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on behalf of himself, the State of California,
and all other aggrieved employees

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

JOSE RAMIREZ, individually, and on behalf
of all others similarly situated,

Plaintiff,

v.

MARKWINS BEAUTY PRODUCTS, INC., a
California corporation; MARKWINS
BEAUTY BRANDS, INC., a California
corporation; PARTNERS PERSONNEL –
MANAGEMENT SERVICES, LLC, a limited
liability company; and DOES 1 through 10,
inclusive,

Defendants.

Case No. 21STCV31253

PAGA SETTLEMENT AGREEMENT

Complaint Filed: August 20, 2021

Trial Date: None Yet Set

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Attorneys for Defendants MARKWINS BEAUTY
PRODUCTS, INC. and MARKWINS BEAUTY
BRANDS, INC.

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Jose Ramirez (“Plaintiff”) and defendants Markwins Beauty Products, Inc., Markwins Beauty Brands, Inc. (together “Markwins”) and Partners Personnel – Management Services, LLC (“Partners Personnel”) (defendants shall be collectively referred to as “Defendants”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1. “Action” means the Plaintiff’s PAGA lawsuit alleging wage and hour violations against Defendants captioned *Jose Ramirez v. Markwins Beauty Products, Inc.; Markwins Beauty Brands, Inc.; Partners Personnel – Management Services, LLC* initiated on August 20, 2021 and pending in Superior Court of the State of California, County of Los Angeles.

1.2. “Administrator” means Phoenix Class Action Administration Solutions, 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 approval of this Settlement.

1.4. “Aggrieved Employee” means a non-exempt or hourly employee of Partners Personnel who was placed at Markwins during the PAGA Period.

1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in Partners Personnel’s possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee 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 Aggrieved Employees.

1.7. “Court” means the Superior Court of California, County of Los Angeles.

1 1.8. "Defense Counsel" means Brandon R. McKelvey and Timothy B. Nelson of Medina
2 McKelvey, LLP (counsel for Partners Personnel) and Joshua Wagner of Gordon Rees Scully
3 Mansukhani, LLP (counsel for Markwins).

4 1.9. "Effective Date" means the date by when both of the following have occurred: (a)
5 the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment
6 is final. The Judgment is final as of the latest of the following occurrences: (a) the day the Court
7 enters Judgment if no objections are filed to this settlement or if all objections are withdrawn
8 prior to the Court ruling on them; or (b) sixty-one (61) days after the date of entry of the
9 settlement approval order if objections are filed and overruled and no appeal is taken from the
10 order approving the settlement; or (c) if a timely appeal is made, ten (10) business days after the
11 final resolution of that appeal if the appeal is rejected, the settlement is upheld, and the
12 settlement approval order is no longer subject to further judicial review..

13 1.10. "Gross Settlement Amount" means \$212,500.00 which is the total amount
14 Defendants agree to pay under the Settlement except as provided in Paragraph 9 below. The
15 Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA
16 Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the
17 Administrator's Expenses Payment.

18 1.11. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of
19 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved
20 Employee worked during the PAGA Period.

21 1.12. "Judgment" means the judgment entered by the Court based upon the Final
22 Approval.

23 1.13. "LWDA" means the California Labor and Workforce Development Agency, the
24 agency entitled, under Labor Code section 2699, subd. (i).

25 1.14. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the
26 LWDA under Labor Code section 2699, subd. (i).

27 1.15. "Net Settlement Amount" means the Gross Settlement Amount, less the following
28 payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA

1 Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the
2 Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as
3 Individual PAGA Payments.

4 1.16. "PAGA Counsel" means Kane Moon and Lilit Tunyan of Moon & Yang, APC, the
5 attorneys representing the Plaintiff in the Action.

6 1.17. "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses
7 Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable
8 attorneys' fees and expenses, respectively, incurred to prosecute the Action.

9 1.18. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee
10 worked for Partners Personnel and was placed at Markwins for at least one day during the PAGA
11 Period.

12 1.19. "PAGA Period" means the period from January 25, 2021 to the date of approval of
13 the Settlement by the Court.

14 1.20. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

15 1.21. "PAGA Notice" means Plaintiff's August 14, 2021 letter to Defendants and the
16 LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a). attached to this
17 Agreement as Exhibit A.

18 1.22. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from
19 the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$28,416.67) and the
20 75% to LWDA (\$85,250.00) in settlement of PAGA claims.

21 1.23. "Plaintiff" means Jose Ramirez, the named plaintiff in the Action.

22 1.24. "Approval Order" means the proposed Court Order Granting Approval of PAGA
23 Settlement.

24 1.25. "Released PAGA Claims" means the claims being released by the Plaintiff and
25 PAGA Counsel and as described in Paragraph 5 below.

26 1.26. "Released Parties" means: Defendants and each of their former and present
27 directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors,
28 assigns, subsidiaries, and affiliates.

1 1.27. “Settlement” means the disposition of the Action effected by this Agreement and
2 the Judgment.

3 1.28. “Defendants” means named Defendants Markwins Beauty Products, Inc.,
4 Markwins Beauty Brands, Inc., and Partners Personnel – Management Services, Inc.

5 **2. RECITALS.**

6 2.1. On August 20, 2021, Plaintiff commenced this Action by filing a class action
7 Complaint alleging causes of action against Defendants. Plaintiff’s Complaint sought damages,
8 on his behalf and on behalf of a class of all non-exempt or hourly employees, for the following
9 alleged violations of the California Labor Code: (1) failure to pay minimum and regular rate
10 wages (Labor Code sections 204, 1194, 1194.2, and 1197); (2) failure to pay overtime
11 compensation (Labor Code sections 1194 and 1198); (3) failure to provide meal periods (Labor
12 Code sections 226.7 and 512); (4) failure to authorize and permit rest breaks (Labor Code section
13 226.7); (5) failure to indemnify necessary business expenses (Labor Code sections 2800 and
14 2802); (6) failure to timely pay final wages at termination (Labor Code sections 201–203); (7)
15 failure to provide accurate itemized wage statements (Labor Code section 226); and (8) unfair
16 business practices (Business and Professions Code sections 17200 *et seq.*).

