

BROCK & GONZALES, LLP

6701 CENTER DRIVE WEST, STE. 610

LOS ANGELES, CA 90045

Tel: (310) 294-9595

Fax: (310) 961-3673

D. AARON BROCK, STATE BAR NO. 241919

DANIELLE L. GRUPPCHANG, STATE BAR NO. 313881

Attorneys for Plaintiff

Richard Tuozo

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

Richard Tuozo, individually, and on behalf of
other members of the general public similarly
situated;

Plaintiff,

vs.

Real Community Services, Inc, a California
corporation; Real Place Inc, a California
corporation; AMN Home Corporation, a
California corporation; Real Community
Services, LLC, a California limited liability
company; Nemia Home, Inc., a California
corporation; and DOES 1-50, inclusive;

Defendants.

Case No.: 21STCV23851

Honorable Kenneth R. Freeman
Department SSC14

CLASS ACTION

**DECLARATION OF DANIELLE L.
GRUPPCHANG IN SUPPORT OF
PLAINTIFF'S UNOPPOSED MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

[Plaintiff's Unopposed Motion for Preliminary
Approval of Class Action Settlement;
Declaration of Proposed Class Representative
(Richard Tuozo); and [Proposed] Order filed
concurrently herewith]

Date: November 20, 2024
Time: 11:00 a.m.
Department: SSC14

Complaint Filed: June 28, 2021
FAC Filed: Trial August 28, 2024
Date: None Set

I, Danielle L. GruppChang, hereby declare as follows:

1. I am an attorney licensed to practice law in the State of California. I am a member of Brock & Gonzales, LLP, attorneys of record for Plaintiff Richard Tuofo. The facts set forth in this declaration are within my personal knowledge or based on information and belief, and if called as a witness, I could and would competently testify thereto.

2. In May of 2016, I graduated from *University of California Hastings College of the Law* with a Juris Doctor degree. While at *University of California Hastings College of the Law*, I competed in negotiation and mediation competitions nationally and internationally. In June of 2013, I obtained a Bachelor of Arts degree in Political Science with a Pre-Law concentration and a Communication Studies minor from *California Polytechnic State University, San Luis Obispo*.

3. In January of 2017, I obtained a license to practice law from the California State Bar. From approximately April 2017 to approximately April 2021, I was employed by the law firm of *Lawyers for Justice, PC*.

4. At *Lawyers for Justice PC*, my practice focused on entirely on wage and hour class actions. While employed by *Lawyers for Justice, PC*, I argued approximately 50 motions, took or defended depositions, was involved in the settlement of approximately 100 class and/or PAGA actions, and was personally appointed class counsel in multiple class actions.

5. In 2005, D. Aaron Brock graduated from *Loyola Law School, Los Angeles* with a Juris Doctor degree. During law school, Brock was an extern in the United States Federal District Court. In 2002, Brock graduated from *Loyola Marymount University* with a Bachelor of Arts degree in History.

///

6. Brock obtained his license to practice law from the California State Bar in March 2006. In approximately July 2016, Brock was one of the founding partners of *Brock & Gonzales, LLP*. From approximately 2013 to 2016, Brock was a partner at the law firm *JML Law, APLC*. From approximately 2009 to 2012, Brock was employed by the law firm *Taylor & Ring*. From approximately 2012 to 2013, Brock was employed by the law firm *The Lanier Law Firm*.

7. Throughout his career, Brock has represented thousands of individuals in employment and personal injury cases. He has acted as trial counsel in multiple cases to verdict, including a trial which resulted in the largest wrongful termination verdict ever granted in Tulare County Superior Court. Brock has taken and defended over 1,000 depositions of Plaintiff, defendants, and expert witnesses, argued a large volume and variety of motions, including over 100 motions for summary judgment, and attended more than 400 mediations, early neutral evaluations, and mandatory settlement conferences. Brock has been acknowledged as a Southern California Super Lawyer Rising Star for 12 years and as a Super Lawyer for 2 years. Brock has recovered millions of dollars in verdicts and settlements for his clients.

8. Since its inception, in or around July 2016, Brock & Gonzales, LLP has almost exclusively focused on the prosecution of plaintiff-side employment cases as well as personal injury cases. Currently, we are the attorneys of record in over a dozen employment-related putative class actions in the State of California. Our firm has successfully litigated numerous cases involving the wage and hour law in California. During this time, we have recovered millions of dollars on behalf of thousands of employees in California.

EXAMPLES OF REPRESENTATIVE AND CLASS ACTION RESULTS

9. What follows are a few examples of the type of results we have achieved on behalf of our clients and the State of California:

a. Brock & Gonzales represented aggrieved employees in a wage and hour PAGA representative action against multiple senior living facilities on behalf of hourly-paid and/or non-exempt employees. On May 25, 2023, the court granted approval of the PAGA representative action settlement. The Alameda County Case Number is RG21106917.

