

AEGIS LAW FIRM, PC
SAMUEL A. WONG, State Bar No. 217104
KASHIF HAQUE, State Bar No. 218672
JESSICA L. CAMPBELL, State Bar No. 280626
jcampbell@aegislawfirm.com
9811 Irvine Center Drive, Suite 100
Irvine, California 92618
Telephone: (949) 379-6250
Facsimile: (949) 379-6251

Attorneys for Plaintiff Margarita Hernandez,
individually and on behalf of all others similarly situated

[Additional counsel listed on following page]

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO**

MARGARITA HERNANDEZ; MERCEDES
HALDY; individually and on behalf of all others
similarly situated

Plaintiffs,

vs.

CHICO'S FAS, INC.; CHICO'S RETAIL
OPERATIONS, INC.; SOMA INTIMATES,
LLC; WHITE HOUSE BLACK MARKET, INC.
and Does 1 through 20, inclusive,

Defendants.

Case No. 37-2021-00053273-CU-OE-CTL

*Assigned for all purposes to:
Hon. Katherine Bacal*

**JOINT STIPULATION OF SETTLEMENT
AND RELEASE**

1 Paul Denis (SBN 279026)
Ethan Rasi (SBN 289848)
2 DENIS & RASI, PC
3 38 Corporate Park
Irvine, CA 92606
4 Tel: (714) 242-4557
Fax: (213) 443-9601
5 pdenis@denisrasilaw.com
erasi@denisrasilaw.com
6

7 Attorneys for Plaintiff,
8 MERCEDES HALDY, individually and on
behalf of all others similarly situated
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1 It is stipulated and agreed by and among the undersigned Parties, subject to the approval of
2 the Court pursuant to the California Rules of Court, that the Settlement of this action shall be
3 effectuated upon and subject to the terms and conditions outlined below. Capitalized terms used
4 herein shall have the meanings set forth in Article I or as defined elsewhere in this Joint Stipulation
5 of Settlement and Release ("Agreement" or "Settlement").

6 This Agreement is made by and between Named Plaintiffs Mercedes Haldy and Margarita
7 Hernandez ("Named Plaintiffs" or "Plaintiffs") and the Class Members, on the one hand, and
8 Defendants Chico's FAS, Inc., Chico's Retail Operations, Inc., Soma Intimates, LLC, and White
9 House Black Market, Inc. ("Defendants"), on the other hand. Named Plaintiffs and Defendants
10 collectively are referred to in this Agreement as "the Parties."

11 The Parties agree that the Actions (as defined below in Article I.a) shall be, and hereby are,
12 ended, settled, resolved, and concluded by agreement of Defendants to pay the total maximum
13 settlement amount of Three Million Eight Hundred Fifty Thousand Dollars and Zero Cents
14 (\$3,850,000.00) as provided in Section 3.06(a) below ("Maximum Settlement Amount") pursuant to
15 the terms and conditions of this Agreement and for the consideration set forth herein, including but
16 not limited to, a release of all claims by Named Plaintiffs and the Class Members as set forth herein.

17 ARTICLE I

18 DEFINITIONS

19 Unless otherwise defined herein, the following terms used in this Agreement shall have the
20 meanings ascribed to them as set forth below:

21 a. "Actions" means the actions described as follows: "*Mercedes Haldy, individually and*
22 *on behalf of all others similarly situated v. Chico's FAS, Inc., et al.*" Case No. 8:21-cv-00540-DOC-
23 (JDEx), commenced on February 16, 2021, in the Superior Court of the State of California for the
24 County of Orange and currently pending in the United States District Court, Central District of
25 California; "*Margarita Hernandez v. Chico's FAS, Inc., et al.*" Case No. 8:21-cv-01486-DOC-
26 (JDEx), commenced on August 6, 2021, in the Superior Court of the State of California for the
27 County of Orange and currently pending in the United States District Court, Central District of
28 California; and "*Margarita Hernandez and Mercedes Haldy, individually and on behalf of all others*

1 *similarly situated v. Chico's FAS, Inc., et al.*" Case No. 37-2021-00053273-CU-OE-CTL,
2 commenced on December 21, 2021, in the Superior Court of the State of California for the County
3 of San Diego (herein separately referred to as the "State Action").

4 b. "Agreement" means this Joint Stipulation of Settlement and Release, including the
5 attached Exhibit.

6 c. "Class" means all current and former non-exempt employees who are or were
7 employed by Defendants within the State of California at any time during the Class Period.