17 2.2. On March 31, 2022, Plaintiff filed a First Amended Complaint, which added a
18 cause of action for civil penalties pursuant to the PAGA based on the same Labor Code
19 violations alleged in the Complaint. Plaintiff’s First Amended Complaint is the operative
20 complaint in the Action (the “Operative Complaint”). Defendants deny the allegations in the
21 Operative Complaint, deny any failure to comply with the laws identified in the Operative
22 Complaint and deny any and all liability for the causes of action alleged.

23 2.3. On April 7, 2022, the Court signed an Order dismissing Plaintiff’s individual
24 claims, without prejudice, and dismissing Plaintiff’s class claims, without prejudice, based on an
25 executed arbitration agreement signed by Plaintiff governing his employment with Defendants,
26 leaving only the PAGA claims as the operative claims in the Action.

27 2.4. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice
28 to Defendants and the LWDA by sending the PAGA Notice.

1 2.5. On November 10, 2022, the Parties participated in an all-day mediation presided
2 over by Michael Young, Esq., which led to this Agreement to settle the Action.

3 2.6. Prior to mediation, Plaintiff obtained, through informal discovery, employee and
4 payroll data, policy documents, and additional information regarding Partners Personnel's non-
5 exempt, hourly employees in California who during the Covered Period were placed at
6 Markwins, which Plaintiff's Counsel reviewed and analyzed.

7 2.7. The Parties, PAGA Counsel and Defense Counsel represent that they are not aware
8 of any other pending matter or action asserting claims that will be extinguished or affected by the
9 Settlement.

10 **3. MONETARY TERMS.**

11 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below,
12 Defendants promise to pay \$212,500.00 and no more as the Gross Settlement Amount.
13 Defendants have no obligation to pay the Gross Settlement Amount prior to the deadline stated
14 in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement
15 Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of
16 payment. None of the Gross Settlement Amount will revert to Defendants.

17 3.2. Payments from the Gross Settlement Amount. The Administrator will make and
18 deduct the following payments from the Gross Settlement Amount, in the amounts specified by
19 the Court in the Final Approval:

20 3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 33
21 1/3% which is currently estimated to be \$70,833.33 and PAGA Counsel Litigation Expenses
22 Payment of not more than \$20,000. Defendants will not oppose requests for Court approval of
23 these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel
24 will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation
25 Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA
26 Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will
27 allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to
28 PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA

Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA 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.

3.2.2. To the Administrator: An Administrator Expenses Payment not to exceed \$15,000 owing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$15,000, the Administrator will retain the remainder in the Net Settlement Amount. Phoenix Class Action Administration Solutions has been selected as the Administrator, based upon its “not to exceed” bid of \$8,000.00.

3.2.3. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$113,666.67 to be paid from the Gross Settlement Amount, with 75% (\$85,250.00) allocated to the LWDA PAGA Payment and 25% (\$28,416.67) allocated to the Individual PAGA Payments.

3.2.3.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees’ 25% share of PAGA Penalties (\$28,416.67) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee’s PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.3.2. 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.

1 4.1. Aggrieved Employee Pay Periods. Based on a review of its records to date,
2 Defendants estimate there are 816 Aggrieved Employees who worked a total 11,000 of PAGA
3 Pay Periods from January 25, 2021 through September 25, 2022.

4 4.2. Aggrieved Employee Data. Within 21 days of the complete execution of this
5 Agreement, Defendants will simultaneously deliver the Aggrieved Employee Data to the
6 Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee'
7 privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use
8 the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and
9 restrict access to the Aggrieved Employee Data to Administrator employees who need access to
10 the Aggrieved Employee Data to effect and perform under this Agreement. Defendants have a
11 continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved
12 Employee Data omitted employee identifying information and to provide corrected or updated
13 Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline
14 by which Defendants must send the Aggrieved Employee Data to the Administrator, the Parties
15 and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise
16 resolve any issues related to missing or omitted Aggrieved Employee Data.

17 4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross
18 Settlement Amount by transmitting the funds to the Administrator no later than 14 days after the
19 Effective Date.

20 4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendants
21 fund the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA
22 Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA
23 Counsel Fees Payment, the PAGA Counsel Expenses Payment. Disbursement of the PAGA
24 Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA
25 Payments.

26 4.4.1. The Administrator will issue checks for the Individual PAGA Payments
27 and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid along with
28 the Notice of PAGA Representative Action Settlement (attached hereto as Exhibit B). The face

1 of each check shall prominently state the date (180 days after the date of mailing) when the
2 check will be voided. The Administrator will cancel all checks not cashed by the void date.
3 Before mailing any checks, the Settlement Administrator must update the recipients' mailing
4 addresses using the National Change of Address Database.

5 4.4.2. The Administrator must conduct an Aggrieved Employee Address Search
6 for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding
7 address. Within 7 days of receiving a returned check the Administrator must re-mail checks to
8 the USPS forwarding address provided or to an address ascertained through the Aggrieved
9 Employee Address Search. The Administrator need not take further steps to deliver checks to
10 Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator
11 shall promptly send a replacement check to any Aggrieved Employee whose original check was
12 lost or misplaced, requested by the Aggrieved Employee prior to the void date.

13 4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is
14 uncashed and cancelled after the void date, the Administrator shall transmit the funds represented
15 by such checks to the California Controller's Unclaimed Property Fund in the name of the
16 Aggrieved Employee.

17 4.4.4. The payment of Individual PAGA Payments shall not obligate Defendants
18 to confer any additional benefits or make any additional payments to the Aggrieved Employees
19 (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

20 **5. RELEASES OF CLAIMS.** Pursuant to the requirements of Labor Code sections 2698,
21 et seq., Plaintiff is the designated agent of the California Labor and Workforce Development
22 Agency ("LWDA"), and is proceeding as a private attorney general, by bringing this
23 enforcement action to recover civil penalties on behalf of the LWDA and for the group of
24 Aggrieved Employees.