///

c. Brock & Gonzales represented the class in a wage and hour class and representative action against senior retirement community on behalf of hourly-paid and/or non-exempt employees. On July 7, 2023, the court granted final approval of the class and representative action settlement. The San Diego County Case Number is 37-2021-00022395-CU-OE-CTL.

d. Brock & Gonzales, in association with co-counsel, represented the class in a wage and hour class and representative action against a utility service company on behalf of hourly-paid and/or non-exempt employees. On July 24, 2023, the court granted final approval of the class and representative action settlement. The San Bernardino County Case Number is CIVSB2131260.

e. Brock & Gonzales represented aggrieved employees in a wage and hour PAGA representative action against a car dealership group on behalf of hourly-paid and/or non-exempt employees. On July 24, 2024, the court granted approval of the PAGA representative action settlement. The San Bernardino County Case Number is CIVSB2131234.

10. Marked and attached hereto as “**EXHIBIT 1**” is the Class Action and PAGA Settlement Agreement (“Settlement,” “Agreement,” or “Settlement Agreement”) entered into by and between Plaintiff Richard Tuoza (“Plaintiff”), individually and on behalf of all others similarly situated and other aggrieved employees, on the one hand, and Defendants Real Community Services Inc., Real Place Inc., AMN Home Corporation, Real Community Services, LLC, and Nemia Home, Inc. (collectively referred to as “Defendants”) on the other hand (collectively, the “Parties”). The Parties and their counsel have approved the proposed Court Approved Notice of Class and PAGA Action Settlement and Hearing Date for Final Court Approval (“Class Notice”), which is attached to the Settlement Agreement as “Exhibit A” and respectfully request that the Court approve it as well.

1 11. Based on information provided by Defendants, the Class is estimated to consist of
2 approximately 490 individuals.

3 12. The effectiveness of Brock & Gonzales, (“Class Counsel”) in prosecuting this matter
4 has translated into tangible monetary benefits for the Class Members and Aggrieved Employees
5 in the following respects: (1) Class Members and Aggrieved Employees recover over a reasonably
6 short period of time as opposed to waiting additional years for the same, or possibly worse, result;
7 (2) a guaranteed result that compares favorably with other similar class action settlements of this
8 type given the strengths and weaknesses of the case; and (3) significant savings in Class Counsel’s
9 fees and/or costs that would have only increased significantly had the case progressed through
10 certification, trial, and/or appeals.

11 13. Class Counsel has litigated the case for over three years and was actively preparing
12 the matter for class certification and trial. The Parties have engaged in extensive settlement
13 negotiations and participated in two formal, full-day mediations conducted by Steven Serratore,
14 esq. and Judge Brian C. Walsh (Ret.) respectively, both are well-respected mediators who are
15 experienced in mediating complex labor and employment matters. Prior to and during the
16 mediation and settlement discussions, the Parties exchanged class information and engaged in an
17 extensive discussion regarding their evaluations of the case and various aspects of the case,
18 including but not limited to, the risks and delays of further litigation, the risks to the Parties of
19 proceeding with class certification and/or representative adjudication, the law relating to off-the-
20 clock theory, meal and rest periods, PAGA representative actions, and wage-and-hour
21 enforcement, as well as the evidence produced and analyzed, and the possibility of appeals, among
22 other things. During all settlement discussions, the Parties conducted their negotiations at arm’s
23 length in an adversarial position. Arriving at a settlement that was acceptable to all Parties was
24 not easy. Defendants and their counsel felt strongly about their ability to prevail on the merits and
25 at certification, and Plaintiff and Class Counsel believed that they would be able to obtain class
26 certification and prevail at trial. After conducting investigations, formal and informal discovery,
27 engaging in a *Belair-West* administration, and exchange of information, extensive settlement
28 negotiations, and with the aid of the mediators, the Parties have agreed that the matter is well-

1 suited for settlement given the legal issues relating to Plaintiff's principal claims, as well as the
2 costs and risks to both sides that would attend further litigation. The Settlement is a fair,
3 reasonable, and adequate resolution of the Released Class Claims of Plaintiff and Participating
4 Class Members and Released PAGA Claims of the Aggrieved Employees, against the Released
5 Parties.

