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INC.; MARK WAGNER.

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF PLACER**

SHANNON MULLIN, individually and on
behalf of all others similarly situated,

Plaintiffs,

vs.

S&G DISCOUNT OUTLET, INC.; MARK
WAGNER, an individual; Does 1 through 20,
inclusive,

Defendants.

CASE NO. S-CV-0046899

CLASS ACTION

**JOINT STIPULATION OF CLASS
ACTION SETTLEMENT AND RELEASE
BETWEEN PLAINTIFF, ON BEHALF OF
HERSELF AND ALL OTHERS
SIMILARLY SITUATED, AND
DEFENDANTS**

Complaint Filed: 06.23.21
Trial Date: Not Set

1
2 This Joint Stipulation of Settlement and Release (hereinafter “Stipulation of Settlement”
3 or “Settlement”) is made and entered into by and between Plaintiff SHANNON MULLIN
4 (“Plaintiff”), individually, and on behalf of other members of the general public similarly situated,
5 on the one hand, and S&G DISCOUNT OUTLET, INC., and MARK WAGNER, ON THE
6 OTHER (“Defendants”). This Stipulation of Settlement shall be binding on Plaintiff and those
7 persons Plaintiff seeks to represent, and on Defendants and the Released Parties, subject to the
8 terms and conditions hereof and the Court’s approval. The Settlement contemplated by this
9 Stipulation of Settlement is sometimes hereinafter referred to as the “Settlement.”

10 THE PARTIES STIPULATE AND AGREE as follows:

11 1. Plaintiff and Defendants are collectively referred to herein as “the Parties.” On
12 April 12, 2021, Plaintiff filed a PAGA Notice with the Labor and Workforce Development
13 Agency, which provided notice to Defendants and the State of California of Labor Code violations
14 allegedly committed by Defendants. On June 23, 2021, Plaintiff filed a complaint in Placer County
15 Superior Court on behalf of herself and all other non-exempt outside sales employees who worked
16 for Defendant in California (“Complaint”). Defendants deny all Plaintiff’s claims and deny that
17 they violated the Labor Code.

18 2. Plaintiff’s Complaint alleges causes of action for violation of California Business
19 and Professions Codes section 17200, et seq., failure to timely pay wages during employment,
20 waiting time penalties for failing to pay wages at termination, failure to provide accurate wage
21 statements, and civil penalties pursuant to PAGA, on behalf of Class Members from June 23, 2017
22 through trial. Plaintiff’s Complaint seeks recovery of alleged damages, penalties, interest, and
23 attorneys’ fees and costs. The term “Action” means this putative class action pending in Placer
24 County Superior Court. The class period is from June 23, 2017 through the date the Court
25 preliminarily approves the Settlement (“Class Period”).

26 3. Plaintiff has not filed a motion for class certification in this action, nor has a date
27 been set by the Court for the filing of such a motion.

4. This Action and Plaintiff's claims have been actively investigated and settlement negotiations have been ongoing between the parties since the date Plaintiff filed her PAGA Notice. There have been on-going investigations, and there has been an exchange of extensive documentation and information.

5. For purposes of this Settlement, the “Settlement Class” or “Class Members” shall consist of all current and former commissioned sales employees of Defendant S&G Discount Outlet, Inc. working in the “Costco Group,” employed in California for the period from June 23, 2017 through February 17, 2021 (the “Settlement Class” or the “Class Members”).\$38

6. The Settlement Class shall not include any person who previously settled or released the claims covered by this Settlement, any person who previously was paid or received awards through civil or administrative actions for the claims covered by this Settlement, or any person who submits a timely and valid Request for Exclusion as provided in this Settlement.

7. Solely for purpose of settling this case, the Parties stipulate and agree that the requisites for establishing class certification with respect to the Settlement Class have been met and are met. More specifically, the Parties stipulate and agree that:

a. The Settlement Class is ascertainable and so numerous as to make it impracticable to join all Class Members.

b. There are common questions of law and fact including, but not limited to, the following:

i. Whether Defendant complied with applicable laws affecting Plaintiff and the Settlement Class under the California Labor Code and the Wage Orders of the California Industrial Welfare Commission; and

ii. Whether Plaintiff and the Settlement Class are entitled to alleged penalties, interest, and attorneys' fees and costs.

c. Plaintiff believes Plaintiff's claims are typical of the claims of the members of the Settlement Class.

1 d. Plaintiff believes Plaintiff will fairly and adequately protect the interests of
2 the Settlement Class, and that Plaintiff's counsel Timothy B. Del Castillo and Kent L. Bradbury
3 of Castle Law: California Employment Counsel, PC should be "Class Counsel," and will fairly
4 and adequately protect the interests of the Settlement Class.

5 e. The prosecution of separate actions by individual members of the
6 Settlement Class would create the risk of inconsistent or varying adjudications, which would
7 establish incompatible standards of conduct.

8 f. With respect to the Settlement Class, Plaintiff believes that questions of law
9 and fact common to the members of the Settlement Class predominate over any questions affecting
10 any individual member in such Class, and a class action is superior to other available means for
11 the fair and efficient adjudication of the controversy.

12 8. Defendant denies any liability or wrongdoing of any kind whatsoever associated
13 with the claims alleged in the Action, and further denies that, for any purpose other than settling
14 this Action, this Action is appropriate for class or representative treatment. With respect to
15 Plaintiff's claims, Defendant contends, among other things, that it has complied with all applicable
16 state, federal and local laws affecting Plaintiff and the Settlement Class.

17
18 9. It is the desire of the Parties to fully, finally and forever settle, compromise and
19 discharge all disputes and claims arising from or related to the Action. To achieve a full and
20 complete release of Defendant, each Class Member acknowledges that this Stipulation of
21 Settlement is intended to include in its effect all claims under state, federal and local law that were
22 or could have been asserted based on the facts and allegations made in the Action, and any
23 amendments thereto, as to the Class Members, including without limitation, California Labor Code
24 sections 200, 201, 202, 203, 213, 226, 2698, *et seq.*, 2802, California Industrial Commission Wage
25 Orders, and Business and Professions Code sections 17200, *et seq.*, and including all claims for or
26 related to alleged unpaid wages, timely payment of wages during employment and at separation,
27 unfair competition, unfair business practices, unlawful business practices, fraudulent business
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1 practices, conversion, class actions, representative actions, aggrieved party claims, injunctive
2 relief, declaratory relief, accounting, liquidated damages, penalties of any nature (including but
3 not limited to civil penalties, waiting-time penalties, and PAGA penalties), interest, fees, costs, as
4 well as all other claims and allegations alleged in the Action, from June 23, 2017 through the date
5 the Court finally approves the Settlement.

6 10. It is the intention of the Parties that this Stipulation of Settlement shall constitute a
7 full and complete settlement and release of all claims arising from the allegations of this class
8 action case, which release includes in its effect (i) S&G Carpet Outlet; (ii) Mark Wagner; (iii) each
9 of Defendants' past, present, and future direct and indirect parents; (iv) the respective past, present,
10 and future direct and indirect subsidiaries and affiliates of any of the foregoing; (v) the past,
11 present, and future shareholders, directors, officers, agents, employees, attorneys, insurers,
12 members, partners, managers, contractors, agents, consultants, representatives, administrators,
13 fiduciaries, benefit plans, insurers, transferees, predecessors, successors and assigns of any of the
14 foregoing; and (vi) any individual or entity which could be jointly liable with any of the foregoing.