25 The Parties agree, and Plaintiff agrees, that effective on the date when Defendants fully
26 fund the entire Gross Settlement Amount, the LWDA shall release the Released Parties from any
27 claim for civil penalties arising out of the Released Claims. As consideration for this release, the
28 LWDA shall receive 75% of the PAGA Payment, consistent with the requirements of the Labor

Code sections 2698, et seq. The Aggrieved Employees shall receive 25% of the PAGA payment consistent with the requirements of the Labor Code sections 2698, et seq.

5.1 Plaintiff's Release. Effective on the date when Defendants fully fund the entire Gross Settlement Amount as well as general release payment in accordance with the separate individual settlement agreement entered between the Parties for general release of Plaintiff's individual claims, Plaintiff and his or her respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the PAGA Period, 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 and the PAGA Notice ("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, workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes 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.

5.2 Release by Aggrieved Employees: Effective on the date when Defendants fully funds the entire Gross Settlement Amount all Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, 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 Notice ("Released Claims").

5.3 Release by PAGA Counsel: Effective on the date when Defendants fully fund the entire Gross Settlement Amount PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Counsel Fees incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

1 **6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.** The Parties
2 agree to jointly prepare and file an application or motion for approval of this Settlement.

3 6.1. Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all
4 documents necessary for obtaining approval of this Settlement under Labor Code Section 2699,
5 subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a
6 signed declaration from the Administrator attaching its "not to exceed" bid for administering the
7 Settlement and attesting to its willingness to serve; competency; operative procedures for
8 protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data
9 breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential
10 conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any
11 financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed
12 declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all
13 necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)),
14 Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code
15 section 2699, subd. (l)(2)); (iv) a redlined version of the parties' Agreement showing all
16 modifications made to the Model Agreement ready for filing with the Court; and (v) all facts
17 relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the
18 Administrator. In their Declarations, Plaintiff and PAGA shall aver that they are not aware of
19 any other pending matter or action asserting claims that will be extinguished or adversely
20 affected by the Settlement.

21 6.2. Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly
22 responsible for expeditiously finalizing and filing the application or motion for approval of this
23 Settlement no later than 45 days after the full execution of this Agreement and, if necessary,
24 obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the
25 motion. PAGA Counsel is responsible for delivering the Court's Preliminary Approval to the
26 Administrator.

27 6.3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed application
28 or motion for approval of this Settlement and/or the supporting declarations and documents,

1 PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties
2 by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the
3 Court does not grant the motion for approval of this Settlement or conditions its approval on any
4 material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously
5 work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to
6 modify the Agreement and otherwise satisfy the Court's concerns.

7 **7. SETTLEMENT ADMINISTRATION.**

8 7.1. Selection of Administrator. The Parties have jointly selected Phoenix Class Action
9 Administration Solutions to serve as the Administrator and verified that, as a condition of
10 appointment, Phoenix Class Action Administration Solutions agrees to be bound by this
11 Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for
12 payment of Administration Expenses. The Parties and their Counsel represent that they have no
13 interest or relationship, financial or otherwise, with the Administrator other than a professional
14 relationship arising out of prior experiences administering settlements.

15 7.2. Employer Identification Number. The Administrator shall have and use its own
16 Employer Identification Number for purposes of calculating payroll tax withholdings and
17 providing reports state and federal tax authorities.

18 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that
19 meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation
20 section 468B-1.

21 7.4. Administrator Duties. The Administrator has a duty to perform or observe all tasks
22 to be performed or observed by the Administrator contained in this Agreement or otherwise.

23 **8. AGGRIEVED EMPLOYEE SIZE ESTIMATES [and ESCALATOR CLAUSE]**

24 Based on its records, Defendants estimates that, as of the date of this Settlement
25 Agreement, there are 816 Aggrieved Employees who worked 11,000 Pay Periods from January
26 25, 2021 to September 25, 2022. The settlement as negotiated contemplates a PAGA Pay Period
27 count through court approval. However, should the actual number of PAGA Pay Periods worked
28 by the Aggrieved Employees exceed fifteen percent (15%) of this figure (i.e., 12,650 PAGA Pay

Periods from January 25, 2021 to the date of Court approval), Defendants, at their sole and exclusive discretion, may elect to: (1) set the PAGA Period as of the date that the PAGA Pay Period count hits the 15% cap of 12,650 PAGA Pay Periods; or (2) consent to have the Gross Settlement Amount increased by the percentage that the actual number of PAGA Pay Periods exceeds the permitted 15% cap of 12,650 PAGA Pay Periods.

9. 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.

9.1. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel 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 another party 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. ADDITIONAL PROVISIONS.

10.1. No Admission of Liability 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 have 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 representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this

1 Settlement, Defendants reserve all available defenses to the claims in the Action, and Plaintiff
2 reserves the right to contest Defendants' defenses. The Settlement, this Agreement and Parties'
3 willingness to settle the Action will have no bearing on, and will not be admissible in connection
4 with, any litigation (except for proceedings to enforce or effectuate the Settlement and this
5 Agreement).

6 10.2. Integrated Agreement. Upon execution by all Parties and their counsel, this
7 Agreement together with its attached exhibits shall constitute the entire agreement between the
8 Parties relating to the Settlement, superseding any and all oral representations, warranties,
9 covenants, or inducements made to or by any Party.

10 10.3. Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant
11 and represent that they are authorized by Plaintiff and Defendants, respectively, to take all
12 appropriate action required or permitted to be taken by such Parties pursuant to this Agreement
13 to effectuate its terms, and to execute any other documents reasonably required to effectuate the
14 terms of this Agreement including any amendments to this Agreement.