6 14. The Parties used the time prior to a settlement being reached to investigate the
7 veracity, strength, and scope of the claims, and Class Counsel was preparing the action for class
8 certification and trial. Prior to engaging in any mediation, Plaintiff conducted significant
9 investigation, engaged in formal and informal discovery regarding the facts of the case, including
10 and not limited to, the exchange, review, and analysis of thousands of pages of documents and
11 data obtained from Defendants and other sources. The volume of data and documents that Class
12 Counsel reviewed and analyzed included and was not limited to: a sampling of time and pay data
13 from each Defendant, daily time sheets, time editing sheets, timesheet/break sheets, licensing
14 information for each Defendant and location, multiple forms (including but not limited to Rest
15 Break Acknowledgement Form, Personnel Record, Covid-19 Self Certification of Vaccine Status
16 Form, Covid-19 Vaccination Consent/Declination Statement Form, Qualitative Respirator Fit Test
17 Appointment Form, Labor Code section 2810.5 Notice to Employee, and Digital In-Service
18 Attendance Sign-In Sheet Service Time Sheet Form), memos (regarding topics such as "Break
19 Time: Taking Rest Breaks and Meal Breaks"), agreements (such as On Duty and Off Duty Meal
20 Period Agreement, Professionalism Agreement, and Employee Confidentiality and Non-
21 Disclosure Agreement of Protected Health Information) screenshots of "homebase" (a phone
22 application used to clock in and clock out) (showing rest break policy acknowledgements and
23 information regarding duty meal periods), multiple Employee Handbook iterations for each
24 Defendant, training and hiring materials (for example, a presentation entitled "Important
25 Handbook Updates," Newly Hire Staff Orientation Skills Check, Employee Profile Inventory,
26 Onboarding checklist, Additional Guidelines for Real Place, multiple tests and quizzes, a
27 presentation entitled "Adult Residential Facility For Persons with Special Health Care Needs,
28 Introduction and History," and a presentation entitled "Standard Precautions, Hand Hygiene &

1 Personal Protective Equipment (PPE)), acknowledgements and confirmations (such as
2 Confirmation of Harassment, Discrimination and Retaliation Prevention Policy, Confirmation of
3 Receipt [of Employee Handbook], and Confirmation of Policies), and documents regarding
4 Defendants' Alternative Workweek Schedules (including but not limited to, Alternative
5 Workweek Schedule Election Ballot, correspondence to the Department of Industrial Relations
6 regarding AWS election results, Alternative Workweek Disclosures, and memos regarding
7 "Scheduling Clarification" and "Election to Change Schedule Pattern.") Class Counsel
8 interviewed Plaintiff and other putative class members to gather facts and to identify potential
9 witnesses. Counsel for the Parties also met and conferred on numerous occasions, e.g., to discuss
10 issues relating to the pleadings, formal discovery (including but not limited to form interrogatories,
11 special interrogatories, requests for production of documents, and a the Belaire-West notice
12 administration), and the production of documents and data prior to the mediations. Class Counsel
13 also drafted pleadings and mediation briefs, and prepared for and attended court proceedings,
14 mediations, and settlement negotiations, among other tasks.

15 15. Counsel for the Parties have also invested time researching and investigating the
16 applicable law, which is constantly evolving as it relates to certification, representative PAGA
17 claims, off-the-clock theory, meal and rest periods, wage-and-hour enforcement, Plaintiff's claims
18 and damages, and Defendants' defenses thereto, as well as facts discovered. Based on our analysis,
19 I submit that the result achieved in this litigation is fair, adequate, and reasonable.

20 16. The Settlement provides for a Gross Settlement Amount of Nine Hundred Twenty
21 Five Thousand Dollars (\$925,000). The Net Settlement Amount is the Gross Settlement Amount
22 less the following amounts subject to approval by the Court: Class Counsel Fees and Class Counsel
23 Expenses to Class Counsel, Class Representative Service Payment to Plaintiff, Administration
24 Expenses Payment to Settlement Administrator, and the PAGA Penalties to the LWDA and
25 Aggrieved Employees. Assuming that the amounts allocated under the Settlement toward these
26 payments are awarded by the Court, the Net Settlement Amount is currently estimated to be Four
27 Hundred Ninety One Thousand Six Hundred Sixty Six Dollars and Sixty Seven Cents
28

1 (\$491,666.67). The Maximum Settlement Amount will be fully distributed in accordance with the
2 terms of the Settlement and there is no reversion to Defendant.

3 17. The Parties have agreed to retain Simpluris, Inc. (“Settlement Administrator”) to
4 handle the notice and settlement administration. The Parties respectfully request that the Court
5 appoint Simpluris to handle these procedures and serve as the Settlement Administrator. The
6 Settlement Administrator will perform all of the responsibilities and tasks as set forth in the
7 Settlement Agreement. Administration Expenses Payment are currently estimated not to exceed
8 Seven Thousand Dollars (\$15,000.00) and will be paid out of the Gross Settlement Amount,
9 subject to approval of the Court.

