement, submits a Request for Exclusion.
4 Class Members may not opt-out of the PAGA payment.

5 29. "Preliminary Approval Order" is the order preliminarily approving the settlement terms
6 contained in this Agreement.

7 30. "Preliminary Approval Date" is the date the Court grants preliminary approval of this
8 Settlement.

9 31. "Redirected Notice" means a re-mailing of the Class Notice mailed by the Settlement
10 Administrator to a new or different address to a Class Member that was obtained by the Settlement
11 Administrator as a result of a Notice Return.

12 32. "Released Class Claims" means any and all claims, debts, liabilities, demands,
13 obligations, guarantees, costs, expenses, attorneys' fees, damages, or causes of action which relate
14 to any and all claims alleged or which could have been alleged based on the facts in the Operative
15 Complaint filed by Representative Plaintiff, both on her behalf and on behalf of the Class Members
16 in this Action during the Class Period, under any state or local law, and shall specifically include
17 but is not limited to claims for, Failure to Pay Minimum and Straight Time Wages [Cal. Lab. Code
18 §§ 204, 1194, 1194.2, and 1197], Failure to Pay Overtime Wages, Failure to Provide Meal Periods
19 [Cal. Lab. Code §§ 226.7, 512], Failure to Authorize and Permit Rest Breaks [Cal. Lab. Code §
20 226.7], Failure to Timely Pay Final Wages at Termination [Cal. Lab. Code §§ 201-203], Failure to
21 Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226], and Unfair Business Practices
22 [Cal. Bus. & Prof. Code §§ 17200, et seq.], and any other claims, including claims for statutory
23 and/or civil penalties, pertaining to the Class Members which were alleged or could have been
24 alleged in operative Complaint, based upon the allegations and claims contained in the Operative
25 Complaint. This release is limited in time to the Class Period covering the Class Members who
26 worked for the Released Persons in the State of California.

27 33. "Released PAGA Claims" means claims asserted by Representative Plaintiff for Civil
28 Penalties under PAGA [Cal. Lab. Code § 2699, et seq.] based on the those claims for penalties that

1 were brought or could have been brought based on the facts alleged in Plaintiff's notice letter to the
2 LWDA, including all attorney's fees and costs related thereto.

3 34. "Released Persons" means Defendants The Treatment Skin Boutique, Inc., Ryan Jensen
4 and Erin Jensen, and their respective past, present, and/or future agents, attorneys, insurers,
5 reinsurers, divisions, affiliates, DBAs (if any), predecessors, successors, heirs, accountants,
6 auditors, consultants, reinsurers, shareholders, officers, directors, managers, employees, trustees,
7 representatives, administrators, fiduciaries, assigns, subrogees, executors, partners, parents, owners,
8 subsidiaries, privies, and/or any and all persons and/or corporate entities acting by, through, under
9 or in concert with any of them.

10 35. "Request for Exclusion" or "Opt-Out" means a written request by a Class Member to be
11 excluded from the Class and the Settlement containing all the information necessary as detailed
12 herein. Class Member may not exclude him or herself from the PAGA Payment.

13 36. "Settlement Administrator" refers to Phoenix Settlement Administrators, the entity that
14 Class Counsel and Counsel for Defendants selected to administer this Settlement and to act as the
15 Settlement Administrator to process the Settlement under the terms of this Agreement.

16 37. "Settlement Administration Fees" means the fees and costs, currently estimated at Ten
17 Thousand Dollars and Zero Cents (\$10,000.00), incurred or charged by the Settlement
18 Administrator in connection with the execution of its duties under this Agreement including, but not
19 limited to: (i) fees and costs associated with preparing, issuing and/or monitoring reports, filings
20 and notices (including the cost of printing and mailing all notices and other documents to the Class)
21 required to be prepared in the course of administering the Settlement; (ii) computing the amount of
22 the Settlement Payments, taxes, and any other payments to be made under this Agreement; (iii)
23 handling inquiries about the calculation of individual Settlement Payments; (iv) establishing and
24 operating a Settlement payment center address, and phone number to receive Class Members'
25 inquiries about the Settlement; and (v) remitting any tax deductions or subtractions applicable under
26 the law and/or pursuant to this Agreement and preparing and submitting any filings required by any
27 governmental taxing authority or other governmental agency.

28 38. "Settlement Payment" or "Individual Settlement Payment" refers to the payment to any

1 Authorized Claimant pursuant to the terms of this Agreement.

2 39. "Total Workweeks" means the total number of workweeks that all Class Members were
3 employed by Defendants during the Class Period.

4 40. "Total PAGA Pay Periods" means the total number of pay periods that all PAGA
5 Employees were employed by Defendants during the PAGA Period.

6 III. **BACKGROUND**

7 The original complaint in this Action was filed on January 19, 2021, in the Superior Court
8 of the State of California, County of Los Angeles. Plaintiff subsequently filed a First Amended
9 Complaint on April 10, 2021, which is the Operative Complaint. In her Operative Complaint,
10 Plaintiff asserts the following claims: (1) Failure to Compensate for Non-Productive Time and Rest
11 and Recovery Periods Separate from any Piece-Rate Compensation, and Failure to Comply with the
12 Wage Statement Requirements for Piece-Rate Compensation [Cal. Lab. Code § 226.2]; (2) Failure
13 to Pay Minimum and Straight Time Wages [Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197]; (3)
14 Failure to Pay Overtime Compensation [Cal. Lab. Code §§ 1194 and 1198]; (4) Failure to Provide
15 Meal Periods [Cal. Lab. Code §§ 226.7, 512]; (5) Failure to Authorize and Permit Rest Breaks [Cal.
16 Lab. Code §§ 226.7]; (6) Failure to Timely Pay Final Wages at Termination [Cal. Lab. Code §§ 201-
17 203]; (7) Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226]; (8) Unfair
18 Business Practices [Cal. Bus. & Prof. Code §§ 17200, et seq.]; and (9) Civil Penalties Under PAGA
19 [Cal. Lab. Code § 2699, et seq.]. On January 14, 2021, Plaintiff sent a letter to the LWDA, alleging
20 Defendants violated the California Labor Code, and seeking penalties under PAGA. Specifically,
21 Plaintiff alleged Defendant: Failed to Compensate for Non-Productive Time and Rest and Recovery
22 Periods Separate from any Piece-Rate Compensation, and Failure to Comply with the Wage
23 Statement Requirements for Piece-Rate Compensation, failed to Pay Minimum and Straight Time
24 Wages, failed to Pay Overtime Compensation, failed to Provide Meal Periods, failed to Authorize
25 and Permit Rest Breaks, failed to Timely Pay Final Wages at Termination, failed to Provide
26 Accurate Itemized Wage Statements, and engaged in Unfair Business Practices.

27 Defendants deny each and every one of the allegations asserted in the Operative Complaint
28 and asserts that they have no liability for the Plaintiff's claims or the Class.

1 The Parties have conducted a significant investigation of the facts and law during the
2 prosecution of this Action, which included informal discovery. The informal discovery included the
3 exchange of class information such as class size and composition, the production of Class Members'
4 time and payroll records, as well as Defendants' written wage and hour policies and practices. The
5 Parties conducted the aforementioned investigation and informal discovery in anticipation of, and
6 prior to, the private mediation of the Action. Counsel for the Parties investigated the law as applied
7 to the discovered facts regarding the alleged claims of the Representative Plaintiff and the potential
8 defenses thereto, and the potential damages claimed by the Representative Plaintiff.

9 Thereafter, the Parties participated in a full day mediation on August 26, 2021, before an
10 experienced and well-regarded mediator, Kelly Knight, Esq. Through the efforts of all Parties and
11 their counsel, as well as the invaluable assistance of the mediator, the Parties were eventually able
12 to reach a mutual understanding of the material terms of settlement, which are memorialized in this
13 Agreement.

14 Representative Plaintiff and Class Counsel concluded, after taking into account the sharply
15 disputed factual and legal issues involved in the Action, the risks and substantial expenses involved
16 in the further prosecution of this case, and the substantial benefits to be received pursuant to the
17 compromise and settlement of the Action at this early stage, as set forth in this Agreement, that
18 settlement on the terms set forth herein is in the best interest of Representative Plaintiff and the
19 Class, and is fair and reasonable. In particular, Class Counsel and Representative Plaintiff
20 understand the risk of the class certification process, as well as the potential merits of affirmative
21 defenses expected to be raised by the Defendant. In light of the risks related to certifying a class,
22 prevailing on an anticipated motion for summary judgment and a potential trial, the recovery of Two
23 Hundred Eighteen Thousand Five Hundred Dollars and Zero Cents (\$218,500.00) obtained in the
24 Action is both reasonable and fair.

25 Similarly, Defendants concluded that there are benefits associated with settling the Action
26 at this early stage. After considering the sharply disputed factual and legal issues involved in the
27 Action, the expense and burden of protracted litigation, and its desire to put the controversy to rest,
28 Defendants believe that settlement on the terms set forth in this Agreement is in its best interest and

1 is fair and reasonable. Defendants have concluded that the future costs and expenses involved in
2 continuing the Action are substantial and chose to eliminate any further expenses, attorneys' fees,
3 and risks via the Settlement. Given the severely disputed nature of the case, it is expected that
4 substantial expenses will be incurred determining many issues dealing with discovery, a class
5 certification motion, a Summary Judgment motion, eventual trial, and possible appeals.

6 This Agreement contemplates (i) entry of an Order preliminarily approving the Settlement
7 and approving certification of a provisional settlement class, contingent upon final approval of the
8 Settlement; (ii) the mailing of a Notice of Settlement to all Class Members; (iii) the processing of
9 any objections, and opt-outs by the Settlement Administrator, as well as payment to the Class
10 Members after final approval of this Agreement by the Court; and (iv) entry of Final Judgment
11 granting final approval of the Settlement.

12 **IV. SETTLEMENT APPROVAL & IMPLEMENTATION PROCEDURE**

13 **A. Preliminary Approval of the Settlement**

14 As soon as practicable, Class Counsel will also submit this Agreement to the Court for its
15 preliminary approval. Such submission will include such motions, pleadings, and evidence as may
16 be required for the Court to determine that this Agreement is fair, adequate, and reasonable, as
17 required by section 382 of the California *Code of Civil Procedure* and Rule 3.769 of the California
18 *Rules of Court*. Such submission will also include a Notice of Class Settlement and Notice of
19 Settlement Award ("Notice of Settlement") in substantially the form attached hereto as Exhibit 1.

20 **B. Motion for Preliminary Approval**

21 (a) Promptly upon the full execution of this Settlement, Plaintiff shall file a
22 motion for Preliminary Approval with the Court seeking an order granting Preliminary Approval,
23 setting a date for the Final Approval Hearing and briefing schedule, approving the Class Notice (in
24 the forms attached hereto as Exhibits 1), approving the procedure for objecting to and requesting
25 exclusion from the Settlement.

26 (b) The Parties will jointly appear at the hearing on the motion for Preliminary
27 Approval and support the granting of Preliminary Approval.

1 (c) Should the Court fail to approve preliminarily all material aspects of the
2 Settlement, the Settlement will be null and void, and the Parties will have no further obligations
3 under it.

4 **C. Conditional Certification of the Class**

5 Defendants hereby consent, solely for purposes of the Settlement set forth in this Agreement,
6 to the conditional certification of the Class, to the conditional appointment of Class Counsel, and to
7 the conditional approval of the Representative Plaintiff, provided however, that if the Settlement
8 fails to be approved or otherwise fails to be consummated for any reason whatsoever, including but
9 not limited to the Final Judgment not becoming final, then Defendants retain all rights previously
10 available to them, and any provisional certification of any class, or the adoption of any procedure
11 herein, shall be undone and the Parties restored to their pre-settlement status as if no settlement had
12 been reached and no decisions were made pursuant to it. In that event, nothing in this Agreement
13 or other papers or proceedings related to the Settlement shall be used as evidence or argument by
14 any party, including any Class Members who opt out, concerning whether or not the claims
15 advanced in the Complaint may properly be maintained as a class action, whether the purported
16 class is ascertainable, or whether Class Counsel or the Representative Plaintiff can adequately
17 represent the members of the class under applicable law.

18 **D. Cooperation**

19 The Parties agree to cooperate fully with each other to accomplish the terms and
20 requirements of this Agreement, including but not limited to, the execution of such documents and
21 to take such other action as may reasonably be necessary to implement the terms of this stipulated
22 Settlement.

23 Except as otherwise provided herein, neither party nor any of their attorneys or agents shall
24 initiate any communication with any Class Members for the purpose of encouraging or discouraging
25 them to Opt-Out of the Class, or to object to the Settlement contained herein, unless agreed upon by
26 the other party in writing or if authorized by the Court. This provision in no way limits Class
27 Counsel from communicating with the Representative Plaintiff, nor does the provision limit Class
28 Counsel from responding to any inquiry initiated by any Class Members.

1 The Parties shall promptly submit this Agreement for preliminary approval and
2 determination by the Court as to its fairness, adequacy, and reasonableness. Promptly upon
3 execution of this Agreement, the Parties shall apply to the Court for the entry of a Preliminary
4 Approval Order scheduling a hearing to determine whether the proposed Class Settlement should
5 be approved as fair, reasonable, and adequate as to the Class Members, and approving as to form
6 and content of the proposed Notice of Settlement.

7 **E. Notice of Settlement by Mail**

8 Defendants must deliver as soon as practicable, but no later than ten (10) business days after
9 the Preliminary Approval Date, to the Settlement Administrator a class list containing the Class
10 Members' names, last known addresses, dates of employment, and social security numbers, which
11 will be used to send the Notice of Settlement to the Class Members. Using this list, the Settlement
12 Administrator shall calculate the Class Pay Period Value, PAGA Pay Period Value, and the
13 Individual Settlement Payment which each Class Member is entitled to pursuant to the formula
14 provided in Section IV(O)(2), below, and mail the Notice of Settlement via First-Class mail using
15 the United States Postal Service to the most recent address known for each Class Member within
16 twenty (20) calendar days of receipt from Defendants of the Class Members' information. Before
17 mailing the Notice of Settlement, the Settlement Administrator shall review the National Change of
18 Address registry for all Class Members and/or skip trace to determine the most up-to-date addresses
19 of all Class Members. If any Notices of Settlement are returned with a forwarding address, the
20 Settlement Administrator will re-mail the Notice of Settlement to the Class Member whose notice
21 was returned.

22 Class Members shall have forty-five (45) calendars days from the date the Class Notice is
23 first mailed by the Settlement Administrator ("Class Notice Period" or "Notice Period") to submit
24 a Request for Exclusion, or an Objection to Class Settlement, as further explained herein.

25 In the event that prior to the final date for any Class Member to Opt-Out, any Notice mailed
26 to the Class Member is returned as having been undelivered by the U.S. Postal Service ("Notice
27 Return"), the Settlement Administrator shall, via skip-tracing, seek an address correction from such
28 Class Member(s), and send a Redirected Notice to the new or different address within seven (7)

1 calendar days if such address is found. During the entire Class Notice Period the Settlement
2 Administrator shall conduct any investigation it deems economically reasonable and consistent with
3 its role and industry practice to locate and to determine the correct address of any Class Member.

4 The Notice of Settlement to Class Members shall notify the Class Members of the fact and
5 nature of this Settlement. Further, the Notice of Settlement shall inform the Class Members that they
6 are entitled to a Settlement Payment and shall indicate the number of Total Class Pay Periods and/or
7 Total PAGA Pay Periods calculated for the particular Class Member along with the estimated
8 amount of the Settlement Payment the particular Class Member will receive if the Settlement is
9 approved. The Notice of Settlement will also specifically inform Class Members that they do not
10 have to submit a claim form in order to receive Settlement Payment. Moreover, the Notice of
11 Settlement shall outline the procedures for submitting Opt-Outs and/or Objections to the Settlement
12 and all deadlines applicable thereto. The Notice of Settlement to Class Members shall also inform
13 Class Members of the deadline by which the checks representing the Settlement Payments must be
14 cashed/negotiated (180 calendar days), and also that by cashing/negotiating the checks representing
15 the Settlement Payments, it shall constitute opting-in for a release of claims under the Fair Labor
16 Standards Act to the extent such claims fall within the definition of Released Class Claims as that
17 phrase is defined and used in this Agreement.

18 In any instance where a Notice is first returned to the Settlement Administrator within ten
19 days of the end of the original Notice Period, and a new address for that Class Member can be
20 located via a first skip-tracing, the Notice Period will be extended by forty-five (45) calendars days
21 for that Class Member. A letter prepared by the Settlement Administrator will be included in the
22 re-mailed Notice in that instance, stating the extended Notice Period.

23 **F. Requests for Exclusion (“Opt-Outs”)**

24 Any Class Member who wishes to be excluded from the Settlement outlined herein must
25 mail to the Settlement Administrator a written statement expressing his or her desire to be excluded
26 from the Settlement (a “Request for Exclusion” or “Opt-Out”). For the Request for Exclusion to be
27 accepted it must be timely and valid. To be valid the Request for Exclusion must contain a statement
28 that the Class Member requests to be excluded from the class and must include the name (and former

names used during his/her employment with Defendants, if any), current address, telephone number, and last 4 numbers of their social security number. In addition, the statement shall be signed and dated by the Class Member.

To be timely, any Class Member who wishes to be excluded from the Settlement must submit a Request for Exclusion to the Settlement Administrator postmarked no later than the end of the Notice Period. Any Class Member who submits a valid and timely Request for Exclusion or Opt-Out shall no longer be a member of the Class, shall be barred from participating in this Settlement, shall not receive a Settlement Payment, shall be barred from objecting to this Settlement, and shall receive no benefit from this Settlement and will not be bound by Settlement or release of claims. Any Class Member who fails to submit a timely Request for Exclusion or Opt-Out within the Notice Period shall be bound by all terms of this Agreement, regardless of whether that Class Member receives and/or cashes his or her check for Settlement Payment.

In the event that the Court approves the terms of Settlement related to PAGA, PAGA Employees will be bound by Settlement, regardless of whether they chose to Opt-Out of the Settlement of Class claims.

G. Declaration of Compliance

As soon as practicable, but no later than ten (10) calendar days following the Opt-Out-Period, the Settlement Administrator shall provide Class Counsel and Counsel for Defendants with a declaration attesting to completion of the notice process set forth in this Section (Section IV) of the Agreement, including an explanation of efforts to resend undeliverable notices returned with forwarding addresses, and a summary of disputed claims, and opt outs including the name of the class members opting out, which declaration shall be filed with the Court by Class Counsel along with their papers requesting Final Approval of the Settlement.

H. Sufficient Notice

Compliance with the procedures described in this Section shall constitute due and sufficient notice to Class Members of this Settlement and the final approval hearing, shall satisfy the requirements of due process, and nothing else shall be required of the Representative Plaintiff, Class Counsel, Defendants, Counsel for Defendants, or the Settlement Administrator to provide additional

1 notice of the settlement and the Final Approval Hearing, unless expressly ordered by the Court.

2 **I. Objections to Settlement**

3 Any Class Member may object to the Settlement. To object, the Class Member may appear
4 in person at the Final Approval Hearing, have an attorney object for the Class Member, or submit a
5 written brief or statement of objection to the Settlement Administrator (an Objection to Class
6 Settlement). Upon receipt, the Settlement Administrator will transmit a copy of any Objection to
7 Class Settlement it receives to the attorneys for the Parties. If any Class Member chooses to submit
8 an Objection to Class Settlement, as set forth in the Notice, the written objection should contain
9 sufficient information to confirm the identity of the objector and the basis of the objection, including
10 (1) the full name of the Settlement Class Member; (2) the signature of the Settlement Class Member;
11 (3) the grounds for the objection; and (4) be postmarked within the Notice Period to permit adequate
12 time for processing and review by the Parties of the written statement or objection. As soon as
13 practicable, the Settlement Administrator shall forward any and all Objections to Class Settlement
14 to Class Counsel and Defense Counsel. Class Counsel shall ensure that any written objections are
15 transmitted to the Court for the Court's review (either as an attachment to a declaration from Class
16 Counsel or as an attachment to a declaration from the Settlement Administrator). The Court may,
17 in its sole discretion, permit any Settlement Class Member to state comments about the Settlement
18 or objections to the Settlement at the Final Approval hearing, regardless of whether the Settlement
19 Class Member has submitted an Objection to Class Settlement. Regardless of the form, an objection
20 alone will not satisfy the requirement that a Settlement Class Member must formally intervene and
21 become a party of record in the action to appeal a Judgment entered following an Order or Judgment
22 finally approving this Settlement, as is required under the California Supreme Court decision of
23 *Hernandez v. Restoration Hardware*, 4 Cal. 5th 260 (2018). A Class Member who does not object
24 prior to or at the Final Approval Hearing, will be deemed to have waived any objections and will be
25 foreclosed from making any objections (whether at the Final Approval Hearing, by appeal, or
26 otherwise) to the Settlement. If the objecting Class Member does not formally intervene in the
27 action and/or the Court rejects the Class Member's objection, the Class Member will still be bound
28 by the terms of this Agreement. Class Counsel and Defendant's Counsel may, at least five days (or

1 some other number of days as the Court shall specify) before the final approval hearing, file
2 responses to any Objections to Class Settlement received by the Settlement Administrator.

3 In order to object to the Class Settlement, the Class Member must not have submitted a
4 Request for Exclusion. PAGA Employees may not object to the PAGA Settlement.

5 At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage
6 Class Members to object to the Settlement or appeal from the Final Judgment. Class Counsel shall
7 not represent any Class Members with respect to any such objections.

8 If a person submits an Objection to Class Settlement and a Request for Exclusion, the
9 Settlement Administrator shall take reasonable steps to contact the Class Member to determine
10 whether the Class Member wishes to object and remain in the Class or be excluded from the Class.
11 If the Settlement Administrator is unable to determine the Class Member's choice, the objection
12 shall be valid and the Request for Exclusion shall be null and void, and the Class Member shall be
13 counted as part of the Class and be bound by the terms and conditions of the Settlement.

14 The Settlement Administrator shall provide Defendant's Counsel and Class Counsel a
15 weekly report showing at a minimum: (i) the number of Class Members who have submitted timely,
16 valid Requests to be Excluded or Objections, and copies thereof; (ii) whether any Class Member
17 has submitted a challenge to their inclusion in this Action; and (iii) statistics showing which disputes
18 that have been resolved and which have not been resolved. Additionally, the Settlement
19 Administrator will provide to counsel for both Parties any updated reports as needed or requested.

20 If a Class Member disputes the number of Workweeks stated for that Class Member in the
21 Class Notice, the Class Member must mail to the Settlement Administrator, not later than forty-five
22 (45) days after the date that the Settlement Administrator first mails the Class Notice, a letter
23 disputing the number of Workweeks that he or she claims to have worked for Defendant in
24 California. Such Class Members also will be asked to submit any supporting documentation for their
25 assertion. If such a dispute arises, Defendants will review their records and any documentation
26 submitted by the Class Member to determine the correct number of Workweeks. Defendants'
27 records will have a rebuttable presumption of correctness. After consultation with Class Counsel,
28 the Class Member, and Defendants, if no agreement can be reached, the Parties will have the

1 Settlement Administrator make a determination of the Class Member's Workweeks, and that
2 determination will be final and binding on the Parties and the Class Member and will be non-
3 appealable. The Settlement Administrator shall inform a Class Member of the determination
4 regarding a workweek dispute within thirty (30) days of mailing of the letter disputing the number
5 of Workweeks that he or she claims to have worked for Defendants in California.

6 Should any questions arise regarding the determination of eligibility for the amounts of any
7 Individual Settlement Payments under the terms of this Settlement that are not otherwise resolved
8 by the Settlement Administrator, counsel for the Parties shall meet and confer in an attempt to reach
9 an agreement. If Class Counsel and Defendant's Counsel cannot agree, the Settlement Administrator
10 shall then make the final determination, and that determination shall be conclusive, final, and
11 binding.

12 Except for those Class Members who submit a valid, timely Request to be Excluded, all
13 Class Members (1) will be deemed to be Participating Class Members for all purposes under this
14 Settlement; (2) will be bound by the terms and conditions of this Settlement, the Final Approval and
15 Judgment, and the releases set forth herein; and (3) except as provided in other sections of this
16 Settlement, will be deemed to have waived all objections and opposition to the fairness,
17 reasonableness, and adequacy of the Settlement.

18 No later than five (5) calendar days after the Court grants Final Approval, the Settlement
19 Administrator shall advise counsel for the Parties of the amount of Settlement Administration Costs
20 incurred and reasonably anticipated to be incurred by the Settlement Administrator, the amount of
21 each Individual Settlement Payment, and the name of each Class Member who has submitted a valid
22 Request to be Excluded.

23 **J. Final Approval Hearing**

24 At the Final Approval Hearing, the Representative Plaintiff, Class Counsel, and Counsel for
25 Defendants shall ask the Court to give final approval to this Agreement and the terms and conditions
26 contained herein. At this hearing, the Court will consider and rule upon any Objections to
27 Settlement submitted by any Class Member, whether timely or not. Upon granting final approval
28 of the Settlement contained herein, the Court shall also enter a Final Judgment which, among other

1 things, will implement the Releases contained in Section VI of the Agreement as to Representative
2 Plaintiff, and all Class Members who did not timely Opt-Out of the Settlement. The Release
3 contained in Section VI of this Agreement shall become effective only after Defendants have made
4 payment to fully fund the Maximum Settlement Amount.

5 In compliance with the California Rules of Court, the Final Approval Order and/or Judgment
6 shall be posted on a website maintained by the Settlement Administrator for a period of not less than
7 90 days after entry of final judgment. The address of that website will be included in the Notice of
8 Class Action Settlement.

9 **K. Waiver of Right to Appeal.**

10 1. The Parties agree to waive all appeals from the Court's Final Approval, unless the
11 Court materially modifies the Settlement, except that Plaintiff may appeal any reduction in the Class
12 Counsel's Fees and Expenses Payment or the Class Representative Payment. Any reduction in the
13 Class Counsel's Fees and Expenses Payment or the Class Representative Payment will not, however,
14 constitute a material modification of the Settlement and will not be grounds to void the Settlement.

15 2. Any Participating Class Member who does not timely submit an objection to the
16 Settlement hereby waives any and all rights to move to vacate the Judgment or file an appeal from
17 the Final Approval order and Judgment. This waiver does not include a waiver of the right to oppose
18 any appeals, appellate proceedings, or post-judgment proceedings, if any.

19 **L. Res Judicata as to Claims by PAGA Aggrieved Employees.**

20 Upon the Effective Date, and subject to Defendants' full payment of all sums due hereunder,
21 any claims for penalties under PAGA of the PAGA Aggrieved Employees relating to the Released
22 PAGA Claims will be barred consistent with principles of res judicata under California law.

23 **M. California Labor Code Section 206.5.**

24 In connection with the above releases, and in consideration of Defendant's payment of the
25 sums provided herein, each and every Participating Class Member will be deemed to also have
26 acknowledged and agreed that California Labor Code section 206.5 is not applicable to the Parties
27 hereto or any Participating Class Member because there is a good-faith dispute as to whether any
28 wages are due at all to any Class Member. Section 206.5 provides in pertinent part as follows:

1 **An employer shall not require the execution of a release of a claim or right on account**
2 **of wages due, or to become due, or made as an advance on wages to be earned, unless payment**
3 **of such wages has been made.**

4 **N. Release of Claims by Plaintiff Debra Anderson**

5 Upon the Effective Date, and subject to Defendant's full payment of all sums due hereunder,
6 Plaintiff Anderson, on her own behalf, and on behalf of her spouse, grantees, agents, employees,
7 representatives, heirs, executors, administrators, devisees, trustees, successors, assigns, assignors,
8 partners, attorneys, insurers, and any other entities in which Plaintiff has an interest, waives,
9 releases, acquits, and forever discharges the Released Parties from any and all claims, including but
10 not limited to the Released Claims, whether known or unknown, which exist or may exist as of the
11 Parties' execution of this Settlement.

12 Section 1542 of the California Civil Code provides as follows:

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

18 Plaintiff's general release provided herein is made with an express waiver and
19 relinquishment of any claim, right, or benefit under California Civil Code § 1542. Plaintiff warrants
20 that she has read this Settlement, including this waiver of California Civil Code § 1542, and that she
21 has consulted with or had the opportunity to consult with counsel of her choosing about this
22 Settlement and specifically about the waiver of § 1542, and that she understands this Settlement and
23 the § 1542 waiver, and so she freely and knowingly enters into this Settlement. Plaintiff further
24 acknowledges that Plaintiff later may discover facts different from or in addition to those Plaintiff
25 now knows or believes to be true regarding the matters released or described in this Settlement, and
26 even so Plaintiff agrees that the releases and agreements contained in this Settlement shall remain
27 effective in all respects notwithstanding any later discovery of any different or additional facts.

28 **O. Formulas to Determine Payment, Distribution of Funds and Payment of Funds**

1 **1. *General Terms of Settlement***

2 Defendants shall pay the Maximum Settlement Amount of Two Hundred and Eighteen
3 Thousand and Five Hundred Dollars and Zero Cents (\$218,500.00), to settle this Action, under the
4 terms described in this Agreement. Defendants shall pay the Maximum Settlement Amount within
5 10 calendar days of the Effective Date.

6 From the Maximum Settlement Amount, Class Counsel will request, and Defendants will
7 not oppose, Seventy-Two Thousand One Hundred and Five Dollars and Zero Cents (\$72,105.00) as
8 Class Counsel Fees, and Class Counsel Costs not to exceed Ten Thousand Dollars and Zero Cents
9 (\$10,000.00). In addition, Class Counsel will request Fifteen Hundred Dollars and Zero Cents
10 (\$15,000.00) as an Enhancement Payment for Representative Plaintiff Debra Anderson. Under no
11 circumstances will Defendants be required to pay more in Class Counsel Fees, Class Counsel Costs,
12 and/or Enhancement Payment than specified in this Section. Class Counsel Fees, Class Counsel
13 Costs, and the Enhancement Payment are subject to Court approval. The Court's ruling on the
14 request for Class Counsel Fees, Class Counsel Costs, and Enhancement Payment shall not affect the
15 enforceability of this Agreement or the terms contained herein. In the event the Court reduces the
16 amount requested in Class Counsel Fees, Class Counsel Costs and/or Enhancement Payment, the
17 difference shall be added to the Distributable Amount to the Class Members.

18 In addition, the Parties have agreed that Ten Thousand Dollars and Zero Cents (\$10,000.00)
19 of the Maximum Settlement Amount will be allocated for PAGA penalties, with 75% of this amount
20 (\$7,500) to be paid to the LWDA in satisfaction of any claim for penalties that may be owed to that
21 agency under PAGA (Cal. Labor Code 2699, et seq.), and the remaining 25% (\$2,500) to be paid to
22 the PAGA Employees based on PAGA Pay Period Value ("PAGA Payment").

23 Further, the Settlement Administration Fees, currently estimated at Ten Thousand Dollars
24 (\$10,000.00) shall be made from the Maximum Settlement Amount. Any and all Settlement
25 Administration Fees shall be made from the Maximum Settlement Amount. Any amounts not used
26 by the Settlement Administrator for Settlement Administration shall be added to the Distributable
27 Amount to the Class Members.

28 Consequently, the amount from which the Class may be paid, also called the "Distributable

1 Amount,” is estimated to be:

2	Maximum Settlement Amount	\$218,500.00
3	Class Counsel Fees	-\$72,105.00
4	Class Counsel Costs	-\$10,000.00
5	Enhancement Payment	-\$15,000.00
6	PAGA Payment (LWDA Portion)	-\$7,500.00
7	Settlement Administrator Fees	-\$10,000.00
8	Distributable Amount	\$101,395.00

9 No funds will revert to the Defendants from the Maximum Settlement Amount.

10 ***2. Formula for Determining the Value of the Claims for the Class and for Each Class***
 11 ***Member Who Does Not Opt Out***

12 In order to fairly distribute the Settlement Payments to Class Members, Class Counsel and
 13 Defendants’ Counsel have arrived at a formula designed to fairly determine each Authorized
 14 Claimant’s pro rata payment from the Distributable Amount based on their length of service. The
 15 formula is based on the relative amount of the individual Authorized Claimant’s Total Class Pay
 16 Periods and Total PAGA Pay Periods (if applicable), as compared to the Total Class Pay Periods
 17 and Total PAGA Pay periods worked by the Class Members as a whole. The specific calculations
 18 are as follows:

19 **Class Calculations:** The Settlement Administrator will calculate the total number of
 20 workweeks that all Class Members were employed by Defendants during the Class Period. The
 21 value of each Workweek shall be determined by the Settlement Administrator by dividing the Net
 22 Settlement Proceeds (less the PAGA Payment(s)) by the total number of Workweeks available to
 23 the Class Members during the Class Period (“Class Workweek Value”).

24 **PAGA Calculations:** For PAGA Employees, the Settlement Administrator will calculate
 25 the total number of pay periods that each PAGA Employee was employed by Defendants during the
 26 applicable PAGA Period (“Total PAGA Pay Periods”). The value of each PAGA Pay Period shall
 27 be determined by the Settlement Administrator by dividing the PAGA Payment by the Total PAGA
 28 Pay Periods for all PAGA Employees (“PAGA Pay Period Value”).

1 **Individual Settlement Payments:** To determine the Individual Settlement Payment for each
2 Class Member, the Settlement Administrator will multiply the Authorized Claimant's Total
3 Workweeks by Class Workweek Value and add the total to the product of the PAGA Employee's
4 Total PAGA Pay Periods multiplied by the PAGA Pay Period Value, if the Class Member qualifies
5 as a PAGA Employee. Not all Authorized Claimants will receive the PAGA Payment. The
6 Individual Settlement Payment will be reduced by any required legal tax deduction, pursuant to
7 Section IV(O)(2) herein.

8 Payments from the Distributable Amount shall be made only to Authorized Claimants and
9 PAGA Employees, pursuant to the manner provided in this Agreement and this section, in particular.

10 Defendants' employment records used to calculate each Class Members' Settlement
11 Payment shall be presumed to be correct. However, each Class Member shall be given an
12 opportunity to dispute the number of Authorized Claimant's Total Workweeks and/or Authorized
13 Claimant's Total PAGA Pay Periods as provided in their Notice of Settlement Award. Any such
14 dispute shall be sent in writing to the Settlement Administrator postmarked on or before the Opt-
15 Out Period deadline, and the Class Member shall provide any information he/she deems proper to
16 support his/her claim. The Settlement Administrator shall send the dispute information to
17 Defendants' Counsel and Class Counsel within five (5) business days of receiving the dispute.
18 Defense and Class Counsel shall meet and confer to determine if they can agree to a resolution
19 regarding the Class Member's challenge. The Settlement Administrator will inform the Class
20 Member. Defense and Class Counsel will inform the Settlement Administrator to approve payment
21 to the Class Member, as revised by the evidence submitted by the Class Member. Any Party,
22 including the Class Member, may present the issue to the Court for resolution, if the dispute cannot
23 be resolved.

24 Payment to each Authorized Claimant shall be allocated as follows: Twenty Percent (20 %) of any settlement funds paid to any Class Member shall be attributed to wages, to be reported on an
25 IRS Form W-2 with legally required tax deductions; Eighty Percent (80%) of any settlement funds
26 paid to any Class Member shall be treated as statutory penalties and interest, to be reportable on IRS
27 Form 1099 with no withholding. Each Authorized Claimant shall be responsible for any tax
28

1 consequences of the Settlement or payment of funds pursuant to this Agreement, including the
2 payment of any applicable tax deductions or obligation as if paying through payroll. Any payroll
3 tax payable from the payment of any settlement funds to any Class Member pursuant to the terms
4 of this Agreement shall not be made from the Distributable Amount. However, Defendants will only
5 be responsible for employer side payroll taxes, separate and apart from the MSA.

6 ***3. Class Counsel Fees, Costs, Enhancement Payment, PAGA Payment, Settlement***
7 ***Administration Cost, and Payment of Maximum Settlement Amount Funds***

8 Plaintiff and Class Counsel will request, and Defendants agree not to oppose, payment from
9 the Maximum Settlement Amount of fifteen thousand dollars (\$15,000.00) to Representative
10 Plaintiff Debra Anderson as an Enhancement Payment. Class Counsel believes, and Defendants do
11 not challenge, that such award to the Representative Plaintiff as an Enhancement Payment is
12 reasonable. Plaintiff and Class Counsel will request, and Defendants agree not to oppose, the
13 payment from the Maximum Settlement Amount of seventy-two thousand one hundred and five
14 dollars and zero cents (\$72,105.00) to Class Counsel for Class Counsel Fees. Class Counsel
15 believes, and Defendants do not challenge, that such an award to Class Counsel is reasonable.
16 Plaintiff and Class Counsel will request, and Defendants agree not to oppose, a payment from the
17 Maximum Settlement Amount not to exceed ten thousand dollars (\$10,000.00) to Class Counsel for
18 Class Counsel Costs. Class Counsel believes, and Defendants does not challenge, that such an award
19 to Class Counsel is reasonable.

20 The Parties have agreed that ten thousand dollars (\$10,000.00) of the Maximum Settlement
21 Amount will be allocated as PAGA penalties, with 75% of this amount, (\$7,500) to be paid to the
22 LWDA in satisfaction of any claim for penalties that may be owed to that agency under PAGA. The
23 other 25%, or \$2,500.00, will be distributed to the PAGA Employees based on the PAGA Pay Period
24 Value.

25 Class Counsel Fees, Costs, and the Enhancement Payment, whether they are awarded as
26 requested or reduced by the Court at its discretion, shall be paid from the Maximum Settlement
27 Amount.

28 Moreover, all the Settlement Administration Fees shall be paid from the Maximum

1 Settlement Amount, which the Parties currently estimate will be about Ten Thousand Dollars and
2 Zero Cents (\$10,000.00).

3 Class Counsel shall timely provide a completed IRS Form W-9 no later than five (5) calendar
4 days after the Effective Date and any other information needed for the Settlement Administrator to
5 make payments. Any payment obligation by any party shall be tolled until the correct information
6 is provided as required by any party. Settlement Administration Fees may be paid earlier if necessary
7 to effectuate the terms of this Agreement, except that the party paying shall be entitled to offset the
8 costs from the Maximum Settlement Amount. Under no circumstances shall Defendants be required
9 to pay more than the Maximum Settlement Amount.

10 The Settlement administrator shall pay the attorneys' fees and costs awarded to Class
11 Counsel and the incentive awards awarded to the Representative Plaintiff from the Maximum
12 Settlement Amount pursuant to the disbursement described in Section IV(O)(1).

13 The Parties agree to cooperate in the settlement administration process and make all
14 reasonable efforts to control and minimize the costs and expenses incurred in administering the
15 settlement.

16 ***4. Cure Provision***

17 If Defendants fail to timely make payment as set forth in Section IV(O)(1) Defendants shall
18 have ten (10) calendar days from the last day the payment is due to cure the untimely payment.
19 Defendants shall make any payment under this provision pursuant to the Settlement Administrator's
20 electronic transfer instructions. The Parties expressly agree that the Defendants' payment
21 obligations with respect to any cure shall be met upon initiating the electronic transfer of funds to
22 the Settlement Administrator, pursuant to its instructions.

23 **P. The Settlement Administrator**

24 Class Counsel and Defense Counsel designate Phoenix Settlement Administrators, an
25 experienced settlement administrator, to process this Settlement. The Settlement Administrator will
26 administer the Settlement including, but not limited to, distributing the Class Notice of Settlement,
27 calculating and directing the disbursements for Settlement Payments from the Distributable
28 Amount, and handling inquiries about the calculation of individual settlement payments to the Class

pursuant to the terms contained in this Agreement. The Settlement Administrator shall establish a settlement payment center address, telephone number, and facsimile number to receive and timely process Class Members' inquiries about the Class Notice of Settlement, Requests for Exclusion and Objections, and process the payments to the Class under the terms of this Agreement. Moreover, the Settlement Administrator shall provide as soon as possible to Defense Counsel instructions for Defendants to tender the MSA payment by electronic transfer to the Settlement Administrator. Defendants' payment of the MSA is contingent upon receipt of the payment instructions. Defendants expressly agree to follow the Settlement Administrator's payment instructions. The Parties agree that Defendants' payment obligations under the Settlement shall be met upon initiating the electronic transfer of funds to the Settlement Administrator, pursuant to its instructions.

The Settlement Administrator shall provide the parties with weekly reports commencing with the date the Class Notice is first mailed and continuing to the Effective Date notifying the Parties of Notices mailed, Notices returned to sender, Notice re-mailed and the number of valid Opt-Outs submitted by Class Members, if any, the number of Objections and identity of Objectors, if any and the amounts of all Settlement Payments due and payable.

The Settlement Administrator shall not disburse the settlement funds except as provided herein, as ordered by the Court, or as agreed upon, in writing, by Defense Counsel and Class Counsel. Subject to further orders and/or directions as may be made by the Court, the Settlement Administrator is authorized to execute such transactions on behalf of the Class Members as are consistent with the terms of this Agreement.

Moreover, the Parties expressly agree that, in the event Phoenix Settlement Administrators cannot perform the duties of Settlement Administration, they will cooperate with each other to select a new, mutually agreed upon Settlement Administrator.

Q. Time For Disbursement

The MSA shall be disbursed as follows:

- a. MSA shall not be disbursed until ten (10) days after the Effective Date.
- b. Within twenty (20) calendar days after the Effective Date, the

1 Settlement Administrator shall cause to be paid the following amounts: (1)
2 Settlement Payments due to Authorized Claimants; (2) Class Counsel Fees;
3 (3) Class Counsel Costs; (4) Enhancement Payment; (5) PAGA Payment;
4 and (6) Settlement Administration Fees. Payment to any Authorized
5 Claimant will be in the form check(s) issued for an amount calculated using
6 the formulas contained in this Agreement. Any funds allocated to Class
7 Members who ultimately submitted timely valid Opt-Outs shall be
8 proportionally redistributed to Authorized Claimants based on the formulas
9 provided in Section IV(O)(2) under this Agreement.

10 Class Members who do not timely Opt-Out will be bound by all the terms of this Agreement,
11 regardless of whether that Class Member receives and cashes his or her check for Settlement
12 Payment. Any checks issued by the Settlement Administrator to Authorized Claimants will be
13 negotiable for one hundred eighty (180) calendar days. After one hundred eighty (180) calendar
14 days from the date of mailing, the checks shall become null and void. Subject to Court approval, the
15 Parties propose the State Bar's Justice Gap Fund, one of three significant sources of funding for
16 about 100 legal aid organizations across the state, as the *cy pres* recipient. In the event that any un-
17 cashed or abandoned checks must be distributed to the *cy pres* recipient, the Settlement
18 Administrator will cancel the tax documents associated with those un-cashed or abandoned checks,
19 and the Parties will submit to the Court a revised Judgment that states the final disposition of all
20 amounts under this Settlement, in compliance with California Code of Civil Procedure § 384. The
21 Settlement Administrator shall not transmit any funds to the *cy pres* recipient until the Parties have
22 provided to the Settlement Administrator a revised Judgment approving the final distribution of all
23 Settlement funds, including the amount to be transmitted to the *cy pres* recipient.

24 **R. Taxes**

25 **1. *Withholding and Reporting Requirements***

26 The Settlement Administrator shall be responsible for ensuring that all taxes associated with
27 the Agreement are timely paid to the appropriate tax authorities. The Settlement Administrator's
28 responsibilities include the following: (i) filing all federal, state, and local tax deduction, (ii) to

1 timely and proper filing of all required federal, state, and local forms (e.g., 1099s, W-2s, etc.) with
2 the appropriate taxing authorities, and (iii) completion of any other steps necessary for compliance
3 with any tax obligations of the Settlement under federal, state, and/or local law, as applicable. To
4 verify the Settlement Administrator's compliance with the foregoing withholding and reporting
5 requirements, as soon as administratively practicable, the Settlement Administrator shall furnish.

6 Class Counsel and Counsel for Defendants with copies of all forms detailing the payment of
7 taxes (including all 1099 forms and returns) sufficient to prove that such payments were properly
8 remitted. The Settlement Administrator shall provide a final accounting declaration adequate to
9 demonstrate full compliance with all duties set forth in this Agreement, including but not limited to
10 tax withholding, payment, and reporting obligations.

11 ***2. Determination and Payment of Taxes***

12 The Settlement Administrator shall determine the amount of any withholding or taxes to be
13 withheld from each Authorized Claimant's settlement payment and issue form W-2's to the Class
14 Members. All such withholdings shall be remitted by the Settlement Administrator to the proper
15 governmental taxing authorities. Each Authorized Claimant shall be responsible for any tax
16 consequences of any funds paid out to each Authorized Claimant pursuant to this Agreement.

17 **S. Circular 230 Disclaimer**

18 Each party to this Agreement (for purposes of this section, the "Acknowledging Party"; and
19 each party to this Agreement other than the Acknowledging Party, an "Other Party") acknowledges
20 and agrees that (1) no provision of this Agreement, and no written communication or disclosure
21 between or among the parties or their attorneys and other advisers, is or was intended to be, nor shall
22 any such communication or disclosure constitute or be construed or be relied upon as, tax advice
23 within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as
24 amended); (2) the Acknowledging Party (a) has relied exclusively upon his, her, or its own,
25 independent legal and tax advisers for advice (including tax advice) in connection with this
26 Agreement, (b) has not entered into this Agreement based upon the recommendation of any other
27 party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any
28 communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty

1 that may be imposed on the Acknowledging Party; and (3) no attorney or adviser to any other party
2 has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax
3 strategies (regardless of whether such limitation is legally binding) upon disclosure by the
4 Acknowledging Party of the tax treatment or tax structure of any transaction, including any
5 transaction contemplated by this Agreement.

6 **V. LIMITATIONS ON USE OF THIS SETTLEMENT**

7 **A. No Admission**

8 Neither the acceptance nor the performance by Defendants of the terms contained in this
9 Agreement nor any of the related negotiations or proceedings is or shall be claimed to be, construed
10 as, or deemed a precedent or an admission by Defendants of the truth of any allegations in any
11 version of the Complaint. Defendants enter into this Settlement Agreement solely for the purposes
12 of compromising and settling the Action.

13 **B. Non-Evidentiary Use**

14 Neither this Agreement nor any of its terms, nor any statements or conduct in the negotiation
15 or drafting of it, shall be offered or used as evidence by Plaintiff, any Class Member (including any
16 individual who filed an Opt-Out), Defendants, or their respective counsel, in the Litigation or any
17 other proceeding, except as is reasonably necessary to effectuate its purpose and terms. This
18 Agreement may be used by Defendants and/or the Released Persons to prove or defend against any
19 claim released herein by any Class Member in any judicial, quasi-judicial, administrative, or
20 governmental proceeding.

21 **C. Nullification**

22 If the Court for any reason does not approve this Settlement, this Agreement shall be
23 considered null and void and all parties to this Settlement shall stand in the same position, without
24 prejudice, as if the Settlement had been neither entered into nor filed with the Court. Moreover, in
25 the event the Court does not approve this Settlement, Defendants will not be deemed to have waived,
26 limited, or affected in any way any of their objections, or defenses in this Action. Invalidation of
27 any material portion of this Settlement shall invalidate this Settlement in its entirety unless the
28 Parties agree in writing that the remaining provisions shall remain in full force and effect.

1 //

2 **D. Right to Withdraw**

3 Notwithstanding any other provision contained in this Agreement, if more than twenty
4 percent (20%) of the Class Members submit timely and valid Requests for Exclusion from the
5 Settlement during the Opt-Out Period outlined herein, Defendants shall have the option, in their sole
6 discretion, to withdraw from this Agreement (“Right to Withdraw”), whereupon the Agreement
7 shall be null and void for any and all purposes and may not be used or introduced in the Action or
8 any other proceeding. The Parties will be restored to their respective positions in the litigation as if
9 this Agreement was never negotiated, drafted or agreed upon. However, if Defendants exercise
10 their Right to Withdraw, Defendants will be responsible for all Settlement Administration Fees
11 incurred up to the date when the Defendants exercised their Right to Withdraw. The Settlement
12 Administrator shall notify Class Counsel and Counsel for Defendants of the number of timely opt-
13 outs within five (5) calendar days after the period to file an Opt-Out has expired. If Defendants elect
14 to exercise their Right to Withdraw under this provision, Defendants will so notify Class Counsel
15 and the Court no later than five (5) calendar days after receiving notice of the number of opt-outs
16 and/or value of the valid claims made by the Authorized Claimants.

17 **VI. RELEASE OF THE CLASS AND REPRESENTED EMPLOYEES**

18 It is the desire of the Representative Plaintiff, Class Members, and Defendants to fully,
19 finally, and forever settle, compromise, and discharge disputes and claims arising from or related to
20 this Action. After Final Approval by the Court of this Agreement, after Defendants have made
21 payment to fully fund the Maximum Settlement Amount, and by operation of the Agreement’s
22 terms, and except as to such rights or claims as may be created by this Agreement, all Authorized
23 Claimants fully release and discharge the Released Persons from all Released Class Claims, whether
24 known or unknown during the Class Period. All PAGA Employees and the State will fully release
25 and discharge the Released Persons from all Released PAGA Claims upon approval of the
26 settlement of PAGA Claims in this Action. Plaintiff and Defendants stipulate and agree that the
27 consideration paid to the Class Members pursuant to this Agreement compensates the Class
28 Members for all wages and penalties due to them arising from the claims alleged in the operative

1 Complaint.

2 **VII. MISCELLANEOUS PROVISIONS**

3 **A. Amendments**

4 The terms and provisions of this Agreement may be amended only by a written agreement,

5 **B. Jurisdiction of the Court to Enforce Terms of Agreement**

6 The Parties stipulate and agree that the Court will retain jurisdiction to enforce the terms of
7 this Agreement following the entry of the Judgment pursuant to California Code of Civil Procedure
8 section 664.6. The Parties agree to the exclusive jurisdiction of the Court to enforce the terms and
9 conditions contained herein.

10 **C. Enforcement Actions**

11 In the event one or more of the Parties to this Stipulation institutes a legal action or other
12 proceeding against any other party or parties to enforce the provisions of this Stipulation, or to
13 declare rights and/or obligations under this Stipulation, the successful party or parties shall be
14 entitled to recover from the unsuccessful party or parties reasonable attorneys' fees and costs in
15 connection with any enforcement actions.

16 **D. No Inducements**

17 Plaintiff and Defendants acknowledge that they are entering into this Agreement as a free
18 and voluntary act without duress or undue pressure or influence of any kind or nature whatsoever
19 and that neither Plaintiff nor Defendants have relied on any promises, representations, or warranties
20 regarding the subject matter hereof other than as set forth in this Agreement.

21 **E. No Prior Assignment**

22 The Parties hereto represent, covenant, and warrant that they have not directly or indirectly,
23 assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or
24 entity any portion of any liability, claim, demand, action, cause of action or rights herein released
25 and discharged except as set forth herein. If any claims are made by any Class Member between
26 the start of the Class Period and the date in which the Court approves the Settlement outlined in this
27 Agreement as final, such a claim will be deemed covered and released by the individual Class
28 Member making the claim unless such Class Member has timely exercised the right to be excluded

1 from this Agreement under the terms set forth herein. Any Class Member covered by this
2 Agreement will be barred from proceeding with any such claim.

3 **G. Representative Plaintiff's Personal Release**

4 As part of the Agreement, Representative Plaintiff Debra Anderson grants the Release
5 Persons the Personal Release, as that term is defined in Section II herein.

6 With respect Representative Plaintiff's release of any and all claims under the Older Workers
7 Benefit Protection Act/Age Discrimination in Employment Act ("ADEA")("ADEA Release"),
8 Representative Plaintiff specifically acknowledges that Defendants have advised her that under the
9 ADEA, she has twenty-one (21) days from receipt of this Agreement to consider the ADEA Release
10 before signing the Agreement. Representative Plaintiff may decide to sign the Agreement sooner
11 and voluntarily waive the 21-day period provided by the ADEA. Representative Plaintiff further
12 acknowledges that she has had the opportunity to make counter-proposals to the ADEA Release,
13 and has been advised that she has seven (7) days after signing this Agreement to revoke the ADEA
14 Release, and the ADEA Release shall not become effective or enforceable until the revocation
15 period has expired. In the event Representative Plaintiff exercises the right to revocation, as
16 discussed above, she must notify Defendants of such revocation in writing via facsimile and certified
17 mail, return receipt requested. Said notification will be considered timely if post-marked no later
18 than the seventh day after the Representative Plaintiff has signed this Agreement. The individual
19 Representative Plaintiff's ADEA Release will be null and void if revoked by him or her during said
20 revocation period. The individual Representative Plaintiff's revocation of the ADEA Release must
21 be addressed to the attention of Defense Counsel at the address stated herein. In the event the
22 individual Representative Plaintiff exercises revocation of the ADEA Release, said revocation shall
23 have no effect on his or her Personal Release of any and all claims unrelated to the ADEA. If
24 Representative Plaintiff exercises her right to revoke under this provision, she gives up the right to
25 any Enhancement Payment under this Agreement. However, Representative Plaintiff is still entitled
26 to participate in the Settlement as a Class Member.

27 **I. Destruction of Informal Discovery**

28 The Parties agree that in the event the Court does not approve the Settlement for any

1 reason, or if the Settlement cannot be consummated for any reason, Class Counsel expressly
2 agrees to either: (1) return all informally produced discovery by Defendants to Defendants or
3 Defense Counsel; or (2) immediately destroy all informal discovery, and provide sufficient proof
4 (such as a declaration under oath by Class Counsel) that the information was destroyed within 10
5 calendar days after becoming aware that the Settlement has failed to become final. Retaining any
6 copy of direct or derivative information shall be a violation of this provision. Such informal
7 discovery shall include, but is not limited to: (1) the class list; (2) payroll and time records; (3)
8 written policies and procedures; and (4) information disclosed pursuant to the mediation and/or
9 settlement privilege. If Class Counsel fails to either destroy or return such information within a
10 reasonable time, the Parties expressly agree that Defense Counsel may apply to the Court to seek
11 enforcement of this specific provision (including any and all reasonable attorney's fees and costs
12 in seeking such enforcement).

13 If the Court approves the settlement, Plaintiff and Class Counsel agree to maintain the
14 information provided by Defendants only for as long as it is necessary to consummate and finalize
15 the approval process of the Settlement by the Court, up to and including the Effective Date. After
16 such time, the Parties agree that Class Counsel will return the information to Defendants or
17 Defense Counsel, or destroy the information (including any derivative information) as provided
18 herein, except as provided in Plaintiff's personnel file.

19 Plaintiff and Class Counsel agree to treat and maintain the information disclosed
20 confidentially, protect it, and take any and all reasonable steps to maintain it confidentially and
21 treat it as a trade secret. However, the Parties expressly agree that Class Counsel may disclose
22 such information to the Court as is necessary to consummate and finalize the approval process of
23 the Settlement by the Court.

24 **J. Review of Noticed Motions And/Or Other Pleadings**

25 Class Counsel expressly agrees that prior to any filing concerning the terms herein, including
26 but not limited to the Motion for Preliminary Approval and the Motion for Final Approval, it shall
27 e-mail a draft of said motion and/or pleading to Defense Counsel at least 7 calendar days prior to its
28 filing, with comments due two days prior to filing, unless the Court provides less than 14 days to

1 effectuate the filing of any such document, in which case the draft of such document will be provided
2 3 calendar days prior to its filing, and Defense Counsel shall provide comments one day prior to
3 filing.

4 **K. Counterparts**

5 This Agreement, and any amendments hereto, may be executed in any number of
6 counterparts, each of which when executed and delivered shall be deemed to be an original and all
7 of which taken together shall constitute but one and the same instrument. This Agreement will
8 become effective on the date when the last person signs and dates it.

9 **L. Applicable Law**

10 All terms and conditions of this Settlement and its exhibits will be governed by and
11 interpreted according to the laws of the State of California, without giving effect to any conflict of
12 law or choice of law principles.

13 **M. Confidentiality**

14 (a) The Plaintiff and Class Counsel agree not to discuss the Settlement amounts,
15 the terms of the Settlement, or any of the issues discussed during mediation or surrounding terms of
16 the Settlement or the amounts provided therein until the date of the filing of the Motion for
17 Preliminary Approval.

18 (b) Following Preliminary Approval, Plaintiff and Class Counsel agree that they
19 will not issue any press releases, initiate any contact with the press, respond to any press inquiry, or
20 have any communication with the press about this case or the facts, amount, or terms of the
21 Settlement. In addition, Plaintiff and Class Counsel agree that they will not engage in any advertising
22 or distribute any marketing materials relating to the Settlement, including but not limited to any
23 postings on any websites maintained by Class Counsel; provided, however, that Class Counsel may
24 state that it has settled a class action claim for wage and hour violations against an employer so long
25 as neither Defendant, nor the Plaintiff are identified by name.

26 //

27 //

28 //

N. Modification of Settlement

This Settlement may not be changed, altered, or modified, except in writing and signed by the Parties hereto, and approved by the Court. This Settlement may not be discharged except by performance in accordance with its terms or by a writing signed by all of the Parties hereto.

O. Construction

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

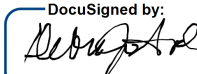
P. Integration Clause

This document, along with any exhibits attached hereto, constitutes the complete and entire Agreement between the parties pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions of their Agreement. Any and all prior agreements, representations, negotiations, and understandings between the parties, oral or written, express or implied, are hereby superseded and merged herein.

IN WITNESS WHEREOF, the parties hereto execute this Agreement and have caused this Agreement to be executed by their duly authorized representatives.

PLAINTIFF

DATED: June 28, 2022

By: 
6027AB68B294451...
DEBRA ANDERSON

DEFENDANTS

THE TREATMENT SKIN BOUTIQUE, INC

DATED: June 28, 2022

By: 
8B365CAF4E61479...
Name: Ryan Jensen
Title: Chief Operating Officer

1 DATED: June 28, 2022

DocuSigned by:
By: Ryan Jensen
8B365CAF4E61479...
RYAN JENSEN

2

3
4 DATED: June 28, 2022

DocuSigned by:
By: Erin Marie Jensen
7FCA39E32C2045C...
ERIN MARIE JENSEN

5

6 **APPROVED AS TO FORM:**

7

8 DATED: June 28, 2022

MANJLAI LAW, PC

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DocuSigned by:
By: Haroon Manjlai
C7E604ACF2BD4D5...
Haroon Manjlai

13 DATED: June 28, 2022

JACKSON LEWIS, P.C.

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DocuSigned by:
By: J. Andrew Schaffer
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Adam Y. Siegel
J. Andrew Schaffer

EXHIBIT 1

[EMPLOYEE NAME]*Anderson v. The Treatment Skin Boutique, Inc., et al.,***NOTICE OF CLASS ACTION AND PAGA SETTLEMENT***Anderson v. The Treatment Skin Boutique, Inc., et al.,*

Superior Court of the State of California, County of Los Angeles, Case Number 21STCV01911

IF YOU WORKED AS AN HOURLY-PAID/NON-EXEMPT EMPLOYEES PERFORMING SERVICES FOR THE TREATMENT SKIN BOUTIQUE, INC. BETWEEN JANUARY 21, 2017, AND JULY 21, 2022, YOU MAY OBTAIN PAYMENTS FROM A SETTLEMENT REACHED IN A PROPOSED CLASS ACTION LAWSUIT.

This Notice is court approved. This is not a solicitation from an attorney. You are not being sued.

<i>SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:</i>	
DO NOTHING	Receive compensation but lose rights to sue separately. If you do nothing, you will receive compensation for your claims alleged in this lawsuit. You will also give up your rights to ever sue TTBS about any of the claims in this case.
EXCLUDE YOURSELF FROM THE SETTLEMENT	Get no compensation but keep rights to sue separately. If you ask to exclude yourself from the settlement, you will not receive any compensation from the settlement, but you will keep your rights to file a separate claim. Please note that you cannot exclude yourself from, or opt out of the PAGA payment. Please be advised, however, that the time limits for filing a separate claim may have expired. The deadline to do so is [RESPONSE DATE], which is 45 days from when this notice is mailed.
OBJECT OR COMMENT	Tell the Court why you like or don't like the settlement. You may write to the Court, or you may appear personally or through your own attorney and your own expense and tell the Court why you do or do not like the settlement. You must remain a part of the lawsuit to comment or object to the settlement, and you cannot object if you also ask to be excluded. The deadline to do so is [RESPONSE DATE], which is 45 days from when this notice is mailed.
APPEAR AT THE FINAL APPROVAL HEARING	Appear at the Final Approval Hearing to speak to the Court about the fairness of the Settlement. You are not required to do this. The Final Approval hearing for this settlement will be held on: Date: [INSERT DATE] Time: 9:00 AM Location: Department 17 of the above-captioned court, located at 312 North Spring Street, Los Angeles, California 90012

DO NOTHING	Receive compensation but lose rights to sue separately. If you do nothing, you will receive compensation for your claims alleged in this lawsuit. You will also give up your rights to ever sue TTBS about any of the claims in this case.
EXCLUDE YOURSELF FROM THE SETTLEMENT	Get no compensation but keep rights to sue separately. If you ask to exclude yourself from the settlement, you will not receive any compensation from the settlement, but you will keep your rights to file a separate claim. Please note that you cannot exclude yourself from, or opt out of the PAGA payment. Please be advised, however, that the time limits for filing a separate claim may have expired. The deadline to do so is [RESPONSE DATE], which is 45 days from when this notice is mailed.
OBJECT OR COMMENT	Tell the Court why you like or don't like the settlement. You may write to the Court, or you may appear personally or through your own attorney and your own expense and tell the Court why you do or do not like the settlement. You must remain a part of the lawsuit to comment or object to the settlement, and you cannot object if you also ask to be excluded. The deadline to do so is [RESPONSE DATE], which is 45 days from when this notice is mailed.
APPEAR AT THE FINAL APPROVAL HEARING	Appear at the Final Approval Hearing to speak to the Court about the fairness of the Settlement. You are not required to do this. The Final Approval hearing for this settlement will be held on: Date: [INSERT DATE] Time: 9:00 AM Location: Department 17 of the above-captioned court, located at 312 North Spring Street, Los Angeles, California 90012

These rights and options – **and the time deadlines for exercising them** – are explained further in this Notice.

[EMPLOYEE NAME]*Anderson v. The Treatment Skin Boutique, Inc., et al.,*

1. WHY DID I GET THIS NOTICE?

You have received this Notice because we believe that you are a class member who may be entitled to money from this settlement.

This Notice describes a proposed settlement of the lawsuit *Anderson v. The Treatment Skin Boutique, Inc.*, in the California Superior Court for the County of Los Angeles, Case Number 21STCV01911 (the “Anderson Action”) This Notice is being sent to you by the order of the Los Angeles County Superior Court, which preliminarily approved the settlement and conditionally certified the Settlement Class on July 21, 2022.

This Notice informs you of the terms of the proposed settlement, describes your rights and options in connection with the settlement, and explains what steps you may take to participate in, object to, or exclude yourself from, the settlement. Please note that you cannot exclude yourself from, or opt out of the PAGA payment. **If you do not exclude yourself from the settlement and the settlement is finally approved by the Court, you will receive a settlement payment and be bound by the terms of the settlement and any final judgment.**

The Anderson Action was filed by Plaintiff Debra Anderson (“Anderson”) as a proposed class action on behalf of individuals who worked as hourly non-exempt employees for The Treatment Skin Boutique, Inc. (“TTSB”).

The Anderson Action alleges that TTSB failed to pay Class Members all wages due, including minimum, overtime, failed to provide all meal and rest breaks required under California law, failed to provide proper itemized wage statements, failed to reimburse certain business expenses, failed to timely pay all wages due on separation of employment, and engaged in unfair competition. The Actions also allege a claim for civil penalties under the California Private Attorneys General Act, Cal. Labor Code sections 2698, *et seq.* (abbreviated “PAGA”).

At all times TTSB has denied each and all of the claims and contentions alleged in the Actions, denied it engaged in any illegal or actionable conduct of any kind, and denied it owes any damages, restitution, or penalties of any kind or nature whatsoever. No court has made any rulings regarding the merits of the Actions.

2. WHAT IS THIS LAWSUIT ABOUT?

After investigating, engaging in a full day of mediation before a mediator, and post-mediation negotiations, in which both sides recognized the substantial risks of an adverse result in the Actions for either side, Plaintiff Anderson and TTSB agreed on a class settlement that was preliminarily approved by the Court on July 21, 2022.

The proposed settlement of the Action covers all individuals employed by TTSB in California as an hourly-paid/non-exempt employee between January 21, 2017 and July 21, 2022.

The settlement represents a compromise of highly disputed claims. Nothing in the settlement is intended to or will be construed as an admission by TTSB that any claims in the Actions have merit or that it has any liability to Plaintiff Anderson, or the Class on those claims.

[EMPLOYEE NAME]*Anderson v. The Treatment Skin Boutique, Inc., et al.,*

The parties and their counsel have concluded the settlement is advantageous, considering the risks and uncertainties to each side of continued litigation and trial. Plaintiff Anderson and Class Counsel support the settlement.

3. WHAT IS A CLASS ACTION?

In a class action lawsuit, one or more persons, called Class Representative(s), sues on behalf of other people who have similar claims. Anderson is the Class Representative in the Lawsuit, and her asserts claims on behalf of herself and the Class Members. All of the Class Members form a Class. A class action allows one court to resolve the claims of all the Class Members at the same time.

4. WHY IS THERE A SETTLEMENT?

No Court or Judge has decided in favor of Plaintiff Anderson or in favor of TTSB. Instead, both sides agreed to a settlement. That way, both sides avoid the risks and costs of a trial, and people affected will quickly receive compensation. The Class Representative and the Class Counsel think the settlement is best for the Class.

5. WHO IS INCLUDED IN THE SETTLEMENT CLASS?

All individuals who worked for TTBS in California as an hourly-paid/non-exempt employee from January 27, 2017 to July 21, 2022, are included in the Class.

According to TTSB records, you are a member of the Class and eligible for payments under the settlement. If you are still not sure if you are entitled to participate in the settlement, please call (800) 523-5773.

6. WHAT ARE THE TERMS OF THE CLASS SETTLEMENT?

In exchange for the release of claims against it and final disposition of the Actions, TTSB will pay Two Hundred and Eighteen Thousand and Five Hundred Dollars and Zero Cents (\$218,500.00) (the “Maximum Settlement Amount”).

After attorney’s fees and costs, service payment to the Class Representative, a payment to the California Labor & Workforce Development Agency, and settlement administration costs are deducted from the Gross Settlement Amount, the remaining amount (the “Distributable Amount”) will be distributed to those Class Members who do not exclude themselves from the settlement, on a pro-rata basis. The payment will be made shortly after the Court gives its final approval to the settlement.

Subject to Court approval, the Gross Settlement Amount will be allocated as follows:

- **Settlement Awards: Each Class Member who does not exclude himself will receive a payment based the total number of pay periods they were employed by TTSB in California as an hourly-paid/non-exempt employee during the relevant time period.**

[EMPLOYEE NAME]*Anderson v. The Treatment Skin Boutique, Inc., et al.,*

Individual Settlement Awards will be calculated as follows: first, the Distributable Amount will be divided by the total number of weeks worked by all of the Class Members to determine the “weekly amount.” Second, the number of weeks worked by each individual Class Member will be multiplied by the “weekly amount” to arrive at each Class Member’s Individual Settlement Award.

Your estimated Individual Settlement Award is set forth in Section 7 below.

- **Class Representative Service Payments:** For acting as the Class Representative, Plaintiff Anderson will request from the Court an award of \$15,000.00 in recognition of and as compensation for her efforts, such as starting the Action, volunteering time to assist with the Action, and providing information and documents, as well as risks they assumed in starting and assisting with the prosecution of the Action. Any amounts ordered by the Court will be paid from the Maximum Settlement Amount.
 - **Class Counsel’s Attorney’s Fees and Costs:** Class Counsel will request from the Court no more than one-third (1/3) of the Maximum Settlement Amount (\$72,105.00) as attorney’s fees for litigation and resolution of the Actions. Class Counsel will also request from the Court reimbursement for litigation costs advanced on behalf of the Class, which are estimated to be no more than \$10,000.00. Any amounts ordered by the Court for Class Counsel’s attorney’s fees and costs will be paid from the Maximum Settlement Amount.
 - **PAGA Payment:** \$10,000.00 from the Maximum Settlement Amount is allocated for payment of civil penalties under the Private Attorneys General Act of 2004. Upon Court approval, 75% of the allocation (\$7,500.00) will be paid to the California Labor & Workforce Development Agency, and 25% (\$2,500.00) of the allocation will be distributed to the Class as part of the Distributable Amount.
 - **Settlement Administration:** The costs of settlement administration will not exceed \$10,000.00, which pays for tasks such as mailing and tracking this Notice, mailing checks and tax forms, and reporting to the parties and the Court. Any amount ordered by the Court will be paid from the Distributable Amount.
- All checks issued to Participating Class Members shall remain valid and negotiable for one hundred and eighty (180) days from the date of their issuance. One hundred eighty (180) calendar days from the date of mailing, the checks shall become null and void. The Court has approved and designated the State Bar’s Justice Gap Fund, one of three significant sources of funding for about 100 legal aid organizations across the state, as the *cy pres* recipient, therefore any un-cashed or abandoned checks shall be paid to the State Bar’s Justice Gap Fund

The Treatment Skin Boutique, Inc. Class Action Settlement Administration
 c/o Phoenix Settlement Administrators
 P.O. Box 7208
 Orange, CA, 92863

7. WHAT DO I RELEASE UNDER THE SETTLEMENT?

Released Class Claims

Provided that there is Final Approval of this Settlement, then as of July 21, 2022 (“Effective Release Date”), each Settlement Class Member, individually and on behalf of their respective

[EMPLOYEE NAME]*Anderson v. The Treatment Skin Boutique, Inc., et al.,*

successors, assigns, agents, attorneys, executors, heirs, and personal representatives, shall be deemed to have agreed to the following:

It is the desire of the Representative Plaintiff, Class Members, and Defendants to fully, finally, and forever settle, compromise, and discharge disputes and claims arising from or related to this Action. After Final Approval by the Court of this Agreement, after Defendants have made payment to fully fund the Maximum Settlement Amount, and by operation of the Agreement's terms, and except as to such rights or claims as may be created by this Agreement, all Authorized Claimants fully release and discharge the Released Persons from all Released Class Claims, whether known or unknown during the Class Period. All PAGA Employees and the State will fully release and discharge the Released Persons from all Released PAGA Claims upon approval of the settlement of PAGA Claims in this Action. Plaintiff and Defendants stipulate and agree that the consideration paid to the Class Members pursuant to this Agreement compensates the Class Members for all wages and penalties due to them arising from the claims alleged in the operative Complaint.

"Released Class Claims" means any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, or causes of action which relate to any and all claims alleged or which could have been alleged based on the facts in the Operative Complaint filed by Representative Plaintiff, both on her behalf and on behalf of the Class Members in this Action during the Class Period, under any state or local law, and shall specifically include but is not limited to claims for, Failure to Pay Minimum and Straight Time Wages [Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197], Failure to Pay Overtime Wages, Failure to Provide Meal Periods [Cal. Lab. Code §§ 226.7, 512], Failure to Authorize and Permit Rest Breaks [Cal. Lab. Code § 226.7], Failure to Timely Pay Final Wages at Termination [Cal. Lab. Code §§ 201-203], Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226], and Unfair Business Practices [Cal. Bus. & Prof. Code §§ 17200, et seq.], and any other claims, including claims for statutory and/or civil penalties, pertaining to the Class Members which were alleged or could have been alleged in operative Complaint, based upon the allegations and claims contained in the Operative Complaint. This release is limited in time to the Class Period covering the Class

[EMPLOYEE NAME]*Anderson v. The Treatment Skin Boutique, Inc., et al.,**Members who worked for the Released Persons in the State of California.**“Released PAGA Claims” means claims asserted by Representative Plaintiff for Civil Penalties under PAGA [Cal. Lab. Code § 2699, et seq.] based on the those claims for penalties that were brought or could have been brought based on the facts alleged in Plaintiff’s notice letter to the LWDA, including all attorney’s fees and costs related thereto.**“Released Persons” means Defendants The Treatment Skin Boutique, Inc., Ryan Jensen and Erin Jensen, and their respective past, present, and/or future agents, attorneys, insurers, reinsurers, divisions, affiliates, DBAs (if any), predecessors, successors, heirs, accountants, auditors, consultants, reinsurers, shareholders, officers, directors, managers, employees, trustees, representatives, administrators, fiduciaries, assigns, subrogees, executors, partners, parents, owners, subsidiaries, privies, and/or any and all persons and/or corporate entities acting by, through, under or in concert with any of them.**“Class Period” means the time period from January 19, 2017, through Preliminary Approval (July 21, 2022).**“PAGA Period” means the time period from January 14, 2020, through Preliminary Approval (July 21, 2022).***8. WHAT DO I NEED TO DO TO RECEIVE A SETTLEMENT PAYMENT, AND HOW MUCH WILL I RECEIVE?****You do not need to do anything to receive a payment from the settlement.**

Defendants’ records reflect that you have worked **<<Workweeks>>** workweeks as a Class Member during the Class Period. The estimated workweek payment rate for Class Members is \$40.95. (\$101,395.00 (Distributable Amount) - \$2,500 (PAGA penalties distributable to PAGA Class members) = \$98,895.00 / 2,415 number of workweeks worked by Class Members during the Class Period = \$40.95)

TTSB’s records show that, while you worked as an hourly-paid/non-exempt employee during the relevant time period, you worked a total of **[Insert Number]** Pay Periods. Based on this information, your estimated Individual Settlement Payment is **<<Amount>>**. Please note that because additional persons may file claims, opt out or challenge their qualifying workweeks, your actual gross share may be more or less, in addition, because tax withholdings and payments must be made with respect to a portion of this gross amount, your net payment will be less than your gross share.

TTSB’s records show that, while you worked as an hourly-paid/non-exempt employee during the relevant time period, you worked a total of **[Insert Number]** PAGA workweeks during the PAGA

[EMPLOYEE NAME]*Anderson v. The Treatment Skin Boutique, Inc., et al.,*

Period. The estimated PAGA Workweek Payment Rate is \$3.00. (\$2,500 (PAGA penalties distributable to PAGA Class members) / 833 number of PAGA Pay Periods worked by PAGA Class Members during the PAGA Period = \$3.00.)

Based on this information, your estimated PAGA Payment Share is <<PAGAestAmount>>. Please note that because additional persons may file claims or challenge their workweeks, your actual gross share may be more or less.

If you believe that your Qualifying Workweeks and/or PAGA Workweeks are not correct and believe you are entitled to payment based upon a different number of workweeks, then you must inform the Settlement Administrator in writing of the basis for contesting any of the assigned workweeks and timely submit any Proof of Work that you may have to the Settlement Administrator. "Proof of Work" means document(s) that a Class Member may submit to the Settlement Administrator to show that he or she is entitled to payment based upon a different number of Qualifying Workweeks and/or different number of PAGA Workweeks than the numbers calculated by the Settlement Administrator based on Defendants' data.

20% of your settlement award will be issued in checks representing unpaid wages with applicable federal, state, and local tax withholdings taken out, and you will be sent an IRS Form W-2 for tax purposes (just like a paycheck). The remaining 80% of your settlement award will be issued in checks representing unreimbursed expenses, penalties and interest, and you will be issued an IRS Form 1099 for tax purposes. You will need to speak with an accountant or other tax professional about any tax issues related to your settlement checks.

If you dispute the information about the amount of your anticipated Settlement Award, you must advise the Settlement Administrator and follow the steps below to substantiate your dispute.

To dispute the amount of your anticipated settlement share you must send in the mail any records (such as paystubs, pay checks or other records) supporting your calculation of the total number of weeks you were employed by TTSB between January 21, 2017 and July 21, 2022 as an hourly-paid/non-exempt employee along with a letter explaining the dispute, and be sure to include the last four digits of your social security number by **RESPONSE DATE**. The date of the postmark will determine if it was timely mailed. The Settlement Administrator will review the information you submit along with TTSB's records and make a determination as to the correct amount of your Settlement Award.

The Settlement Administrator is:

The Treatment Skin Boutique, Inc. Class Action Settlement Administration
 c/o Phoenix Settlement Administrators
 P.O. Box 7208
 Orange, CA, 92863
 Any Questions? Call (800) 523-5773

[EMPLOYEE NAME]*Anderson v. The Treatment Skin Boutique, Inc., et al.,***9. WHAT AM I GIVING UP TO STAY IN THE CLASS AND GET COMPENSATION?**

Unless you ask to be excluded, you will remain a part of the Settlement Class, and that means you can't sue, continue to sue, or be a part of any other lawsuit or proceeding making any of the same claims and allegations made in the Actions. It also means all of the Court's orders will apply to you and legally bind you. If you stay in the Settlement Class, upon final approval of the settlement by the Court, you will be deemed to have released and discharged TTSB as well as any and all of its affiliates, employees, directors, officers, shareholders, agents, attorneys, successors and assigns, from any and all claims, causes of action or obligations of any kind or nature whatsoever (including claims that have been or could have been asserted against them in this lawsuit or in any other lawsuit or claim in any other court or forum), that were alleged or could have been alleged based on the factual allegations regarding unpaid wages, missed or non-compliant meal breaks, unreimbursed expenses, and related claims for penalties, alleged in the operative Complaint for the Class Period of January 19, 2017 to July 21, 2022.

This Section only summarizes the Release of Claims. AMENDED JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE BETWEEN PLAINTIFF AND DEFENDANTS contains additional details about the scope of the Release and Released Claims, and you may obtain a copy of the Stipulation of Settlement from the Settlement Administrator or Class Counsel listed below.

10. DO I HAVE A LAWYER IN THIS CASE?

The Court has decided the law firm below are qualified to represent you and the Settlement Class. This law firm is called "Class Counsel."

MANJLAI LAW, PC
 6371 Haven Ave, Suite 3-141
 Rancho Cucamonga, CA 91701
 Email: hm@manjlailaw.com
 Tel: 951-268-4384

If you want to be represented by your own lawyer, you may hire one at your own expense.

11. WHAT IF I DON'T WANT TO PARTICIPATE IN THIS SETTLEMENT?

You have the right to request exclusion from the settlement. PLEASE NOTE THAT YOU CANNOT EXCLUDE YOURSELF FROM, OR OPT OUT OF THE PAGA PAYMENT. To do so, you must submit a written opt out request to the Settlement Administrator at the following address:

The Treatment Skin Boutique, Inc. Class Action Settlement Administration
 c/o Phoenix Settlement Administrators
 P.O. Box 7208
 Orange, CA, 92863
 Any Questions? Call (800) 523-5773

[EMPLOYEE NAME]*Anderson v. The Treatment Skin Boutique, Inc., et al.,*

A written request for exclusion must clearly state that you do not wish to be included in the settlement and should include sufficient information to enable the Settlement Administrator to identify you, such as your full legal name, home address and telephone number, and last four digits of your social security number. All requests for exclusion must be mailed by first-class mail no later than **RESPONSE DATE** to the Settlement Administrator at the above address. The date of the postmark will determine if your opt out request was timely mailed. Unless you timely request to be excluded from the settlement, you will be bound by the judgment upon final approval of the settlement and payment of the Gross Settlement Amount, including the Release described in this Notice.

If you timely request to be excluded from the settlement, you will not be entitled to receive any payment under the settlement. Class Counsel will not represent your interests if you request to be excluded.

12. WHAT IF I WANT TO OBJECT TO THIS SETTLEMENT?

Any Class Member who has **not** asked to be excluded from the settlement may object to the proposed settlement either in writing, by appearing at the Final Approval Hearing in person or through an attorney at your own expense, or both. The Final Approval Hearing is scheduled to take place on [REDACTED], 2022, at 9:00 a.m. in Department 17 of the above-captioned court, located at 312 North Spring Street, Los Angeles, California 90012.

All written objections and supporting papers, if any, should: (1) state your full name, address and telephone number; (2) provide a written statement of all grounds for the objection accompanied by any legal briefs in support for the objection, and (3) clearly identify the case name and number. The case name is “*Anderson v. The Treatment Skin Boutique, Inc.*” and the case number is “21STCV01911.”

Please note that you cannot exclude yourself from, or opt out of the PAGA payment.

You must submit your written objection and all supporting papers, if any, to the Settlement Administrator by mailing to the following address:

The Treatment Skin Boutique, Inc. Class Action Settlement Administration
c/o Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA, 92863

To be valid, your written objection and all supporting papers must be postmarked on or before **RESPONSE DATE**.

If you do not submit a written objection, you may still appear at the Final Approval Hearing and make your objection to the Court.

13. WHAT HAPPENS IF I DO NOT EXCLUDE MYSELF FROM THIS SETTLEMENT?

The settlement, if finally approved by the Court, will bind all Class Members who do not request to be excluded from the settlement whether or not they receive or timely cash their Settlement

[EMPLOYEE NAME]*Anderson v. The Treatment Skin Boutique, Inc., et al.,*

Awards. Final approval of the settlement will bar any Class Member who does not request to be excluded from the settlement from initiating a lawsuit or proceeding regarding the Released Claims. Please note that you cannot exclude yourself from, or opt out of the PAGA payment.

14. WHAT IF MY CONTACT INFORMATION CHANGES?

If, after you receive this Notice, you change your mailing address or telephone number, it is your responsibility to inform the Settlement Administrator of your updated information.

15. WHEN AND WHERE WILL THE COURT DECIDE TO WHETHER APPROVE THE SETTLEMENT?

The Final Approval Hearing is scheduled to take place on [REDACTED], 2022, at 9:00 a.m. in Department 17 of the Superior Court of the State of California for the County of Los Angeles, located at 312 North Spring Street, Los Angeles, California 90012. The date and time may change without further notice to the Class. Please note that face masks must be worn over the nose and mouth at all times in all public courthouse spaces.

You may appear at the Final Approval Hearing remotely using LACourtConnect. To learn more about how to appear remotely at the Final Approval Hearing using LACourtConnect and to schedule your remote LACourtConnect appearance, please visit <https://my.lacourt.org/laccwelcome>. User Guide for LA Court Connect is available at the following web address: <https://www.lacourt.org/documents/LACCWhatyouneedUG.pdf>

At the Final Approval Hearing, the Court will make a final decision whether to approve the settlement, and will also decide what amounts will be awarded to the Class Representative for a service award, and to Class Counsel for attorney's fees and costs.

16. HOW DO I GET FURTHER INFORMATION ABOUT THE SETTLEMENT?

This Notice is only a summary of the settlement. To obtain a copy of the Stipulation of Settlement (which defines the capitalized terms used in this Notice), the Court's Preliminary Approval Order, or the operative complaint filed in the Actions, please contact the Settlement Administrator at (800) 523-5773 or Class Counsel listed above.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact the Settlement Administrator at toll free number (800) 523-5773 or Class Counsel listed above. Please refer to the "The Treatment Skin Boutique, Inc. Class Action Settlement."

PLEASE DO NOT TELEPHONE OR CONTACT THE COURT WITH QUESTIONS OR FOR INFORMATION REGARDING THIS SETTLEMENT

EXHIBIT C

1 Haroon Manjlai (State Bar No. 310822)
hm@manjlailaw.com
2 **MANJLAI LAW PC**
6371 Haven Avenue, Suite 3-141
3 Rancho Cucamonga, California 91701
Phone: 951-268-4384

4 Attorney for Plaintiff DEBRA ANDERSON, individually, and on behalf of all others similarly
5 situated

6 Adam Y. Siegel (SBN 238568)
JACKSON LEWIS P.C.
7 725 South Figueroa St., Ste. 2500
Los Angeles, CA 90017
8 Phone: (213) 689-0404
Adam.Siegel@jacksonlewis.com

9 John Andrew Schaffer (SBN 320905)
10 JACKSON LEWIS P.C.
200 Spectrum Center Drive, Suite 500 Irvine, CA 92618
11 Phone: (949) 885-1360
John.Schaffer@jacksonlewis.com

12 Attorneys for Defendants THE TREATMENT SKIN BOUTIQUE, INC.; RYAN JENSEN; and
13 ERIN MARIE JENSEN

14
15
16 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
17 **COUNTY OF LOS ANGELES**
18

19 DEBRA ANDERSON, individually, and on
20 behalf of all others similarly situated,

21 PLAINTIFF,

22 v.

23 THE TREATMENT SKIN BOUTIQUE,
INC, a California corporation; RYAN
24 JENSEN, an individual; ERIN MARIE
JENSEN, an individual and DOES 1 - 20,
25 inclusive,

26 DEFENDANTS.
27

CASE No.: 21STCV01911

**AMENDED JOINT STIPULATION OF
CLASS ACTION AND PAGA
SETTLEMENT AND RELEASE BETWEEN
PLAINTIFF AND DEFENDANTS**

28 IT IS HEREBY STIPULATED AND AGREED by and between Defendants THE

1 TREATMENT SKIN BOUTIQUE, INC, RYAN JENSEN, and ERIN MARIE JENSEN (hereinafter
2 referred to as “Defendants”) on the one hand, and Plaintiff DEBRA ANDERSON (hereinafter
3 referred to as Plaintiff) on her own behalf and on behalf of the other “Class Members” as defined
4 herein, on the other hand (hereafter collectively referred to as the “Parties”), subject to the approval
5 of the Court pursuant to section 382 of the California Code of Civil Procedure and Rule 3.769 of
6 the California Rules of Court, that the settlement of the Action (as defined herein) shall be
7 effectuated and subject to the following terms and conditions:

8 I. **SUMMARY OF SETTLEMENT TERMS**

9 Under the terms of the Settlement, Defendants will pay the Maximum Settlement Amount
10 (“MSA”) of Two Hundred and Eighteen Thousand Five Hundred Dollars and Zero Cents
11 (\$218,500.00), without reversion, in exchange for the full and final settlement and release of any
12 and all claims that were or could have been alleged in the operative Complaint in this Action, based
13 upon the claims and allegations in the operative Complaint, and subject to the terms and conditions
14 outlined in this Agreement (as defined herein). This settlement does not require submission of a
15 claim form as a condition of participation and will be administered by Phoenix Settlement
16 Administrators, a third-party administrator. Defendants conditionally agree to stipulate, solely for
17 the limited purpose of consummating the terms of the Settlement contained in this Agreement, to
18 have the Court certify a class of all current and former non-exempt employees of Defendants who
19 worked for Defendants in California during the Class Period (as defined herein).

20 In addition, Plaintiff and Class Counsel will seek from the Maximum Settlement Amount:
21 (1) attorney’s fees in the amount of no more than Seventy-Two Thousand One Hundred and Five
22 Dollars and Zero Cents (\$72,105.00), representing 33% of the MSA; (2) Class Counsel Costs in the
23 amount of no more than Ten Thousand Dollars and Zero Cents (\$10,000.00); and (3) Enhancement
24 Payment for Plaintiff Debra Anderson in the amount of Fifteen Thousand Dollars and Zero Cents
25 (\$15,000.00). Furthermore, the Parties have agreed that Ten Thousand Dollars and Zero Cents
26 (\$10,000.00) of the Maximum Settlement Amount will be allocated as civil penalties under the
27 California Labor Code Private Attorneys General Act of 2004 (“PAGA”), with 75% of this amount,
28 Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00), to be paid to the California

1 Labor & Workforce Development Agency (“LWDA”) in satisfaction of any claim for civil penalties
2 that may be owed to that agency under the PAGA. The other 25%, or Two Thousand Five Hundred
3 Dollars and Zero Cents (\$2,500.00), will be distributed to the PAGA Employees (as defined herein)
4 on a pro-rata basis.

5 Finally, any and all Settlement Administration Fees, as defined herein, currently estimated
6 to be Ten Thousand Dollars and Zero Cents (\$10,000.00), will be paid from the Maximum
7 Settlement Amount. Other than the employer’s share of payroll taxes, Defendants will not be
8 responsible for anything more than the Maximum Settlement Amount. Payment of employer’s share
9 of payroll taxes and other required withholdings, based on Settlement Payment(s) to the Class
10 Members shall be paid by the Defendants in addition to the Maximum Settlement Amount. There
11 will be no reversion of any funds to the Defendants.

12 **II. DEFINITIONS**

13 As used in this Stipulation and Settlement Agreement the following terms shall have the
14 meanings specified below:

15 1. “Action” means this lawsuit, and the operative Complaint in the matter entitled Debra
16 Anderson v. The Treatment Skin Boutique, Inc., et. al., Los Angeles County Superior Court, Case
17 No. 21STCV01911.

18 2. “Agreement,” “Settlement,” or “Settlement Agreement” means this Stipulation and
19 Settlement Agreement, including any attached exhibits.

20 3. “Authorized Claimant(s)” means those Class Members who do not timely file a valid
21 Request for Exclusion with the Settlement Administrator provided under this Agreement.

22 4. “Class,” “Class Member,” or “Class Members” means any current or former non-exempt
23 employee of Defendants in California who worked for Defendants at any time during the Class
24 Period.

25 5. “Class Counsel” means Haroon Manjlai, Esq. of Manjlai Law, PC, 6371 Haven Ave.,
26 Suite 3-141, Rancho Cucamonga, California 91701.

27 6. “Class Counsel Costs” or “Attorneys’ Costs” means the amounts to be paid, after Court
28 approval, to Class Counsel for costs incurred by Class Counsel in this Action.

1 7. "Class Counsel Fees" or "Attorneys' Fees" means the amount to be paid, after Court
2 approval, to Class Counsel for attorneys' fees.

3 8. "Class Notice" or "Notice of Settlement" means the form to be prepared by the Parties
4 and sent to the Class Members, after the Court preliminarily approves the terms contained in the
5 Agreement informing them of the material terms of the Agreement, why they are receiving the
6 notice, and what their options are to object, or be excluded from the Settlement. The Class Notice
7 is attached hereto as Exhibit 1. The Class Notice shall be in English.

8 9. "Class Notice Period," "Notice Period," or "Response Period" means a period of forty-
9 five (45) calendar days after the original date of the Settlement Administrator's mailing of the Notice
10 of Settlement.

11 10. "Class Pay Period Value" means the value of all Class Member pay periods which the
12 Settlement Administrator shall determine by dividing the Net Settlement Proceeds (less the PAGA
13 Payment to the PAGA Employees) by the Total Class Pay Periods.

14 11. "Class Period" means the time period from January 19, 2017, through Preliminary
15 Approval.

16 12. "Complaint" or "Operative Complaint" means the First Amended Class Action and
17 Representative Complaint ("FAC") for: (1) Failure to Pay Minimum and Straight Time Wages [Cal.
18 Lab. Code §§ 204, 1194, 1194.2, and 1197]; (2) Failure to Pay Overtime Wages; (3) Failure to
19 Provide Meal Periods [Cal. Lab. Code §§ 226.7, 512]; (4) Failure to Authorize and Permit Rest
20 Breaks [Cal. Lab. Code § 226.7]; (5) Failure to Timely Pay Final Wages at Termination [Cal. Lab.
21 Code §§ 201-203]; (6) Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code §
22 226]; (7) Unfair Business Practices [Cal. Bus. & Prof. Code §§ 17200, et seq.]; and (8) Civil
23 Penalties Under PAGA [Cal. Lab. Code § 2699, et seq.].

24 13. "Counsel for Defendants," "Defense Counsel," or "Defendants' Counsel" means Adam
25 Y. Siegel, Esq., of JACKSON LEWIS, PC., 725 South Figueroa St., Ste. 2500, Los Angeles, CA
26 90017, Telephone No.: (213) 689-0404 and John Andrew Schaffer, Esq., of JACKSON LEWIS,
27 PC, 200 Spectrum Center Dr., Suite 500, Irvine, CA 92618, Telephone No.: (949) 885-1360.

28 14. "Court" means the Los Angeles Superior Court in which the Action is currently pending,

1 and located at 312 N. Spring Street, Los Angeles, California 90012. Court shall also mean any other
2 Court that acquires proper jurisdiction of this Action.

3 15. "Distributable Amount," "Net Settlement Proceeds," or "NSP" means the amount that is
4 distributable to the Authorized Claimants, and equals the Maximum Settlement Amount less Class
5 Counsel Fees, Class Counsel Costs, Enhancement Payment, PAGA Payment, and Settlement
6 Administration Fees.

7 16. "Effective Date" means the date when all of the following events have occurred: (1) the
8 Settlement Agreement has been executed by all Parties, Class Counsel, and Defendant's Counsel;
9 (2) the Court has granted preliminary approval to the Settlement; (3) the Notice of Class Action
10 Settlement has been mailed to the Class, providing them with an opportunity to object to or opt out
11 of the Class Settlement; (4) the Court has held a Final Approval Hearing and entered a Final
12 Approval Order and Judgment; (5) sixty-five (65) calendar days have passed since the Court has
13 entered the Final Approval Order and Judgment; and (6) in the event there are written objections
14 filed prior to the Final Approval Hearing that are not later withdrawn or denied, the later of the
15 following events: (a) five (5) business days after the period for filing any appeal, writ, or other
16 appellate proceeding in connection with the Final Approval Order and Judgment has elapsed without
17 any appeal, writ, or other appellate proceeding having been filed; or (b) if any appeal, writ, or other
18 appellate proceeding in connection with the Final Approval Order and Judgment has been filed, five
19 (5) business days after any appeal, writ, or other appellate proceedings in connection with the Final
20 Approval Order and Judgment has been finally and conclusively dismissed with no right to pursue
21 further remedies or relief. "Final Approval" means the Court's entry of the Final Approval Order
22 and Judgment.

23 17. "Enhancement Payment" or "Class Representative Enhancement" means the payment to
24 Representative Plaintiff Debra Anderson, in addition to whatever payment she would otherwise be
25 entitled to as an Authorized Claimant.

26 18. "Final Approval Hearing" refers to the hearing during which the Parties will seek final
27 approval of this Agreement.

28 19. "Final Judgment" means the order and/or judgment entered by the Court pursuant to the

1 terms set forth in this Agreement finally and fully giving effect to the terms contained in this
2 Agreement as to the Representative Plaintiff and the Class, except those Class Members who timely
3 Opt-Out.

4 20. "Plaintiff" or "Representative Plaintiff" means Plaintiff Debra Anderson (and her
5 representative(s), heir(s), assign(s), and attorney(s)).

6 21. "PAGA Employee" or "PAGA Employees" means the Class Members employed during
7 the PAGA Period.

8 22. "PAGA Payment" means the amount of Ten Thousand Dollars and Zero Cents
9 (\$10,000.00) of the Maximum Settlement Amount to be allocated as civil penalties under the
10 California Labor Code Private Attorneys General Act of 2004 ("PAGA"), with 75% of this amount,
11 Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00), to be paid to the LWDA in
12 satisfaction of any claim for civil penalties that may be owed to that agency under the PAGA. The
13 other 25%, or Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00), will be distributed
14 to the PAGA Employees based on the PAGA Pay Period Value.

15 23. "PAGA Period" means the time period from January 14, 2020, through Preliminary
16 Approval.

17 24. "PAGA Pay Period Value" means the value of all PAGA Employee pay periods that the
18 Settlement Administrator shall determine by dividing the PAGA Payment by Total PAGA Pay
19 Periods.

20 25. "Maximum Settlement Amount" or "MSA" means the total amount of Two Hundred
21 Eighteen Thousand Five Hundred Dollars and Zero Cents (\$218,500.00) to be paid by Defendants
22 pursuant to the terms of this Agreement.

23 26. "Notice Returns" means envelopes containing the Class Notice that were mailed by the
24 Settlement Administrator to Class Members but were undeliverable and returned to the Settlement
25 Administrator by the United States Postal Service.

26 27. "Objection to Class Settlement" means any written objection to this Settlement by Class
27 Members who do not choose to be excluded from the Class that is served on the Settlement
28 Administrator within the Opt-Out Period.

1 28. "Opt-Out Period" refers to the deadline of no later than forty-five (45) calendar days
2 after the original date of the Settlement Administrator's mailing of the Notice of Settlement that any
3 Class Member, who wishes to be excluded from the Settlement, submits a Request for Exclusion.
4 Class Members may not opt-out of the PAGA payment.

5 29. "Preliminary Approval Order" is the order preliminarily approving the settlement terms
6 contained in this Agreement.

7 30. "Preliminary Approval Date" is the date the Court grants preliminary approval of this
8 Settlement.

9 31. "Redirected Notice" means a re-mailing of the Class Notice mailed by the Settlement
10 Administrator to a new or different address to a Class Member that was obtained by the Settlement
11 Administrator as a result of a Notice Return.

12 32. "Released Class Claims" means any and all claims, debts, liabilities, demands,
13 obligations, guarantees, costs, expenses, attorneys' fees, damages, or causes of action which relate
14 to any and all claims alleged or which could have been alleged based on the facts in the Operative
15 Complaint filed by Representative Plaintiff, both on her behalf and on behalf of the Class Members
16 in this Action during the Class Period, under any state or local law, and shall specifically include
17 but is not limited to claims for, Failure to Pay Minimum and Straight Time Wages [Cal. Lab. Code
18 §§ 204, 1194, 1194.2, and 1197], Failure to Pay Overtime Wages, Failure to Provide Meal Periods
19 [Cal. Lab. Code §§ 226.7, 512], Failure to Authorize and Permit Rest Breaks [Cal. Lab. Code §
20 226.7], Failure to Timely Pay Final Wages at Termination [Cal. Lab. Code §§ 201-203], Failure to
21 Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226], and Unfair Business Practices
22 [Cal. Bus. & Prof. Code §§ 17200, et seq.], and any other claims, including claims for statutory
23 and/or civil penalties, pertaining to the Class Members which were alleged or could have been
24 alleged in operative Complaint, based upon the allegations and claims contained in the Operative
25 Complaint. This release is limited in time to the Class Period covering the Class Members who
26 worked for the Released Persons in the State of California.

27 33. "Released PAGA Claims" means claims asserted by Representative Plaintiff for Civil
28 Penalties under PAGA [Cal. Lab. Code § 2699, et seq.] based on the those claims for penalties that

1 were brought or could have been brought based on the facts alleged in Plaintiff's notice letter to the
2 LWDA, including all attorney's fees and costs related thereto.

3 34. "Released Persons" means Defendants The Treatment Skin Boutique, Inc., Ryan Jensen
4 and Erin Jensen, and their respective past, present, and/or future agents, attorneys, insurers,
5 reinsurers, divisions, affiliates, DBAs (if any), predecessors, successors, heirs, accountants,
6 auditors, consultants, reinsurers, shareholders, officers, directors, managers, employees, trustees,
7 representatives, administrators, fiduciaries, assigns, subrogees, executors, partners, parents, owners,
8 subsidiaries, privies, and/or any and all persons and/or corporate entities acting by, through, under
9 or in concert with any of them.

10 35. "Request for Exclusion" or "Opt-Out" means a written request by a Class Member to be
11 excluded from the Class and the Settlement containing all the information necessary as detailed
12 herein. Class Member may not exclude him or herself from the PAGA Payment.

13 36. "Settlement Administrator" refers to Phoenix Settlement Administrators, the entity that
14 Class Counsel and Counsel for Defendants selected to administer this Settlement and to act as the
15 Settlement Administrator to process the Settlement under the terms of this Agreement.

16 37. "Settlement Administration Fees" means the fees and costs, currently estimated at Ten
17 Thousand Dollars and Zero Cents (\$10,000.00), incurred or charged by the Settlement
18 Administrator in connection with the execution of its duties under this Agreement including, but not
19 limited to: (i) fees and costs associated with preparing, issuing and/or monitoring reports, filings
20 and notices (including the cost of printing and mailing all notices and other documents to the Class)
21 required to be prepared in the course of administering the Settlement; (ii) computing the amount of
22 the Settlement Payments, taxes, and any other payments to be made under this Agreement; (iii)
23 handling inquiries about the calculation of individual Settlement Payments; (iv) establishing and
24 operating a Settlement payment center address, and phone number to receive Class Members'
25 inquiries about the Settlement; and (v) remitting any tax deductions or subtractions applicable under
26 the law and/or pursuant to this Agreement and preparing and submitting any filings required by any
27 governmental taxing authority or other governmental agency.

28 38. "Settlement Payment" or "Individual Settlement Payment" refers to the payment to any

1 Authorized Claimant pursuant to the terms of this Agreement.

2 39. "Total Workweeks" means the total number of workweeks that all Class Members were
3 employed by Defendants during the Class Period.

4 40. "Total PAGA Pay Periods" means the total number of pay periods that all PAGA
5 Employees were employed by Defendants during the PAGA Period.

6 **III. BACKGROUND**

7 The original complaint in this Action was filed on January 19, 2021, in the Superior Court
8 of the State of California, County of Los Angeles. Plaintiff subsequently filed a First Amended
9 Complaint on April 10, 2021, which is the Operative Complaint. In her Operative Complaint,
10 Plaintiff asserts the following claims: (1) Failure to Compensate for Non-Productive Time and Rest
11 and Recovery Periods Separate from any Piece-Rate Compensation, and Failure to Comply with the
12 Wage Statement Requirements for Piece-Rate Compensation [Cal. Lab. Code § 226.2]; (2) Failure
13 to Pay Minimum and Straight Time Wages [Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197]; (3)
14 Failure to Pay Overtime Compensation [Cal. Lab. Code §§ 1194 and 1198]; (4) Failure to Provide
15 Meal Periods [Cal. Lab. Code §§ 226.7, 512]; (5) Failure to Authorize and Permit Rest Breaks [Cal.
16 Lab. Code §§ 226.7]; (6) Failure to Timely Pay Final Wages at Termination [Cal. Lab. Code §§ 201-
17 203]; (7) Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226]; (8) Unfair
18 Business Practices [Cal. Bus. & Prof. Code §§ 17200, et seq.]; and (9) Civil Penalties Under PAGA
19 [Cal. Lab. Code § 2699, et seq.]. On January 14, 2021, Plaintiff sent a letter to the LWDA, alleging
20 Defendants violated the California Labor Code, and seeking penalties under PAGA. Specifically,
21 Plaintiff alleged Defendant: Failed to Compensate for Non-Productive Time and Rest and Recovery
22 Periods Separate from any Piece-Rate Compensation, and Failure to Comply with the Wage
23 Statement Requirements for Piece-Rate Compensation, failed to Pay Minimum and Straight Time
24 Wages, failed to Pay Overtime Compensation, failed to Provide Meal Periods, failed to Authorize
25 and Permit Rest Breaks, failed to Timely Pay Final Wages at Termination, failed to Provide
26 Accurate Itemized Wage Statements, and engaged in Unfair Business Practices.

27 Defendants deny each and every one of the allegations asserted in the Operative Complaint
28 and asserts that they have no liability for the Plaintiff's claims or the Class.

1 The Parties have conducted a significant investigation of the facts and law during the
2 prosecution of this Action, which included informal discovery. The informal discovery included the
3 exchange of class information such as class size and composition, the production of Class Members'
4 time and payroll records, as well as Defendants' written wage and hour policies and practices. The
5 Parties conducted the aforementioned investigation and informal discovery in anticipation of, and
6 prior to, the private mediation of the Action. Counsel for the Parties investigated the law as applied
7 to the discovered facts regarding the alleged claims of the Representative Plaintiff and the potential
8 defenses thereto, and the potential damages claimed by the Representative Plaintiff.

9 Thereafter, the Parties participated in a full day mediation on August 26, 2021, before an
10 experienced and well-regarded mediator, Kelly Knight, Esq. Through the efforts of all Parties and
11 their counsel, as well as the invaluable assistance of the mediator, the Parties were eventually able
12 to reach a mutual understanding of the material terms of settlement, which are memorialized in this
13 Agreement.

14 Representative Plaintiff and Class Counsel concluded, after taking into account the sharply
15 disputed factual and legal issues involved in the Action, the risks and substantial expenses involved
16 in the further prosecution of this case, and the substantial benefits to be received pursuant to the
17 compromise and settlement of the Action at this early stage, as set forth in this Agreement, that
18 settlement on the terms set forth herein is in the best interest of Representative Plaintiff and the
19 Class, and is fair and reasonable. In particular, Class Counsel and Representative Plaintiff
20 understand the risk of the class certification process, as well as the potential merits of affirmative
21 defenses expected to be raised by the Defendant. In light of the risks related to certifying a class,
22 prevailing on an anticipated motion for summary judgment and a potential trial, the recovery of Two
23 Hundred Eighteen Thousand Five Hundred Dollars and Zero Cents (\$218,500.00) obtained in the
24 Action is both reasonable and fair.

25 Similarly, Defendants concluded that there are benefits associated with settling the Action
26 at this early stage. After considering the sharply disputed factual and legal issues involved in the
27 Action, the expense and burden of protracted litigation, and its desire to put the controversy to rest,
28 Defendants believe that settlement on the terms set forth in this Agreement is in its best interest and

1 is fair and reasonable. Defendants have concluded that the future costs and expenses involved in
2 continuing the Action are substantial and chose to eliminate any further expenses, attorneys' fees,
3 and risks via the Settlement. Given the severely disputed nature of the case, it is expected that
4 substantial expenses will be incurred determining many issues dealing with discovery, a class
5 certification motion, a Summary Judgment motion, eventual trial, and possible appeals.

6 This Agreement contemplates (i) entry of an Order preliminarily approving the Settlement
7 and approving certification of a provisional settlement class, contingent upon final approval of the
8 Settlement; (ii) the mailing of a Notice of Settlement to all Class Members; (iii) the processing of
9 any objections, and opt-outs by the Settlement Administrator, as well as payment to the Class
10 Members after final approval of this Agreement by the Court; and (iv) entry of Final Judgment
11 granting final approval of the Settlement.

12 **IV. SETTLEMENT APPROVAL & IMPLEMENTATION PROCEDURE**

13 **A. Preliminary Approval of the Settlement**

14 As soon as practicable, Class Counsel will also submit this Agreement to the Court for its
15 preliminary approval. Such submission will include such motions, pleadings, and evidence as may
16 be required for the Court to determine that this Agreement is fair, adequate, and reasonable, as
17 required by section 382 of the California *Code of Civil Procedure* and Rule 3.769 of the California
18 *Rules of Court*. Such submission will also include a Notice of Class Settlement and Notice of
19 Settlement Award ("Notice of Settlement") in substantially the form attached hereto as Exhibit 1.

20 **B. Motion for Preliminary Approval**

21 (a) Promptly upon the full execution of this Settlement, Plaintiff shall file a
22 motion for Preliminary Approval with the Court seeking an order granting Preliminary Approval,
23 setting a date for the Final Approval Hearing and briefing schedule, approving the Class Notice (in
24 the forms attached hereto as Exhibits 1), approving the procedure for objecting to and requesting
25 exclusion from the Settlement.

26 (b) The Parties will jointly appear at the hearing on the motion for Preliminary
27 Approval and support the granting of Preliminary Approval.

1 (c) Should the Court fail to approve preliminarily all material aspects of the
2 Settlement, the Settlement will be null and void, and the Parties will have no further obligations
3 under it.

4 **C. Conditional Certification of the Class**

5 Defendants hereby consent, solely for purposes of the Settlement set forth in this Agreement,
6 to the conditional certification of the Class, to the conditional appointment of Class Counsel, and to
7 the conditional approval of the Representative Plaintiff, provided however, that if the Settlement
8 fails to be approved or otherwise fails to be consummated for any reason whatsoever, including but
9 not limited to the Final Judgment not becoming final, then Defendants retain all rights previously
10 available to them, and any provisional certification of any class, or the adoption of any procedure
11 herein, shall be undone and the Parties restored to their pre-settlement status as if no settlement had
12 been reached and no decisions were made pursuant to it. In that event, nothing in this Agreement
13 or other papers or proceedings related to the Settlement shall be used as evidence or argument by
14 any party, including any Class Members who opt out, concerning whether or not the claims
15 advanced in the Complaint may properly be maintained as a class action, whether the purported
16 class is ascertainable, or whether Class Counsel or the Representative Plaintiff can adequately
17 represent the members of the class under applicable law.

18 **D. Cooperation**

19 The Parties agree to cooperate fully with each other to accomplish the terms and
20 requirements of this Agreement, including but not limited to, the execution of such documents and
21 to take such other action as may reasonably be necessary to implement the terms of this stipulated
22 Settlement.

23 Except as otherwise provided herein, neither party nor any of their attorneys or agents shall
24 initiate any communication with any Class Members for the purpose of encouraging or discouraging
25 them to Opt-Out of the Class, or to object to the Settlement contained herein, unless agreed upon by
26 the other party in writing or if authorized by the Court. This provision in no way limits Class
27 Counsel from communicating with the Representative Plaintiff, nor does the provision limit Class
28 Counsel from responding to any inquiry initiated by any Class Members.

1 The Parties shall promptly submit this Agreement for preliminary approval and
2 determination by the Court as to its fairness, adequacy, and reasonableness. Promptly upon
3 execution of this Agreement, the Parties shall apply to the Court for the entry of a Preliminary
4 Approval Order scheduling a hearing to determine whether the proposed Class Settlement should
5 be approved as fair, reasonable, and adequate as to the Class Members, and approving as to form
6 and content of the proposed Notice of Settlement.

7 **E. Notice of Settlement by Mail**

8 Defendants ~~must deliver~~ as soon as practicable, but no later than ten (10) business days after
9 the Preliminary Approval Date, to the Settlement Administrator a ~~class~~ list containing the Class
10 Members' names, last known addresses, dates of employment, and social security numbers, which
11 will be used to send the Notice of Settlement to the Class Members. Using this list, the Settlement
12 Administrator shall calculate the Class Pay Period Value, PAGA Pay Period Value, and the
13 Individual Settlement Payment which each Class Member is entitled to pursuant to the formula
14 provided in Section IV(O)(2), below, and mail the Notice of Settlement via First-Class mail using
15 the United States Postal Service to the most recent address known for each Class Member within
16 twenty (20) calendar days of receipt from Defendants of the Class Members' information. Before
17 mailing the Notice of Settlement, the Settlement Administrator shall review the National Change of
18 Address registry for all Class Members and/or skip trace to determine the most up-to-date addresses
19 of all Class Members. If any Notices of Settlement are returned with a forwarding address, the
20 Settlement Administrator will re-mail the Notice of Settlement to the Class Member whose notice
21 was returned.

22 ~~Class Members shall have forty-five (45) calendars days from the date the Class Notice is~~
23 ~~first mailed by the Settlement Administrator ("Class Notice Period" or "Notice Period") to submit~~
24 ~~a Request for Exclusion, or an Objection to Class Settlement, as further explained herein.~~

25 In the event that prior to the final date for any Class Member to Opt-Out, any Notice mailed
26 to the Class Member is returned as having been undelivered by the U.S. Postal Service ("Notice
27 Return"), the Settlement Administrator shall, via skip-tracing, seek an address correction from such
28 Class Member(s), and send a Redirected Notice to the new or different address within seven (7)

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1 calendar days if such address is found. ~~During the entire Class Notice Period the~~ Settlement
2 Administrator ~~shall~~ conduct any investigation it deems economically reasonable and consistent with
3 its role and industry practice to ~~locate and to~~ determine the correct address of any Class Member.

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4 The Notice of Settlement to Class Members shall notify the Class Members of the fact and
5 nature of this Settlement. Further, the Notice of Settlement shall inform the Class Members that they
6 are entitled to a Settlement Payment and shall indicate the number of Total Class Pay Periods and/or
7 Total PAGA Pay Periods calculated for the particular Class Member along with the estimated
8 amount of the Settlement Payment the particular Class Member will receive if the Settlement is
9 approved. The Notice of Settlement will also specifically inform Class Members that they do not
10 have to submit a claim form in order to receive Settlement Payment. Moreover, the Notice of
11 Settlement shall outline the procedures for submitting Opt-Outs and/or Objections to the Settlement
12 and all deadlines applicable thereto. The Notice of Settlement to Class Members shall also inform
13 Class Members of the deadline by which the checks representing the Settlement Payments must be
14 cashed/negotiated (180 calendar days), and also that by cashing/negotiating the checks representing
15 the Settlement Payments, it shall constitute opting-in for a release of claims under the Fair Labor
16 Standards Act to the extent such claims fall within the definition of Released Class Claims as that
17 phrase is defined and used in this Agreement.

18 ~~In any instance where a Notice is first returned to the Settlement Administrator within ten~~
19 days of the end of the original Notice Period, and a new address for that Class Member can be
20 located via a first skip-tracing, the Notice Period will be extended by forty-five (45) calendars days
21 for that Class Member. A letter prepared by the Settlement Administrator will be included in the
22 re-mailed Notice in that instance, stating the extended Notice Period.

Deleted: Class Members shall have forty-five (45) calendars days from the date the Class Notice is first mailed by the Settlement Administrator ("Class Notice Period" or "Notice Period") to submit a Request for Exclusion, or an Objection to Class Settlement, as further explained herein.

23 **F. Requests for Exclusion ("Opt-Outs")**

24 Any Class Member who wishes to be excluded from the Settlement outlined herein must
25 mail to the Settlement Administrator a written statement expressing his or her desire to be excluded
26 from the Settlement (a "Request for Exclusion" or "Opt-Out"). For the Request for Exclusion to be
27 accepted it must be timely and valid. To be valid the Request for Exclusion must contain a statement
28 that the Class Member requests to be excluded from the class and must include the name (and former

names used during his/her employment with Defendants, if any), current address, telephone number, and last 4 numbers of their social security number. In addition, the statement shall be signed and dated by the Class Member.

To be timely, any Class Member who wishes to be excluded from the Settlement must submit a Request for Exclusion to the Settlement Administrator postmarked no later than the end of the Notice Period. Any Class Member who submits a valid and timely Request for Exclusion or Opt-Out shall no longer be a member of the Class, shall be barred from participating in this Settlement, shall not receive a Settlement Payment, shall be barred from objecting to this Settlement, and shall receive no benefit from this Settlement and will not be bound by Settlement or release of claims. Any Class Member who fails to submit a timely Request for Exclusion or Opt-Out within the Notice Period shall be bound by all terms of this Agreement, regardless of whether that Class Member receives and/or cashes his or her check for Settlement Payment.

In the event that the Court approves the terms of Settlement related to PAGA, PAGA Employees will be bound by Settlement, regardless of whether they chose to Opt-Out of the Settlement of Class claims.

G. Declaration of Compliance

As soon as practicable, but no later than ten (10) calendar days following the Opt-Out-Period, the Settlement Administrator shall provide Class Counsel and Counsel for Defendants with a declaration attesting to completion of the notice process set forth in this Section (Section IV) of the Agreement, including an explanation of efforts to resend undeliverable notices returned with forwarding addresses, and a summary of disputed claims, and opt outs including the name of the class members opting out, which declaration shall be filed with the Court by Class Counsel along with their papers requesting Final Approval of the Settlement.

H. Sufficient Notice

Compliance with the procedures described in this Section shall constitute due and sufficient notice to Class Members of this Settlement and the final approval hearing, shall satisfy the requirements of due process, and nothing else shall be required of the Representative Plaintiff, Class Counsel, Defendants, Counsel for Defendants, or the Settlement Administrator to provide additional

1 notice of the settlement and the Final Approval Hearing, unless expressly ordered by the Court.

2 **I. Objections to Settlement**

3 Any Class Member may object to the Settlement. To object, the Class Member may appear
4 in person at the Final Approval Hearing, have an attorney object for the Class Member, or submit a
5 written brief or statement of objection to the Settlement Administrator (an Objection to Class
6 Settlement). Upon receipt, the Settlement Administrator will transmit a copy of any Objection to
7 Class Settlement it receives to the attorneys for the Parties. If any Class Member chooses to submit
8 an Objection to Class Settlement, as set forth in the Notice, the written objection should contain
9 sufficient information to confirm the identity of the objector and the basis of the objection, including
10 (1) the full name of the Settlement Class Member; (2) the signature of the Settlement Class Member;
11 (3) the grounds for the objection; and (4) be postmarked within the Notice Period to permit adequate
12 time for processing and review by the Parties of the written statement or objection. As soon as
13 practicable, the Settlement Administrator shall forward any and all Objections to Class Settlement
14 to Class Counsel and Defense Counsel. Class Counsel shall ensure that any written objections are
15 transmitted to the Court for the Court's review (either as an attachment to a declaration from Class
16 Counsel or as an attachment to a declaration from the Settlement Administrator). The Court may,
17 in its sole discretion, permit any Settlement Class Member to state comments about the Settlement
18 or objections to the Settlement at the Final Approval hearing, regardless of whether the Settlement
19 Class Member has submitted an Objection to Class Settlement. Regardless of the form, an objection
20 alone will not satisfy the requirement that a Settlement Class Member must formally intervene and
21 become a party of record in the action to appeal a Judgment entered following an Order or Judgment
22 finally approving this Settlement, as is required under the California Supreme Court decision of
23 *Hernandez v. Restoration Hardware*, 4 Cal. 5th 260 (2018). A Class Member who does not object
24 prior to or at the Final Approval Hearing, will be deemed to have waived any objections and will be
25 foreclosed from making any objections (whether at the Final Approval Hearing, by appeal, or
26 otherwise) to the Settlement. If the objecting Class Member does not formally intervene in the
27 action and/or the Court rejects the Class Member's objection, the Class Member will still be bound
28 by the terms of this Agreement. Class Counsel and Defendant's Counsel may, at least five days (or

1 some other number of days as the Court shall specify) before the final approval hearing, file
2 responses to any Objections to Class Settlement received by the Settlement Administrator.

3 In order to object to the Class Settlement, the Class Member must not have submitted a
4 Request for Exclusion. PAGA Employees may not object to the PAGA Settlement.

5 At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage
6 Class Members to object to the Settlement or appeal from the Final Judgment. Class Counsel shall
7 not represent any Class Members with respect to any such objections.

8 If a person submits an Objection to Class Settlement and a Request for Exclusion, the
9 Settlement Administrator shall take reasonable steps to contact the Class Member to determine
10 whether the Class Member wishes to object and remain in the Class or be excluded from the Class.
11 If the Settlement Administrator is unable to determine the Class Member's choice, the objection
12 shall be valid and the Request for Exclusion shall be null and void, and the Class Member shall be
13 counted as part of the Class and be bound by the terms and conditions of the Settlement.

14 The Settlement Administrator shall provide Defendant's Counsel and Class Counsel a
15 weekly report showing at a minimum: (i) the number of Class Members who have submitted timely,
16 valid Requests to be Excluded or Objections, and copies thereof; (ii) whether any Class Member
17 has submitted a challenge to their inclusion in this Action; and (iii) statistics showing which disputes
18 that have been resolved and which have not been resolved. Additionally, the Settlement
19 Administrator will provide to counsel for both Parties any updated reports as needed or requested.

20 If a Class Member disputes the number of Workweeks stated for that Class Member in the
21 Class Notice, the Class Member must mail to the Settlement Administrator, not later than ~~forty-five~~
22 (45) days after the date that the Settlement Administrator first mails the Class Notice, a letter
23 disputing the number of Workweeks that he or she claims to have worked for Defendant in
24 California. Such Class Members also will be asked to submit any supporting documentation for their
25 assertion. If such a dispute arises, Defendants will review ~~their~~ records and any documentation
26 submitted by the Class Member to determine the correct number of Workweeks. Defendants'
27 records will have a rebuttable presumption of correctness. After consultation with Class Counsel,
28 the Class Member, and Defendants, if no agreement can be reached, the Parties will have the

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1 Settlement Administrator make a determination of the Class Member's Workweeks, and that
2 determination will be final and binding on the Parties and the Class Member and will be non-
3 appealable. The Settlement Administrator shall inform a Class Member of the determination
4 regarding a workweek dispute within thirty (30) days of mailing of the letter disputing the number
5 of Workweeks that he or she claims to have worked for Defendants in California.

6 Should any questions arise regarding the determination of eligibility for the amounts of any
7 Individual Settlement Payments under the terms of this Settlement that are not otherwise resolved
8 by the Settlement Administrator, counsel for the Parties shall meet and confer in an attempt to reach
9 an agreement. If Class Counsel and Defendant's Counsel cannot agree, the Settlement Administrator
10 shall then make the final determination, and that determination shall be conclusive, final, and
11 binding.

12 Except for those Class Members who submit a valid, timely Request to be Excluded, all
13 Class Members (1) will be deemed to be Participating Class Members for all purposes under this
14 Settlement; (2) will be bound by the terms and conditions of this Settlement, the Final Approval and
15 Judgment, and the releases set forth herein; and (3) except as provided in other sections of this
16 Settlement, will be deemed to have waived all objections and opposition to the fairness,
17 reasonableness, and adequacy of the Settlement.

18 No later than five (5) calendar days after the Court grants Final Approval, the Settlement
19 Administrator shall advise counsel for the Parties of the amount of Settlement Administration Costs
20 incurred and reasonably anticipated to be incurred by the Settlement Administrator, the amount of
21 each Individual Settlement Payment, and the name of each Class Member who has submitted a valid
22 Request to be Excluded.

23 **J. Final Approval Hearing**

24 At the Final Approval Hearing, the Representative Plaintiff, Class Counsel, and Counsel for
25 Defendants shall ask the Court to give final approval to this Agreement and the terms and conditions
26 contained herein. At this hearing, the Court will consider and rule upon any Objections to
27 Settlement submitted by any Class Member, whether timely or not. Upon granting final approval
28 of the Settlement contained herein, the Court shall also enter a Final Judgment which, among other

1 things, will implement the Releases contained in Section VI of the Agreement as to Representative
2 Plaintiff, and all Class Members who did not timely Opt-Out of the Settlement. The Release
3 contained in Section VI of this Agreement shall become effective only after Defendants have made
4 payment to fully fund the Maximum Settlement Amount.

5 In compliance with the California Rules of Court, the Final Approval Order and/or Judgment
6 shall be posted on a website maintained by the Settlement Administrator for a period of not less than
7 90 days after entry of final judgment. The address of that website will be included in the Notice of
8 Class Action Settlement.

9 **K. Waiver of Right to Appeal.**

10 1. The Parties agree to waive all appeals from the Court's Final Approval, unless the
11 Court materially modifies the Settlement, except that Plaintiff may appeal any reduction in the Class
12 Counsel's Fees and Expenses Payment or the Class Representative Payment. Any reduction in the
13 Class Counsel's Fees and Expenses Payment or the Class Representative Payment will not, however,
14 constitute a material modification of the Settlement and will not be grounds to void the Settlement.

15 2. Any Participating Class Member who does not timely submit an objection to the
16 Settlement hereby waives any and all rights to move to vacate the Judgment or file an appeal from
17 the Final Approval order and Judgment. This waiver does not include a waiver of the right to oppose
18 any appeals, appellate proceedings, or post-judgment proceedings, if any.

19 **L. Res Judicata as to Claims by PAGA Aggrieved Employees.**

20 Upon the Effective Date, and subject to Defendants' full payment of all sums due hereunder,
21 any claims for penalties under PAGA of the PAGA Aggrieved Employees relating to the Released
22 PAGA Claims will be barred consistent with principles of res judicata under California law.

23 **M. California Labor Code Section 206.5.**

24 In connection with the above releases, and in consideration of Defendant's payment of the
25 sums provided herein, each and every Participating Class Member will be deemed to also have
26 acknowledged and agreed that California Labor Code section 206.5 is not applicable to the Parties
27 hereto or any Participating Class Member because there is a good-faith dispute as to whether any
28 wages are due at all to any Class Member. Section 206.5 provides in pertinent part as follows:

1 **An employer shall not require the execution of a release of a claim or right on account**
2 **of wages due, or to become due, or made as an advance on wages to be earned, unless payment**
3 **of such wages has been made.**

4 **N. Release of Claims by Plaintiff Debra Anderson**

5 Upon the Effective Date, and subject to Defendant's full payment of all sums due hereunder,
6 Plaintiff Anderson, on her own behalf, and on behalf of her spouse, grantees, agents, employees,
7 representatives, heirs, executors, administrators, devisees, trustees, successors, assigns, assignors,
8 partners, attorneys, insurers, and any other entities in which Plaintiff has an interest, waives,
9 releases, acquits, and forever discharges the Released Parties from any and all claims, including but
10 not limited to the Released Claims, whether known or unknown, which exist or may exist as of the
11 Parties' execution of this Settlement.

12 Section 1542 of the California Civil Code provides as follows:

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

18 Plaintiff's general release provided herein is made with an express waiver and
19 relinquishment of any claim, right, or benefit under California Civil Code § 1542. Plaintiff warrants
20 that she has read this Settlement, including this waiver of California Civil Code § 1542, and that she
21 has consulted with or had the opportunity to consult with counsel of her choosing about this
22 Settlement and specifically about the waiver of § 1542, and that she understands this Settlement and
23 the § 1542 waiver, and so she freely and knowingly enters into this Settlement. Plaintiff further
24 acknowledges that Plaintiff later may discover facts different from or in addition to those Plaintiff
25 now knows or believes to be true regarding the matters released or described in this Settlement, and
26 even so Plaintiff agrees that the releases and agreements contained in this Settlement shall remain
27 effective in all respects notwithstanding any later discovery of any different or additional facts.

28 **O. Formulas to Determine Payment, Distribution of Funds and Payment of Funds**

1 **1. General Terms of Settlement**

2 Defendants shall pay the Maximum Settlement Amount of Two Hundred and Eighteen
3 Thousand and Five Hundred Dollars and Zero Cents (\$218,500.00), to settle this Action, under the
4 terms described in this Agreement. Defendants shall pay the Maximum Settlement Amount within
5 10 calendar days of the Effective Date.

6 From the Maximum Settlement Amount, Class Counsel will request, and Defendants will
7 not oppose, Seventy-Two Thousand One Hundred and Five Dollars and Zero Cents (\$72,105.00) as
8 Class Counsel Fees, and Class Counsel Costs not to exceed Ten Thousand Dollars and Zero Cents
9 (\$10,000.00). In addition, Class Counsel will request Fifteen Hundred Dollars and Zero Cents
10 (\$15,000.00) as an Enhancement Payment for Representative Plaintiff Debra Anderson. Under no
11 circumstances will Defendants be required to pay more in Class Counsel Fees, Class Counsel Costs,
12 and/or Enhancement Payment than specified in this Section. Class Counsel Fees, Class Counsel
13 Costs, and the Enhancement Payment are subject to Court approval. The Court's ruling on the
14 request for Class Counsel Fees, Class Counsel Costs, and Enhancement Payment shall not affect the
15 enforceability of this Agreement or the terms contained herein. In the event the Court reduces the
16 amount requested in Class Counsel Fees, Class Counsel Costs and/or Enhancement Payment, the
17 difference shall be added to the Distributable Amount to the Class Members.

18 In addition, the Parties have agreed that Ten Thousand Dollars and Zero Cents (\$10,000.00)
19 of the Maximum Settlement Amount will be allocated for PAGA penalties, with 75% of this amount
20 (\$7,500) to be paid to the LWDA in satisfaction of any claim for penalties that may be owed to that
21 agency under PAGA (Cal. Labor Code 2699, et seq.), and the remaining 25% (\$2,500) to be paid to
22 the PAGA Employees based on PAGA Pay Period Value ("PAGA Payment").

23 Further, the Settlement Administration Fees, currently estimated at Ten Thousand Dollars
24 (\$10,000.00) shall be made from the Maximum Settlement Amount. Any and all Settlement
25 Administration Fees shall be made from the Maximum Settlement Amount. Any amounts not used
26 by the Settlement Administrator for Settlement Administration shall be added to the Distributable
27 Amount to the Class Members.

28 Consequently, the amount from which the Class may be paid, also called the "Distributable

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Amount,” is estimated to be:

Maximum Settlement Amount	\$218,500.00
Class Counsel Fees	-\$72,105.00
Class Counsel Costs	-\$10,000.00
Enhancement Payment	-\$15,000.00
PAGA Payment (LWDA Portion)	-\$7,500.00
Settlement Administrator Fees	-\$10,000.00
Distributable Amount	\$101,395.00

No funds will revert to the Defendants from the Maximum Settlement Amount.

2. Formula for Determining the Value of the Claims for the Class and for Each Class Member Who Does Not Opt Out

In order to fairly distribute the Settlement Payments to Class Members, Class Counsel and Defendants’ Counsel have arrived at a formula designed to fairly determine each Authorized Claimant’s pro rata payment from the Distributable Amount based on their length of service. The formula is based on the relative amount of the individual Authorized Claimant’s Total Class Pay Periods and Total PAGA Pay Periods (if applicable), as compared to the Total Class Pay Periods and Total PAGA Pay periods worked by the Class Members as a whole. The specific calculations are as follows:

Class Calculations: The Settlement Administrator will calculate the total number of workweeks that all Class Members were employed by Defendants during the Class Period. The value of each Workweek shall be determined by the Settlement Administrator by dividing the Net Settlement Proceeds (less the PAGA Payment(s)) by the total number of Workweeks available to the Class Members during the Class Period (“Class Workweek Value”).

PAGA Calculations: For PAGA Employees, the Settlement Administrator will calculate the total number of pay periods that each PAGA Employee was employed by Defendants during the applicable PAGA Period (“Total PAGA Pay Periods”). The value of each PAGA Pay Period shall be determined by the Settlement Administrator by dividing the PAGA Payment by the Total PAGA Pay Periods for all PAGA Employees (“PAGA Pay Period Value”).

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1 **Individual Settlement Payments:** To determine the Individual Settlement Payment for each
2 Class Member, the Settlement Administrator will multiply the Authorized Claimant's Total
3 Workweeks by Class Workweek Value and add the total to the product of the PAGA Employee's
4 Total PAGA Pay Periods multiplied by the PAGA Pay Period Value, if the Class Member qualifies
5 as a PAGA Employee. Not all Authorized Claimants will receive the PAGA Payment. The
6 Individual Settlement Payment will be reduced by any required legal tax deduction, pursuant to
7 Section IV(O)(2) herein.

8 Payments from the Distributable Amount shall be made only to Authorized Claimants and
9 PAGA Employees, pursuant to the manner provided in this Agreement and this section, in particular.

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10 Defendants' employment records used to calculate each Class Members' Settlement
11 Payment shall be presumed to be correct. However, each Class Member shall be given an
12 opportunity to dispute the number of Authorized Claimant's Total Workweeks and/or Authorized
13 Claimant's Total PAGA Pay Periods as provided in their Notice of Settlement Award. Any such
14 dispute shall be sent in writing to the Settlement Administrator postmarked on or before the Opt-
15 Out Period deadline, and the Class Member shall provide any information he/she deems proper to
16 support his/her claim. The Settlement Administrator shall send the dispute information to
17 Defendants' Counsel and Class Counsel within five (5) business days of receiving the dispute.
18 Defense and Class Counsel shall meet and confer to determine if they can agree to a resolution
19 regarding the Class Member's challenge. The Settlement Administrator will inform the Class
20 Member. Defense and Class Counsel will inform the Settlement Administrator to approve payment
21 to the Class Member, as revised by the evidence submitted by the Class Member. Any Party,
22 including the Class Member, may present the issue to the Court for resolution, if the dispute cannot
23 be resolved.

24 Payment to each Authorized Claimant shall be allocated as follows: Twenty Percent (20 %)
25 of any settlement funds paid to any Class Member shall be attributed to wages, to be reported on an
26 IRS Form W-2 with legally required tax deductions; Eighty Percent (80%) of any settlement funds
27 paid to any Class Member shall be treated as statutory penalties and interest, to be reportable on IRS
28 Form 1099 with no withholding. Each Authorized Claimant shall be responsible for any tax

1 consequences of the Settlement or payment of funds pursuant to this Agreement, including the
2 payment of any applicable tax deductions or obligation as if paying through payroll. Any payroll
3 tax payable from the payment of any settlement funds to any Class Member pursuant to the terms
4 of this Agreement shall not be made from the Distributable Amount. However, Defendants will only
5 be responsible for employer side payroll taxes, separate and apart from the MSA.

6 **3. Class Counsel Fees, Costs, Enhancement Payment, PAGA Payment, Settlement**
7 **Administration Cost, and Payment of Maximum Settlement Amount Funds**

8 Plaintiff and Class Counsel will request, and Defendants agree not to oppose, payment from
9 the Maximum Settlement Amount of fifteen thousand dollars (\$15,000.00) to Representative
10 Plaintiff Debra Anderson as an Enhancement Payment. Class Counsel believes, and Defendants do
11 not challenge, that such award to the Representative Plaintiff as an Enhancement Payment is
12 reasonable. Plaintiff and Class Counsel will request, and Defendants agree not to oppose, the
13 payment from the Maximum Settlement Amount of seventy-two thousand one hundred and five
14 dollars and zero cents (\$72,105.00) to Class Counsel for Class Counsel Fees. Class Counsel
15 believes, and Defendants do not challenge, that such an award to Class Counsel is reasonable.
16 Plaintiff and Class Counsel will request, and Defendants agree not to oppose, a payment from the
17 Maximum Settlement Amount not to exceed ten thousand dollars (\$10,000.00) to Class Counsel for
18 Class Counsel Costs. Class Counsel believes, and Defendants does not challenge, that such an award
19 to Class Counsel is reasonable.

20 The Parties have agreed that ten thousand dollars (\$10,000.00) of the Maximum Settlement
21 Amount will be allocated as PAGA penalties, with 75% of this amount, (\$7,500) to be paid to the
22 LWDA in satisfaction of any claim for penalties that may be owed to that agency under PAGA. The
23 other 25%, or \$2,500.00, will be distributed to the PAGA Employees based on the PAGA Pay Period
24 Value.

25 Class Counsel Fees, Costs, and the Enhancement Payment, whether they are awarded as
26 requested or reduced by the Court at its discretion, shall be paid from the Maximum Settlement
27 Amount.

28 Moreover, all the Settlement Administration Fees shall be paid from the Maximum

1 Settlement Amount, which the Parties currently estimate will be about Ten Thousand Dollars and
2 Zero Cents (\$10,000.00).

3 Class Counsel shall timely provide a completed IRS Form W-9 no later than five (5) calendar
4 days after the Effective Date and any other information needed for the Settlement Administrator to
5 make payments. Any payment obligation by any party shall be tolled until the correct information
6 is provided as required by any party. Settlement Administration Fees may be paid earlier if necessary
7 to effectuate the terms of this Agreement, except that the party paying shall be entitled to offset the
8 costs from the Maximum Settlement Amount. Under no circumstances shall Defendants be required
9 to pay more than the Maximum Settlement Amount.

10 The Settlement administrator shall pay the attorneys' fees and costs awarded to Class
11 Counsel and the incentive awards awarded to the Representative Plaintiff from the Maximum
12 Settlement Amount pursuant to the disbursement described in Section IV(O)(1).

13 The Parties agree to cooperate in the settlement administration process and make all
14 reasonable efforts to control and minimize the costs and expenses incurred in administering the
15 settlement.

16 **4. Cure Provision**

17 If Defendants fail to timely make payment as set forth in Section IV(O)(1) Defendants shall
18 have ten (10) calendar days from the last day the payment is due to cure the untimely payment.
19 Defendants shall make any payment under this provision pursuant to the Settlement Administrator's
20 electronic transfer instructions. The Parties expressly agree that the Defendants' payment
21 obligations with respect to any cure shall be met upon initiating the electronic transfer of funds to
22 the Settlement Administrator, pursuant to its instructions.

23 **P. The Settlement Administrator**

24 Class Counsel and Defense Counsel designate Phoenix Settlement Administrators, an
25 experienced settlement administrator, to process this Settlement. The Settlement Administrator will
26 administer the Settlement including, but not limited to, distributing the Class Notice of Settlement,
27 calculating and directing the disbursements for Settlement Payments from the Distributable
28 Amount, and handling inquiries about the calculation of individual settlement payments to the Class

1 pursuant to the terms contained in this Agreement. The Settlement Administrator shall establish a
2 settlement payment center address, telephone number, and facsimile number to receive and timely
3 process Class Members' inquiries about the Class Notice of Settlement, Requests for Exclusion and
4 Objections, and process the payments to the Class under the terms of this Agreement. Moreover, the
5 Settlement Administrator shall provide as soon as possible to Defense Counsel instructions for
6 Defendants to tender the MSA payment by electronic transfer to the Settlement Administrator.
7 Defendants' payment of the MSA is contingent upon receipt of the payment instructions. Defendants
8 expressly agree to follow the Settlement Administrator's payment instructions. The Parties agree
9 that Defendants' payment obligations under the Settlement shall be met upon initiating the electronic
10 transfer of funds to the Settlement Administrator, pursuant to its instructions.

11 The Settlement Administrator shall provide the parties with weekly reports commencing
12 with the date the Class Notice is first mailed and continuing to the Effective Date notifying the
13 Parties of Notices mailed, Notices returned to sender, Notice re-mailed and the number of valid Opt-
14 Outs submitted by Class Members, if any, the number of Objections and identity of Objectors, if
15 any and the amounts of all Settlement Payments due and payable.

16 The Settlement Administrator shall not disburse the settlement funds except as provided
17 herein, as ordered by the Court, or as agreed upon, in writing, by Defense Counsel and Class
18 Counsel. Subject to further orders and/or directions as may be made by the Court, the Settlement
19 Administrator is authorized to execute such transactions on behalf of the Class Members as are
20 consistent with the terms of this Agreement.

21 Moreover, the Parties expressly agree that, in the event Phoenix Settlement Administrators
22 cannot perform the duties of Settlement Administration, they will cooperate with each other to select
23 a new, mutually agreed upon Settlement Administrator.

24 **Q. Time For Disbursement**

25 The MSA shall be disbursed as follows:

- 26 a. MSA shall not be disbursed until ten (10) days after the Effective
27 Date.
28 b. Within twenty (20) calendar days after the Effective Date, the

1 Settlement Administrator shall cause to be paid the following amounts: (1)
2 Settlement Payments due to Authorized Claimants; (2) Class Counsel Fees;
3 (3) Class Counsel Costs; (4) Enhancement Payment; (5) PAGA Payment;
4 and (6) Settlement Administration Fees. Payment to any Authorized
5 Claimant will be in the form check(s) issued for an amount calculated using
6 the formulas contained in this Agreement. Any funds allocated to Class
7 Members who ultimately submitted timely valid Opt-Outs shall be
8 proportionally redistributed to Authorized Claimants based on the formulas
9 provided in Section IV(O)(2) under this Agreement.

10 Class Members who do not timely Opt-Out will be bound by all the terms of this Agreement,
11 regardless of whether that Class Member receives and cashes his or her check for Settlement
12 Payment. Any checks issued by the Settlement Administrator to Authorized Claimants will be
13 negotiable for one hundred eighty (180) calendar days. After one hundred eighty (180) calendar
14 days from the date of mailing, the checks shall become null and void. Subject to Court approval, the
15 Parties propose the State Bar's Justice Gap Fund, one of three significant sources of funding for
16 about 100 legal aid organizations across the state, as the *cy pres* recipient. In the event that any un-
17 cashed or abandoned checks must be distributed to the *cy pres* recipient, the Settlement
18 Administrator will cancel the tax documents associated with those un-cashed or abandoned checks,
19 and the Parties will submit to the Court a revised Judgment that states the final disposition of all
20 amounts under this Settlement, in compliance with California Code of Civil Procedure § 384. The
21 Settlement Administrator shall not transmit any funds to the *cy pres* recipient until the Parties have
22 provided to the Settlement Administrator a revised Judgment approving the final distribution of all
23 Settlement funds, including the amount to be transmitted to the *cy pres* recipient.

24 **R. Taxes**

25 **1. *Withholding and Reporting Requirements***

26 The Settlement Administrator shall be responsible for ensuring that all taxes associated with
27 the Agreement are timely paid to the appropriate tax authorities. The Settlement Administrator's
28 responsibilities include the following: (i) filing all federal, state, and local tax deduction, (ii) to

1 timely and proper filing of all required federal, state, and local forms (e.g., 1099s, W-2s, etc.) with
2 the appropriate taxing authorities, and (iii) completion of any other steps necessary for compliance
3 with any tax obligations of the Settlement under federal, state, and/or local law, as applicable. To
4 verify the Settlement Administrator's compliance with the foregoing withholding and reporting
5 requirements, as soon as administratively practicable, the Settlement Administrator shall furnish.

6 Class Counsel and Counsel for Defendants with copies of all forms detailing the payment of
7 taxes (including all 1099 forms and returns) sufficient to prove that such payments were properly
8 remitted. The Settlement Administrator shall provide a final accounting declaration adequate to
9 demonstrate full compliance with all duties set forth in this Agreement, including but not limited to
10 tax withholding, payment, and reporting obligations.

11 ***2. Determination and Payment of Taxes***

12 The Settlement Administrator shall determine the amount of any withholding or taxes to be
13 withheld from each Authorized Claimant's settlement payment and issue form W-2's to the Class
14 Members. All such withholdings shall be remitted by the Settlement Administrator to the proper
15 governmental taxing authorities. Each Authorized Claimant shall be responsible for any tax
16 consequences of any funds paid out to each Authorized Claimant pursuant to this Agreement.

17 **S. Circular 230 Disclaimer**

18 Each party to this Agreement (for purposes of this section, the "Acknowledging Party"; and
19 each party to this Agreement other than the Acknowledging Party, an "Other Party") acknowledges
20 and agrees that (1) no provision of this Agreement, and no written communication or disclosure
21 between or among the parties or their attorneys and other advisers, is or was intended to be, nor shall
22 any such communication or disclosure constitute or be construed or be relied upon as, tax advice
23 within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as
24 amended); (2) the Acknowledging Party (a) has relied exclusively upon his, her, or its own,
25 independent legal and tax advisers for advice (including tax advice) in connection with this
26 Agreement, (b) has not entered into this Agreement based upon the recommendation of any other
27 party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any
28 communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty

1 that may be imposed on the Acknowledging Party; and (3) no attorney or adviser to any other party
2 has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax
3 strategies (regardless of whether such limitation is legally binding) upon disclosure by the
4 Acknowledging Party of the tax treatment or tax structure of any transaction, including any
5 transaction contemplated by this Agreement.

6 **V. LIMITATIONS ON USE OF THIS SETTLEMENT**

7 **A. No Admission**

8 Neither the acceptance nor the performance by Defendants of the terms contained in this
9 Agreement nor any of the related negotiations or proceedings is or shall be claimed to be, construed
10 as, or deemed a precedent or an admission by Defendants of the truth of any allegations in any
11 version of the Complaint. Defendants enter into this Settlement Agreement solely for the purposes
12 of compromising and settling the Action.

13 **B. Non-Evidentiary Use**

14 Neither this Agreement nor any of its terms, nor any statements or conduct in the negotiation
15 or drafting of it, shall be offered or used as evidence by Plaintiff, any Class Member (including any
16 individual who filed an Opt-Out), Defendants, or their respective counsel, in the Litigation or any
17 other proceeding, except as is reasonably necessary to effectuate its purpose and terms. This
18 Agreement may be used by Defendants and/or the Released Persons to prove or defend against any
19 claim released herein by any Class Member in any judicial, quasi-judicial, administrative, or
20 governmental proceeding.

21 **C. Nullification**

22 If the Court for any reason does not approve this Settlement, this Agreement shall be
23 considered null and void and all parties to this Settlement shall stand in the same position, without
24 prejudice, as if the Settlement had been neither entered into nor filed with the Court. Moreover, in
25 the event the Court does not approve this Settlement, Defendants will not be deemed to have waived,
26 limited, or affected in any way any of their objections, or defenses in this Action. Invalidity of
27 any material portion of this Settlement shall invalidate this Settlement in its entirety unless the
28 Parties agree in writing that the remaining provisions shall remain in full force and effect.

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2 **D. Right to Withdraw**

3 Notwithstanding any other provision contained in this Agreement, if more than twenty
4 percent (20%) of the Class Members submit timely and valid Requests for Exclusion from the
5 Settlement during the Opt-Out Period outlined herein, Defendants shall have the option, in their sole
6 discretion, to withdraw from this Agreement ("Right to Withdraw"), whereupon the Agreement
7 shall be null and void for any and all purposes and may not be used or introduced in the Action or
8 any other proceeding. The Parties will be restored to their respective positions in the litigation as if
9 this Agreement was never negotiated, drafted or agreed upon. However, if Defendants exercise
10 their Right to Withdraw, Defendants will be responsible for all Settlement Administration Fees
11 incurred up to the date when the Defendants exercised their Right to Withdraw. The Settlement
12 Administrator shall notify Class Counsel and Counsel for Defendants of the number of timely opt-
13 outs within five (5) calendar days after the period to file an Opt-Out has expired. If Defendants elect
14 to exercise their Right to Withdraw under this provision, Defendants will so notify Class Counsel
15 and the Court no later than five (5) calendar days after receiving notice of the number of opt-outs
16 and/or value of the valid claims made by the Authorized Claimants.

17 **VI. RELEASE OF THE CLASS AND REPRESENTED EMPLOYEES**

18 It is the desire of the Representative Plaintiff, Class Members, and Defendants to fully,
19 finally, and forever settle, compromise, and discharge disputes and claims arising from or related to
20 this Action. After Final Approval by the Court of this Agreement, after Defendants have made
21 payment to fully fund the Maximum Settlement Amount, and by operation of the Agreement's
22 terms, and except as to such rights or claims as may be created by this Agreement, all Authorized
23 Claimants fully release and discharge the Released Persons from all Released Class Claims, whether
24 known or unknown during the Class Period. All PAGA Employees and the State will fully release
25 and discharge the Released Persons from all Released PAGA Claims upon approval of the
26 settlement of PAGA Claims in this Action. Plaintiff and Defendants stipulate and agree that the
27 consideration paid to the Class Members pursuant to this Agreement compensates the Class
28 Members for all wages and penalties due to them arising from the claims alleged in the operative

1 Complaint.

2 **VII. MISCELLANEOUS PROVISIONS**

3 **A. Amendments**

4 The terms and provisions of this Agreement may be amended only by a written agreement,

5 **B. Jurisdiction of the Court to Enforce Terms of Agreement**

6 The Parties stipulate and agree that the Court will retain jurisdiction to enforce the terms of
7 this Agreement following the entry of the Judgment pursuant to California Code of Civil Procedure
8 section 664.6. The Parties agree to the exclusive jurisdiction of the Court to enforce the terms and
9 conditions contained herein.

10 **C. Enforcement Actions**

11 In the event one or more of the Parties to this Stipulation institutes and legal action or other
12 proceeding against any other party or parties to enforce the provisions of this Stipulation, or to
13 declare rights and/or obligations under this Stipulation, the successful party or parties shall be
14 entitled to recover from the unsuccessful party or parties reasonable attorneys' fees and costs in
15 connection with any enforcement actions.

16 **D. No Inducements**

17 Plaintiff and Defendants acknowledge that they are entering into this Agreement as a free
18 and voluntary act without duress or undue pressure or influence of any kind or nature whatsoever
19 and that neither Plaintiff nor Defendants have relied on any promises, representations, or warranties
20 regarding the subject matter hereof other than as set forth in this Agreement.

21 **E. No Prior Assignment**

22 The Parties hereto represent, covenant, and warrant that they have not directly or indirectly,
23 assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or
24 entity any portion of any liability, claim, demand, action, cause of action or rights herein released
25 and discharged except as set forth herein. If any claims are made by any Class Member between
26 the start of the Class Period and the date in which the Court approves the Settlement outlined in this
27 Agreement as final, such a claim will be deemed covered and released by the individual Class
28 Member making the claim unless such Class Member has timely exercised the right to be excluded

1 from this Agreement under the terms set forth herein. Any Class Member covered by this
2 Agreement will be barred from proceeding with any such claim.

3 **G. Representative Plaintiff's Personal Release**

4 As part of the Agreement, Representative Plaintiff Debra Anderson grants the Release
5 Persons the Personal Release, as that term is defined in Section II herein.

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6 With respect Representative Plaintiff's release of any and all claims under the Older Workers
7 Benefit Protection Act/Age Discrimination in Employment Act ("ADEA")("ADEA Release"),
8 Representative Plaintiff specifically acknowledges that Defendants have advised her that under the
9 ADEA, she has twenty-one (21) days from receipt of this Agreement to consider the ADEA Release
10 before signing the Agreement. Representative Plaintiff may decide to sign the Agreement sooner
11 and voluntarily waive the 21-day period provided by the ADEA. Representative Plaintiff further
12 acknowledges that she has had the opportunity to make counter-proposals to the ADEA Release,
13 and has been advised that she has seven (7) days after signing this Agreement to revoke the ADEA
14 Release, and the ADEA Release shall not become effective or enforceable until the revocation
15 period has expired. In the event Representative Plaintiff exercises the right to revocation, as
16 discussed above, she must notify Defendants of such revocation in writing via facsimile and certified
17 mail, return receipt requested. Said notification will be considered timely if post-marked no later
18 than the seventh day after the Representative Plaintiff has signed this Agreement. The individual
19 Representative Plaintiff's ADEA Release will be null and void if revoked by him or her during said
20 revocation period. The individual Representative Plaintiff's revocation of the ADEA Release must
21 be addressed to the attention of Defense Counsel at the address stated herein. In the event the
22 individual Representative Plaintiff exercises revocation of the ADEA Release, said revocation shall
23 have no effect on his or her Personal Release of any and all claims unrelated to the ADEA. If
24 Representative Plaintiff exercises her right to revoke under this provision, she gives up the right to
25 any Enhancement Payment under this Agreement. However, Representative Plaintiff is still entitled
26 to participate in the Settlement as a Class Member.

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27 **I. Destruction of Informal Discovery**

28 The Parties agree that in the event the Court does not approve the Settlement for any

1 reason, or if the Settlement cannot be consummated for any reason, Class Counsel expressly
2 agrees to either: (1) return all informally produced discovery by Defendants to Defendants or
3 Defense Counsel; or (2) immediately destroy all informal discovery, and provide sufficient proof
4 (such as a declaration under oath by Class Counsel) that the information was destroyed within 10
5 calendar days after becoming aware that the Settlement has failed to become final. Retaining any
6 copy of direct or derivative information shall be a violation of this provision. Such informal
7 discovery shall include, but is not limited to: (1) the class list; (2) payroll and time records; (3)
8 written policies and procedures; and (4) information disclosed pursuant to the mediation and/or
9 settlement privilege. If Class Counsel fails to either destroy or return such information within a
10 reasonable time, the Parties expressly agree that Defense Counsel may apply to the Court to seek
11 enforcement of this specific provision (including any and all reasonable attorney's fees and costs
12 in seeking such enforcement).

13 If the Court approves the settlement, Plaintiff and Class Counsel agree to maintain the
14 information provided by Defendants only for as long as it is necessary to consummate and finalize
15 the approval process of the Settlement by the Court, up to and including the Effective Date. After
16 such time, the Parties agree that Class Counsel will return the information to Defendants or
17 Defense Counsel, or destroy the information (including any derivative information) as provided
18 herein, except as provided in Plaintiff's personnel file.

19 Plaintiff and Class Counsel agree to treat and maintain the information disclosed
20 confidentially, protect it, and take any and all reasonable steps to maintain it confidentially and
21 treat it as a trade secret. However, the Parties expressly agree that Class Counsel may disclose
22 such information to the Court as is necessary to consummate and finalize the approval process of
23 the Settlement by the Court.

24 **J. Review of Noticed Motions And/Or Other Pleadings**

25 Class Counsel expressly agrees that prior to any filing concerning the terms herein, including
26 but not limited to the Motion for Preliminary Approval and the Motion for Final Approval, it shall
27 e-mail a draft of said motion and/or pleading to Defense Counsel at least 7 calendar days prior to its
28 filing, with comments due two days prior to filing, unless the Court provides less than 14 days to

1 effectuate the filing of any such document, in which case the draft of such document will be provided
2 3 calendar days prior to its filing, and Defense Counsel shall provide comments one day prior to
3 filing.

4 **K. Counterparts**

5 This Agreement, and any amendments hereto, may be executed in any number of
6 counterparts, each of which when executed and delivered shall be deemed to be an original and all
7 of which taken together shall constitute but one and the same instrument. This Agreement will
8 become effective on the date when the last person signs and dates it.

9 **L. Applicable Law**

10 All terms and conditions of this Settlement and its exhibits will be governed by and
11 interpreted according to the laws of the State of California, without giving effect to any conflict of
12 law or choice of law principles.

13 **M. Confidentiality**

14 (a) The Plaintiff and Class Counsel agree not to discuss the Settlement amounts,
15 the terms of the Settlement, or any of the issues discussed during mediation or surrounding terms of
16 the Settlement or the amounts provided therein until the date of the filing of the Motion for
17 Preliminary Approval.

18 (b) Following Preliminary Approval, Plaintiff and Class Counsel agree that they
19 will not issue any press releases, initiate any contact with the press, respond to any press inquiry, or
20 have any communication with the press about this case or the facts, amount, or terms of the
21 Settlement. In addition, Plaintiff and Class Counsel agree that they will not engage in any advertising
22 or distribute any marketing materials relating to the Settlement, including but not limited to any
23 postings on any websites maintained by Class Counsel; provided, however, that Class Counsel may
24 state that it has settled a class action claim **for wage and hour violations** against **an employer** so long
25 as neither Defendant, nor the Plaintiff are identified by name.

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1 DATED: _____ By: _____
2 RYAN JENSEN

3
4 DATED: _____ By: _____
5 ERIN MARIE JENSEN

6 **APPROVED AS TO FORM:**

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8 DATED: _____ MANJLAI LAW, PC

9
10
11 By: _____
12 Haroon Manjlai

13 DATED: _____ JACKSON LEWIS, P.C.

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15
16 By: _____
17 Adam Y. Siegel
18 J. Andrew Schaffer

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EXHIBIT D

NOTICE OF CLASS ACTION AND PAGA SETTLEMENT*Anderson v. The Treatment Skin Boutique, Inc., et al.,*

Superior Court of the State of California, County of Los Angeles, Case Number 21STCV01911

IF YOU WORKED AS AN HOURLY-PAID/NON-EXEMPT EMPLOYEES PERFORMING SERVICES FOR THE TREATMENT SKIN BOUTIQUE, INC. BETWEEN JANUARY 21, 2017, AND JULY 21, 2022, YOU MAY OBTAIN PAYMENTS FROM A SETTLEMENT REACHED IN A PROPOSED CLASS ACTION LAWSUIT.

This Notice is court approved. This is not a solicitation from an attorney. You are not being sued.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

DO NOTHING	Receive compensation but lose rights to sue separately. If you do nothing, you will receive compensation for your claims alleged in this lawsuit. You will also give up your rights to ever sue TTBS about any of the claims in this case.
EXCLUDE YOURSELF FROM THE SETTLEMENT	Get no compensation but keep rights to sue separately. If you ask to exclude yourself from the settlement, you will not receive any compensation from the settlement, but you will keep your rights to file a separate claim. Please note that you cannot exclude yourself from, or opt out of the PAGA payment. Please be advised, however, that the time limits for filing a separate claim may have expired. The deadline to do so is [RESPONSE DATE], which is 45 days from when this notice is mailed.
OBJECT OR COMMENT	Tell the Court why you like or don't like the settlement. You may write to the Court, or you may appear personally or through your own attorney and your own expense and tell the Court why you do or do not like the settlement. You must remain a part of the lawsuit to comment or object to the settlement, and you cannot object if you also ask to be excluded. The deadline to do so is [RESPONSE DATE], which is 45 days from when this notice is mailed.
APPEAR AT THE FINAL APPROVAL HEARING	Appear at the Final Approval Hearing to speak to the Court about the fairness of the Settlement. You are not required to do this. The Final Approval hearing for this settlement will be held on: Date: [INSERT DATE] Time: 9:00 AM Location: Department 17 of the above-captioned court, located at 312 North Spring Street, Los Angeles, California 90012

These rights and options – **and the time deadlines for exercising them** – are explained further in this Notice.

1. WHY DID I GET THIS NOTICE?

You have received this Notice because we believe that you are a class member who may be entitled to money from this settlement.

This Notice describes a proposed settlement of the lawsuit *Anderson v. The Treatment Skin Boutique, Inc.*, in the California Superior Court for the County of Los Angeles, Case Number 21STCV01911 (the “Anderson Action”) This Notice is being sent to you by the order of the Los Angeles County Superior Court, which preliminarily approved the settlement and conditionally certified the Settlement Class on July 21, 2022.

This Notice informs you of the terms of the proposed settlement, describes your rights and options in connection with the settlement, and explains what steps you may take to participate in, object to, or exclude yourself from, the settlement. Please note that you cannot exclude yourself from, or opt out of the PAGA payment. **If you do not exclude yourself from the settlement and the settlement is finally approved by the Court, you will receive a settlement payment and be bound by the terms of the settlement and any final judgment.**

The Anderson Action was filed by Plaintiff Debra Anderson (“Anderson”) as a proposed class action on behalf of individuals who worked as hourly non-exempt employees for The Treatment Skin Boutique, Inc. (“TTSB”).

The Anderson Action alleges that TTSB failed to pay Class Members all wages due, including minimum, overtime, failed to provide all meal and rest breaks required under California law, failed to provide proper itemized wage statements, failed to reimburse certain business expenses, failed to timely pay all wages due on separation of employment, and engaged in unfair competition. The Actions also allege a claim for civil penalties under the California Private Attorneys General Act, Cal. Labor Code sections 2698, *et seq.* (abbreviated “PAGA”).

At all times TTSB has denied each and all of the claims and contentions alleged in the Actions, denied it engaged in any illegal or actionable conduct of any kind, and denied it owes any damages, restitution, or penalties of any kind or nature whatsoever. No court has made any rulings regarding the merits of the Actions.

2. WHAT IS THIS LAWSUIT ABOUT?

After investigating, engaging in a full day of mediation before a mediator, and post-mediation negotiations, in which both sides recognized the substantial risks of an adverse result in the Actions for either side, Plaintiff Anderson and TTSB agreed on a class settlement that was preliminarily approved by the Court on July 21, 2022.

The proposed settlement of the Action covers all individuals employed by TTSB in California as an hourly-paid/non-exempt employee between January 21, 2017 and July 21, 2022.

The settlement represents a compromise of highly disputed claims. Nothing in the settlement is intended to or will be construed as an admission by TTSB that any claims in the Actions have merit or that it has any liability to Plaintiff Anderson, or the Class on those claims.

The parties and their counsel have concluded the settlement is advantageous, considering the risks and uncertainties to each side of continued litigation and trial. Plaintiff Anderson and Class Counsel support the settlement.

3. WHAT IS A CLASS ACTION?

In a class action lawsuit, one or more persons, called Class Representative(s), sues on behalf of other people who have similar claims. Anderson is the Class Representative in the Lawsuit, and her asserts claims on behalf of herself and the Class Members. All of the Class Members form a Class. A class action allows one court to resolve the claims of all the Class Members at the same time.

4. WHY IS THERE A SETTLEMENT?

No Court or Judge has decided in favor of Plaintiff Anderson or in favor of TTSB. Instead, both sides agreed to a settlement. That way, both sides avoid the risks and costs of a trial, and people affected will quickly receive compensation. The Class Representative and the Class Counsel think the settlement is best for the Class.

5. WHO IS INCLUDED IN THE SETTLEMENT CLASS?

All individuals who worked for TTBS in California as an hourly-paid/non-exempt employee from January 27, 2017 to July 21, 2022, are included in the Class.

According to TTSB records, you are a member of the Class and eligible for payments under the settlement. If you are still not sure if you are entitled to participate in the settlement, please call (800) 523-5773.

6. WHAT ARE THE TERMS OF THE CLASS SETTLEMENT?

In exchange for the release of claims against it and final disposition of the Actions, TTSB will pay Two Hundred and Eighteen Thousand and Five Hundred Dollars and Zero Cents (\$218,500.00) (the “Maximum Settlement Amount”).

After attorney’s fees and costs, service payment to the Class Representative, a payment to the California Labor & Workforce Development Agency, and settlement administration costs are deducted from the Gross Settlement Amount, the remaining amount (the “Distributable Amount”) will be distributed to those Class Members who do not exclude themselves from the settlement, on a pro-rata basis. The payment will be made shortly after the Court gives its final approval to the settlement.

Subject to Court approval, the Gross Settlement Amount will be allocated as follows:

- **Settlement Awards: Each Class Member who does not exclude himself will receive a payment based the total number of pay periods they were employed by TTSB in California as an hourly-paid/non-exempt employee during the relevant time period.**

Individual Settlement Awards will be calculated as follows: first, the Distributable Amount will be divided by the total number of weeks worked by all of the Class Members to determine the “weekly amount.” Second, the number of weeks worked by each individual Class Member will be multiplied by the “weekly amount” to arrive at each Class Member’s Individual Settlement Award.

Your estimated Individual Settlement Award is set forth in Section 7 below.

- **Class Representative Service Payments:** For acting as the Class Representative, Plaintiff Anderson will request from the Court an award of \$15,000.00 in recognition of and as compensation for her efforts, such as starting the Action, volunteering time to assist with the Action, and providing information and documents, as well as risks they assumed in starting and assisting with the prosecution of the Action. Any amounts ordered by the Court will be paid from the Maximum Settlement Amount.
 - **Class Counsel’s Attorney’s Fees and Costs:** Class Counsel will request from the Court no more than one-third (1/3) of the Maximum Settlement Amount (\$72,105.00) as attorney’s fees for litigation and resolution of the Actions. Class Counsel will also request from the Court reimbursement for litigation costs advanced on behalf of the Class, which are estimated to be no more than \$10,000.00. Any amounts ordered by the Court for Class Counsel’s attorney’s fees and costs will be paid from the Maximum Settlement Amount.
 - **PAGA Payment:** \$10,000.00 from the Maximum Settlement Amount is allocated for payment of civil penalties under the Private Attorneys General Act of 2004. Upon Court approval, 75% of the allocation (\$7,500.00) will be paid to the California Labor & Workforce Development Agency, and 25% (\$2,500.00) of the allocation will be distributed to the Class as part of the Distributable Amount.
 - **Settlement Administration:** The costs of settlement administration will not exceed \$10,000.00, which pays for tasks such as mailing and tracking this Notice, mailing checks and tax forms, and reporting to the parties and the Court. Any amount ordered by the Court will be paid from the Distributable Amount.
- All checks issued to Participating Class Members shall remain valid and negotiable for one hundred and eighty (180) days from the date of their issuance. One hundred eighty (180) calendar days from the date of mailing, the checks shall become null and void. The Court has approved and designated the State Bar’s Justice Gap Fund, one of three significant sources of funding for about 100 legal aid organizations across the state, as the *cy pres* recipient, therefore any un-cashed or abandoned checks shall be paid to the State Bar’s Justice Gap Fund

The Treatment Skin Boutique, Inc. Class Action Settlement Administration
c/o Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA, 92863

7. WHAT DO I RELEASE UNDER THE SETTLEMENT?

Released Class Claims

Provided that there is Final Approval of this Settlement, then as of July 21, 2022 (“Effective Release Date”), each Settlement Class Member, individually and on behalf of their respective

successors, assigns, agents, attorneys, executors, heirs, and personal representatives, shall be deemed to have agreed to the following:

It is the desire of the Representative Plaintiff, Class Members, and Defendants to fully, finally, and forever settle, compromise, and discharge disputes and claims arising from or related to this Action. After Final Approval by the Court of this Agreement, after Defendants have made payment to fully fund the Maximum Settlement Amount, and by operation of the Agreement's terms, and except as to such rights or claims as may be created by this Agreement, all Authorized Claimants fully release and discharge the Released Persons from all Released Class Claims, whether known or unknown during the Class Period. All PAGA Employees and the State will fully release and discharge the Released Persons from all Released PAGA Claims upon approval of the settlement of PAGA Claims in this Action. Plaintiff and Defendants stipulate and agree that the consideration paid to the Class Members pursuant to this Agreement compensates the Class Members for all wages and penalties due to them arising from the claims alleged in the operative Complaint.

"Released Class Claims" means any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, or causes of action which relate to any and all claims alleged or which could have been alleged based on the facts in the Operative Complaint filed by Representative Plaintiff, both on her behalf and on behalf of the Class Members in this Action during the Class Period, under any state or local law, and shall specifically include but is not limited to claims for, Failure to Pay Minimum and Straight Time Wages [Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197], Failure to Pay Overtime Wages, Failure to Provide Meal Periods [Cal. Lab. Code §§ 226.7, 512], Failure to Authorize and Permit Rest Breaks [Cal. Lab. Code § 226.7], Failure to Timely Pay Final Wages at Termination [Cal. Lab. Code §§ 201-203], Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226], and Unfair Business Practices [Cal. Bus. & Prof. Code §§ 17200, et seq.], and any other claims, including claims for statutory and/or civil penalties, pertaining to the Class Members which were alleged or could have been alleged in operative Complaint, based upon the allegations and claims contained in the Operative Complaint. This release is limited in time to the Class Period covering the Class

Members who worked for the Released Persons in the State of California.

“Released PAGA Claims” means claims asserted by Representative Plaintiff for Civil Penalties under PAGA [Cal. Lab. Code § 2699, et seq.] based on the those claims for penalties that were brought or could have been brought based on the facts alleged in Plaintiff’s notice letter to the LWDA, including all attorney’s fees and costs related thereto.

“Released Persons” means Defendants The Treatment Skin Boutique, Inc., Ryan Jensen and Erin Jensen, and their respective past, present, and/or future agents, attorneys, insurers, reinsurers, divisions, affiliates, DBAs (if any), predecessors, successors, heirs, accountants, auditors, consultants, reinsurers, shareholders, officers, directors, managers, employees, trustees, representatives, administrators, fiduciaries, assigns, subrogees, executors, partners, parents, owners, subsidiaries, privies, and/or any and all persons and/or corporate entities acting by, through, under or in concert with any of them.

“Class Period” means the time period from January 19, 2017, through Preliminary Approval (July 21, 2022).

“PAGA Period” means the time period from January 14, 2020, through Preliminary Approval (July 21, 2022).

8. WHAT DO I NEED TO DO TO RECEIVE A SETTLEMENT PAYMENT, AND HOW MUCH WILL I RECEIVE?

You do not need to do anything to receive a payment from the settlement.

Defendants’ records reflect that you have worked <<Workweeks>> workweeks as a Class Member during the Class Period. The estimated workweek payment rate for Class Members is \$40.95. (\$101,395.00 (Distributable Amount) - \$2,500 (PAGA penalties distributable to PAGA Class members) = \$98,895.00 / 2,415 number of workweeks worked by Class Members during the Class Period = \$40.95)

TTSB’s records show that, while you worked as an hourly-paid/non-exempt employee during the relevant time period, you worked a total of [Insert Number] Pay Periods. Based on this information, your estimated Individual Settlement Payment is <<Amount>>. Please note that because additional persons may file claims, opt out or challenge their qualifying workweeks, your actual gross share may be more or less, in addition, because tax withholdings and payments must be made with respect to a portion of this gross amount, your net payment will be less than your gross share.

TTSB’s records show that, while you worked as an hourly-paid/non-exempt employee during the relevant time period, you worked a total of [Insert Number] PAGA workweeks during the PAGA

[EMPLOYEE NAME]

Anderson v. The Treatment Skin Boutique, Inc., et al.,

Period. The estimated PAGA Workweek Payment Rate is \$3.00. (\$2,500 (PAGA penalties distributable to PAGA Class members) / 833 number of PAGA Pay Periods worked by PAGA Class Members during the PAGA Period = \$3.00.)

Based on this information, your estimated PAGA Payment Share is <<PAGAestAmount>>. Please note that because additional persons may file claims or challenge their workweeks, your actual gross share may be more or less.

If you believe that your Qualifying Workweeks and/or PAGA Workweeks are not correct and believe you are entitled to payment based upon a different number of workweeks, then you must inform the Settlement Administrator in writing of the basis for contesting any of the assigned workweeks and timely submit any Proof of Work that you may have to the Settlement Administrator. "Proof of Work" means document(s) that a Class Member may submit to the Settlement Administrator to show that he or she is entitled to payment based upon a different number of Qualifying Workweeks and/or different number of PAGA Workweeks than the numbers calculated by the Settlement Administrator based on Defendants' data.

20% of your settlement award will be issued in checks representing unpaid wages with applicable federal, state, and local tax withholdings taken out, and you will be sent an IRS Form W-2 for tax purposes (just like a paycheck). The remaining 80% of your settlement award will be issued in checks representing unreimbursed expenses, penalties and interest, and you will be issued an IRS Form 1099 for tax purposes. You will need to speak with an accountant or other tax professional about any tax issues related to your settlement checks.

If you dispute the information about the amount of your anticipated Settlement Award, you must advise the Settlement Administrator and follow the steps below to substantiate your dispute.

To dispute the amount of your anticipated settlement share you must send in the mail any records (such as paystubs, pay checks or other records) supporting your calculation of the total number of weeks you were employed by TTSB between January 21, 2017 and July 21, 2022 as an hourly-paid/non-exempt employee along with a letter explaining the dispute, and be sure to include the last four digits of your social security number by RESPONSE DATE. The date of the postmark will determine if it was timely mailed. The Settlement Administrator will review the information you submit along with TTSB's records and make a determination as to the correct amount of your Settlement Award.

The Settlement Administrator is:

The Treatment Skin Boutique, Inc. Class Action Settlement Administration
c/o Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA, 92863
Any Questions? Call (800) 523-5773

9. WHAT AM I GIVING UP TO STAY IN THE CLASS AND GET COMPENSATION?

Unless you ask to be excluded, you will remain a part of the Settlement Class, and that means you can't sue, continue to sue, or be a part of any other lawsuit or proceeding making any of the same claims and allegations made in the Actions. It also means all of the Court's orders will apply to you and legally bind you. If you stay in the Settlement Class, upon final approval of the settlement by the Court, you will be deemed to have released and discharged TTSB as well as any and all of its affiliates, employees, directors, officers, shareholders, agents, attorneys, successors and assigns, from any and all claims, causes of action or obligations of any kind or nature whatsoever (including claims that have been or could have been asserted against them in this lawsuit or in any other lawsuit or claim in any other court or forum), that were alleged or could have been alleged based on the factual allegations regarding unpaid wages, missed or non-compliant meal breaks, unreimbursed expenses, and related claims for penalties, alleged in the operative Complaint for the Class Period of January 19, 2017 to July 21, 2022.

This Section only summarizes the Release of Claims. AMENDED JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE BETWEEN PLAINTIFF AND DEFENDANTS contains additional details about the scope of the Release and Released Claims, and you may obtain a copy of the Stipulation of Settlement from the Settlement Administrator or Class Counsel listed below.

10. DO I HAVE A LAWYER IN THIS CASE?

The Court has decided the law firm below are qualified to represent you and the Settlement Class. This law firm is called "Class Counsel."

MANJLAI LAW, PC
6371 Haven Ave, Suite 3-141
Rancho Cucamonga, CA 91701
Email: hm@manjlailaw.com
Tel: 951-268-4384

If you want to be represented by your own lawyer, you may hire one at your own expense.

11. WHAT IF I DON'T WANT TO PARTICIPATE IN THIS SETTLEMENT?

You have the right to request exclusion from the settlement. PLEASE NOTE THAT YOU CANNOT EXCLUDE YOURSELF FROM, OR OPT OUT OF THE PAGA PAYMENT. To do so, you must submit a written opt out request to the Settlement Administrator at the following address:

The Treatment Skin Boutique, Inc. Class Action Settlement Administration
c/o Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA, 92863
Any Questions? Call (800) 523-5773

A written request for exclusion must clearly state that you do not wish to be included in the settlement and should include sufficient information to enable the Settlement Administrator to identify you, such as your full legal name, home address and telephone number, and last four digits of your social security number. All requests for exclusion must be mailed by first-class mail no later than **RESPONSE DATE** to the Settlement Administrator at the above address. The date of the postmark will determine if your opt out request was timely mailed. Unless you timely request to be excluded from the settlement, you will be bound by the judgment upon final approval of the settlement and payment of the Gross Settlement Amount, including the Release described in this Notice.

If you timely request to be excluded from the settlement, you will not be entitled to receive any payment under the settlement. Class Counsel will not represent your interests if you request to be excluded.

12. WHAT IF I WANT TO OBJECT TO THIS SETTLEMENT?

Any Class Member who has **not** asked to be excluded from the settlement may object to the proposed settlement either in writing, by appearing at the Final Approval Hearing in person or through an attorney at your own expense, or both. The Final Approval Hearing is scheduled to take place on [REDACTED], 2022, at 9:00 a.m. in Department 17 of the above-captioned court, located at 312 North Spring Street, Los Angeles, California 90012.

All written objections and supporting papers, if any, should: (1) state your full name, address and telephone number; (2) provide a written statement of all grounds for the objection accompanied by any legal briefs in support for the objection, and (3) clearly identify the case name and number. The case name is “*Anderson v. The Treatment Skin Boutique, Inc.*” and the case number is “21STCV01911.”

Please note that you cannot exclude yourself from, or opt out of the PAGA payment.

You must submit your written objection and all supporting papers, if any, to the Settlement Administrator by mailing to the following address:

The Treatment Skin Boutique, Inc. Class Action Settlement Administration
c/o Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA, 92863

To be valid, your written objection and all supporting papers must be postmarked on or before **RESPONSE DATE**.

If you do not submit a written objection, you may still appear at the Final Approval Hearing and make your objection to the Court.

13. WHAT HAPPENS IF I DO NOT EXCLUDE MYSELF FROM THIS SETTLEMENT?

The settlement, if finally approved by the Court, will bind all Class Members who do not request to be excluded from the settlement whether or not they receive or timely cash their Settlement

Awards. Final approval of the settlement will bar any Class Member who does not request to be excluded from the settlement from initiating a lawsuit or proceeding regarding the Released Claims. Please note that you cannot exclude yourself from, or opt out of the PAGA payment.