15 11. Counsel for the Settlement Class have conducted a thorough investigation into the
16 facts of this Action, and have diligently pursued an investigation of Class Members' claims against
17 Defendants. Based on their own independent investigation and evaluation, Class Counsel are of
18 the opinion that the Settlement with Defendants for the consideration and on the terms set forth in
19 this Stipulation of Settlement is fair, reasonable and adequate and is in the best interest of the
20 Settlement Class in light of all known facts and circumstances, including the risk of significant
21 delay, the risk the Settlement Class will not be certified by the Court, defenses asserted by
22 Defendants and numerous potential appellate issues.

23 12. The Parties agree to cooperate and to take all steps necessary and appropriate to
24 consummate this Settlement and for entry of judgment in accordance with this Stipulation of
25 Settlement.

26 13. This Settlement requires Defendant S&G Discount Outlet to pay Settlement
27 Awards (defined below) according to a specified formula to each Class Member. The maximum
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1 settlement amount is \$110,000, including the Settlement Awards, Class Counsel's attorneys' fees,
2 Class Counsel's litigation expenses and costs, the enhancement award to the class representative,
3 employer payroll taxes for the wage portion of the settlement awards, \$5,000 allocated to penalties
4 under the California Private Attorneys General Act ("PAGA") with \$3,750 (three-quarters) paid
5 to the California Labor and Workforce Development Agency ("LWDA") and \$1,250 (one-fourth)
6 paid to the Settlement Class as described below, and settlement administration expenses
7 ("maximum total liability"). It is understood and agreed that Defendants' maximum total liability
8 under the Settlement shall not exceed \$110,000. It is further understood and agreed that
9 Defendants shall have no obligation to pay any person, entity, or organization more than the
10 amount of its maximum total liability under the Settlement.

11 TERMS OF SETTLEMENT

12 14. NOW THEREFORE, in consideration of the mutual covenants, promises and
13 agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

14 a. It is agreed by and among Plaintiff and Defendants that this Action and any
15 claims, damages or causes of action arising out of the disputes which are the subject of this Action,
16 be settled and compromised as between the Settlement Class and Defendants, subject to the terms
17 and conditions set forth in this Stipulation of Settlement and the approval of the Court.

18 b. Effective Date: The Settlement embodied in this Stipulation of Settlement
19 shall become effective ("Effective Date") when all of the following events have occurred: (i) this
20 Stipulation of Settlement has been executed by all Parties and by counsel for the Class and
21 Defendants; (ii) the Court has given preliminary approval to the Settlement; (iii) the notice has
22 been given to the Settlement Class, providing them with an opportunity to participate, object, or
23 to opt out of the Settlement; (iv) the Court has held a formal fairness hearing and entered a final
24 order and judgment certifying the Settlement Class and finally approving this Stipulation of
25 Settlement; and (v) only in the event there are written objections filed prior to the formal fairness
26 hearing which are not later withdrawn, the later of the following events: when the period for filing
27 any appeal, writ or other appellate proceeding opposing the Settlement has elapsed without any

1 appeal, writ or other appellate proceeding having been filed; or any appeal, writ or other appellate
2 proceeding opposing the Settlement has been dismissed finally and conclusively with no right to
3 pursue further remedies or relief; or any appeal, writ or other appellate proceeding has upheld the
4 Court's final order with no right to pursue further remedies or relief. In this regard, it is the
5 intention of the Parties that the Settlement shall not become effective until the Court's order
6 approving the Settlement is completely final, and there is no further recourse by an appellant or
7 objector who seeks to contest the Settlement. It is further agreed by the Parties that this Settlement
8 will not become effective if Defendants, contrary to Paragraph 13 above, is required to pay more
9 than the total amount of its maximum total liability under the Settlement as set forth in Paragraph
10 13 under any circumstances. It is further agreed by and between the Parties that this Settlement
11 shall not become effective, and Defendants shall not have any obligation (monetary or otherwise)
12 under the terms of this Settlement, unless and until any objections, writs and/or appeals, and any
13 rights of appeal with respect to any objections or the judgment, have been finally exhausted and
14 resolved upholding the terms of this Settlement.

15 c. Maximum Settlement Amount, and Net Settlement Amount: To implement
16 the terms of this Settlement, Defendant agrees to pay \$110,000 ("Maximum Settlement Amount").
17 The Parties agree the Maximum Settlement Amount will be fully paid out, with no residue
18 returning to Defendants. At no time shall Defendants have the obligation to segregate the funds
19 comprising the Maximum Settlement Amount, and Defendants shall retain exclusive authority
20 over, and the responsibility for, those funds subject to the disbursement of funds necessary to
21 effectuate the Settlement. All Settlement Awards paid to Class Members, the attorneys' fees and
22 costs to Class Counsel, the enhancement award to the Class Representative, the fees and expenses
23 of the Settlement Administrator, the employer payroll taxes, the payment to the LWDA pursuant
24 to PAGA, and any other payments provided by this Settlement, shall be paid out of the Maximum
25 Settlement Amount. The Net Settlement Amount, the amount available for potential distribution
26 to Class Members, shall be calculated by deducting all Class Counsel's attorneys' fees, Class
27 Counsel's litigation expenses, the enhancement award, employer payroll taxes for the wage portion
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of the settlement awards, \$3,750 payable to the LWDA for PAGA, and settlement administration expenses from the Maximum Settlement Amount ("Net Settlement Amount"). Class Members shall not be required to submit claim forms to participate in the Settlement; all Class Members will be mailed settlement award checks, unless such person opts out of the Settlement.

i. Class Size: Defendant represented to Plaintiff during settlement negotiations that the putative class consisted of approximately 17 individuals. Defendants provided calculations regarding each Class Member and what amount of unpaid commissions were allegedly due and unpaid at the Class Members' termination from employment.

ii. Settlement Awards to Class Members: Settlement Awards to Class Members will be determined based on a proportional amount of the Net Settlement according to the how much allegedly unpaid commissions were owed at the time of termination. Those proportions are as follows:

- TB1: 6.2%
- CJ2: 3.7%
- LW3: 7.37%
- MP4: 6.35%
- KF5: 2.77%
- DM6: 15.64%
- GA7: 5.14%
- RW8: 22.03%
- CO9: 9.53%
- DW10: 1.79%
- TC11: 0.32%
- LL12: 3.41%
- LS13: 7.33%
- TT14: 3.44%
- JN15: 0.77%

- JG16: 0.27%
- SM17: 3.95%

Defendant's commissions data will be presumed to be correct, unless a particular Class Member proves otherwise to the Settlement Administrator by credible written evidence. All disputes regarding individual settlement amounts will be resolved and decided by the Settlement Administrator, and the Settlement Administrator's decision on all disputes will be final and non-appealable. Any person who opts out of the Settlement is not a Class Member, and is ineligible to object to the Settlement or to participate in the Settlement.