8 d. "Class Counsel" means the attorneys for the Class and the Class Members, who are:

9 DENIS & RASI, PC
10 Paul Denis
10 Ethan Rasi
11 38 Corporate Park
11 Irvine, California 92606
12 Telephone: (714) 242-4557
12 Facsimile: (213) 443-9601

AEGIS LAW FIRM, PC
Kashif Haque
Samuel A. Wong
Jessica L. Campbell
9811 Irvine Center Drive, Suite 100
Irvine, California 92618
Telephone: (949) 379-6250
Facsimile: (949) 379-6251

14 e. "Class Counsel's Attorneys' Fees and Costs' Payment" means Class Counsel's
15 attorneys' fees of up to one-third of the Maximum Settlement Amount, which, based on the current
16 Maximum Settlement Amount, is One Million Two Hundred Eighty-Three Thousand Three Hundred
17 and Thirty-Three Dollars and Thirty-Three Cents (\$1,283,333.33) and Class Counsel's actual costs
18 not to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00)

19 f. "Class List" means a list based on Defendants' business records that identifies each
20 Class Member's name, last known home or mailing address, Social Security number or, as
21 applicable, other taxpayer identification number, dates of employment, and the number of Qualifying
22 Workweeks worked during the Class Period.

23 g. "Class Member(s)" means all members of the Class.

24 h. "Class Period" means February 16, 2017 through December 31, 2021.

25 i. "Court" means the Superior Court of the State of California for the County of San
26 Diego, where the State Action is currently pending.

j. "Date of Finality" means the later of the following: (1) the date of notice of entry of the Final Order if no objections are filed to the Settlement; (2) if objections are filed and overruled, and no appeal is taken of the Final Order, sixty-five (65) days after the Final Order; or (3) if an appeal or other judicial review is taken from the Court's overruling of objections to the settlement, ten (10) days after the appeal is withdrawn or after an appellate decision affirming the Final Order becomes final.

k. "Defendants" means Defendants Chico's FAS, Inc., Chico's Retail Operations, Inc., Soma Intimates, LLC, and White House Black Market, Inc.

l. "Defense Counsel" means counsel for Defendants:

ORRICK, HERRINGTON & SUTCLIFFE LLP

Jessica R. Perry

Julia C. Riechert

1000 Marsh Road

Menlo Park, California 94025

Telephone: 650-614-7400

Facsimile: 650-614-7401

jperry@orrick.com

jriechert@orrick.com

Mariam Bicknell

2050 Main Street, Suite 1100

Irvine, California 92614

Telephone: 949-567-6700

Facsimile: 949-567-6710

mbicknell@orrick.com

m. "Disposition" means the method by which the Court in the State Action approves the terms of the Settlement and retains jurisdiction over its enforcement, implementation, construction, administration, and interpretation and the dismissal of the Actions in the Central District of California with prejudice.

n. "Enhancement Awards" means a monetary amount of up to Five Thousand Dollars and Zero Cents (\$5,000.00) for each of the Named Plaintiffs, subject to Court approval, in recognition of their effort and work in prosecuting the Actions on behalf of the Class Members.

o. "Final Fairness and Approval Hearing" means the hearing in which the Court in the State Action will decide whether to finally approve the Settlement.

1 p. "Final Order Approving Settlement of Class Action" or "Final Order" means the final
2 formal court order signed by the Court following the Final Fairness and Approval Hearing in
3 accordance with the terms herein, approving this Agreement.

4 q. "General Release Payments" means payments of \$10,000 to Mercedes Haldy and
5 \$10,000 to Margarita Hernandez in exchange for their execution of a general release of all of their
6 potential claims against Defendants, as described in Section 5.03 below.

7 r. "Individual Settlement Payment(s)" means each Participating Class Member's
8 respective share of the Net Settlement Amount. For PAGA Group Members who opt out of the class
9 action portion of the settlement, the Individual Settlement Payment shall be their pro rata portion of
10 the PAGA Settlement Amount. Individual Settlement Payments will be determined by the
11 calculations provided in this Agreement.

12 s. "LWDA" means the State of California Labor and Workforce Development Agency.

13 t. "LWDA Payment" means 75% of the \$100,000 allocated to the settlement of PAGA
14 claims which, subject to Court approval, will be paid to the LWDA pursuant to Section 3.06(f) of
15 this Agreement, as provided for below.