15 10.4. Cooperation. The Parties and their counsel will cooperate with each other and use
16 their best efforts, in good faith, to implement the Settlement by, among other things, modifying
17 the Settlement Agreement, submitting supplemental evidence and supplementing points and
18 authorities as requested by the Court. In the event the Parties are unable to agree upon the form
19 or content of any document necessary to implement the Settlement, or on any modification of the
20 Agreement that may become necessary to implement the Settlement, the Parties will seek the
21 assistance of a mediator and/or the Court for resolution.

22 10.5. No Prior Assignments. The Parties separately represent and warrant that they have
23 not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
24 encumber to any person or entity and portion of any liability, claim, demand, action, cause of
25 action, or right released and discharged by the Party in this Settlement.

26 10.6. No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendants nor Defense
27 Counsel are providing any advice regarding taxes or taxability, nor shall anything in this
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1 Settlement be relied upon as such within the meaning of United States Treasury Department
2 Circular 230 (31 CFR Part 10, as amended) or otherwise.

3 10.7. Modification of Agreement. This Agreement, and all parts of it, may be amended,
4 modified, changed, or waived only by an express written instrument signed by all Parties or their
5 representatives, and approved by the Court.

6 10.8. Agreement Binding on Successors. This Agreement will be binding upon, and
7 inure to the benefit of, the successors of each of the Parties.

8 10.9. Applicable Law. All terms and conditions of this Agreement and its exhibits will
9 be governed by and interpreted according to the internal laws of the state of California, without
10 regard to conflict of law principles.

11 10.10. Cooperation in Drafting. The Parties have cooperated in the drafting and
12 preparation of this Agreement. This Agreement will not be construed against any Party on the
13 basis that the Party was the drafter or participated in the drafting.

14 10.11. Confidentiality. To the extent permitted by law, all agreements made, and orders
15 entered during Action and in this Agreement relating to the confidentiality of information shall
16 survive the execution of this Agreement.

17 10.12. Use and Return of Aggrieved Employee Data. Information provided to PAGA
18 Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data
19 provided to PAGA Counsel by Defendants in connection with the mediation, other settlement
20 negotiations, or in connection with the Settlement, may be used only with respect to this
21 Settlement, and no other purpose, and may not be used in any way that violates any existing
22 contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator
23 discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and
24 electronic versions of Aggrieved Employee Data received from Defendants unless, prior to the
25 Administrator's payment of all Settlement Funds, Defendants make a written request to PAGA
26 Counsel for the return, rather than the destructions, of Aggrieved Employee Data.

27 10.13. Headings. The descriptive heading of any section or paragraph of this Agreement
28 is inserted for convenience of reference only and does not constitute a part of this Agreement.

1 10.14. Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement
2 shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a
3 weekend or federal legal holiday, such date or deadline shall be on the first business day
4 thereafter.

5 10.15. Notice. All notices, demands or other communications between the Parties in
6 connection with this Agreement will be in writing and deemed to have been duly given as of the
7 third business day after mailing by United States mail, or the day sent by email or messenger,
8 addressed as follows:

9 To Plaintiff:
10 Kane Moon (SBN 249834)
11 kane.moon@moonyanglaw.com
12 Lilit Tunyan (SBN 329351)
13 lilit@moonyanglaw.com
14 MOON & YANG, APC
15 1055 W. Seventh St., Suite 1880
16 Los Angeles, California 90017
17 Telephone: (213) 232-3128
18 Facsimile: (213) 232-3125

19 To Partners Personnel:
20 Brandon R. McKelvey (SBN 217002)
21 brandon@medinamckelvey.com
22 Timothy B. Nelson (SBN 235279)
23 tim@medinamckelvey.com
24 MEDINA McKELVEY LLP
25 925 Highland Pointe Drive, Suite 300
26 Roseville, California 95678
27 Telephone: (916) 960-2211

28 To Markwins:
Joshua B. Wagner (SBN 199570)
jwagner@grsm.com
GORDON REES SCULLY MANSUKHANI, LLP
633 West Fifth Street, 52nd Floor
Los Angeles, California 90071
Telephone: (213) 576-5016
Facsimile: (213) 680-4470

10.16. 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.

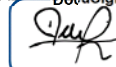
10.17. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

The Parties hereby execute this Agreement.

Dated: 1/6/2023, 2023

Jose Ramirez

Signed by:



4AD1A85DAC38427...

Dated: , 2023

Partners Personnel – Management Services, LLC

By: _____

[NAME]

[TITLE]

Dated: ,2023

Markwins Beauty Products, Inc.

By: _____

[NAME]

[TITLE]

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.

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The Parties hereby execute this Agreement.

Dated: , 2023

Jose Ramirez

Dated: January 13 , 2023

Partners Personnel – Management Services, LLC

By: 

[NAME] Ajay Whittemore

[TITLE] General Counsel

Dated: ,2023

Markwins Beauty Products, Inc.

By: _____

[NAME]

[TITLE]

1 Agreement shall be accepted as an original. All executed counterparts and each of them will be
2 deemed to be one and the same instrument if counsel for the Parties will exchange between
3 themselves signed counterparts. Any executed counterpart will be admissible in evidence to
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5 10.17. Stay of Litigation. The Parties agree that upon the execution of this Agreement
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8 extend the date to bring a case to trial under CCP section 583.310 for the entire period of this
9 settlement process.

10
11 The Parties hereby execute this Agreement.

12 Dated: , 2023 Jose Ramirez

13 _____

14
15
16 Dated: , 2023 Partners Personnel – Management Services, LLC

17
18 By: _____

19 [NAME]

20 [TITLE]

21
22 Dated: ,2023 Markwins Beauty Products, Inc.

23
24 By: _____

25 [NAME]

26 [TITLE]

1 Dated: , 2023

Markwins Beauty Brands, Inc.