iii. Private Attorneys General Act Allocation: The Parties have agreed to allocate \$5,000 to penalties under the California Private Attorneys General Act ("PAGA"). Seventy-five percent (75%) of this amount, or in other words \$3,750, will be paid out of the Maximum Settlement Amount to the Labor and Workforce Development Agency ("LWDA") of the State of California, and the remaining balance of \$1,250 will remain included in the Net Settlement Amount for distribution to Class Members.

iv. Allocation of Settlement Awards: The Parties have agreed, based on the allegations in the Action, that individual Settlement Awards payable to eligible Class Members will be allocated from the Net Settlement Amount and paid out as follows by the Settlement Administrator: (1) one-half will be allocated to alleged unpaid wages for which IRS Forms W-2 will issue; (2) one-half will be allocated to alleged unpaid penalties, alleged unreimbursed business expenses, and alleged unpaid interest for which IRS Forms 1099-MISC will issue. Defendants will issue a single payment to the Settlement Administrator and submit a 1099 to the Administrator. The Administrator will distribute all appropriate W-2 and/or 1099's to the Class Members and their attorneys. Beyond payment of the Gross Settlement Amount, Defendant shall have no further obligations to class members or their attorneys, including but not limited to any payroll tax obligations.

1 v. Settlement Awards Do Not Trigger Additional Benefits: All
2 Settlement Awards to Class Members shall be deemed to be income to such Class Members solely
3 in the year in which such awards actually are received by the Class Members. It is expressly
4 understood and agreed that the receipt of such Settlement Awards will not entitle any Class
5 Member to additional compensation or benefits under any company bonus, contest or other
6 compensation or benefit plan or agreement in place during the period covered by the Settlement,
7 nor will it entitle any Class Member to any increased retirement, 401(k) benefits or matching
8 benefits, or deferred compensation benefits. It is the intent of this Settlement that the Settlement
9 Awards provided for in this Agreement are the sole payments to be made by Defendant to the
10 Class Members in connection with this Settlement, and that the Class Members are not entitled to
11 any new or additional compensation or benefits as a result of having received the Settlement
12 Awards (notwithstanding any contrary language or agreement in any benefit or compensation plan
13 document that might have been in effect during the period covered by this Settlement).

14 vi. Attorneys' Fees and Litigation Costs: Subject to Court approval or
15 modification, Defendant further agrees to pay Class Counsel's attorneys' fees and litigation costs
16 as set forth in Paragraph 16 below.

17 vii. Class Representative: The Parties agree to the designation of
18 Plaintiff as the "Class Representative." Subject to Court approval, Defendant agrees to pay
19 Plaintiff an Enhancement Award at no additional cost to the Released Parties, and subject to Class
20 Representative's execution of a separate and confidential general release of all claims under
21 California Code of Civil Procedure Section 1542. The Enhancement Award cannot exceed \$5,000,
22 and is in addition to any claimed individual Settlement Award to which Plaintiff is entitled. The
23 Enhancement Award is to be part of, and to be deducted from, the Maximum Settlement Amount.
24 The Settlement Administrator will issue an IRS Form 1099-MISC for the Enhancement Award to
25 the Plaintiff for her service as the Class Representative, and Plaintiff will be responsible for
26 correctly characterizing this compensation for tax purposes and for paying any taxes on the
27 amounts received. Should the Court approve an Enhancement Award to the Class Representative

1 in an amount less than that set forth above, the difference between the lesser amount approved by
2 the Court and the Enhancement Award set forth above shall be added to the Net Settlement
3 Amount.

4 viii. Settlement Administrator: The Settlement Administrator will be
5 Simpluris, or such other settlement administrator as may be mutually agreeable to the Parties and
6 approved by the Court. All administration expenses shall be paid out of the Maximum Settlement
7 Amount.

8 ix. Mailing of Settlement Awards: The Settlement Administrator will
9 cause the Settlement Awards to be mailed to the Class Members within 30 calendar days after the
10 Effective Date of the Settlement (defined above in Paragraph 14).

11 x. Class Notice: For each Class Member, there will be pre-printed
12 information on the Notice of Pendency of Class Action and Proposed Settlement ("Class Notice"),
13 based on Defendant's records, stating the Class Member's estimated Settlement Award amount,
14 assuming all Class Members participate. The pre-printed information based on Defendant's
15 records shall be presumed to be correct unless written proof to the contrary is provided to the
16 Settlement Administrator. A Class Member may challenge the pre-printed information on the
17 Class Notice as to proportion of the Net Settlement owed by submitting written evidence to the
18 Settlement Administrator. All disputes regarding settlement payments will be resolved and
19 decided by the Settlement Administrator, and the Settlement Administrator's decision on all
20 disputes will be final and binding.

21 d. Enhancement Award to Plaintiff for Plaintiff's Service as Class
22 Representative: The Settlement Administrator will pay the Enhancement Award approved by the
23 Court to Plaintiff within 30 calendar days after the Effective Date of the Settlement (defined above
24 in Paragraph 14).

25 e. Right to Rescission: If more than 20 percent (20%) of the Settlement Class
26 opts out of the Settlement Class by submitting valid and timely Requests for Exclusion as set forth
27 in the Class Notice, Defendant shall have the right (but need not) in its sole discretion to rescind
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1 and void the Settlement, before final approval by the Court, by providing written notice to Class
2 Counsel at least fourteen (14) calendar days following the opt out deadline, provided the
3 Settlement Administrator has previously furnished Defendant with the number and percentage of
4 valid and timely Requests for Exclusion. If Defendant exercises this option, Defendant shall pay
5 all Settlement Administrator's costs incurred through such date.

6 CLAIMS ADMINISTRATION

7 15. The Parties have agreed to the appointment of Simpluris to perform the customary
8 duties of Settlement Administrator; provided, however, the Parties shall have the right to select or
9 substitute a different Settlement Administrator by mutual agreement and approval by the Court.
10 The Settlement Administrator will mail the Class Notice to all Class Members. The Settlement
11 Administrator will independently review Defendant's data as to commissions allegedly owed at
12 the time of termination and will calculate the amounts due to Class Members in accordance with
13 this Stipulation of Settlement. The Settlement Administrator shall report, in summary or narrative
14 form, the substance of its findings. The Settlement Administrator shall be granted reasonable
15 access to Defendant's records to perform its duties. At the request of Defendant, and upon receipt
16 of funds from Defendant, the Settlement Administrator will issue and send out Settlement Award
17 checks to Class Members. Tax treatment of the Settlement Awards will be as set forth herein, and
18 in accordance with state and federal tax laws. All disputes relating to the Settlement
19 Administrator's performance of its duties shall be referred to the Court, if necessary, which will
20 have continuing jurisdiction over the terms and conditions of this Stipulation of Settlement until
21 all payments and obligations contemplated by this Stipulation of Settlement have been fully carried
22 out.