16 u. "Maximum Settlement Amount" means Three Million Eight Hundred Fifty Thousand
17 Dollars and Zero Cents (\$3,850,000.00) to be paid by Defendants as provided by this Agreement to
18 settle the Actions. The Individual Settlement Amounts to Participating Class Members, the LWDA
19 Payment, the Settlement Administration Costs, Class Counsel's Attorneys' Fees and Costs' Payment,
20 the General Release Payments, and the Enhancement Awards, pursuant to Section 3.06(a) below,
21 shall be paid out of the Maximum Settlement Amount. The employer's share of payroll taxes arising
22 from the payments made under this settlement shall be paid by Defendants separate from and in
23 addition to the Maximum Settlement Amount. The Maximum Settlement Amount is subject to a pro
24 rata increase pursuant to Section 3.04(e) below. No part of the Maximum Settlement Amount shall
25 revert to Defendants.

26 v. "Motion for Final Approval" means Plaintiffs' submission of a written motion,
27 including any evidence as may be required for the Court to conduct an inquiry into the fairness of
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1 the Settlement as set forth in this Agreement, to conduct a Final Fairness and Approval Hearing, and
2 to enter a Final Order in the State Action.

3 w. "Motion for Preliminary Approval" means Plaintiffs' submission of a written motion,
4 including any evidence as may be required for the Court to grant preliminary approval of the
5 Settlement as required by Rule 3.769 of the California Rules of Court. The Motion for Preliminary
6 Approval shall be filed in the State Action.

7 x. "Named Plaintiffs" means Mercedes Haldy and Margarita Hernandez.

8 y. "Net Settlement Amount" means the Maximum Settlement Amount less the Court-
9 approved Settlement Administration Costs, Class Counsel's Attorneys' Fees and Costs' Payment,
10 General Release Payments, Enhancement Awards, and the LWDA Payment, pursuant to Section
11 3.06(a)-(f) below.

12 z. "Non-Participating Class Member(s)" means any Class Member(s) who submit to the
13 Settlement Administrator a valid and timely written request to be excluded from the Class pursuant
14 to Section 3.04(b) below. Such Class Members shall still be PAGA Group Members and shall still
15 receive their portion of the PAGA Settlement Amount and shall still release their PAGA claims.

16 aa. "Notice Packet" means the Notice of Proposed Class Action Settlement in a form
17 substantially similar to the Notice Packet attached hereto as **Exhibit A**, subject to Court approval.

18 bb. "PAGA" means the California Private Attorneys General Act of 2004, which is
19 codified in California Labor Code §§ 2698 *et seq.*

20 cc. "PAGA Settlement Amount" means the portion of the Maximum Settlement Amount
21 allocated to the resolution of PAGA Group Members' claims arising under PAGA. The Parties have
22 agreed that the PAGA Settlement Amount is One Hundred Thousand Dollars and Zero Cents
23 (\$100,000.00), subject to Court approval. Of the PAGA Settlement Amount, 75% will be considered
24 the LWDA Payment, and the remaining 25% will be added to the Net Settlement Amount and
25 distributed to PAGA Group Members.

26 dd. "PAGA Group Members" means all Class Members employed by Defendants at any
27 time between August 6, 2020 through December 31, 2021 ("PAGA Period").
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1 ee. "Participating Class Member(s)" is defined as a Class Member who does not timely
2 exclude himself or herself from the Settlement and will therefore receive his or her share of the Net
3 Settlement Amount automatically without the need to return a claim form. Each Participating Class
4 Member will be paid his/her Individual Settlement Payment.

5 ff. "Preliminary Approval Date" means the date the Court preliminarily approves the
6 Settlement embodied in this Agreement.

7 gg. "Qualified Settlement Fund" or "QSF" means a fund within the meaning of Treasury
8 Regulation § 1.468B-1, 26 CFR § 1.468B-1 *et seq.*, that is established by the Settlement
9 Administrator for the benefit of Participating Class Members.

10 hh. "Qualifying Workweeks" means the number of weeks that Class Members performed
11 work for Defendants in California as non-exempt employees during the Class Period.

12 ii. "Released Claims" means the release of the Released Parties from all claims,
13 demands, rights, liabilities, penalties under the Private Attorneys General Act, and causes of action,
14 whether known or unknown, that were or could have been asserted (whether in tort, contract, or
15 otherwise) for violation of federal, state or local law arising out of, or reasonably relating to, the
16 claims, facts and allegations pled in the operative complaints in the Actions, including that
17 Defendants failed to pay all wages due (including minimum, regular, sick pay, vacation, paid time
18 off and overtime wages), failed to provide legally-compliant meal and rest breaks and failed to pay
19 premium pay for missed, late, interrupted or short meal and rest breaks, failed to timely pay all earned
20 wages and compensation, failed to provide timely final pay, failed to reimburse for reasonable and
21 necessary business expenses, forced patronage, failed to provide accurate itemized wage statements,
22 failed to provide notices required under Labor Code section 2810.5, and engaged in unfair business
23 practices due to the underlying violations at any time during the Class Period.