2
3 By: 

4 [NAME]

5 [TITLE]

6
7 APPROVED AS TO FORM:

8 Dated: , 2023

MOON & YANG, APC

9 By: _____

10 Kane Moon

11 Lilit Tunyan

12 Attorneys for Plaintiff JOSE RAMIREZ

13
14
15 Dated: , 2023

MEDINA McKELVEY LLP

16 By: _____

17 Brandon R. McKelvey

18 Timothy B. Nelson

19 Attorneys for Defendant PARTNERS PERSONNEL –

20 MANAGEMENT SERVICES, LLC

21
22 Dated: , 2023

GORDON REES SCULLY MANSUKHANI, LLC

23 By: _____

24 Joshua B. Wagner

25 Sat Sang Khalsa

26 Attorneys for Defendants MARKWINS BEAUTY

27 PRODUCTS, INC. and MARKWINS BEAUTY

28 BRANDS, INC.

Dated: _____, 2023 Markwins Beauty Brands, Inc.

By: _____

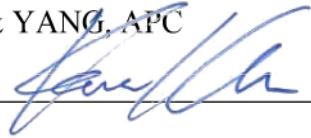
[NAME]

[TITLE]

APPROVED AS TO FORM:

Dated: 1/6/, 2023

MOON & YANG, APC

By:  _____

Kane Moon

Lilit Tunyan

Attorneys for Plaintiff JOSE RAMIREZ

Dated: _____, 2023

MEDINA McKELVEY LLP

By: _____

Brandon R. McKelvey

Timothy B. Nelson

Attorneys for Defendant PARTNERS PERSONNEL –
MANAGEMENT SERVICES, LLC

Dated: _____, 2023

GORDON REES SCULLY MANSUKHANI, LLC

By: _____

Joshua B. Wagner

Sat Sang Khalsa

Attorneys for Defendants MARKWINS BEAUTY
PRODUCTS, INC. and MARKWINS BEAUTY
BRANDS, INC.

1 Dated: , 2023

Markwins Beauty Brands, Inc.

3 By: _____

4 [NAME]

5 [TITLE]

7 APPROVED AS TO FORM:

8 Dated: , 2023

MOON & YANG, APC

9 By: _____

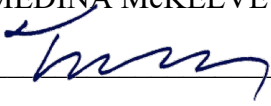
10 Kane Moon

11 Lilit Tunyan

12 Attorneys for Plaintiff JOSE RAMIREZ

15 Dated: January 13, 2023

MEDINA McKELVEY LLP

16 By:  _____

17 Brandon R. McKelvey

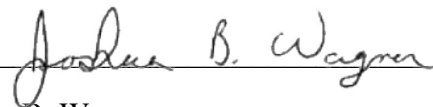
18 Timothy B. Nelson

19 Attorneys for Defendant PARTNERS PERSONNEL –

20 MANAGEMENT SERVICES, LLC

22 Dated: , 2023

GORDON REES SCULLY MANSUKHANI, LLC

23 By:  _____

24 Joshua B. Wagner

25 Sat Sang Khalsa

26 Attorneys for Defendants MARKWINS BEAUTY

27 PRODUCTS, INC. and MARKWINS BEAUTY

28 BRANDS, INC.

EXHIBIT A

MOON & YANG, APC

ATTORNEYS AT LAW
WWW.MOONYANGLAW.COM

1055 W. SEVENTH ST., SUITE 1880
LOS ANGELES, CALIFORNIA 90017
TELEPHONE: (213) 232-3128
FACSIMILE: (213) 232-3125

Kane Moon, Esq.
Kane.Moon@moonyanglaw.com

August 14, 2021

VIA ONLINE SUBMISSION

Labor & Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

VIA CERTIFIED MAIL

Markwins Beauty Products, Inc.
22067 Ferrero Parkway
City of Industry, CA 91789

VIA CERTIFIED MAIL

Markwins Beauty Brands, Inc.
22067 Ferrero Parkway
City of Industry, CA 91789

VIA CERTIFIED MAIL

Partners Personnel - Management Services, LLC
3820 State Street, Suite B
Santa Barbara, CA 93105

Notice of Labor Code Violations and PAGA Penalties

Re: ***Jose Ramirez v. Markwins Beauty Products, Inc., Markwins Beauty Brands, Inc.,
Partners Personnel – Management Services, LLC***

To Whom It May Concern:

Please be advised that my office has been retained by Jose Ramirez (“Plaintiff”) to pursue a Labor Code Private Attorney General Act (PAGA) representative action (Cal. Lab. Code §§ 2699, *et seq.*) against his former employer, Markwins Beauty Products, Inc., and Markwins Beauty Brands, Inc., Partners Personnel – Management Services, LLC (collectively referred herein as “Defendant”). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Defendant engaged in with respect to Plaintiff and all of Defendant’s aggrieved employees.

Plaintiff wishes to pursue a PAGA representative action on behalf of Plaintiff individually as an aggrieved employee, on behalf of the State of California, and on behalf of all other current and former aggrieved employees who worked for Defendant in California as an hourly paid, non-

exempt employee at any time within the applicable statutory period (hereafter, the “Aggrieved Employees”).

Plaintiff and the Aggrieved Employees of Defendant suffered the Labor Code violations described below.

Factual Background Regarding Plaintiff's Employment with Defendant

Defendant owns and operates an industry, business, and establishment within the State of California, including Los Angeles County. As such, Defendant is subject to the California Labor Code and the Wage Orders issued by the Industrial Welfare Commission (“IWC”).

Plaintiff worked for Defendant as a packer from approximately December 2018 to July 2021, primarily in Los Angeles County. Defendant classified Plaintiff as non-exempt from overtime. During the time period that Plaintiff was employed by Defendant, Plaintiff typically worked 5 days per week, and in excess of 8 hours each workday.

Throughout Plaintiff's employment, Defendant committed numerous labor code violations under state law. As discussed below, Plaintiff's experience working for Defendant was typical and illustrative.

Failure to Pay for All Hours Worked, Including Overtime

Under California law, an employer must pay for all hours worked by an employee. “Hours worked” is the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In addition, Labor Code § 510 provides that employees in California shall not be employed more than eight (8) hours in any workday or forty (40) hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198 states that the employment of an employee for longer hours than those fixed by the Industrial Welfare Commission is unlawful.