23 ATTORNEYS' FEES AND LITIGATION COSTS

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25
26 16. In consideration for settling this Action, in exchange for the release of claims by
27 the Settlement Class, and subject to final approval or modification by the Court, Defendant agrees

1 to pay Class Counsel attorneys' fees not to exceed 35 percent of the Maximum Settlement Amount,
2 or in other words up to \$38,500, and attorneys' costs not to exceed \$5,000, from the Maximum
3 Settlement Amount. Stated another way, the attorney's fees and costs will come out of and reduce
4 the \$110,000 Maximum Settlement Amount and is not in addition to the \$110,000 Maximum
5 Settlement Amount. Defendant will not object to Class Counsel's application for attorneys' fees
6 and litigation costs up to these amounts. The amounts set forth above will cover all work
7 performed and all fees and costs incurred to date, and all work to be performed and all fees and
8 costs to be incurred in connection with the approval by the Court of this Stipulation of Settlement,
9 the administration of the Settlement, and obtaining the final judgment. Should Class Counsel
10 request lesser amounts, or should the Court approve lesser amounts for attorneys' fees and
11 litigation costs, the difference between the lesser amounts and the maximum amounts set forth
12 above shall be added to the Net Settlement Amount.

13 17. The attorneys' fees and litigation costs approved by the Court shall be paid to Class
14 Counsel within 45 calendar days after the Effective Date of the Settlement (defined above in
15 Paragraph 14).

16 NOTICE TO THE PLAINTIFF CLASS

17 18. Class Notice in substantially the form attached hereto as **Exhibit A**, and as
18 approved by the Court, shall be sent by the Settlement Administrator to the Class Members by
19 first class mail. Any returned envelopes from this mailing with forwarding addresses will be used
20 by the Settlement Administrator to forward the Notice to the Class Members.

21 a. Within 21 calendar days of preliminary approval of this Settlement by the
22 Court, Defendant shall provide to the Settlement Administrator a spreadsheet of the Class
23 Members' names, last-known addresses, last-known telephone numbers, Social Security numbers
24 ("Class Member Information"), and workweek data. The Class Members' contact information and
25 Social Security numbers will be used only by the Settlement Administrator for the sole purpose of
26 effectuating the Settlement, and will not be provided to Class Counsel at any time or in any form.
27 To the extent Class Counsel possesses or comes to possess the Class Members' contact information
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and/or Social Security numbers, Class Counsel shall return all such information (including copies and data or information derived therefrom) within five (5) days of the date the Court preliminarily approves the Settlement, shall not retain copies of such information, and shall not maintain or use such information for any purpose. The spreadsheet provided for above, shall be based on Defendant's payroll and other business records and in a format acceptable to the Settlement Administrator. Within 45 calendar days of preliminary approval of this Settlement, the Settlement Administrator will mail the Class Notice to Class Members.

b. Notices returned to the Settlement Administrator as non-delivered during the 30 calendar day period for objecting to the Settlement, or disputing the weeks worked during the Class Period, shall be resent to the forwarding address, if any, on the returned envelope. If there is no forwarding address, the Settlement Administrator will do a check of the Class Members' addresses against those on file with the U.S. Postal Service's National Change of Address List and will skip-trace return mail and re-mail within three (3) calendar days of receipt using the Class Member's social security number; this search will be performed only once per Class Member by the Settlement Administrator. Upon completion of these steps by the Settlement Administrator, Defendant and the Settlement Administrator shall be deemed to have satisfied their obligations to provide the Class Notice to the affected member of the Settlement Class. The affected member of the Settlement Class shall remain a member of the Settlement Class and shall be bound by all the terms of the Stipulation of Settlement and the Court's Order and Final Judgment.

c. The Class Notice shall also identify the procedures for opting out of or objecting to the Settlement.

e. Class Counsel shall provide to the Court, at least 16 court days before the final fairness hearing, an initial declaration by the Settlement Administrator of due diligence and proof of mailing with regard to the mailing of the Class Notice.

SETTLEMENT AWARDS

19. Settlement Awards shall remain valid and negotiable for ninety (90) calendar days from the date of their issuance; upon the deadline to cash the Settlement Awards, the checks will

1 automatically be cancelled by the Settlement Administrator if not cashed by the Class Member
2 within that time, and the Class Member's claim will remain released by the Settlement. The
3 Settlement Awards provided to Class Members shall prominently state the expiration date or a
4 statement that the checks will expire in ninety (90) days, or alternatively, such a statement may
5 be made in a letter accompanying the check. Expired Settlement Awards will not be reissued,
6 except for good cause and as mutually agreed by the Parties in writing. Any residue from
7 uncashed Settlement Awards after the expiration date will be paid out as follows: Center for
8 Worker's Rights, as the *cy pres* recipients pursuant to Code of Civil Procedure Section 384,
9 subject to Court approval. Upon completion of its calculation of payments, the Settlement
10 Administrator shall provide Defendant with a report listing the amount of all payments to be made
11 to each Class Member. Defendant, on behalf of the Released Parties, will pay to the Settlement
12 Administrator the Maximum Settlement Amount, after the Settlement becomes effective as
13 defined in Paragraph 14, within 30 calendar days following the Effective Date. The Settlement
14 Administrator shall disburse the payment in accordance with Paragraph 14. The Settlement
15 Administrator will be responsible for making appropriate deductions, calculating and reporting
16 the employer payroll taxes on the Settlement Awards, paying to Class Counsel any Court-
17 approved attorneys' fees and litigation costs, paying to the Class Representative any Court-
18 approved Enhancement Award, paying the LWDA seventy-five percent (75%) of the amount
19 allocated for PAGA penalties above, meeting tax reporting obligations, and for issuing the
20 individual Settlement Awards to Class Members. Proof of payment will be filed with the Court
21 and provided to Class Counsel and Defendant's Counsel within one hundred twenty (120)
22 calendar days from the Effective Date.

23 OPTING OUT OF / OBJECTING TO THE SETTLEMENT

24 20. Opting Out of the Settlement. For those Class Members who do not wish to
25 participate in the Settlement, such Class Members may exclude themselves (i.e., opt out) by
26 submitting a timely written request to the Settlement Administrator. The written request ("Request
27 for Exclusion") should state that he/she has received the Class Notice, decided not to participate
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1 in the Settlement, and words to the effect that he/she desires to be excluded from the Settlement.
2 The Request for Exclusion must also state the individual's full name, address, date of birth, and
3 the dates he/she worked as a non-exempt employee for Defendant in California. The Request for
4 Exclusion must be signed, dated and mailed by First Class U.S. Mail, or the equivalent, to the
5 Settlement Administrator. All Requests for Exclusion must be postmarked and mailed to the
6 Settlement Administrator no later than 30 calendar days after the Settlement Administrator mails
7 the Notice to the Class Members. Any individual who submits a Request for Exclusion will not
8 be allowed to object to the terms of the Settlement.

9 21. Objecting to the Settlement. Any individual who does not exclude himself/herself
10 from the Settlement can object to the terms of the Settlement before the deadline to object to the
11 Settlement. To object, the individual must file a written objection and a notice of intention to
12 appear at the Final Approval hearing with the Clerk of the Superior Court of the State of California
13 and send copies to the Settlement Administrator. Any written objection must state each specific
14 reason in support of the objection and any legal support for each objection. The individual must
15 state his/her full name, address, date of birth, and the dates he/she worked as a Class Member with
16 Defendant. To be valid and effective, any objections to approval of the Settlement must be filed
17 with the Clerk of the Court and delivered to the Settlement Administrator no later than 30 calendar
18 days after the Settlement Administrator mails the Notice to the Class Members. If the Court rejects
19 the objection, the individual will be bound by the terms of the Settlement.