10 18. Based on investigation and information discovered, Class Counsel believe that there
11 is sufficient evidence to support the allegations made in the lawsuit, including the allegations that
12 Defendants, with respect to Plaintiff and the other hourly-paid, non-exempt employees, *inter alia*,
13 failed to properly pay overtime and minimum wages and associated premium pay, failed to provide
14 compliant meal and rest periods and to pay associated premium pay, failed to timely pay wages
15 during employment and upon termination of employment, failed to provide compliant wage
16 statements, failed to maintain requisite payroll records, and failed to reimburse necessary business
17 expenses, and thereby engaged in unfair business practices and conduct giving rise to penalties
18 recoverable under the Private Attorneys General Act of 2004 (California Labor Code sections
19 2698, et seq.). Plaintiff also asserted that Class Members were expected to perform similar job
20 duties and were subject to the same or similar operations and employment policies, practices, and
21 procedures respectively. Additionally, Plaintiff asserted that Defendants' recordkeeping practices
22 with respect to Plaintiff and the Class Members were substantially the same during the time period
23 at issue. As a result, Plaintiff claim that the Class Members were uniformly not paid all of the
24 compensation that was owed to them by Defendants during the relevant time period. Thus, in
25 Class Counsel's view, it is clear that the outcome of this litigation would be determined by whether
26 Defendants' uniform operations and employment practices, policies, and procedures that Plaintiff
27 alleges applied across the Class in California during the Class Period.

28 ///

19. Class Counsel is aware of the defenses and position of Defendants, but believe that Plaintiff could potentially obtain class certification despite many obstacles. Plaintiff has also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation, including those involved in class certification and/or representative adjudication. Plaintiff further recognizes the burdens of proof necessary to establish liability for the claims asserted in the lawsuit, Defendants' defenses, and the difficulties in establishing entitlement to monetary recovery. Plaintiff has also considered the Parties' settlement discussions, as well as the evaluations of the mediator, who is experienced and well-regarded in complex labor and employment matters.

20. Defendants, on the other hand, denied and continue to deny any liability and wrongdoing of any kind associated with the claims alleged in the lawsuit, and further deny that the lawsuit is appropriate for class treatment or representative adjudication for any purpose other than this Settlement. Defendants believe that they would ultimately succeed in the matter. Both sides have also had the opportunity to interview witnesses and review documents and information relating to Plaintiff's and Class Members' employment with Defendants, and Defendants' operations and employment policies, practices, and procedures. The Parties also reviewed and analyzed thousands of pages of documents and data, including but not limited to a detailed sampling of Class Members' time and pay information, to determine the potential value and strength of the claims. The available information enabled Class Counsel to estimate the potential claims of the Class and prepare the following damages/valuation model:

Claim	Estimated <u>Maximum</u> Potential Value
Unpaid Overtime Wages	\$1,896,231.96
Unpaid Minimum Wages	\$842,769.76
Non-Compliant Meal Periods	\$842,769.76
Non-Complaint Rest Periods	\$842,769.76
Untimely Wages During Employment and Upon Termination	\$1,691,692.80
Non-Compliant Wage Statements	\$680,300.00
Failure to Maintain Payroll Records	<i>included in the PAGA civil penalties</i>
Unreimbursed Business Expenses	\$550,590.00

Discounts were applied to the estimated maximum potential value based on the facts of the case and risks associated with litigation (for example, a lack of evidence of many of the violations, the highly individualized facts which presented a significant risk to obtaining class certification, and the uncertainty of prevailing on the merits). The Settlement takes into account the strengths and weaknesses of each side's position and the uncertainty of how the case might have concluded at certification, trial, and/or appeals.

21. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees in an amount of up to one-third (1/3) of the Gross Settlement Amount (i.e., \$308,333.33) and expenses and costs in an amount not to exceed Fifty Thousand Dollars (\$50,000), which will be paid out of the Gross Settlement Amount, subject to approval by the Court. It should be noted that Class Counsel have borne all of the risks and costs of litigation and will not receive any compensation until recovery is obtained.

22. The Settlement Agreement provides for payment of up to Ten Thousand Dollars (\$10,000.00) to Plaintiff as a Class Representative Service Payment, to be paid out of the Gross Settlement Amount subject to approval by the Court. Plaintiff spent considerable time and effort to produce relevant documents and past employment records and to provide the facts and evidence necessary to attempt to prove the allegations. Plaintiff was available whenever Class Counsel needed him and actively tried to obtain information that would benefit the Class. Plaintiff Tuozo was essential in understanding the relationships between the various Defendants and the actual practices and schedules Defendants implemented. Accordingly, it is appropriate and just for Plaintiff receive a Class Representative Service Payment, in addition to his Individual Class Payment and/or Individual PAGA Payment, for his services on behalf of the Class.

///

///

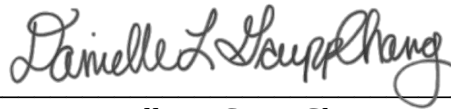
///

¹ This valuation of PAGA penalties was calculated prior to the enactment of the recent PAGA amendments. Presently, Plaintiff estimated the maximum potential value of the PAGA penalties to be \$2,735,200.

23. Class Counsel submit that the Settlement is fair, reasonable, and adequate, and is in the best interest of the Class. Class Counsel further submit that the Settlement is within an acceptable range of recovery for this type of litigation given the strengths and weaknesses of the case, the inherent costs and risks of further litigation, and the costs and risks associated with class certification, representative adjudication, trial, and/or appeals.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 12th day of September 2024, at Los Angeles, California.



Danielle L. GruppChang

EXHIBIT A

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Richard Tuozo (“Plaintiff”) and defendant Real Community Services, Inc., Real Place Inc., AMN Home Corporation, Real Community Services, LLC, and Nemia Home, Inc. (“Defendants”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1 “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendants captioned Tuozo v. Real Community Services, Inc., initiated on June 28, 2021 and pending in Superior Court of the State of California, County of Los Angeles, Case No. 21SRCV23851.
- 1.2 “Administrator” means Simpluris, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4 “Aggrieved Employee” means any and all persons currently or formerly employed by Defendants as hourly-paid, non-exempt during the PAGA Period, in the State of California.
- 1.5 “Class” means any and all persons currently or formerly employed by Defendants as hourly-paid, non-exempt employees during the Class Period, in the State of California.
- 1.6 “Class Counsel” means D. Aaron Brock, Erica Gonzales, and Danielle L. GruppChang of Brock & Gonzales, LLP.
- 1.7 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8 “Class Data” means Class Member identifying information in Defendants’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Workweeks and PAGA Workweeks.
- 1.9 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

- 1.10 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.11 “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12 “Class Period” means the period from June 28, 2017 to the earlier of: July 24, 2024 or the date of Preliminary Approval.
- 1.13 “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.14 “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.15 “Court” means the Superior Court of California, County of Los Angeles.
- 1.16 “Defendants” means named Defendants Real Community Services, Inc., Real Place Inc., AMN Home Corporation, Real Community Services, LLC, and Nemia Home, Inc.
- 1.1 “Defense Counsel” means McPharlin Sprinkles & Thomas LLP.
- 1.2 “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.3 “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.4 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.5 “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

- 1.6 “Gross Settlement Amount” means \$925,000 which is the total amount Defendants agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administration Expenses Payment.
- 1.7 “Individual Class Payment” means the Participating Class Member’s *pro rata* share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.8 “Individual PAGA Payment” means the Aggrieved Employee’s *pro rata* share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.9 “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.10 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subdivision (i).
- 1.11 “LWDA PAGA Payment” means 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).
- 1.12 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.13 “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.14 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.
- 1.15 “PAGA Period” means the period from June 15, 2020 to the earlier of: July 24, 2024 or the date of Preliminary Approval.
- 1.16 “PAGA” means the Private Attorneys General Act (Lab. Code, § 2698 et seq.).
- 1.17 “PAGA Notice” means Plaintiff’s June 7, 2021 letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).
- 1.18 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (\$50,000), allocated 25% to the Aggrieved Employees (i.e., \$12,500) and 75% to LWDA (i.e., \$37,500) in settlement of PAGA

claims.

- 1.19 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.20 “Plaintiff” means Richard Tuoza, the named plaintiff in the Action.
- 1.21 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.22 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.23 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.24 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.25 “Released Parties” means Defendants and each of its former and present directors, officers, shareholders, owners, attorneys, insurers, predecessors, successors, and assigns.
- 1.26 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.27 “Response Deadline” means forty-five (45) calendar days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email or mail Requests for Exclusion from the Settlement, or (b) fax, email or mail his, her, or their Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.28 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.29 “Workweek” means any week during which a Class Member worked for Defendants for at least one day, during the Class Period.

2. RECITALS.

- 2.1 On June 28, 2021, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendants for failure to properly pay overtime and minimum wages, failure to provide complaint meal and rest periods, failure to timely pay wages during and after employment, failure to provide compliant wages statements and maintain requisite payroll records, and failure to reimburse necessary business

expenses thereby violating the California Business and Professions Code. The Parties have agreed to stipulate to the filing of the First Amended Complaint adds a cause of action alleging violations of California Labor Code giving rise to civil penalties under PAGA. The First Amended Complaint is the operative complaint in the Action (the “Operative Complaint”). Defendants denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.

2.2 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff gave timely written notice to Defendants and the LWDA by sending the PAGA Notice in order to bring a cause of action under PAGA.

2.3 On April 25, 2024, the Parties participated in an all-day mediation presided over by Judge Brian C. Walsh (Ret.), a mediator with substantial employment law, wage-and-hour and PAGA experience, which led to this Agreement to settle the Action.

2.4 Prior to mediation, the Parties exchanged, through formal and informal discovery, a sampling of class-wide data and documents, including but not limited to: time records, wage statements, payroll details, Defendants’ written policies, procedures, and handbooks. Plaintiff’s investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“Dunk/Kullar”). The Parties also engaged in a Belaire-West notice administration.