Throughout the statutory period, Defendants maintained a policy and practice of not paying Plaintiff and the Aggrieved Employees for all hours worked, including all overtime wages. Throughout the statutory period, Defendants maintained a policy and practice of failing to pay Plaintiff and the Aggrieved Employees for all time worked. For example, Plaintiff and the Aggrieved Employees were required to work “off the clock”, in that they were required to wait

in line in order to clock into work each workday, and when returning from meal breaks, uncompensated. Plaintiff and the Aggrieved Employees were also required to undergo security checks after clocking out of work each workday, which included waiting in line, all off the clock and uncompensated. In maintaining a practice of not paying all wages owed, Defendants failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including overtime.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s).

Despite these legal requirements, Defendant wrongfully failed to provide Plaintiff and the Aggrieved Employees with legally compliant meal periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, continuous and uninterrupted, duty-free meal period for every five hours of work, or without compensating Plaintiff and the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Defendant did not adequately inform Plaintiff and the Aggrieved Employees of their right to take a meal period by the end of the fifth hour of work, or, for shifts greater than 10 hours, by the end of the tenth hour of work. Moreover, Defendant did not have adequate written policies or practices providing meal periods for Plaintiff and the Aggrieved Employees, nor did Defendant have adequate policies or practices regarding the timing of meal periods. Defendant also did not have adequate policies or practices to verify whether Plaintiff and the Aggrieved Employees were taking their required meal periods. Defendant also maintained a policy and practice of not permitting Plaintiff and the Aggrieved Employees to leave the premises for their meal or rest breaks, and required them to have on-duty breaks. Plaintiff and the Aggrieved Employees were also prohibited from leaving the premises during meal periods, and were required to take their meal periods at a specific location within the premises, which required Plaintiff and the Aggrieved Employees to walk to that location, which shortened the meal period even more. Accordingly, Defendant's policy and practice was to not provide meal periods to Plaintiff and the Aggrieved Employees in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not provided with all required meal period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for meal periods and that were not provided.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers are required by California law to authorize and permit breaks of 10 uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than two hours). Thus, for example, if an employee's work time is 6 hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws.

Defendant, however, wrongfully failed to authorize and permit Plaintiff and the Aggrieved Employees to take timely and duty-free rest periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendant authorizing and permitting them to take a 10 minute, continuous and uninterrupted, rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiff and the Aggrieved Employees for rest periods that were not authorized or permitted. Defendant did not adequately inform Plaintiff and the Aggrieved Employees of their right to take a rest period. Moreover, Defendant did not have adequate policies or practices permitting or authorizing rest periods for Plaintiff and the Aggrieved Employees, nor did Defendant have adequate policies or practices regarding the timing of rest periods. Defendant also did not have adequate policies or practices to verify whether Plaintiff and the Aggrieved Employees were taking their required rest periods. Further, Defendant did not maintain accurate records of employee work periods, and therefore Defendant cannot demonstrate that Plaintiff and the Aggrieved Employees took rest periods during the middle of each work period. Plaintiff and the Aggrieved Employees were also prohibited from leaving the premises during their rest breaks. Accordingly, Defendant's policy and practice was for Plaintiff and the Aggrieved Employees to work through rest periods and to not authorize or permit them to take any rest periods.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for rest periods and that they were not authorized and permitted to take.

As a result, Defendant are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

Plaintiff seeks penalties under Labor Code § 1174(d). Pursuant to Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

Defendant, however, failed to maintain accurate records of hours worked and all meal periods taken or missed by Plaintiff and the Aggrieved Employees.

Defendant's failure to provide and maintain records required by the Labor Code IWC Wage Orders deprived Plaintiff and the Aggrieved Employees the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Defendant's records. Therefore, Plaintiff and the Aggrieved Employees had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Defendant. As a direct result, Plaintiff and the Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorney's fees in seeking to compel Defendant to fully perform its obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Defendant's knowing failure to comply with the Labor Code and applicable IWC Wage Orders, Plaintiff and the Aggrieved Employees have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 1174.5 for failing to maintain accurate records of hours worked and meal periods.

Failure to Reimburse and Indemnify Expenses

California Labor Code § 2802 requires employers to reimburse employees for their necessary expenditures and losses incurred in direct consequence of the discharge of their duties or of their obedience to directions of the employer.

Throughout the statutory period, Defendant wrongfully required Plaintiff and the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Defendant

without reimbursement. Plaintiff and the Aggrieved Employees incurred these substantial expenses as a direct result of performing their job duties for Defendant, and Defendant has failed to indemnify Plaintiff and the Aggrieved Employees for these employment-related expenses.

Failure to Timely Pay All Wages at Termination

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

Within the applicable statute of limitations, the employment of Plaintiff and many other Aggrieved Employees ended, i.e. was terminated by quitting or discharge, and the employment of others will be. However, during the relevant time period, Defendant failed, and continues to fail to pay Plaintiff and terminated Aggrieved Employees, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Defendant's employ. These unpaid wages include wages for unpaid work time (including minimum and straight time wages), missed meal periods, and missed rest periods.

Defendant's conduct violates Labor Code §§ 201 and 202. Labor Code § 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate until paid or until an action is commenced; but the wages shall not continue for more than thirty (30) days.

Accordingly, Plaintiff and the Aggrieved Employees are entitled to recover from Defendant their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to 30 days maximum pursuant to Labor Code § 203.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be

aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Lab. Code § 226(e)(2)(B)(iii).)

The statute further provides: “An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorney’s fees.” (Lab. Code § 226(e)(1).)

Defendant intentionally and willfully failed to provide employees with complete and accurate wage statements. The deficiencies include, among other things, the failure to correctly identify hourly rates, the failure to correctly list gross wages earned, and the failure to list the true net wages earned, including wages for meal periods that were not provided in accordance with California law, wages for rest periods that were not authorized and permitted to take in accordance with California law, and correct wages earned for all hours worked.