24 jj. "Released Parties" means Defendants, including their past or present successors and
25 predecessors in interest, acquirers, subsidiaries, affiliates, parents, officers, directors, shareholders,
26 employees, agents, principals, representatives, accountants, auditors, consultants, insurers and
27 reinsurers.

mm. "Settlement Administrator" means Simpluris, Inc. which the Parties have agreed will be responsible for the administration of the Individual Settlement Payments to be made by Defendants from the Maximum Settlement Amount and related matters under this Agreement.

CONTINGENT NATURE OF THE AGREEMENT

22 Because the Parties have stipulated to the certification of the Class with respect to all causes
23 of action alleged in the Actions for settlement purposes only, this Agreement requires preliminary
24 and final approval by the Court. Accordingly, the Parties enter into this Agreement on a conditional
25 basis. This Agreement is contingent upon the approval and certification by the Court. If the Date of
26 Finality does not occur, the fact that the Parties were willing to stipulate for the purposes of this
27 Agreement to a Class shall have no bearing on, nor be admissible in connection with, the issue of
28 certification of the Class with respect to all causes of action alleged in the Actions. Defendants do

1 not consent to certification of the Class for any purpose other than to effectuate settlement of the
2 Actions. If the Date of Finality does not occur, or if Disposition of the State Action is not effectuated,
3 any certification of the Class as to Defendants will be vacated and Named Plaintiffs, Defendants, and
4 the Class will be returned to their positions with respect to the Actions as if the Agreement had not
5 been entered into. In the event that the Date of Finality does not occur: (a) any Court orders
6 preliminarily or finally approving certification of any class contemplated by this Agreement shall be
7 null, void, and vacated, and shall not be used or cited thereafter by any person or entity; and (b) the
8 fact of the settlement reflected in this Agreement, the fact that Defendants did not oppose the
9 certification of a Class for the purposes of Settlement under this Agreement, or that the Court
10 preliminarily approved the certification of the Class, shall not be used or cited thereafter by any
11 person or entity, including in any manner whatsoever, including without limitation any contested
12 proceeding relating to the certification of any class. If the Date of Finality does not occur, this
13 Agreement shall be deemed null and void, shall be of no force or effect whatsoever, and shall not be
14 referred to or used for any purpose whatsoever. Defendants expressly reserve the right to challenge
15 the propriety of class certification in the Actions for any purpose if the Date of Finality does not
16 occur.

17 The Parties and their respective counsel shall use their respective best efforts to obtain Court
18 approval and implement this Agreement. If the Court does not grant the Motion for Preliminary
19 Approval and/or the Motion for Final Approval, the Parties agree to meet and confer in good faith to
20 address the Court's concerns. If the Parties are unable to reach a resolution, they will engage the
21 mediator, Tripper Ortman, to resolve the dispute.

22 **ARTICLE III**

23 **PROCEDURE FOR APPROVAL AND IMPLEMENTATION OF THE SETTLEMENT**

24 The procedure for obtaining Court approval of and implementing this Agreement shall be as
25 follows:

26 **Section 3.01: Motion for Conditional Class Certification and Preliminary Approval**

27 Named Plaintiffs will bring a motion before the Court for an order conditionally certifying
28 the Class to include all claims pled in the Actions based on the preliminary approval of this

1 Agreement. Plaintiffs' Counsel shall provide Defendants' Counsel with the draft motion for
2 preliminary approval at least three business days in advance of filing.

3 **Section 3.02: The Settlement Administrator**

4 The Parties have chosen Simpluris, Inc. to administer this Settlement and to act as the
5 Settlement Administrator, including but not limited to distributing and responding to inquiries about
6 the Notice Packet, determining the validity of exclusions/opt-outs, calculating the Net Settlement
7 Amount and the Individual Settlement Payments, issuing the Individual Settlement Payment checks
8 and distributing them to Participating Class Members, establishing and maintaining the QSF, and
9 issuing the payment to Class Counsel for the Class Counsel's Attorneys' Fees and Costs' Payment,
10 the General Release Payments and Enhancement Awards checks to Named Plaintiffs, the LWDA
11 Payment, and the employer payroll taxes to the appropriate taxing authorities. The Settlement
12 Administrator shall expressly agree to all of the terms and conditions of this Agreement.

13 All costs of administering the Settlement, including but not limited to all costs and fees
14 associated with preparing, issuing and mailing any and all notices to Class Members and/or
15 Participating Class Members, all costs and fees associated with computing, processing, reviewing,
16 and mailing the Individual Settlement Payments, all costs and fees associated with preparing any tax
17 returns and any other filings required by any governmental taxing authority or agency, all costs and
18 fees associated with preparing any other checks, notices, reports, or filings to be prepared in the
19 course of administering disbursements from the Net Settlement Amount, and any other costs and fees
20 incurred and/or charged by the Settlement Administrator in connection with the execution of its
21 duties under this Agreement ("Settlement Administration Costs"), shall be paid to the Settlement
22 Administrator from the Maximum Settlement Amount.

23 **Section 3.03: Notice to Class Members**

24 No later than ten (10) business days after the Preliminary Approval Date, Defendants will
25 provide the Settlement Administrator with the Class List in electronic format based on its business
26 records.

27 Within fifteen (15) business days of receiving a Class List from Defendants, the Settlement
28 Administrator will send Class Members, by first-class mail, at their last known address, the Court

1 approved Notice Packet. The Notice Packet will include a calculation of the Class Member's
2 approximate share of the Net Settlement Amount. Class Members will have forty-five (45) days from
3 the date of mailing in which to postmark objections or requests for exclusion. Prior to the initial
4 mailing, the Settlement Administrator will check all Class Member addresses against the National
5 Change of Address database and shall update any addresses before mailing. Class Members shall not
6 be required to submit claim forms in order to receive a proportional share of the Net Settlement
7 Amount.

8 If the Notice Packet is returned with a forwarding address, the Settlement Administrator shall
9 re-mail the Notice Packet to the forwarding address. With respect to those Class Members whose
10 Notice Packet is returned to the Settlement Administrator as undeliverable, the Settlement
11 Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace or
12 mass search on LexisNexis or comparable databases based on set criteria and, if another address is
13 identified, shall mail the Notice Packet to the newly identified address. If a Class Member's notice
14 is re-mailed, the Class Member shall have fifteen (15) calendar days from the re-mailing, or forty-
15 five (45) calendar days from the date of the initial mailing, whichever is later, in which to postmark
16 objections or requests for exclusion. It is the intent of the parties that reasonable means be used to
17 locate Class Members and that the Settlement Administrator be given discretion to take steps in order
18 to facilitate notice of the Settlement and delivery of the Individual Settlement Payments to all
19 Participating Class Members.

20 If the Notice Packet is re-mailed, the Settlement Administrator will note for its own records
21 and notify Class Counsel and Defense Counsel of the date of each such re-mailing as part of a weekly
22 status report provided to the Parties.

23 In the event a Class Member's Notice Packet remains undeliverable sixty (60) calendar days
24 after the Notice Packet was initially mailed, the Settlement Administrator will not mail the Class
25 Member's Individual Settlement Payment. The Settlement Administrator will hold the Class
26 Member's Individual Settlement Payment during the check cashing period on behalf of the Class
27 Member. If at the conclusion of the check cashing period the Class Member's Notice Packet and
28 Individual Settlement Payment remain undeliverable and/or unclaimed and uncashed, the Settlement

1 Administrator will distribute the funds from unclaimed/uncashed checks in accordance with the
2 procedures set forth in Section 3.06(g) below.

3 No later than twenty (20) court days prior to the Final Fairness and Approval Hearing, the
4 Settlement Administrator shall provide Defense Counsel and Class Counsel with a declaration
5 attesting to completion of the notice process, including any attempts to obtain valid mailing addresses
6 for and re-sending of any returned Notice Packets, as well as the number of valid requests for
7 exclusion and objections that the Settlement Administrator received.

8 **Section 3.04: Responses to Notice**

9 **a. Class Member Disputes**

10 If any Class Member disagrees with Defendants' records as to his or her Qualifying
11 Workweeks during the Class Period as reflected in the Notice Packet, the Class Member shall set
12 forth in writing the Qualifying Workweeks he/she claims to have worked during the Class Period
13 and submit such writing to the Settlement Administrator by the Response Deadline, along with any
14 supporting documentation. The Notice will also provide a method for the Class Member to challenge
15 the employment data on which his or her Individual Settlement Payment is based. The Settlement
16 Administrator shall contact the Parties regarding the dispute and the Parties will work in good faith
17 to resolve it. If the Parties are unable to resolve the dispute, the Settlement Administrator will be the
18 final arbiter of the Qualifying Workweeks for each Class Member during the Class Period based on
19 the information provided to it, with Defendants' business records being determinative.

20 **b. Requests for Exclusion from Class**

21 In order for any Class Member to validly exclude himself or herself from the Class and this
22 Settlement of the class claims (*i.e.*, to validly opt out), a written request for exclusion must be signed
23 by the Class Member or his or her authorized representative, and must be sent to the Settlement
24 Administrator, postmarked no later than the Response Deadline (or fifteen (15) days after the
25 Settlement Administrator re-mails the Notice Packet to the Class Member, whichever is later). The
26 Notice Packet shall contain instructions on how to validly opt out, including the language to be used
27 in a request for exclusion. The date of the initial mailing of the Notice Packet, and the date the signed
28 request for exclusion was postmarked, shall be conclusively determined according to the records of

1 the Settlement Administrator. Any Class Member who timely and validly requests exclusion from
2 the Class and the Settlement of the class claims will not be entitled to the Individual Settlement
3 Payment, will not be bound by the terms and conditions of this Agreement, and will not have any
4 right to object, appeal, or comment thereon. Notwithstanding the foregoing, if the individual is a
5 PAGA Group Member, he or she will still receive an Individual Settlement Payment based on his or
6 her pro rata share of the PAGA Settlement Amount and shall be bound by this Agreement as to the
7 PAGA claims released herein.

8 Any Class Member who fails to timely submit a request for exclusion shall automatically be
9 deemed a Class Member whose rights and claims with respect to the issues raised in the Actions are
10 determined by the Court's Final Order Approving Settlement of Class Action, and by the other
11 rulings in the Actions. Thus, said Class Member's rights to pursue any claims covered by the Actions
12 and/or released in this Agreement will be extinguished.

13 **c. Objections to Settlement**

14 For any Class Member to object to this Agreement, or any term of it, the person making the
15 objection must not submit a request for exclusion (*i.e.*, must not opt out), and should send to the
16 Settlement Administrator, postmarked no later than the Response Deadline (or fifteen (15) days after
17 the Settlement Administrator re-mails the Notice Packet to the Class Member, whichever is later), a
18 written statement of the grounds of objection, signed by the objecting Class Member or his or her
19 attorney, along with all supporting papers. The date of the initial mailing of the Notice Packet, and
20 the date the signed objection was postmarked, shall be conclusively determined according to the
21 records of the Settlement Administrator. The Settlement Administrator shall send any objections it
22 receives to Defense Counsel and Class Counsel within three (3) business days of receipt. Class
23 Members may also appear at the final approval hearing to object. The Court retains final authority
24 with respect to the consideration and admissibility of any Class Member objections.

25 **d. Encouragement of Class Members**

26 The Parties to this Agreement and the counsel representing such Parties shall not, directly or
27 indirectly, through any person, encourage or solicit any Class Member to exclude him or herself from
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1 this Settlement (opt out), or to object to it. However, Class Counsel may respond to inquiries from
2 Class Members.

3 **e. Right of Plaintiffs to Adjust Maximum Settlement Amount**

4 Defendants have estimated the number of workweeks as 322,932 through August 31, 2021.
5 If the number of workweeks increases by more than 10% (which is more than 355,225 workweeks)
6 as of the end of the Class Period, there will be a pro rata adjustment to the Maximum Settlement
7 Amount equal to \$11.92 per additional workweek.

8 **f. Right of Defendants to Void Settlement**

9 Defendants may, at their option, withdraw from the settlement if 2% or more of the Class
10 Members opt out of the Settlement. If Defendants exercise this option, they will be responsible for
11 paying the Settlement Administration costs incurred to date and paying for the cost of sending notice
12 of their withdrawal to the Class Members.

13 **Section 3.05: Final Fairness and Approval Hearing**

14 Named Plaintiffs will bring the Motion for Final Approval. Plaintiffs' Counsel shall provide
15 Defendants' Counsel with the draft Motion for Final Approval at least three business days in advance
16 of filing.

17 On the date set forth in the Order for Preliminary Approval and Notice Packet, a Final
18 Fairness and Approval Hearing shall be held before the Court in order to (1) review this Agreement
19 and determine whether the Court should give it final approval, and (2) consider any objections made
20 and all responses by the Parties to such objections. At the Final Fairness and Approval Hearing, the
21 Parties shall ask the Court to grant final approval to this Agreement and shall submit to the Court a
22 Proposed Final Order Approving Settlement of Class Action.

23 **Section 3.06: Settlement Payment Procedures**

24 **a. Settlement Amount**

25 In exchange for the Released Claims, Defendants agree to pay the Maximum Settlement
26 Amount, subject to a pro rata increase under the condition set forth in Section 3.04(e).

27 Within ten (10) business days after the Date of Finality, Defendants shall transfer the
28 Maximum Settlement Amount, plus Defendants' share of employer-side payroll taxes, as set forth

herein, into a QSF established by the Settlement Administrator either directly or by sending the funds to the Settlement Administer to be deposited and distributed. The Settlement Administrator will use these funds to fund payment of the Individual Settlement Payments, Class Counsel's Attorneys' Fees and Costs' Payment, General Release Payments, the Enhancement Awards, the LWDA Payment, and the Settlement Administration Costs.

Within ten (10) business days after receiving Defendants' final payment funding the Maximum Settlement Amount in full, the Settlement Administrator will pay the Individual Settlement Payments, Class Counsel's Attorneys' Fees and Costs' Payment, the LWDA Payment, the General Release Payments, the Enhancement Awards, and employer and employee tax withholdings applicable to the Net Settlement Amount allocated to wages. Prior to this distribution, the Settlement Administrator will perform a search based on the National Change of Address Database to update and correct for any known or identifiable address changes.

b. Payment of Class Counsel's Attorneys' Fees and Costs

Class Counsel shall submit an application for an award of their Class Counsel's Attorneys' Fees and Costs' Payment. Such application for attorneys' fees and costs shall be heard by the Court at the Final Fairness and Approval Hearing. Defendants shall not object to or oppose any such application for the Class Counsel's Attorneys' Fees and Costs' Payment as set forth herein. Class Counsel shall serve Defendants with copies of all documents submitted in support of their application.

The Class Counsel's Attorneys' Fees and Costs' Payment awarded to Class Counsel by the Court shall be paid from the Maximum Settlement Amount and shall not constitute payment to any Class Member(s). The Class Counsel's Attorneys' Fees and Costs' Payment approved by the Court shall encompass all work performed, costs, and expenses related to the investigation, prosecution, and settlement of the Actions incurred through the Date of Finality. To the extent that the Court approves less than the amount of attorney's fees and/or costs that Class Counsel requests, the difference between the requested and awarded amounts will be reallocated to the Net Settlement Amount.

c. Payment of Settlement Administration Costs

1 The Settlement Administration Costs shall be paid out of the Maximum Settlement Amount
2 and shall not constitute payment to any Class Member(s).

3 **d. Payment of Enhancement Awards to Named Plaintiffs**

4 Subject to Court approval, the Named Plaintiffs shall each receive an Enhancement Award,
5 the request for which Defendants will not object to or oppose. The Enhancement Awards shall be
6 paid out of the Maximum Settlement Amount and shall not constitute payment to any Class
7 Member(s) other than the Named Plaintiffs. To the extent that the Court approves less than the
8 amount of the Enhancement Award that Class Counsel request, the difference between the requested
9 and awarded amounts will be reallocated to the Net Settlement Amount.

10 Because it is the intent of the Parties that the Enhancement Awards represent payment to
11 Named Plaintiffs for their service to the Class Members, and not wages, the Settlement Administrator
12 will not withhold any taxes from the Enhancement Awards. The Enhancement Awards will be
13 reported on a Form 1099, which the Settlement Administrator will provide to Named Plaintiffs and
14 to the pertinent taxing authorities as required by law.

15 **e. Payment of General Release Payments to Named Plaintiffs**

16 Subject to Court approval, the Named Plaintiffs shall each receive a General Release
17 Payment, the request for which Defendants will not object to or oppose. The General Release
18 Payments shall be paid out of the Maximum Settlement Amount and shall not constitute payment to
19 any Class Member(s) other than the Named Plaintiffs. The Settlement Administrator will not
20 withhold any taxes from the General Release Payments. The General Release Payments will be
21 reported on a Form 1099, which the Settlement Administrator will provide to the Named Plaintiffs
22 and to the pertinent taxing authorities as required by law.

23 **f. Payment to the Labor and Workforce Development Agency**

24 In consideration of Plaintiffs' claims made under PAGA, Class Counsel will request that the
25 Court approve the PAGA Settlement Amount, 75% of which will be the LWDA Payment and 25%
26 of which will be paid to the Net Settlement Amount for distribution pro rata to the PAGA Group
27 Members. Defendants will not oppose this request. The PAGA Settlement Amount will be paid out
28

1 of the Maximum Settlement Amount. The Court's adjustment, if any, of the amount allocated to the
2 Named Plaintiffs' PAGA claim in the Actions will not invalidate this Agreement.