20 RELEASE BY THE CLASS

21 22. Effective upon the date of final approval by the Court of this Stipulation of
22 Settlement, and except as to such rights or claims as may be created by this Stipulation of
23 Settlement, the Settlement Class and each member of the Class who has not submitted a valid
24 Request for Exclusion, fully releases and discharges (i) S&G Discount Outlet, Inc.; (ii) Mark
25 Wagner; (iii) each of Defendants' past, present, and future direct and indirect parents; (iv) the
26 respective past, present, and future direct and indirect subsidiaries and affiliates of any of the
27 foregoing; (v) the past, present, and future shareholders, directors, officers, agents, employees,

1 attorneys, insurers, members, partners, managers, contractors, agents, consultants, representatives,
2 administrators, fiduciaries, benefit plans, insurers, transferees, predecessors, successors and
3 assigns of any of the foregoing; and (vi) any individual or entity which could be jointly liable with
4 any of the foregoing (collectively "Released Parties"), from any and all claims, debts, liabilities,
5 demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, action or causes of
6 action of any nature under any state, federal or local law that were or could have been asserted
7 based on the facts and allegations made in the Action, and any amendments thereto, as to the Class
8 Members, including without limitation, California Labor Code sections 200, 201, 202, 203, 226,
9 2698, *et seq.*, 2802, California Industrial Commission Wage Orders, and Business and Professions
10 Code sections 17200, *et seq.*, and including all claims for or related to alleged unpaid wages, timely
11 payment of wages during employment and at separation, wage statements, business expense
12 reimbursement, unfair competition, unfair business practices, unlawful business practices,
13 fraudulent business practices, class actions, representative actions, aggrieved party claims,
14 injunctive relief, declaratory relief, accounting, liquidated damages, penalties of any nature
15 (including but not limited to civil penalties, waiting-time penalties, and PAGA penalties), interest,
16 fees, costs, as well as all other claims and allegations alleged in the Action, from June 23, 2017,
17 through the date the Court finally approves the Settlement (collectively "Released Claims").
18 Expressly excluded from the release are claims for alleged discrimination, retaliation,
19 unemployment insurance, disability, workers compensation, and claims outside the Released
20 Claims. In addition, the Class Representative and the Settlement Class, and each member of the
21 Class who has not submitted a valid Request for Exclusion, is forever barred and enjoined from
22 instituting or accepting damages or obtaining relief against the Released Parties for any period
23 from June 23, 2017, to and including the date of final approval of the Settlement, relating to the
24 Released Claims.

25 DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

26 23. Plaintiff shall promptly submit this Stipulation of Settlement to the Placer County
27 Superior Court in support of Plaintiff's Motion for Preliminary Approval and determination by the

1 Court as to its fairness, adequacy and reasonableness; Plaintiff agrees to provide Defendants the
2 opportunity to review, and to seriously consider Defendants' comments before filing, Plaintiff's
3 Motion for Preliminary Approval. Promptly upon execution of this Stipulation of Settlement,
4 Plaintiff shall apply to the Court for the entry of an order preliminarily approving the Settlement,
5 substantially in the following form and as attached hereto as **Exhibit B**:

6 a. Scheduling a fairness hearing on the question of whether the proposed
7 Settlement, including payment of attorneys' fees and litigation costs, costs of administration and
8 the Class Representative's Enhancement Award should be finally approved as fair, reasonable and
9 adequate as to the members of the Settlement Class;

10 b. Certifying a Settlement Class, Plaintiff Shannon Mullin as the Class
11 Representative, and Timothy B. Del Castillo and Kent L. Bradbury of Castle Law: California
12 Employment Counsel, PC as Class Counsel;

13 c. Approving as to form and content the proposed Class Notice;

14 d. Approving the manner and method for Class Members to request exclusion
15 from the Settlement as contained herein and within the Class Notice;

16 e. Directing the mailing of the Class Notice by first class mail to the Class
17 Members; and

18 f. Preliminarily approving the Settlement subject only to the objections of
19 Class Members and final review by the Court; and

20 g. Enjoining Plaintiff and all Class Members from filing or prosecuting any
21 other cases, claims, suits or administrative proceedings (including filing claims with the Division
22 of Labor Standards Enforcement of the California Department of Industrial Relations) regarding
23 the Released Claims unless and until such Class Members have filed valid Requests for Exclusion
24 with the Settlement Administrator.

25 DUTIES OF THE PARTIES FOR FINAL COURT APPROVAL

26 24. Upon the Effective Date of the Settlement provided for in this Stipulation of
27 Settlement, Class Counsel will return to Defendants or delete all company and employee
28

documents, lists, and electronic data in all forms and formats (originals and copies). Plaintiff agrees to provide Defendants the opportunity to review, and to seriously consider Defendant's comments before filing, Plaintiff's Motion for Final Approval of Class Action Settlement. Class Counsel agrees to submit a proposed final order and judgment, in substantially the form attached hereto as **Exhibit C**:

a. Approving the Settlement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions;

b. Approving Class Counsel's application for an award of attorneys' fees and litigation costs;

c. Approving the Enhancement Award to the Class Representative; and

d. Entering judgment in accordance with California Rules of Court, Rule 3.769(h), with prejudice, and permanently barring and enjoining all members of the Settlement Class from prosecuting against any Released Parties any individual or class or collective claims released herein, upon satisfaction of all payments and obligations hereunder.

PARTIES' AUTHORITY

25. The signatories hereto hereby represent that they are fully authorized to enter into this Stipulation of Settlement and bind the Parties hereto to the terms and conditions thereof.

MUTUAL FULL COOPERATION

26. To effectuate the terms of the Settlement, the Parties agree all formal and informal discovery shall be stayed pending Court approval of the Settlement.

27. The Parties agree to fully cooperate with each other to accomplish the terms of this Stipulation of Settlement, including, but not limited to, execution of such documents and taking such other action as reasonably may be necessary to implement the terms of this Stipulation of Settlement. The Parties shall use their best efforts, including all efforts contemplated by this Stipulation of Settlement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Stipulation of Settlement and the terms set forth herein. As soon as practicable after execution of this Stipulation of Settlement, Class Counsel shall, with the

1 assistance and cooperation of Defendants and their counsel, take all necessary steps to secure the
2 Court's final approval of this Stipulation of Settlement.

3 28. The Parties and their respective counsel agree that they will not attempt to
4 encourage or discourage Class Members from filing Requests for Exclusion.

5 NO PRIOR ASSIGNMENTS

6 29. The Parties and their counsel represent, covenant and warrant that they have not
7 directly or indirectly, assigned, transferred, encumbered or purported to assign, transfer or
8 encumber to any person or entity any portion of any liability, claim, demand, action, cause of
9 action or right herein released and discharged except as set forth herein.

10 NO ADMISSION

11 30. Nothing contained herein, nor the consummation of this Stipulation of Settlement,
12 is to be construed or deemed an admission of liability, culpability, negligence or wrongdoing on
13 the part of Defendants. Each of the Parties hereto has entered into this Stipulation of Settlement
14 solely with the intention to avoid further disputes and litigation with the attendant inconvenience
15 and expenses.