2.5 The Court has not granted class certification.

2.6 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendants promises to pay \$925,000 and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

///

- 3.2.1 To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$10,000 to Plaintiff Tuofo (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendants will not oppose Plaintiff's request for Class Representative Service Payments that do not exceed these amounts. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payment. If the Court approves Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.
- 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be \$308,333.33, and a Class Counsel Litigation Expenses Payment of not more than \$50,000. Defendants will not oppose requests for these payments provided that they do not exceed these amounts. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.2.3 To the Administrator: An Administration Expenses Payment not to exceed \$15,000 except for a showing of good cause and as approved by the Court. To the extent the actual administration expenses are less or the Court approves payment less than \$15,000, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4 To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.
- 3.2.4.1 Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on

IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$50,000 to be paid from the Gross Settlement Amount, with 75% allocated to the LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments.

3.2.4.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of Workweeks worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's Workweeks worked during the PAGA Period. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.4.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 [Intentionally Left Blank.]

4.2 Class Data. Not later than seven (7) days after the Court grants Preliminary Approval of the Settlement, Defendants will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

- 4.3 Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendants' share of payroll taxes by transmitting the funds to the Administrator no later than sixty (60) calendar days after the Effective Date.
- 4.4 Payments from the Gross Settlement Amount. Within 7 days after Defendants funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
- 4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (i.e., 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
- 4.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without United States Postal Service ("USPS") forwarding address. Within seven (7) calendar days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
- 4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of Code of Civil Procedure section 384, subdivision (b).

- 4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. Effective on the date when Defendants fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

- 5.1 Plaintiff's Release. Plaintiff and his respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors and assigns generally, release and discharge Released Parties from any and all claims, demands, obligations, causes of action, rights, or liabilities of any kind which have been or could have been asserted against the Released Parties arising out of, or relating to, Plaintiff's employment with Defendants or termination thereof, including but not limited to (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint, (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint and Plaintiff's PAGA Notice, (c) all claims for wages, restitution, penalties, retaliation, defamation, discrimination, harassment or wrongful termination of employment. This release specifically includes any and all claims, demands, obligations and/or causes of action for damages, restitution, penalties, interest, and attorneys' fees and costs (excepted provided by this Agreement) relating to or in any way connected with the matters referred to herein, whether or not known or suspected to exist, and whether or not specifically or particularly described herein. ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, and workers' compensation benefits. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now know or believe to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

- 5.1.1 Plaintiff's Waiver of Rights Under Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the Civil Code, which reads:

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

- 5.2 Release by Participating Class Members Who Are Not Aggrieved Employees: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns,

release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, during the Class Period and based on facts stated in the Operative Complaint. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation or claims based on facts occurring outside the Class Period.

- 5.3 Release by Aggrieved Employees: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, the LWDA, agents, attorneys, heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notices.

6. **MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current requirements for Preliminary Approval.

- 6.1 Defendants' Declaration in Support of Preliminary Approval. Within 7 days of the full execution of this Agreement, Defendants will prepare and deliver to Class Counsel a signed Declaration from Defendants and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and Defendants shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 6.2 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code section 2699, subdivision (f)(2); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (vi) a signed declaration from Class Counsel's firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Lab. Code, § 2699.3, subd. (a))), Operative Complaint (Lab. Code, § 2699, subd. (l)(1)), this Agreement (Lab. Code, § 2699, subd. (l)(2)); (vii) a redlined version of the parties' Agreement showing all modifications made to the Model

Agreement ready for filing with the Court; and (viii) all facts relevant to any actual or potential conflict of interest with Class Members, and/or the Administrator. In their Declarations, Plaintiff and Class Counsel Declaration shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 6.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than fourteen (14) calendar days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.
- 6.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected Simpluris to serve as the Administrator and verified that, as a condition of appointment, Simpluris agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the Administration Expenses Payment. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 7.4 Notice to Class Members.
- 7.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks and in the Class

Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than fourteen (14) calendar days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Workweeks (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 Not later than two (2) business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods and Requests for Exclusion will be extended an additional fourteen (14) calendar days beyond the forty-five (45) calendar days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, Defendants or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) calendar days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than forty-five (45) calendar days after the Administrator mails the Class Notice (plus an additional fourteen (14) calendar days for Class Members whose Class Notice is re-mailed). A Request for

Exclusion is a letter from a Class Member or his/her/their representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2 The Administrator will not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have forty-five (45) calendar days after the Administrator mails the Class Notice (plus an additional fourteen (14) calendar days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Workweeks (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payments.

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present oral objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than forty-five (45) calendar days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) calendar days for Class Members whose Class Notice was re-mailed).