As a result of Defendant violating Labor Code § 226, Plaintiff and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights.

Accordingly, Plaintiff and similarly Aggrieved Employees are entitled to recover from Defendant the greater of their actual damages caused by Defendant’s failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding \$4,000 dollars per employee.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 226.3 for failing to furnish accurate itemized wage statements.

Failure to Pay All Earned Wages Twice Per Month

Based on its failure to pay Plaintiff and the Aggrieved Employees for all wages as discussed above, Defendant also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for hours worked. However, during all such times, Defendant systematically failed and refused to pay the employees all wages due, and

failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendant, all wages for all rest periods not authorized and permitted by Defendant, and all wages for all hours worked. As a result, Defendant owes employees the legally required wages for unpaid wages, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Action for Civil Penalties Under PAGA

In light of the above, Plaintiff alleges that Defendant violated the following provisions of the Labor Code with respect to the Aggrieved Employees:

1. Labor Code § 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages and overtime wages;
2. Labor Code § 226.7, 512 and applicable Wage Orders by failing to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing to authorize and permit rest periods;
4. Labor Code § 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;
5. Labor Code § 2802 by failing to reimburse and indemnify employees for expenses and losses in the direct consequence and discharge of their duties;
6. Labor Code §§ 201 to 203 by willfully failing to pay all wages owed at termination;
7. Labor Code § 226 by failing to provide accurate itemized wage statements; and
8. Labor Code § 204 by failing to pay all earned wages two times per month.

Therefore, on behalf of all Aggrieved Employees, Plaintiff seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 558, 1174.5, 1197.1, 2802, and 2699(f)(2).

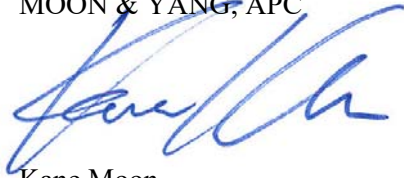
Plaintiff has placed Defendant on notice by mailing a certified copy of this correspondence to its corporate address, as indicated on the first page.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

LWDA
Notice of Labor Code Violations and PAGA
August 14, 2021
Page 9 of 9

Sincerely,

MOON & YANG, APC

A handwritten signature in blue ink, appearing to read 'Kane Moon', is written over the text 'MOON & YANG, APC'.

Kane Moon
Attorney at Law

MOON & YANG, APC
ATTORNEYS AT LAW
1055 W. SEVENTH STREET, SUITE 1880, LOS ANGELES, CA 90017

PITNEY BOWES
\$7.16 0
US POSTAGE
FIRST-CLASS
025W0004897810
2000164320
ZIP 90017
AUG 16 2021

Partners Personnel - Management Services, LLC
3820 State Street, Suite B
Santa Barbara, CA 93105

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

CERTIFIED MAIL®



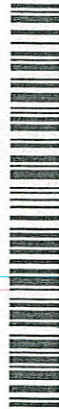
7019 2970 0001 5131 9496

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Partners Personnel - Management
Services, LLC
3820 State Street, Suite B
Santa Barbara, CA 93105



9590 9402 5711 9346 4780 49

2. Article Number (Transfer from service label)

7019 2970 0001 5131 9496

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name) C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
- ☐ Adult Signature
 - ☐ Adult Signature Restricted Delivery
 - ☐ Certified Mail®
 - ☐ Certified Mail Restricted Delivery
 - ☐ Collect on Delivery
 - ☐ Collect on Delivery Restricted Delivery
 - ☐ Insured Mail (over \$500)
 - ☐ Priority Mail Express®
 - ☐ Registered Mail™
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 - ☐ Signature Confirmation Restricted Delivery

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☐ Certified Mail Restricted Delivery	\$
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☐ Adult Signature Restricted Delivery	\$

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Sent To

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3820 State Street, Suite B
Santa Barbara, CA 93105
City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

MOON & YANG, APC
ATTORNEYS AT LAW
1055 W. SEVENTH STREET, SUITE 1880, LOS ANGELES, CA 90017

PITNEY BOWES
\$7.16⁹
US POSTAGE
FIRST-CLASS
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2000164320
ZIP 90017
AUG 16 2021



Markwins Beauty Brands, Inc.
22067 Ferrero Parkway
City of Industry, CA 91789



7019 2970 0001 5131 9519

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Markwins Beauty Brands, Inc.
22067 Ferrero Parkway
City of Industry, CA 91789



9590 9402 5711 9346 4780 56

2. Article Number (Transfer from service label)

7019 2970 0001 5131 9519

PS Form 3811, July 2015 PSN 7530-02-000-9063

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name) C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
- ☐ Adult Signature
 - ☐ Adult Signature Restricted Delivery
 - ☐ Certified Mail®
 - ☐ Certified Mail Restricted Delivery
 - ☐ Collect on Delivery
 - ☐ Collect on Delivery Restricted Delivery
 - ☐ Insured Mail (over \$500)
 - ☐ Priority Mail Express®
 - ☐ Registered Mail™
 - ☐ Registered Mail Restricted Delivery
 - ☐ Return Receipt for Merchandise
 - ☐ Signature Confirmation™
 - ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only**

For delivery information, visit our website at www.usps.com®

OFFICIAL USE

Certified Mail Fee

- Extra Services & Fees (check box, add fee as appropriate)
- ☐ Return Receipt (hardcopy) \$
 - ☐ Return Receipt (electronic) \$
 - ☐ Certified Mail Restricted Delivery \$
 - ☐ Adult Signature Required \$
 - ☐ Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Postmark
Here

Sent To Markwins Beauty Brands, Inc.
Street and Apt. No., or PO Box No. 22067 Ferrero Parkway
City, State, ZIP+4® City of Industry, CA 91789
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