16 ENFORCEMENT ACTIONS

17 31. The Parties agree that the Placer County Superior Court shall retain jurisdiction to
18 enforce the terms of this Settlement pursuant to California Code of Civil Procedure Section 664.6.
19 In the event one or more of the Parties to this Stipulation of Settlement institutes any legal action
20 or other proceeding against any other Party or Parties to enforce the provisions of this Stipulation
21 of Settlement or to declare rights or obligations under this Stipulation of Settlement, the successful
22 party or Parties shall be entitled to recover from the unsuccessful Party or Parties' reasonable
23 attorneys' fees and litigation costs, including expert witness fees incurred in connection with any
24 enforcement actions.

25 NOTICES

26 32. Unless otherwise specifically provided herein, all notices, demands or other
27 communications given hereunder shall be in writing and shall be deemed to have been duly given

as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed as follows:

To Plaintiff and the Settlement Class:

Timothy B. Del Castillo, Esq.
Kent L. Bradbury, Esq.
CASTLE LAW: CALIFORNIA EMPLOYMENT COUNSEL, PC
2999 Douglas Blvd., Suite 180
Roseville, CA 95661

To Defendant:

Jacob D. Flesher
Flesher Schaff & Schroeder, Inc.
2202 Plaza Drive
Rocklin, CA 95765

NO PUBLIC COMMENT

33. The Class Representative and Class Counsel will not make any public disclosure of the Settlement, except through the public filings to preliminarily and finally approve the Settlement; the Parties will use their best efforts to reach agreement on all Court filings. Notwithstanding the foregoing, the Class Representative and Class Counsel may, in response to a communication initiated by the media, direct the inquiring media member to the public records of the Action on file with the Court. Class Counsel will take all steps necessary to ensure that the Class Representative is aware of the restriction against any public disclosure of the Settlement. This provision does not prevent Class Counsel from communicating with any Class Members who may contact Class Counsel, or their own attorneys or tax advisors.

CONSTRUCTION

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

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3 CAPTIONS AND INTERPRETATIONS

4 35. Paragraph titles or captions contained herein are inserted as a matter of convenience
5 and for reference, and in no way define, limit, extend or describe the scope of this Stipulation of
6 Settlement or any provision of it. Each term of this Stipulation of Settlement is contractual and
7 not merely a recital.
8

9 MODIFICATION

10 36. This Stipulation of Settlement may not be changed, altered or modified, except in
11 writing and signed by the Parties hereto and approved by the Court. This Stipulation of Settlement
12 may not be discharged except by performance in accordance with its terms or by a writing signed
13 by the Parties hereto.
14

15 INTEGRATION CLAUSE

16 37. This Stipulation of Settlement contains the entire agreement between the Parties
17 relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous
18 agreements, understandings, representations and statements, whether oral or written and whether
19 by a party or such party's legal counsel, are merged herein. No rights hereunder may be waived
20 except in writing.

21 BINDING ON ASSIGNS

22 38. This Stipulation of Settlement shall be binding upon and inure to the benefit of the
23 Parties and the Released Parties hereto, and their respective heirs, trustees, executors,
24 administrators, successors and assigns.

25 CLASS MEMBER SIGNATORIES

26 39. It is agreed that because the members of the Class are so numerous, it is impossible
27 or impractical to have each member of the Class execute this Stipulation of Settlement. The Class
28 Notice, **Exhibit A** hereto, will advise all Class Members of the binding nature of the release, and

1 the release shall have the same force and effect as if this Stipulation of Settlement were executed
2 by each member of the Class.

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4 COUNTERPARTS

5 40. This Stipulation of Settlement may be executed in counterparts and by facsimile
6 signatures, and when each party has signed and delivered at least one such counterpart, each
7 counterpart, including e-mail and PDF versions, shall be deemed an original and, when taken
8 together with other signed counterparts, shall constitute one Stipulation of Settlement binding upon
9 and effective as to all Parties.

10 IN WITNESS WHEREOF, the Parties knowingly and voluntarily execute this Joint
11 Stipulation of Settlement as of the date(s) set forth below:

12 Plaintiff and Class Representative

13 Dated: _____

14 SHANNON MULLIN

15 Defendant

16 S&G DISCOUNT OUTLET

17 Dated: 10/21/2021

18 Mark Wagner
(by MARK WAGNER)

19 **APPROVED AS TO FORM:**

20 Dated: October 26, 2021

21 **Castle Law: California Employment Counsel, PC**

22 By: Timothy B. Del Castillo

23 TIMOTHY B. DEL CASTILLO

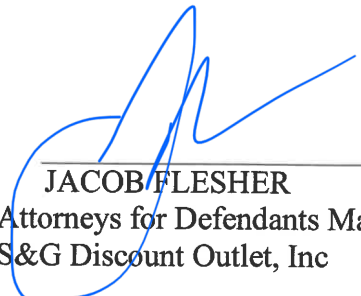
24 KENT L. BRADBURY

Attorneys for Plaintiff SHANNON MULLIN

25 Dated: October 26, 2021

26 **Flesher Schaff & Schroeder, Inc.**

27 By:



JACOB FLESHER
Attorneys for Defendants Mark Wagner and
S&G Discount Outlet, Inc

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the release shall have the same force and effect as if this Stipulation of Settlement were executed by each member of the Class.

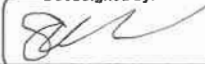
COUNTERPARTS

40. This Stipulation of Settlement may be executed in counterparts and by facsimile signatures, and when each party has signed and delivered at least one such counterpart, each counterpart, including e-mail and PDF versions, shall be deemed an original and, when taken together with other signed counterparts, shall constitute one Stipulation of Settlement binding upon and effective as to all Parties.

IN WITNESS WHEREOF, the Parties knowingly and voluntarily execute this Joint Stipulation of Settlement as of the date(s) set forth below:

Plaintiff and Class Representative

Dated: 10/15/2021

DocuSigned by:

 SHANNON MULLIN

Defendant

S&G DISCOUNT OUTLET

Dated: _____

(by _____)

APPROVED AS TO FORM:

Dated: _____

Castle Law: California Employment Counsel, PC

By: _____
 TIMOTHY B. DEL CASTILLO
 KENT L. BRADBURY
 Attorneys for Plaintiff SHANNON MULLIN

Dated: _____

Flesher Schaff & Schroeder, Inc.

By: _____

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SACRAMENTO

SHANNON MULLIN, individually and on behalf of all
others similarly situated,

Plaintiffs,

vs.

S&G DISCOUNT OUTLET, INC.; MARK WAGNER, an
individual Does 1 through 20, inclusive,

Defendants.

CASE NO. S-CV-0046899

CLASS ACTION

**NOTICE OF PROPOSED CLASS ACTION
SETTLEMENT, AND HEARING DATE FOR FINAL
COURT APPROVAL OF SETTLEMENT**

ATTENTION: ALL CURRENT AND FORMER COMMISSIONED SALES EMPLOYEES IN THE COSTCO GROUP OF S&G DISCOUNT OUTLET, INC. EMPLOYED IN CALIFORNIA BETWEEN JUNE 23, 2017 AND FEBRUARY 17, 2021.

PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF CLASS ACTION LITIGATION. IF YOU ARE A CLASS MEMBER, IT CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHT TO A SETTLEMENT AWARD OR TO OPT OUT OF THE SETTLEMENT ACCORDING TO THE PROCEDURES DESCRIBED BELOW.

Pursuant to the Order Granting Preliminary Approval of Class Action Settlement of the Superior Court of the State of California for Placer County entered _____, 2021, YOU ARE HEREBY NOTIFIED AS FOLLOWS:

A class action settlement has been reached between the Parties in the above-captioned lawsuit pending in the Superior Court of the State of California for Placer County on behalf of all current and former commissioned sales employees in the Costco Group of S&G Discount Outlet, Inc. ("Defendant") employed in California between June 23, 2017 and February 17, 2021 (the "Settlement Class" or the "Class Members"); however, the Settlement Class does not include persons (1) who previously settled, released or received awards for claims covered by the Settlement or (2) who submit valid Requests for Exclusion (as explained below).

"Defendant" and "Released Parties" in the Action include (i) S&G Discount Outlet and Mark Wagner ("Defendants"); (ii) each of Defendants' past, present, and future direct and indirect parents; (iii) the respective past, present, and future direct and indirect subsidiaries and affiliates of any of the foregoing; (iv) the past, present, and future shareholders, directors, officers, agents, employees, attorneys, insurers, members, partners, managers, contractors, agents, consultants, representatives, administrators, fiduciaries, benefit plans, insurers, transferees, predecessors, successors and assigns of any of the foregoing; and (v) any individual or entity which could be jointly liable with any of the foregoing.

You have received this notice because Defendant's records indicate you worked as a Class Member during the Class Period (defined below). This notice is to advise you of how you can participate in the Settlement or be excluded from the Settlement.

I. BACKGROUND OF THE CASE

On June 23, 2021, Plaintiff Shannon Mullin filed a Complaint in the Placer County Superior Court on behalf of herself and all other non-exempt sales employees who worked for Defendants in the Costco Group in California entitled *Shannon Mullin v. S&G Discount Outlet, Inc. et al.*, Placer County Superior Court, Case No. S-CV-0046899 (referred to herein as "the Action"). The Class Period is between June 23, 2017 and February 17, 2021 (the "Class Period").

Plaintiff's Complaint alleges causes of action for violation of California Business and Professions Codes section 17200, et seq., failure to provide accurate wage statements, wages not timely paid, waiting time penalties, and PAGA, on behalf of Class Members from June 23, 2017, through trial. Plaintiff's Complaint seeks recovery of alleged

damages, penalties, interest, and attorneys' fees and costs.

Defendant denies all claims, denies that Plaintiff and the Class Members are entitled to any recovery, and asserts affirmative defenses in response to Plaintiff's claims.

The Action has been actively litigated. There have been on-going investigations, and there has been an exchange of extensive documentation and information. Based upon the negotiations, and all known facts and circumstances, including the various risks and uncertainties related to legal actions, the Parties reached a class-wide Settlement after their negotiations. By settling, the Parties will avoid the risks associated with a lengthy litigation process. Despite agreeing to and supporting the Settlement, Defendant continues to deny all allegations and claims.

The Parties have entered into a Joint Stipulation of Settlement and Release between Plaintiff and Defendant ("Settlement Agreement"), which has been preliminarily approved by the Court.

If you are part of the Settlement Class, you are entitled to participate in the Settlement and object to it or to exclude yourself ("opt out") from the Settlement.

II. SUMMARY OF THE PROPOSED SETTLEMENT

A. The Amount of the Settlement

Under the terms of the Settlement, Defendant agrees to pay a maximum of \$110,000, which sum shall include all Settlement Awards for Class Members, Class Counsel's attorneys' fees, Class Counsel's litigation expenses and costs, the enhancement award to the Class Representative, \$5,000 allocated to penalties under the PAGA with \$3,750 paid to the California Labor and Workforce Development Agency ("LWDA") and \$1,750 paid to the Settlement Class, and all Settlement administration expenses ("Maximum Settlement Amount"). The entire Maximum Settlement Amount will be fully paid out.

The net settlement amount will be calculated by deducting Class Counsel's attorneys' fees, Class Counsel's litigation expenses and costs, the enhancement award to the Class Representative, the employer payroll taxes, the fees and expenses of the Claims Administrator, and \$3,750 payable to the LWDA for alleged PAGA penalties, which will result in a "Net Settlement Amount" for distribution to all Class Members. As explained further below, the amount of each Class Member's Settlement Award will depend on alleged amount of unpaid commission wages owed at the time of each Class Members' termination of employment.

The Claim Form will list for each Class Member the percentage of the Net Settlement amount which is based on the amount of allegedly unpaid commission pay that remained at the end of each Class members' employment, and his/her estimated Settlement Award assuming all Class Members participate in the Settlement. The actual Settlement Awards may be more or less than the amount estimated depending on the number of participating Class Members, and on the distributions approved and allocated by the Court.

B. Settlement Formula, and Your Settlement Award

Each Class Member will receive an individual Settlement Award, unless they submit a valid and timely Request for Exclusion. All Settlement Awards will be subject to appropriate taxation. The Parties have agreed, based on the allegations in the Action, that all Settlement Awards payable to eligible Class Members will be allocated from the Net Settlement Amount and paid as follows: 1/2 will be allocated to alleged unpaid wages for which IRS Forms W-2 will issue; 1/2 will be allocated to alleged unpaid penalties, and alleged unpaid interest for which IRS Forms 1099-MISC will issue. Receipt of the Settlement Awards will not entitle any Class Member to additional compensation or benefits under any company compensation or benefit plan or agreement in place during the period covered by the Settlement.

Based on Defendant's records of allegedly unpaid commission pay remaining at your termination of employment, , your estimated Settlement Share is <<_____>>.

D. Resolution of Settlement Award Disputes

If a Class Member disputes the accuracy of Defendant's records as to the amount of unpaid commission pay owed at termination during the Class Period, any documentation supporting such dispute must be postmarked or

actually received via facsimile or email by the Claims Administrator before _____, 2021, which is 30 calendar days from the date this notice was mailed to all Class Members. Defendant's records, and any additional evidence, will be reviewed by the Claims Administrator in the event of a dispute about the unpaid commission pay allegedly owed to an individual Class Member. All disputes regarding settlement award amounts will be resolved and decided by the Claims Administrator, and the Claims Administrator's decision on all disputes will be final and binding.

E. Release of Claims

The Joint Stipulation of Settlement and Release between Plaintiff and Defendant contains a release which releases S&G Discount Outlet, Inc., Mark Wagner, and the Released Parties from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, action or causes of action of any nature under any state, federal or local law that were or could have been asserted based on the facts and allegations made in the Action, and any amendments thereto, as to the Class Members, including without limitation, California Labor Code sections, 201, 202, 203, 204, 226, 226.3, 226.7, 2698, et seq., and Business and Professions Code sections 17200, et seq., and including all claims for or related to alleged unpaid commission wages, unfair competition, unfair business practices, unlawful business practices, fraudulent business practices, class actions, representative actions, aggrieved party claims, injunctive relief, declaratory relief, accounting, liquidated damages, penalties of any nature (including but not limited to civil penalties, waiting-time penalties, and PAGA penalties), interest, fees, costs, as well as all other claims and allegations alleged in the Action, from June 23, 2017 through February 17, 2021 (collectively "Released Claims"). Expressly excluded from the release are claims for alleged discrimination, retaliation, unemployment insurance, disability, workers compensation, and claims outside the Released Claims.

F. Enhancement Award for the Class Representative

Subject to approval by the Court, the Class Representative will receive an Enhancement Award not to exceed \$5,000. This payment will be made for service as a Class Representative, including active participation in prosecution of the Action, as well as willingness to accept the risk of incurring Class Counsel's costs or paying Defendant's attorneys' fees and costs for an unsuccessful outcome in the Action.

G. Attorneys' Fees and Costs

As consideration for the Settlement and in exchange for the release by the Settlement Class, Defendant agrees to pay Class Counsel's attorneys' fees and costs to be set by the Court, not to exceed thirty-five (35%) of the Maximum Settlement Amount which equals \$38,500, and attorneys' costs not to exceed \$5,000, subject to approval by the Court. Class Counsel's attorneys' fees and costs will be paid and deducted from the Maximum Settlement Amount.

III. WHAT ARE YOUR RIGHTS AS A CLASS MEMBER

A. Participate in the Settlement

To receive a cash payment from the Settlement, you do not have to do anything. After final approval by the Court, the payment will be mailed to you at the same address as this notice. In exchange for the settlement payment, you will release claims against the Defendant as detailed in Section II.E. above. If your address has changed, you must notify the Settlement Administrator. The Settlement Administrator's contact information is listed below in Section III.D.

B. Excluding Yourself from the Settlement

If you do not wish to participate in the Settlement, you may be excluded (i.e., "opt out") by submitting a timely written request to the Claims Administrator stating you have received this notice of the Settlement, decided not to participate in the Settlement, and want to be excluded from the Settlement, or words to that effect ("Request for Exclusion"). Your Request for Exclusion must also state your full name, address, date of birth, and the dates you worked for Defendant as a Class Member in California. The Request for Exclusion must be signed, dated and mailed by First Class U.S. Mail, facsimile or email, or the equivalent, to the Settlement Administrator. The Settlement Administrator's contact information is listed below in Section III.D.

The Request for Exclusion must be postmarked or received via facsimile or email no later than _____, 2021. If you submit a Request for Exclusion which is not postmarked or received via facsimile

or email by _____, 2021, your Request for Exclusion will be rejected and you will be bound by the Release and all other Settlement terms. If the Request for Exclusion is sent from within the United States it must be sent through the United States Postal Service by First Class Mail, or the equivalent. Do not use a postage meter as that may not result in a postmark appearing on the envelope containing your Request for Exclusion.

Any person who submits a complete and timely Request for Exclusion shall, upon receipt by the Claims Administrator, no longer be a Class Member, shall be barred from participating in any portion of the Settlement, shall receive no Settlement Award or benefits from the Settlement, shall not be deemed to have relinquished the Released Claims against the Released Parties, and, at his or her own expense, may pursue any claims he or she may have against the Released Parties.

C. Objection to Settlement

If you do not exclude yourself from the Settlement, you can object to the terms of the Settlement before Final Approval. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. To object, you must timely submit a written objection to the Settlement Administrator. The Settlement Administrator's contact information is listed below in Section III.D.

Any written objection must state each specific reason in support of your objection and any legal support for each objection. Your objection must also state your full name, address, date of birth, and the dates you were employed in California by Defendant. To be valid and effective, any objections to approval of the Settlement must be delivered to the Claims Administrator no later than 30 calendar days after the Claims Administrator mails the Notice and the Claim Form to the Class Members. **DO NOT TELEPHONE THE COURT.**

If you choose to submit an objection to the terms of this Settlement, you may enter an appearance *in propria persona* (meaning you choose to represent yourself) or through your own attorney at your own expense. To do so, you must file an Entry of Appearance with the Clerk of the Placer County Superior Court, and deliver copies to the Claims Administrator and each of the attorneys listed above. Such Entry of Appearance must be filed with the Court and delivered to the above Claims Administrator no later than 30 days after the Claims Administrator mails the Notice to Class Members. You will then continue as a Settlement Class Member either *in propria persona* or with representation by your own attorney, and you will be solely responsible for the fees and costs of your own attorney.

The Final Approval Hearing at which the Court will be asked to approve the Settlement will be at _____ a.m./p.m. on _____, in Department ____ of the Superior Court of the State of California for the County of Placer, located at 10820 Justice Center Drive, Roseville, CA 95678, or such other later date as the Court may authorize.

D. How to Contact the Settlement Administrator

The Settlement Administrator's contact information is as follows:

[Settlement Administrator]
[Address Line 1]
Address Line 2]
Telephone: 1 (800) XXX-XXXX
Facsimile: 1 (800) XXX-XXXX
Email: XXXXXXXXXX

IV. EFFECT OF THE SETTLEMENT: RELEASED RIGHTS AND CLAIMS

Upon Final Approval being granted by the Court, each and every Class Member, who does not opt out of the Settlement, will release Defendant and the Released Parties from the Released Claims as described above. In other words, if you were employed as a Class Member by Defendant in California during the Class Period, and you do not exclude yourself from the Settlement Class, you will be deemed to have entered into this release and to have released the above-described Released Claims. In addition, you will be barred from ever suing Defendant and the Released Parties with respect to the Released Claims covered by this Settlement. If the Settlement is not approved by the Court or does not become final for some other reason, the litigation will continue as though the Settlement never occurred and without prejudice to any Party.

V. FINAL SETTLEMENT APPROVAL HEARING

The Court will hold a final hearing in Superior Court of the State of California for the County of Placer, 10820 Justice Center Drive, Roseville, CA 95678, on _____, at _____ a.m./p.m. in Department __, to determine whether the Settlement should be finally approved as fair, reasonable and adequate. The Court also will be asked to approve Class Counsel's request for Attorneys' Fees and Costs and the Enhancement Award to be paid to the Class Representative.

The Final Approval Hearing may be continued without further notice to the Class. It is not necessary for you to appear at this hearing, unless you wish to object to the Settlement.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you should consult the detailed "Joint Stipulation of Settlement and Release between Plaintiff and Defendant" which is on file with the Clerk of the Court. The pleadings and other records in this Action, including the Joint Stipulation of Settlement, may be examined at any time during regular business hours at the Office of the Clerk of the Placer County Court at 10820 Justice Center Drive, Roseville, CA 95678.

If you want additional information about this lawsuit and its proceedings, you can also contact Class Counsel in this matter:

Timothy B. Del Castillo, Esq.
Kent L. Bradbury, Esq.
CASTLE LAW: CALIFORNIA EMPLOYMENT COUNSEL, PC
2999 Douglas Blvd., Suite 180
Roseville, CA 95661
Telephone: (916) 245-0122
Email: tdc@castleemploymentlaw.com
kb@castleemploymentlaw.com

**PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR
INFORMATION REGARDING THIS SETTLEMENT.**

BY ORDER OF THE SUPERIOR COURT