7.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payments, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) calendar days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide

written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

- 7.8.4 Workweek Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- 7.8.5 Administrator’s Declaration. No later than fourteen (14) calendar days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.
- 7.8.6 Final Report by Settlement Administrator. Within ten (10) calendar days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) calendar days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator’s declaration in Court.
8. **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.** Based on its records, Defendants estimates that, as of the date of this Settlement Agreement, there are 54,102 Total Workweeks during the Class Period. If there is a ten percent (10%) increase in the number of 54,102 Total Workweeks, such increase shall trigger an escalation of the Gross Settlement Amount in the amount equivalent to one percent (1%) for every one percent (1%) increase in workweeks over the ten percent (10%) threshold.
9. **DEFENDANTS’ RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members,

Defendants may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendants withdraws, the Settlement shall be void *ab initio*, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendants must notify Class Counsel and the Court of its election to withdraw not later than seven (7) calendar days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. MOTION FOR FINAL APPROVAL. Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement (I), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiff shall provide drafts of these documents to Defense Counsel prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final Approval. The Court’s decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters and (iii) addressing such post-Judgment matters as are permitted by law.

10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees

Payment and Class Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their respective counsel and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

- 10.5 Appellate Court Orders to Vacate, Reverse or Materially Modify Judgment. If the reviewing Court vacates, reverses or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

12. ADDITIONAL PROVISIONS.

- 12.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Operative Complaint have merit or that Defendants has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserves the right to contest certification of any class for any reasons, and Defendants reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

- 12.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendants and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency or other entity except: (1) to the Parties' attorneys, accountants or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency.

Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendants and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

- 12.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

- 12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants or inducements made to or by any Party.

- 12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

- 12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

- 12.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action or right released and discharged by the Party in this Settlement.
- 12.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed or waived only by an express written instrument signed by all Parties or their representatives and approved by the Court.
- 12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the State of California, without regard to conflict of law principles.
- 12.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.13 Confidentiality. To the extent permitted by law, all agreements made and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or California Rules of Court rule.
- 12.15 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

12.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

12.17 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff: Danielle L. GruppChang
Brock & Gonzales, LLP
6701 Center Drive West, Ste. 610
Los Angeles, California 90045

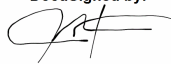
To Defendants: Jeanine D. DeBacker
McPharlin Sprinkles & Thomas LLP
720 University Ave., Ste. 250B
Los Gatos, California 95032

12.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

12.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330, the period to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 is extended for the entire period of this settlement process through either the Effective Date, withdrawal by Defendants pursuant to Paragraph 9, or a final court ruling denying approval of the settlement.

PLAINTIFF
Richard Tuoza

DEFENDANT
Real Community Services, Inc.

DocuSigned by:

4A5D85C700B0491...

Dated: 6/11/2024


Dated: 6/7/2024

DEFENDANT
Real Place, Inc.



Dated: 6/7/2024

DEFENDANT
AMN Home Corporation



Dated: 6/7/2024

DEFENDANT
Real Community Services, LLC



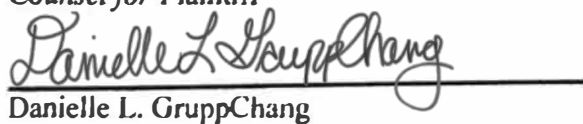
Dated: 6/7/2024

DEFENDANT
Nemia Home, Inc.



Dated: 6/7/2024

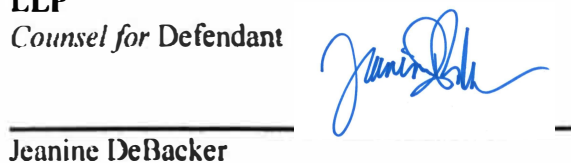
BROCK & GONZALES, LLP
Counsel for Plaintiff


Danielle L. GruppChang

Dated: June 11, 2024

McPHARLIN SPRINKLES & THOMAS
LLP

Counsel for Defendant


Jeanine DeBacker

Dated: June 10, 2024

EXHIBIT A

**COURT APPROVED NOTICE OF CLASS ACTION AND PAGA SETTLEMENT AND
HEARING DATE FOR FINAL COURT APPROVAL**

Tuozo v. Real Community Services, Inc., et al.
Los Angeles Superior Court Case No. 21STCV23851

***The Superior Court for the State of California authorized this Notice. Read it carefully.
It is not junk mail, spam, an advertisement or solicitation by a lawyer. You are not being sued.***

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Defendants Real Community Services, Inc., Real Place Inc., AMN Home Corporation, Real Community Services, LLC, and Nemia Home, Inc. (“Defendants”) for alleged wage and hour violations. The Action was filed by a former employee of Defendant Richard Tuozo (“Plaintiff”) and seeks payment of (1) wages and other relief for a class of all persons currently or formerly employed by Defendants during Class Period (i.e., from June 28, 2017 to **the earlier of: July 24, 2024 or the date of Preliminary Approval**) (“Class Members”); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all persons currently and formerly employed by Defendants during the PAGA Period (i.e., June 28, 2020 to **the earlier of: July 24, 2024 or the date of Preliminary Approval**) (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendants to fund Individual Class Payments, and (2) a PAGA Settlement requiring Defendants to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendants’ records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$_____ (less withholding) and your Individual PAGA Payment is estimated to be \$_____**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendants’ records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on Defendants’ records showing that **you worked _____ workweeks** during the Class Period and **you worked _____ workweeks** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

If you worked for Defendants during the Class Period and/or the PAGA Period, you have

two basic options under the Settlement:

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims against Defendants.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendants, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendants will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendants that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).

Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the _____ Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on _____. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many workweeks you worked at least one day during the PAGA Period, respectively. The number Class Workweeks and number of PAGA workweeks you worked according to Defendants’ records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendants. The Action accuses Defendants of violating California labor laws by failing to pay overtime wages, minimum wages, wages due during and upon termination, reimbursable expenses and failing to provide compliant meal periods and rest breaks, accurate itemized wage statements, and maintain requisite payroll records. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Lab. Code, § 2698, et seq.) (“PAGA”). Plaintiff is represented by attorneys in the Action, D. Aaron Brock, *esq.*, Erica Gonzales, *esq.*, and Danielle L. GruppChang, *esq.* of Brock & Gonzales, LLP (“Class Counsel.”)

Defendants strongly deny violating any laws or failing to pay any wages and contends it complied with all applicable laws.

///
///
///

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Defendants or Plaintiff are correct on the merits. In the meantime, Plaintiff and Defendants hired an experienced, neutral mediator in an effort to resolve the Action by negotiating to end the case by settling the case rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendants have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendants will pay \$925,000 as the Gross Settlement Amount (“Gross Settlement”). Defendants has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel’s attorneys’ fees and expenses, the Administration Expenses Payment, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement within sixty (60) calendar days of the Judgment being final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$308,333.33 to Class Counsel for attorneys’ fees and up to \$50,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$10,000 to Plaintiff Tuoza as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. The Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff’s Individual Class Payment and any Individual PAGA Payment.

C. Up to \$15,000 to the Administrator for services administering the Settlement.

D. Up to \$50,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA workweeks.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiff and Defendants are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages (“Wage Portion”) and 80% to interest and penalties (“Non-Wage Portion”). The Wage Portion is subject to withholding for employee payroll taxes and will be reported on IRS W-2 Forms. Defendants will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and Defendants have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller’s Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller’s Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than **[forty-five days from preliminary approval]**, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the **[forty-five days from preliminary approval]** Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her/their representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive

Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendants.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendants based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendants have agreed that, in either case, the Settlement will be void: Defendants will not pay any money and Class Members will not release any claims against Defendants.
8. Administrator. The Court has appointed a neutral company, Simpluris (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
9. Participating Class Members’ Release. After the Judgment is final and Defendants has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue or be part of any other lawsuit against Defendants or related entities for wages based on the Class Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, during the Class Period and based on facts stated in the Operative Complaint. Except as set forth in Section 5.3 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period

10. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and Defendants has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Defendants, whether or not they exclude themselves from the Settlement. This means

that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, along with the LWDA, cannot sue, continue to sue or participate in any other PAGA claim against Defendants or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees' Releases for Participating and Non-Participating Class Members are as follows:

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, the LWDA, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notices.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing 25% of the PAGA Penalties (\$12,500) by the total number of PAGA workweeks worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period workweeks worked by each individual Aggrieved Employee.
3. Workweek Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA workweeks you worked during the PAGA Period, as recorded in Defendants' records, are stated in the first page of this Notice. You have until _____ to challenge the number of Workweeks credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendants' calculation of Workweeks based on Defendants' records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendants' Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check

to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.

2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Tuozo. v. Real Community Services, Inc, et al.* and include your identifying information (full name, address, telephone number, approximate dates of employment and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by [forty-five days from preliminary approval], or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendants are asking the Court to approve. Prior to the Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Class Representative Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amounts Plaintiff is requesting as a Class Representative Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website

_____ (url) or the Court's website:
<https://www.lacourt.org/casesummary/ui/>

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Class Representative Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is [forty-five days from preliminary approval].** Be sure to tell the Administrator what you object to, why you object and any facts that support your objection. Make sure you identify the Action (*Tuozo, et al. v. Real*

Community Services, Inc.) and include your name, current address, telephone number and approximate dates of employment for Defendants and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at ____ (time) in Department SSC14 of the Los Angeles County Superior Court, located at 312 N. Spring Street, Los Angeles, California 90012 and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually. Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website _____ beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendants and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to ____ (specify entity) _____ website at ____ (url) _____. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website and entering the Case Number for the Action, Case No. 21STCV23851.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

Danielle L. GruppChang

dg@brockgonzales.com

Brock & Gonzales, LLP

6701 Center Drive West, Ste. 610

Telephone: (310) 294-9595

Settlement Administrator:

Name of Company: Simpluris, Inc.

Email Address:

Mailing Address:

Telephone:

Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund online at https://www.sco.ca.gov/search_upd.html for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing **address**.