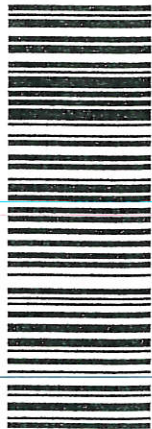
6756 7125 7000 0262 6702

MOON & YANG, APC
ATTORNEYS AT LAW
1055 W. SEVENTH STREET, SUITE 1880, LOS ANGELES, CA 90017



PITNEY BOWES
\$7.169
US POSTAGE
FIRST-CLASS
026W0004867483
2000164330
ZIP 90017
AUG 16 2021

Markwins Beauty Products, Inc.
22067 Ferrero Parkway
City of Industry, CA 91789



7019 2970 0001 5131 9489

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Markwins Beauty Products, Inc.
22067 Ferrero Parkway
City of Industry, CA 91789



9590 9402 5711 9346 4780 32

2. Article Number (Transfer from service label)

7019 2970 0001 5131 9489

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name) C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
- ☐ Adult Signature
 - ☐ Adult Signature Restricted Delivery
 - ☐ Certified Mail®
 - ☐ Certified Mail Restricted Delivery
 - ☐ Collect on Delivery
 - ☐ Collect on Delivery Restricted Delivery
 - ☐ Insured Mail (over \$500)
 - ☐ Priority Mail Express®
 - ☐ Registered Mail™
 - ☐ Registered Mail Restricted Delivery
 - ☐ Return Receipt for Merchandise
 - ☐ Signature Confirmation™
 - ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$
- ☐ Return Receipt (electronic) \$
- ☐ Certified Mail Restricted Delivery \$
- ☐ Adult Signature Required \$
- ☐ Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To Markwins Beauty Products, Inc.
22067 Ferrero Parkway
City of Industry CA 91789

Postmark Here

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

6846 1215 1000 0262 6702

EXHIBIT B

NOTICE OF PAGA ACTION SETTLEMENT

Ramirez v. Markwins Beauty Products, Inc. et. al, Los Angeles County Superior Court Case No. 21STCV31253
This is not a solicitation by a lawyer. You are not being sued.

IF YOU ARE OR WERE EMPLOYED AS A NON-EXEMPT EMPLOYEE BY DEFENDANTS MARKWINS BEAUTY PRODUCTS, INC., MARKWINS BEAUTY BRANDS, INC. AND PARTNERS PERSONNEL – MANAGEMENT SERVICES, LLC (“DEFENDANTS”) DURING THE PAGA PERIOD (January 25, 2021 through -----), THIS PAGA SETTLEMENT AFFECTS YOUR RIGHTS.

A settlement (the “Settlement”) has been reached in the lawsuit entitled *Ramirez v. Markwins Beauty Products, Inc. et. al*, Los Angeles County Superior Court Case Number 21STCV31253 (the “Action”), asserting claims under the Labor Code Private Attorneys General Act of 2004, Labor Code § 2698, *et seq.* (“PAGA”). The purpose of this Notice is to advise you as to why you have received a portion of the Settlement proceeds. The Settlement resolves the Action.

Who is affected by this proposed Settlement?

The Court has designated, for settlement purposes only, the following persons as “Aggrieved Employees”:

All non-exempt employees who worked for PARTNERS PERSONNEL – MANAGEMENT SERVICES, LLC and were placed for MARKWINS BEAUTY PRODUCTS, INC., MARKWINS BEAUTY BRANDS, INC. in California at any time during the PAGA Period (the “PAGA Period” refers to the period of January 25, 2021 through -----).

According to Defendants’ records, you are one of the Aggrieved Employees.

What is this case about?

In the Action, Plaintiff Jose Ramirez asserted claims that Defendants violated provisions of the Labor Code giving rise to civil penalty liability under the Labor Code Private Attorneys General Act of 2004 (“PAGA”) [Lab. Code § 2699, *et seq.*].

Defendants deny all liability based on legal and factual defenses to these claims, but Defendants agreed to settle, in recognition of the risks, distractions, and costs associated with litigation.

This Settlement is a compromise reached after good faith, arm’s length negotiations between Plaintiff and Defendants (the “Parties”), through their attorneys and is not an admission of liability on the part of Defendants.

The Court has not ruled on the merits of Plaintiff’s claims or Defendants’ defenses but did approve the Settlement.

What are the Settlement terms?

Defendants will pay **\$212,500.00** (the “Gross Settlement Amount”) for: (a) payment of **\$85,250.00** to the Labor and Workforce Development Agency (“LWDA”) as its 75% share of PAGA penalties; (b) payment of **\$28,416.67** to Aggrieved Employees as their 25% share of PAGA penalties; (c) payment of attorney’s fees of **\$70,833.33** and litigation costs of up to **\$20,000.00**; and (d) payment of administration costs of **\$8,000.00** to the Settlement Administrator.

By operation of the Settlement’s terms, all Aggrieved Employees will release Defendants and each of their former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries and affiliates (collectively, the “Released Parties”) from the PAGA claims that were alleged, or reasonably could have been alleged, based on the facts stated in Plaintiff’s Complaint and PAGA Notice (the “Released Claims”).

The Settlement Payments to Aggrieved Employees are classified as other miscellaneous income and will be reported on IRS Form 1099-MISC, if required¹. Your share was calculated based on the number of pay periods you worked for Defendants during the PAGA Period.

All checks will remain valid and negotiable for one hundred eighty (180) days from the date of the checks’ issuance and shall thereafter automatically be void if not cashed within that time. Uncashed checks will be sent to the California State Controller’s Unclaimed Property division, in the name of the PAGA Settlement Member. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

The Settlement includes a release of PAGA claims asserted in the Action.

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.

¹ One hundred percent (100%) of your Individual PAGA Payment under this Settlement will be considered penalties, and may be subject to local, state, or federal tax withholdings and will be reported to the IRS and state tax authorities. You should rely on your own tax advisors as to the tax consequences, if any, of your individual PAGA payment. Neither Plaintiff nor Defendants have made any representations or warranties regarding the taxation of your Individual PAGA payment. Nothing within this notice or any other communication shall constitute or be construed or relied upon as tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended).