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SUPERIOR COURT OF THE STATE OF CALIFORNIA

CITY AND COUNTY OF ALAMEDA

JAMES JONES, as an individual and on behalf of all others similarly situated, Plaintiff, vs. TFC PARTNERS, INC., a Delaware corporation; and DOES 1 through 50, inclusive, Defendants.	Case No. RG21087839 **[PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT** Date: April 4, 2023 Time: 3:00 P.M. Dept.: 23 **Reservation ID: 820143419137** Complaint Filed: February 4, 2021

Plaintiff James Jones filed a class and PAGA representative complaint against Defendant TFC Partners, Inc. on February 4, 2021 ("Complaint"). Plaintiff alleges that Defendant: (a) failed to provide off-duty meal periods to employees, or pay meal period premium compensation in lieu thereof, in violation of Labor Code §§ 201-203, 226.7, and 512; (b) failed to provide off-duty rest periods, or pay rest period premium compensation in lieu thereof, in violation of Labor Code §§ 201-203 and 226.7; (c) failed to pay employees wages owed for all hours worked in violation of Labor Code §§ 201-203, 510, 558, 1194, 1197, and 1197.1; (d) failed to provide accurate itemized wage statements in violation of Labor Code § 226(a); and (e) engaged in unfair business practices in violation of the California Labor Code, the applicable IWC Wage Orders, and the UCL. Plaintiff seeks penalties under the California Private Attorneys General Act. Plaintiff seeks to represent all current and former California non-exempt employees who worked for Defendant and who were paid wages during the Settlement Period of August 10, 2016 to August 31, 2022.

The Parties exchanged formal and informal discovery, including providing Settlement Group data, and engaged in an early mediation of Plaintiff's claims with well-respected private mediator, Tripper Ortman. With the assistance of the mediator, the parties reached a Settlement in principle of all of Plaintiffs class and representative claims. On December 21, 2022, the Parties executed the Stipulation of Settlement and Release ("Stipulation of Settlement"), setting forth the terms of the Settlement. A preliminary approval hearing was held before this Court on April 4, 2023 for the purpose of determining, among other things, whether the terms of the Stipulation of Settlement were within the range of possible approval and whether Notice to the Settlement Group Members of its terms and conditions, and the scheduling of a formal fairness hearing, also known as a final approval hearing, will be worthwhile.

Appearing at the hearing were counsel for Defendant, and counsel on behalf of Plaintiff and the Settlement Group Members. The Court, having reviewed the papers and documents presented, having heard the statements of counsel, having considered the matter, and having made findings and rulings at the hearing, **HEREBY ORDERS:**

1. The Court grants preliminary approval of the terms and conditions contained in the Stipulation of Settlement. The Court preliminarily finds that the terms of the Stipulation of

Settlement appear to be within the range of possible approval, pursuant to the provisions of Section 382 of the California Code of Civil Procedure.

2. It appears to the Court on a preliminary basis that: (1) based on the papers and information submitted to the Court in support of Plaintiff's motion for preliminary approval, the proposed Settlement amount is fair and reasonable to the Settlement Group Members when balanced against the risks of further litigation relating to class certification, the potential value of Plaintiff's asserted claims, Defendant's asserted defenses, potential liability and damages issues, and potential appeals; (2) significant investigation and research has been conducted such that counsel for the Parties at this time are able to reasonably evaluate their respective positions; (3) settlement at this time will avoid substantial costs, delay and risks that would be presented by the further prosecution of the litigation; and (4) the proposed Settlement has been reached as the result of intensive, serious and non-collusive negotiations between the Parties. Accordingly, the Court preliminarily finds that the Stipulation of Settlement was entered into in good faith.

3. The Court grants conditional certification of the Settlement Group as a class, in accordance with the Stipulation of Settlement for the purposes of this Settlement only. The Settlement Group includes: "All current and former California non-exempt employees who worked for Defendant and who were paid wages during the Settlement Period of August 10, 2016 to August 31, 2022."

4. The Court authorizes the retention of Phoenix Class Action Administration Solutions as Settlement Administrator for the purpose of this Settlement.

5. The Court preliminarily finds named plaintiff James Jones is a suitable class representative for settlement purposes only and preliminarily appoints him class representative for the Settlement Group conditionally certified by this Order.

6. The Court preliminarily appoints Diversity Law Group, P.C. and Webber Law Group as Settlement Group Counsel for settlement purposes only. The Court preliminarily finds that counsel has demonstrable experience litigating, certifying, and settling class actions, and will serve as adequate counsel for the Settlement Group conditionally certified by this Order.

7. The Court approves the Notice of Class Action Settlement (the "Notice") attached as **EXHIBIT A**. The Court finds that the Notice along with the related notification materials in the Notice Packet constitutes the best notice practicable under the circumstances and are in full compliance with the laws of the State of California, to the extent applicable, the United States Constitution, and the requirements of due process. The Court further finds that the Notice appears to fully and accurately inform the Settlement Group Members of all material elements of the Stipulation of Settlement, the proposed fees and costs of administration, the Settlement Group Members' right to be excluded from the class, each Settlement Group Member's right and opportunity to object to the Settlement, details about the court hearing on settlement approval, and how the Settlement Group Members may obtain additional information. The Notice shall be mailed via first class mail to the most recent known address of each Settlement Group Member in accordance with the Stipulation of Settlement.

8. The Court approves the proposed procedure for exclusion from the class by submitting an exclusion letter to the Settlement Administrator no later than 45 days following the date on which the Settlement Administrator first mails the Notice to Settlement Group Members. Any Settlement Group Member who submits a valid and timely exclusion letter shall no longer be a member of the class, shall be barred from participating in the Settlement and shall receive no benefit from the Settlement.

9. The Court orders that Settlement Group Counsel shall file by at least sixteen (16) court days before ______________ (hearing date) a motion for Final Approval of the Settlement and Settlement Group Counsel's Attorneys' Fees and Costs Payment, the Named Plaintiff Award and the Settlement Administrator's Payment, with the appropriate declaration(s) and supporting evidence.

10. A Final Approval Hearing is hereby set for _______________ at 9:30 a.m. in Department 23 of the Alameda County Superior Court, located at 1225 Fallon St, Oakland, California 94612. Any Settlement Group Member seeking to object to the proposed Settlement may send a letter to the Settlement Administrator as set forth in the Notice and/or appear at the Final Approval Hearing to make such objection.

11. The Court orders that pending further order of this Court, all proceedings in this Lawsuit except those contemplated herein and in the Stipulation of Settlement are stayed.

12. The Court orders that to facilitate administration of this Settlement, all Settlement Group Members, including Plaintiff, are hereby enjoined from filing or prosecuting any claims, cases, suits or administrative proceedings (including filing or pursuing claims with the California Division of Labor Standards Enforcement) regarding claims released by the Settlement unless and until such Settlement Group Members have submitted a valid and timely exclusion letter with the Settlement Administrator and the time for filing claims with the Settlement Administrator has lapsed.

13. If the Court grants final approval of this Settlement, Settlement Group Members and their successors shall conclusively be deemed to have given a release, as set forth in the Stipulation of Settlement and Notice, against the Releasees, and all Settlement Group Members and their successors shall be permanently enjoined and forever barred from asserting any claim related to this Lawsuit against the Releasees. If for any reason the Court does not execute and file a Final Approval Order, the proposed Settlement subject to this Order and all evidence and proceedings had in connection with the Settlement, including condition certification of the Settlement Group as a class, shall be null and void.

IT IS SO ORDERED.

Dated: ________________________

____
Judge of the Superior Court of California

EXHIBIT A

James Jones v. TFC Partners, Inc.
Superior Court of the State of California, County of Alameda
Case No. RG21087839

NOTICE OF CLASS ACTION SETTLEMENT

To: All current and former California non-exempt employees who worked for TFC Partners, Inc. d/b/a NFC Amenity Management ("NFC") and who were paid wages during the Settlement Period of August 10, 2016 to August 31, 2022. Members of the Settlement Group are "Settlement Group Members (the "Settlement Group").

A court has authorized this Notice. It is not a solicitation from a lawyer.
This is not a lawsuit against you and you are not being sued.

However, your legal rights may be affected by a class action settlement described in this Notice.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT AND LAWSUIT	
DO NOTHING TO RECEIVE A PAYMENT	The estimated amount of your Individual Settlement Payment is shown in Section I. If you wish to receive it, no further action is required.
CHANGE CONTACT INFORMATION	If you need to change your contact information, you must provide the Settlement Administrator with your updated contact information to ensure your Individual Settlement Payment is mailed to the correct mailing address. Please call or write to the Settlement Administrator as soon as possible.
EXCLUDE YOURSELF	You can exclude yourself from the Settlement. If you request to be excluded, you will not receive an Individual Settlement Payment, but will maintain the right to file your own lawsuit. If you wish to exclude yourself from the Settlement, please send a letter to the Settlement Administrator. Be sure to include your name, address, telephone number, last four digits of your Social Security Number, and your signature. It must be postmarked on or before __________, 2023.
OBJECT	If you think the Settlement is not fair, you can submit a written objection to the Settlement Administrator and it will be considered by the Court. In order to be considered, your objection must state your name, contact information, and the grounds for objecting, and be postmarked on or before

	__________, 2023. You may then appear in Court and explain why you think the Settlement is not fair at the Final Approval Hearing. If the Settlement is approved, you will be bound by the terms of the Settlement and the Settlement Group Released Claims described in this Notice.

I. YOUR INDIVIDUAL PAY PERIODS AND ESTIMATED INDIVIDUAL SETTLEMENT PAYMENT

According to NFC's records, your total number of Individual Pay Periods in which NFC paid you wages during the period from August 10, 2016 to August 31, 2022 ("Settlement Period") is: [insert number]. Based on this information, your Individual Settlement Payment is estimated to be $__________.

The number of Individual Pay Periods shown above was determined based upon NFC's records. If you believe the number of Individual Pay Periods is not right, you may send a letter to the Settlement Administrator stating what you believe the correct number of Individual Pay Periods are, together with any information or documentation that supports your belief.

To be considered, you must mail your dispute letter to the Settlement Administrator at the address shown in Section V below of this Notice, postmarked on or before ___________, 2023 [*45 days after initial mailing*]. Your dispute must contain: (1) your full name and address; (2) the case name and number (*Jones v. TFC Partners, Inc.,* Case No. RG21087839); and (3) a clear statement indicating you wish to dispute the number of Individual Pay Periods attributed to you, together with any supporting documents or information. The Settlement Administrator will resolve any dispute regarding your Individual Pay Periods based on NFC's records and any information you provide.

Before any payments can be made pursuant to the terms of the Settlement discussed in this Notice, the Court must first decide whether to finally approve it. The Court will consider the fairness of the Settlement at the Final Approval Hearing, which has been set for ____________, 2023, at ____ a.m./p.m. in Department 23 of the above-captioned Court located at 1225 Fallon Street, Oakland, California 94612. The date and time of the hearing may change without notice.

II. BACKGROUND INFORMATION

1. What is this Lawsuit about?

Plaintiff James Jones sued NFC on behalf of himself and the Settlement Group Members. His Lawsuit alleges that NFC: (a) failed to provide off-duty meal periods to employees, or pay meal period premium compensation in lieu thereof, in violation of Labor Code §§ 201-203, 226.7, and 512; (b) failed to provide off-duty rest periods, or pay rest period premium compensation in lieu thereof, in violation of Labor Code §§ 201-203 and 226.7; (c) failed to pay employees wages owed for all hours worked in violation of Labor Code §§ 201-203, 510, 558, 1194, 1197, and 1197.1; (d) failed to provide accurate itemized wage statements in violation of Labor Code § 226(a); and (e) engaged in unfair business practices in violation of the California Labor Code, the applicable IWC Wage Orders, and the UCL. He also seeks penalties under the California Labor Code's Private Attorneys General Act ("PAGA"). NFC denies Plaintiff's allegations and that it has committed any wrongdoing. NFC asserts that it has properly paid its employees for all hours worked, and furnished meal and rest periods in accordance with the law.

2. What is a class action and why is this case a class action?

In a class action, one or more people, called class representatives, sue on behalf of a group of people who they allege have similar claims. The group is called a "Class." Claims are litigated and resolved for everyone in the Class at once, except for those people who exclude themselves from the Settlement Group. In this case, Mr. Jones is the class representative. He alleges his claims involve legal and factual questions common to the group of current and former non-exempt California employees who worked for NFC and were paid wages by NFC during the period from August 10, 2016 to August 31, 2022.

3. Has the Court decided who is right?

No. NFC denies the allegations in the Lawsuit, and the Court has NFC made no determination as to which party is right. By preliminarily approving the Settlement and authorizing this Notice, the Court is not suggesting either side would win or lose if this case went to trial. Instead of a trial, the Parties agreed to the Settlement described in this Notice. That way, they avoid the cost, risk and uncertainty of trial, and the former and current non-exempt employees who were allegedly affected receive compensation. Mr. Jones and Counsel for him and the Settlement Group believe the Settlement is fair, reasonable and adequate and in the best interests of all members of the Settlement Group.

4. How do I participate in the Settlement as a Settlement Group Member?

If you want to receive your share of the Settlement monies paid under the Settlement, you do not need to do anything. The amount estimated for you is shown in Section I above.

5. How do I ask to be excluded?

If you exclude yourself, referred to as "opting out" of the Settlement Group, you will not receive a share in the money paid under the Settlement, but you would keep your right to sue any or all of the Releasees (defined below) on your own. If you file your own lawsuit against any of the Releasees after you exclude yourself, you will have to prove your own claims. There are time limits for filing individual claims that might have already expired. If you wish to be excluded from the Settlement, you must send a letter to the Settlement Administrator stating that you do not want to be part of the Settlement Group ("Exclusion Form"). Be sure to include your name, address, telephone number, last four digits of your Social Security Number, the date, and your signature. The letter must be postmarked on or before ________, 2023. *[45 days of initial mailing]*. If you do not timely submit a letter requesting to exclude yourself, you will remain a member of the Settlement Group, will be bound by the terms of the Settlement, and will be issued the Individual Settlement Payment referenced in Section I above.

If you exclude yourself from the settlement, as described above, the amount of your Individual Settlement Payment will remain with the Net Settlement Sum and distributed on a pro-rata basis to the participating members of the Settlement Group. No portion of the Total Maximum Settlement Amount will be returned to NFC under any circumstances.

Even if you exclude yourself from the settlement, you will still receive an Individual PAGA Payment, which is the amount you are entitled to as an "aggrieved employee" under the PAGA. Under the PAGA, 75% of the civil penalties assessed are distributed to the State of California, and 25% of the civil penalties are distributed to aggrieved employees like you. You cannot exclude yourself from receiving your Individual PAGA Payment.

6. May I object to the Settlement?

If you do not think the Settlement is fair, you can object to the Settlement and tell the Court you do not agree with the Settlement or some part of it. The Court will consider your views when deciding whether to grant final approval of the Settlement. This is the process to tell the Court if you think the Settlement as a whole is unfair. If you only believe your Individual Settlement Payment was miscalculated, please use the process shown in Section I of this Notice.

To object to the Settlement, you should send a letter to the Settlement Administrator at the address shown in Section V. To be valid, your letter must (a) state the case name and number (*Jones v. TFC Partners, Inc.,* Case No. RG21087839); (b) explain the basis for the objection, (c) include your name, contact information and the last four digits of your Social Security number, and (d) be signed by you. You must submit your letter to be postmarked on or before ____________, 2023. [*45 days of the initial mailing*].

You may then appear at the Final Approval hearing on the Settlement, set for _____________, at ____ in Department 23, at _____ a.m./p.m. of the Superior Court of California, County of Alameda located at 1225 Fallon Street, Oakland, CA 94612 to state your objection. The date and time of the hearing may change without notice.

If you choose to object, you will still receive an Individual Settlement Payment if the Court grants Final Approval of the Settlement. If the Court overrules your objection, you will continue to be a Settlement Group Member, subject to the terms of the Settlement, and you will be mailed your Individual Settlement Payment.

You may not object to the PAGA Payment.

7. **What happens if I do nothing at all?**

By doing nothing, should the Court grant final approval of the proposed Settlement, your Individual Settlement Payment will be mailed by the Settlement Administrator to you and you will be bound by the terms of the Settlement.

III. SUMMARY OF SETTLEMENT TERMS

8. **Total Maximum Settlement Amount.**

NFC will pay a total of $750,000.00 to fully resolve the claims in the Lawsuit, which will be subject to the following Court-approved deductions:

- **Administrator Payment:** The Court has tentatively approved a payment of $10,500.00 to the appointed Settlement Administrator, Phoenix Class Action Administration Solutions, for the costs it has incurred in administering the Settlement.

- **Attorneys' Fees and Costs Payment:** The Court has preliminarily appointed Diversity Law Group, P.C. and Webber Law Group as attorneys to represent Mr. Jones and the Settlement Group, ("Settlement Group Counsel") in this Lawsuit. Settlement Group Counsel will ask the Court to approve an award of Attorneys' Fees in the amount of $250,000.00, plus actual out-of-pocket litigation costs, which shall not exceed$15,000.00. Settlement Group Counsel has been prosecuting the Lawsuit on behalf of the Settlement Group on a contingency fee basis (that is, without being paid to date) while advancing litigation costs and expenses.

- **Named Plaintiff Award:** Settlement Group Counsel will also ask the Court to approve a service payment in the amount of $10,000.00 to Plaintiff James Jones to compensate him for acting as the sole representative of the Settlement Group, initiating the lawsuit, his work, the risks undertaken for payment of NFC's costs of suit in the event this case had been lost, and his agreement to provide a general release.

- **PAGA Payment:** A payment of $40,000.00 will be attributed to penalties under PAGA, which will be apportioned pursuant to the PAGA as follows: $30,000.00 (75%) to be paid to the California's Labor and Workforce Development Agency and $10,000.00 (25%) to remain with the Net Settlement Sum and distributed to all Settlement Group Members.

Because of the size of the Settlement, NFC will make pay the Total Maximum Settlement Amount in two parts. Within ten (10) calendar days after the Final Approval, NFC will deposit the first payment of $350,000.00 with the Settlement Administrator. Within nine months from the Final Approval, NFC will deposit the second payment of $400,000.00 with the Settlement Administrator.

9. **Allocation to Settlement Group Members**.

After the Court-approved deductions described above, the Net Settlement Sum, estimated to be $424,500.00, will be distributed to all participating Settlement Group Members, based on the number of their Individual Pay Periods during the Settlement Period. Unless you timely exclude yourself from the Settlement, as described above, this Individual Settlement Check will be mailed to your approximately two to three months after NFC makes its second installment payment.

For tax purposes, the Individual Settlement Payment will be allocated 80% to statutory penalties and interests with the remaining 20% of the Individual Settlement Payments allocated to wages, which shall be subject to customary withholdings. The Individual PAGA Payment will be allocated 100% as statutory penalties and interests, which will be paid without withholding any amount and reported on an IRS Form 1099. Settlement Group Members should consult with their tax advisors concerning the tax consequences of the payments they receive under the Settlement.

IV. RELEASED CLAIMS

If approved by the Court, the Settlement will bar any Settlement Group Member who does not exclude themselves from the Settlement from bringing certain claims against the Releasees. "Releasees" means Defendant NFC Partners, Inc. d/b/a NFC Amenity Management, including its past or present successors and predecessors in interest, subsidiaries, affiliates, parents, officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys.

The Settlement will fully release and discharge the Releasees from all claims, demands, rights, liabilities, and causes of action, whether known or unknown, that were or could have been asserted based on the facts of the operative complaint during the Settlement Period for violation of local, state and federal law arising out of, or relating to failure to provide meal periods or pay meal period premiums, failure to provide rest periods or provide rest period premiums, failure to furnish accurate wage statements, failure to pay minimum wage, failure to pay all wages earned, failure to pay overtime wages, failure to maintain required records, failure to timely pay earned wages upon termination or discharge, , unfair competition, including, but not limited to, claims for injunctive relief, punitive damages, liquidated damages, penalties of any nature, interest, fees, including fees under California Code of Civil Procedure section 1021.5, and costs premised on the violations described in this paragraph. ("Settlement Group Released Claims").

The Settlement will fully release and discharge the Releasees from all claims, demands, rights, liabilities, and causes of action, whether known or unknown, that were or could have been asserted based on the facts of the operative complaint during the Settlement Period for violation and for penalties under the Private Attorneys General Act premised on the alleged Labor Code violations asserted in the Lawsuit, including: (a) failing to provide off-duty meal periods to employees, or pay meal period premium compensation in lieu thereof, in violation of Labor Code §§ 201-203, 226.7, and 512; (b) failing to provide off duty rest periods, or pay rest period premium compensation in lieu thereof, in violation of Labor Code §§ 201-203 and 226.7; (c) failing to pay employees wages owed for all hours worked, to pay minimum wage, to pay overtime, and to timely pay wages upon termination or discharge, in violation of Labor Code §§ 201-203, 510, 558, 1194, 1197, and 1197.1; (d) failing to provide accurate itemized wage statements in violation of Labor Code § 226(a) ("Settlement Group Released PAGA Claims").

Even if you decide to exclude yourself from the settlement as described in Paragraph 5, you will still release the Settlement Group Released PAGA Claims and receive your Individual PAGA Payment.

Settlement Group Members give up their right to sue or otherwise make a claim against any of the Releasees for the Settlement Group Released Claims, in exchange for their Individual Settlement Payments.

V. ADDITIONAL INFORMATION

This Notice is only a summary of the Lawsuit and the Settlement. Any questions about this Notice, your estimated Individual Settlement Payment, objections or requests for exclusion may be made to the Settlement Administrator at the address shown immediately below. The Administrator's toll-free number is also provided. You may also contact Settlement Group Counsel at the addresses and telephone numbers shown below.

Settlement Administrator	**Settlement Group Counsel**
Jones v. TFC/NFC Class Action Settlement Administrator c/o ____ P.O. Box _____ ______, California ____ (800) xxx-xxxx____________	**Diversity Law Group, P.C.** Larry W. Lee Mai Tulyathan Max W. Gavron 515 S. Figueroa Street, Suite 1250 Los Angeles, California 90071 (213) 488-6555 **Webber Law Group** Kelsey A. Webber 333 University Ave., Suite 200 Sacramento, CA 95825 (916) 588-0683

Checks not cashed or deposited after 180 days will be voided and the funds represented by those uncashed checks will be forwarded by the Settlement Administrator to California Secretary of State's Unclaimed Property Division.

For more information, you may also:

- Inspect the Court's files about the Lawsuit at the Office of the Clerk of the Court, Superior Court of California for the County of Alameda, 1225 Fallon Street, Oakland, California 94612, from 8:30 a.m. to 4:00 p.m., Monday through Friday.

- You may also access the Court's electronic case file using the following steps:
  1. Go to http://www.alameda.courts.ca.gov/Pages.aspx/domainWeb;
  2. Click on the "Domain Web" blue button in the middle of page;
  3. Click the "Case Number Search" in the middle of the page;
  4. When prompted, enter case number RG21087839 and click "Search;" and
  5. Once on the case page, you can access documents, upcoming hearings, and other information.

PLEASE <u>DO NOT</u> CONTACT THE COURT, NFC AND/OR NFC'S ATTORNEYS OR ANY OF THE RELEASEES WITH INQUIRIES.

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