14. WHAT IF MY CONTACT INFORMATION CHANGES?

If, after you receive this Notice, you change your mailing address or telephone number, it is your responsibility to inform the Settlement Administrator of your updated information.

15. WHEN AND WHERE WILL THE COURT DECIDE TO WHETHER APPROVE THE SETTLEMENT?

The Final Approval Hearing is scheduled to take place on [REDACTED], 2022, at 9:00 a.m. in Department 17 of the Superior Court of the State of California for the County of Los Angeles, located at 312 North Spring Street, Los Angeles, California 90012. The date and time may change without further notice to the Class. Please note that face masks must be worn over the nose and mouth at all times in all public courthouse spaces.

You may appear at the Final Approval Hearing remotely using LACourtConnect. To learn more about how to appear remotely at the Final Approval Hearing using LACourtConnect and to schedule your remote LACourtConnect appearance, please visit <https://my.lacourt.org/laccwelcome>. User Guide for LA Court Connect is available at the following web address: <https://www.lacourt.org/documents/LACCWhatyouneedUG.pdf>

At the Final Approval Hearing, the Court will make a final decision whether to approve the settlement, and will also decide what amounts will be awarded to the Class Representative for a service award, and to Class Counsel for attorney's fees and costs.

16. HOW DO I GET FURTHER INFORMATION ABOUT THE SETTLEMENT?

This Notice is only a summary of the settlement. To obtain a copy of the Stipulation of Settlement (which defines the capitalized terms used in this Notice), the Court's Preliminary Approval Order, or the operative complaint filed in the Actions, please contact the Settlement Administrator at (800) 523-5773 or Class Counsel listed above.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact the Settlement Administrator at toll free number (800) 523-5773 or Class Counsel listed above. Please refer to the "The Treatment Skin Boutique, Inc. Class Action Settlement."

PLEASE DO NOT TELEPHONE OR CONTACT THE COURT WITH QUESTIONS OR FOR INFORMATION REGARDING THIS SETTLEMENT

EXHIBIT E

[EMPLOYEE NAME]

Anderson v. The Treatment Skin Boutique, Inc., et al.,

NOTICE OF CLASS ACTION AND PAGA SETTLEMENT

Anderson v. The Treatment Skin Boutique, Inc., et al.,
Superior Court of the State of California, County of Los Angeles, Case Number 21STCV01911

IF YOU WORKED AS AN HOURLY-PAID/NON-EXEMPT EMPLOYEES PERFORMING SERVICES FOR THE TREATMENT SKIN BOUTIQUE, INC. BETWEEN JANUARY 21, 2017, AND ~~JULY 21, 2022~~, YOU MAY OBTAIN PAYMENTS FROM A SETTLEMENT REACHED IN A PROPOSED CLASS ACTION LAWSUIT.

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This Notice is court approved. This is not a solicitation from an attorney. You are not being sued.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

DO NOTHING	Receive compensation but lose rights to sue separately. If you do nothing, you will receive compensation for your claims alleged in this lawsuit. You will also give up your rights to ever sue TTBS about any of the claims in this case.
EXCLUDE YOURSELF FROM THE SETTLEMENT	Get no compensation but keep rights to sue separately. If you ask to exclude yourself from the settlement, you will not receive any compensation from the settlement, but you will keep your rights to file a separate claim. <u>Please note that you cannot exclude yourself from, or opt out of the PAGA payment.</u> Please be advised, however, that the time limits for filing a separate claim may have expired. The deadline to do so is [RESPONSE DATE], which is 45 days from when this notice is mailed.
OBJECT OR COMMENT	Tell the Court why you like or don't like the settlement. You may write to the Court, or you may appear personally or through your own attorney and your own expense and tell the Court why you do or do not like the settlement. You must remain a part of the lawsuit to comment or object to the settlement, and you cannot object if you also ask to be excluded. The deadline to do so is [RESPONSE DATE], which is 45 days from when this notice is mailed.
APPEAR AT THE FINAL APPROVAL HEARING	Appear at the Final Approval Hearing to speak to the Court about the fairness of the Settlement. You are not required to do this. The Final Approval hearing for this settlement will be held on: Date: [INSERT DATE] Time: 9:00 AM Location: Department 17 of the above-captioned court, located at 312 North Spring Street, Los Angeles, California 90012

These rights and options – **and the time deadlines for exercising them** – are explained further in this Notice.

[EMPLOYEE NAME]

Anderson v. The Treatment Skin Boutique, Inc., et al.,

1. WHY DID I GET THIS NOTICE?

You have received this Notice because we believe that you are a class member who may be entitled to money from this settlement.

This Notice describes a proposed settlement of the lawsuit *Anderson v. The Treatment Skin Boutique, Inc.*, in the California Superior Court for the County of Los Angeles, Case Number 21STCV01911 (the “Anderson Action”). This Notice is being sent to you by the order of the Los Angeles County Superior Court, which preliminarily approved the settlement and conditionally certified the Settlement Class on July 21, 2022.

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This Notice informs you of the terms of the proposed settlement, describes your rights and options in connection with the settlement, and explains what steps you may take to participate in, object to, or exclude yourself from, the settlement. Please note that you cannot exclude yourself from, or opt out of the PAGA payment. If you do not exclude yourself from the settlement and the settlement is finally approved by the Court, you will receive a settlement payment and be bound by the terms of the settlement and any final judgment.

The Anderson Action was filed by Plaintiff Debra Anderson (“Anderson”) as a proposed class action on behalf of individuals who worked as hourly non-exempt employees for The Treatment Skin Boutique, Inc. (“TTSB”).

The Anderson Action alleges that TTSB failed to pay Class Members all wages due, including minimum, overtime, failed to provide all meal and rest breaks required under California law, failed to provide proper itemized wage statements, failed to reimburse certain business expenses, failed to timely pay all wages due on separation of employment, and engaged in unfair competition. The Actions also allege a claim for civil penalties under the California Private Attorneys General Act, Cal. Labor Code sections 2698, *et seq.* (abbreviated “PAGA”).

At all times TTSB has denied each and all of the claims and contentions alleged in the Actions, denied it engaged in any illegal or actionable conduct of any kind, and denied it owes any damages, restitution, or penalties of any kind or nature whatsoever. No court has made any rulings regarding the merits of the Actions.

2. WHAT IS THIS LAWSUIT ABOUT?

After investigating, engaging in a full day of mediation before a mediator, and post-mediation negotiations, in which both sides recognized the substantial risks of an adverse result in the Actions for either side, Plaintiff Anderson and TTSB agreed on a class settlement that was preliminarily approved by the Court on July 21, 2022.

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The proposed settlement of the Action covers all individuals employed by TTSB in California as an hourly-paid/non-exempt employee between January 21, 2017 and July 21, 2022.

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The settlement represents a compromise of highly disputed claims. Nothing in the settlement is intended to or will be construed as an admission by TTSB that any claims in the Actions have merit or that it has any liability to Plaintiff Anderson, or the Class on those claims.

[EMPLOYEE NAME]

Anderson v. The Treatment Skin Boutique, Inc., et al.,

The parties and their counsel have concluded the settlement is advantageous, considering the risks and uncertainties to each side of continued litigation and trial. Plaintiff Anderson and Class Counsel support the settlement.

3. WHAT IS A CLASS ACTION?

In a class action lawsuit, one or more persons, called Class Representative(s), sues on behalf of other people who have similar claims. Anderson is the Class Representative in the Lawsuit, and her asserts claims on behalf of herself and the Class Members. All of the Class Members form a Class. A class action allows one court to resolve the claims of all the Class Members at the same time.

4. WHY IS THERE A SETTLEMENT?

No Court or Judge has decided in favor of Plaintiff Anderson or in favor of TTSB. Instead, both sides agreed to a settlement. That way, both sides avoid the risks and costs of a trial, and people affected will quickly receive compensation. The Class Representative and the Class Counsel think the settlement is best for the Class.

5. WHO IS INCLUDED IN THE SETTLEMENT CLASS?

All individuals who worked for TTBS in California as an hourly-paid/non-exempt employee from January 27, 2017 to July 21, 2022, are included in the Class.

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According to TTSB records, you are a member of the Class and eligible for payments under the settlement. If you are still not sure if you are entitled to participate in the settlement, please call (800) 523-5773.

6. WHAT ARE THE TERMS OF THE CLASS SETTLEMENT?

In exchange for the release of claims against it and final disposition of the Actions, TTSB will pay Two Hundred and Eighteen Thousand and Five Hundred Dollars and Zero Cents (\$218,500.00) (the “Maximum Settlement Amount”).

After attorney’s fees and costs, service payment to the Class Representative, a payment to the California Labor & Workforce Development Agency, and settlement administration costs are deducted from the Gross Settlement Amount, the remaining amount (the “Distributable Amount”) will be distributed to those Class Members who do not exclude themselves from the settlement, on a pro-rata basis. The payment will be made shortly after the Court gives its final approval to the settlement.

Subject to Court approval, the Gross Settlement Amount will be allocated as follows:

- **Settlement Awards: Each Class Member who does not exclude himself will receive a payment based the total number of pay periods they were employed by TTSB in California as an hourly-paid/non-exempt employee during the relevant time period.**

[EMPLOYEE NAME]

Anderson v. The Treatment Skin Boutique, Inc., et al.,

Individual Settlement Awards will be calculated as follows: first, the Distributable Amount will be divided by the total number of weeks worked by all of the Class Members to determine the “weekly amount.” Second, the number of weeks worked by each individual Class Member will be multiplied by the “weekly amount” to arrive at each Class Member’s Individual Settlement Award.

Your estimated Individual Settlement Award is set forth in Section 7 below.

- **Class Representative Service Payments:** For acting as the Class Representative, Plaintiff Anderson will request from the Court an award of \$15,000.00 in recognition of and as compensation for her efforts, such as starting the Action, volunteering time to assist with the Action, and providing information and documents, as well as risks they assumed in starting and assisting with the prosecution of the Action. Any amounts ordered by the Court will be paid from the Maximum Settlement Amount.
- **Class Counsel’s Attorney’s Fees and Costs:** Class Counsel will request from the Court no more than one-third (1/3) of the Maximum Settlement Amount (\$72,105.00) as attorney’s fees for litigation and resolution of the Actions. Class Counsel will also request from the Court reimbursement for litigation costs advanced on behalf of the Class, which are estimated to be no more than \$10,000.00. Any amounts ordered by the Court for Class Counsel’s attorney’s fees and costs will be paid from the Maximum Settlement Amount.
- **PAGA Payment:** \$10,000.00 from the Maximum Settlement Amount is allocated for payment of civil penalties under the Private Attorneys General Act of 2004. Upon Court approval, 75% of the allocation (\$7,500.00) will be paid to the California Labor & Workforce Development Agency, and 25% (\$2,500.00) of the allocation will be distributed to the Class as part of the Distributable Amount.
- **Settlement Administration:** The costs of settlement administration will not exceed \$10,000.00, which pays for tasks such as mailing and tracking this Notice, mailing checks and tax forms, and reporting to the parties and the Court. Any amount ordered by the Court will be paid from the Distributable Amount.

• All checks issued to Participating Class Members shall remain valid and negotiable for one hundred and eighty (180) days from the date of their issuance. One hundred eighty (180) calendar days from the date of mailing, the checks shall become null and void. The Court has approved and designated the State Bar’s Justice Gap Fund, one of three significant sources of funding for about 100 legal aid organizations across the state, as the *cy pres* recipient, therefore any un-cashed or abandoned checks shall be paid to the State Bar’s Justice Gap Fund

The Treatment Skin Boutique, Inc. Class Action Settlement Administration
c/o Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA, 92863

7. WHAT DO I RELEASE UNDER THE SETTLEMENT?

Released Class Claims

Provided that there is Final Approval of this Settlement, then as of July 21, 2022 (“Effective Release Date”), each Settlement Class Member, individually and on behalf of their respective

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Any Questions? Call (800) 523-5773

[EMPLOYEE NAME]

Anderson v. The Treatment Skin Boutique, Inc., et al.,

successors, assigns, agents, attorneys, executors, heirs, and personal representatives, shall be deemed to have agreed to the following:

It is the desire of the Representative Plaintiff, Class Members, and Defendants to fully, finally, and forever settle, compromise, and discharge disputes and claims arising from or related to this Action. After Final Approval by the Court of this Agreement, after Defendants have made payment to fully fund the Maximum Settlement Amount, and by operation of the Agreement's terms, and except as to such rights or claims as may be created by this Agreement, all Authorized Claimants fully release and discharge the Released Persons from all Released Class Claims, whether known or unknown during the Class Period. All PAGA Employees and the State will fully release and discharge the Released Persons from all Released PAGA Claims upon approval of the settlement of PAGA Claims in this Action. Plaintiff and Defendants stipulate and agree that the consideration paid to the Class Members pursuant to this Agreement compensates the Class Members for all wages and penalties due to them arising from the claims alleged in the operative Complaint.

"Released Class Claims" means any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, or causes of action which relate to any and all claims alleged or which could have been alleged based on the facts in the Operative Complaint filed by Representative Plaintiff, both on her behalf and on behalf of the Class Members in this Action during the Class Period, under any state or local law, and shall specifically include but is not limited to claims for, Failure to Pay Minimum and Straight Time Wages [Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197], Failure to Pay Overtime Wages, Failure to Provide Meal Periods [Cal. Lab. Code §§ 226.7, 512], Failure to Authorize and Permit Rest Breaks [Cal. Lab. Code § 226.7], Failure to Timely Pay Final Wages at Termination [Cal. Lab. Code §§ 201-203], Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226], and Unfair Business Practices [Cal. Bus. & Prof. Code §§ 17200, et seq.], and any other claims, including claims for statutory and/or civil penalties, pertaining to the Class Members which were alleged or could have been alleged in operative Complaint, based upon the allegations and claims contained in the Operative Complaint. This release is limited in time to the Class Period covering the Class

[EMPLOYEE NAME]

Anderson v. The Treatment Skin Boutique, Inc., et al.,

Members who worked for the Released Persons in the State of California.

“Released PAGA Claims” means claims asserted by Representative Plaintiff for Civil Penalties under PAGA [Cal. Lab. Code § 2699, et seq.] based on the those claims for penalties that were brought or could have been brought based on the facts alleged in Plaintiff’s notice letter to the LWDA, including all attorney’s fees and costs related thereto.

“Released Persons” means Defendants The Treatment Skin Boutique, Inc., Ryan Jensen and Erin Jensen, and their respective past, present, and/or future agents, attorneys, insurers, reinsurers, divisions, affiliates, DBAs (if any), predecessors, successors, heirs, accountants, auditors, consultants, reinsurers, shareholders, officers, directors, managers, employees, trustees, representatives, administrators, fiduciaries, assigns, subrogees, executors, partners, parents, owners, subsidiaries, privies, and/or any and all persons and/or corporate entities acting by, through, under or in concert with any of them.

“Class Period” means the time period from January 19, 2017, through Preliminary Approval (July 21, 2022).

Deleted: June 15

“PAGA Period” means the time period from January 14, 2020, through Preliminary Approval (July 21, 2022).

Deleted: June 15

8. WHAT DO I NEED TO DO TO RECEIVE A SETTLEMENT PAYMENT, AND HOW MUCH WILL I RECEIVE?

You do not need to do anything to receive a payment from the settlement.

Defendants’ records reflect that you have worked <<Workweeks>> workweeks as a Class Member during the Class Period. The estimated workweek payment rate for Class Members is \$40.95. (\$101,395.00 (Distributable Amount) - \$2,500 (PAGA penalties distributable to PAGA Class members) = \$98,895.00 / 2,415 number of workweeks worked by Class Members during the Class Period = \$40.95).

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Moved up [1]: The estimated workweek payment rate for Class Members is \$40.95.

TTSB’s records show that, while you worked as an hourly-paid/non-exempt employee during the relevant time period, you worked a total of [Insert Number] Pay Periods. Based on this information, your estimated Individual Settlement Payment is <<Amount>>. Please note that because additional persons may file claims, opt out or challenge their qualifying workweeks, your actual gross share may be more or less, in addition, because tax withholdings and payments must be made with respect to a portion of this gross amount, your net payment will be less than your gross share.

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TTSB’s records show that, while you worked as an hourly-paid/non-exempt employee during the relevant time period, you worked a total of [Insert Number] PAGA workweeks during the PAGA

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Period. The estimated PAGA Workweek Payment Rate is \$3.00. (\$2,500 (PAGA penalties distributable to PAGA Class members) / 833 number of PAGA Pay Periods worked by PAGA Class Members during the PAGA Period = \$3.00.)

Based on this information, your estimated PAGA Payment Share is <<PAGAestAmount>>. Please note that because additional persons may file claims or challenge their workweeks, your actual gross share may be more or less.

If you believe that your Qualifying Workweeks and/or PAGA Workweeks are not correct and believe you are entitled to payment based upon a different number of workweeks, then you must inform the Settlement Administrator in writing of the basis for contesting any of the assigned workweeks and timely submit any Proof of Work that you may have to the Settlement Administrator. "Proof of Work" means document(s) that a Class Member may submit to the Settlement Administrator to show that he or she is entitled to payment based upon a different number of Qualifying Workweeks and/or different number of PAGA Workweeks than the numbers calculated by the Settlement Administrator based on Defendants' data.

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20% of your settlement award will be issued in checks representing unpaid wages with applicable federal, state, and local tax withholdings taken out, and you will be sent an IRS Form W-2 for tax purposes (just like a paycheck). The remaining 80% of your settlement award will be issued in checks representing unreimbursed expenses, penalties and interest, and you will be issued an IRS Form 1099 for tax purposes. You will need to speak with an accountant or other tax professional about any tax issues related to your settlement checks.

If you dispute the information about the amount of your anticipated Settlement Award, you must advise the Settlement Administrator and follow the steps below to substantiate your dispute.

To dispute the amount of your anticipated settlement share you must send in the mail any records (such as paystubs, pay checks or other records) supporting your calculation of the total number of weeks you were employed by TTSB between January 21, 2017 and July 21, 2022 as an hourly-paid/non-exempt employee along with a letter explaining the dispute, and be sure to include the last four digits of your social security number by RESPONSE DATE. The date of the postmark will determine if it was timely mailed. The Settlement Administrator will review the information you submit along with TTSB's records and make a determination as to the correct amount of your Settlement Award.

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The Settlement Administrator is:

The Treatment Skin Boutique, Inc. Class Action Settlement Administration
c/o Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA, 92863
Any Questions? Call (800) 523-5773

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9. WHAT AM I GIVING UP TO STAY IN THE CLASS AND GET COMPENSATION?

Unless you ask to be excluded, you will remain a part of the Settlement Class, and that means you can't sue, continue to sue, or be a part of any other lawsuit or proceeding making any of the same claims and allegations made in the Actions. It also means all of the Court's orders will apply to you and legally bind you. If you stay in the Settlement Class, upon final approval of the settlement by the Court, you will be deemed to have released and discharged TTSB as well as any and all of its affiliates, employees, directors, officers, shareholders, agents, attorneys, successors and assigns, from any and all claims, causes of action or obligations of any kind or nature whatsoever (including claims that have been or could have been asserted against them in this lawsuit or in any other lawsuit or claim in any other court or forum), that were alleged or could have been alleged based on the factual allegations regarding unpaid wages, missed or non-compliant meal breaks, unreimbursed expenses, and related claims for penalties, alleged in the operative Complaint for the Class Period of January 19, 2017 to July 21, 2022.

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This Section only summarizes the Release of Claims. AMENDED JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE BETWEEN PLAINTIFF AND DEFENDANTS contains additional details about the scope of the Release and Released Claims, and you may obtain a copy of the Stipulation of Settlement from the Settlement Administrator or Class Counsel listed below.

10. DO I HAVE A LAWYER IN THIS CASE?

The Court has decided the law firm below are qualified to represent you and the Settlement Class. This law firm is called "Class Counsel."

MANJLAI LAW, PC
6371 Haven Ave, Suite 3-141
Rancho Cucamonga, CA 91701
Email: hm@manjlailaw.com
Tel: 951-268-4384

If you want to be represented by your own lawyer, you may hire one at your own expense.

11. WHAT IF I DON'T WANT TO PARTICIPATE IN THIS SETTLEMENT?

You have the right to request exclusion from the settlement. PLEASE NOTE THAT YOU CANNOT EXCLUDE YOURSELF FROM, OR OPT OUT OF THE PAGA PAYMENT. To do so, you must submit a written opt out request to the Settlement Administrator at the following address:

The Treatment Skin Boutique, Inc. Class Action Settlement Administration
c/o Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA, 92863
Any Questions? Call (800) 523-5773

Any Questions? Call (800) 523-5773

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A written request for exclusion must clearly state that you do not wish to be included in the settlement and should include sufficient information to enable the Settlement Administrator to identify you, such as your full legal name, home address and telephone number, and last four digits of your social security number. All requests for exclusion must be mailed by first-class mail no later than **RESPONSE DATE** to the Settlement Administrator at the above address. The date of the postmark will determine if your opt out request was timely mailed. Unless you timely request to be excluded from the settlement, you will be bound by the judgment upon final approval of the settlement and payment of the Gross Settlement Amount, including the Release described in this Notice.

If you timely request to be excluded from the settlement, you will not be entitled to receive any payment under the settlement. Class Counsel will not represent your interests if you request to be excluded.

12. WHAT IF I WANT TO OBJECT TO THIS SETTLEMENT?

Any Class Member who has **not** asked to be excluded from the settlement may object to the proposed settlement either in writing, by appearing at the Final Approval Hearing in person or through an attorney at your own expense, or both. The Final Approval Hearing is scheduled to take place on [REDACTED], 2022, at 9:00 a.m. in Department 17 of the above-captioned court, located at 312 North Spring Street, Los Angeles, California 90012.

All written objections and supporting papers, if any, should: (1) state your full name, address and telephone number; (2) provide a written statement of all grounds for the objection accompanied by any legal briefs in support for the objection, and (3) clearly identify the case name and number. The case name is “*Anderson v. The Treatment Skin Boutique, Inc.*” and the case number is “21STCV01911.”

Please note that you cannot exclude yourself from, or opt out of the PAGA payment.

You must submit your written objection and all supporting papers, if any, to the Settlement Administrator by mailing to the following address:

The Treatment Skin Boutique, Inc. Class Action Settlement Administration
c/o Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA, 92863

To be valid, your written objection and all supporting papers must be postmarked on or before **RESPONSE DATE**.

If you do not submit a written objection, you may still appear at the Final Approval Hearing and make your objection to the Court.

13. WHAT HAPPENS IF I DO NOT EXCLUDE MYSELF FROM THIS SETTLEMENT?

The settlement, if finally approved by the Court, will bind all Class Members who do not request to be excluded from the settlement whether or not they receive or timely cash their Settlement

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Awards. Final approval of the settlement will bar any Class Member who does not request to be excluded from the settlement from initiating a lawsuit or proceeding regarding the Released Claims. Please note that you cannot exclude yourself from, or opt out of the PAGA payment.

14. WHAT IF MY CONTACT INFORMATION CHANGES?

If, after you receive this Notice, you change your mailing address or telephone number, it is your responsibility to inform the Settlement Administrator of your updated information.

15. WHEN AND WHERE WILL THE COURT DECIDE TO WHETHER APPROVE THE SETTLEMENT?

The Final Approval Hearing is scheduled to take place on [REDACTED], 2022, at 9:00 a.m. in Department 17 of the Superior Court of the State of California for the County of Los Angeles, located at 312 North Spring Street, Los Angeles, California 90012. The date and time may change without further notice to the Class. Please note that face masks must be worn over the nose and mouth at all times in all public courthouse spaces.

You may appear at the Final Approval Hearing remotely using LACourtConnect. To learn more about how to appear remotely at the Final Approval Hearing using LACourtConnect and to schedule your remote LACourtConnect appearance, please visit <https://my.lacourt.org/laccwelcome>. User Guide for LA Court Connect is available at the following web address: <https://www.lacourt.org/documents/LACCWhatyouneedUG.pdf>

At the Final Approval Hearing, the Court will make a final decision whether to approve the settlement, and will also decide what amounts will be awarded to the Class Representative for a service award, and to Class Counsel for attorney's fees and costs.

16. HOW DO I GET FURTHER INFORMATION ABOUT THE SETTLEMENT?

This Notice is only a summary of the settlement. To obtain a copy of the Stipulation of Settlement (which defines the capitalized terms used in this Notice), the Court's Preliminary Approval Order, or the operative complaint filed in the Actions, please contact the Settlement Administrator at (800) 523-5773 or Class Counsel listed above.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact the Settlement Administrator at toll free number (800) 523-5773 or Class Counsel listed above. Please refer to the "The Treatment Skin Boutique, Inc. Class Action Settlement."

PLEASE DO NOT TELEPHONE OR CONTACT THE COURT WITH QUESTIONS OR FOR INFORMATION REGARDING THIS SETTLEMENT