3 **g. Payment of Individual Settlement Payments**

4 The Parties agree that the Net Settlement Amount shall be used to fund Individual Settlement
5 Payments. The Parties agree that, except for the portion of the PAGA Settlement Amount payable to
6 the PAGA Group Members, the Net Settlement Amount shall be divided between all Participating
7 Class Members in proportion to the number of individual Qualifying Workweeks for each Class
8 Member. To calculate the minimum amount each Class Member will receive based on their
9 individual Qualifying Workweeks, the Net Settlement Amount will be divided by the total number
10 of Qualifying Workweeks by all Class Members during the Class Period and then allocated on a pro
11 rata basis. Qualifying Workweeks will be rounded up to the next whole integer. Each Class Member's
12 approximate Individual Settlement Payment amount will be included in his or her Notice Packet.
13 After final approval by the Court, the Net Settlement Amount will be dispersed to Participating Class
14 Members (those who did not exclude themselves) on a pro rata basis based on the individual
15 Qualifying Workweeks worked during the Class Period by each Participating Class Member.
16 Similarly, the portion of the PAGA Settlement Amount payable to the PAGA Group Members shall
17 be divided between the PAGA Group Members in proportion to the number of individual Qualifying
18 Workweeks during the PAGA Period. Such amount shall be included in the approximate Individual
19 Settlement Payment set forth in the Notice. After final approval by the Court, the PAGA Settlement
20 Amount payable to the PAGA Group Members will be dispersed to the PAGA Group Members. It
21 will be included in the Individual Settlement Payment for the Participating Class Members or as its
22 own Individual Settlement Payment for those Non-Participating Class Members.

23 Each Individual Settlement Payment will represent wages and penalties allocated using the
24 following formula: 50% allocated to wages; and 50% allocated to interest and penalties. The amounts
25 paid as wages shall be subject to all tax withholdings customarily made from an employee's wages
26 and all other authorized and required withholdings and shall be reported by W-2 forms. The
27 employer-side taxes will be paid separate from and in addition to the Maximum Settlement Amount.
28 The amounts paid as penalties and interest shall be subject to all authorized and required withholdings

1 other than the tax withholdings customarily made from employees' wages and shall be reported by
2 IRS 1099 forms, as applicable.

3 No later than ten (10) business days after receiving the Maximum Settlement Amount from
4 Defendants, the Settlement Administrator shall prepare and mail the checks for the Individual
5 Settlement Payments. Participating Class Members and PAGA Group Members shall have 180 days
6 from the date their Individual Settlement Payment checks are dated to cash their Settlement checks.
7 Any checks that are not cashed upon the expiration of that 180-day time period will be void, and the
8 uncashed funds shall be paid to the State Controller Unclaimed Property Fund in the name of the
9 Class Member for whom the funds are designated.

10 If a check is returned to the Settlement Administrator as undeliverable, the Settlement
11 Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace or
12 a mass search on LexisNexis or a comparable databases based on set criteria and, if another address
13 is identified, the Settlement Administrator shall mail the check to the newly identified address. If the
14 Settlement Administrator is unable to obtain a valid mailing address through this process, the
15 Settlement Administrator will tender the funds from the undeliverable checks to the State Controller
16 Unclaimed Property Fund in the name of the individual for whom the funds are designated.

17 **h. No Credit Toward Benefit Plans.**

18 The Individual Settlement Payments made under this Agreement, as well as any other
19 payments made pursuant to this Agreement, will not be utilized to calculate any additional benefits
20 under any benefit plans to which any Class Members may be eligible, including, but not limited to:
21 profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans,
22 PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Agreement will not
23 affect any rights, contributions, or amounts to which any Class Members may be entitled under any
24 benefit plans.

ARTICLE IV

LIMITATIONS ON USE OF THIS SETTLEMENT

Section 4.01: No Admission

Defendants dispute the allegations in the Actions and dispute that, but for this Settlement, a Class should be certified in the Actions. This Agreement is entered into solely for the purpose of settling highly disputed claims. Nothing in this Agreement is intended nor will be construed as an admission of liability or wrongdoing by Defendants.

Section 4.02: Non-Evidentiary Use

Whether or not the Date of Finality occurs, neither this Agreement, nor any of its terms, nor the Settlement itself, will be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Defendants or any other of the Released Parties, including but not limited to, evidence of a presumption, concession, indication, or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage, or (b) disclosed, referred to, or offered in evidence against any of the Released Parties in any further proceeding in the Actions, except for the purposes of effectuating the Settlement pursuant to this Agreement or for Defendants to establish that a Class Member has resolved any of his or her claims released through this Agreement.

Section 4.03: Nullification

The Parties have agreed to the certification of the Class encompassing all claims alleged in the Actions for the sole purpose of effectuating this Agreement. If (a) the Court should for any reason fail to certify this Class for this Settlement, or (b) the Court should for any reason fail to approve this Settlement, or (c) the Court should for any reason fail to enter the Final Order, or (d) the Final Order is reversed, or declared or rendered void, or (e) the Court should for any reason fail to dispose of the Actions in its entirety, then (i) this Agreement shall be considered null and void; (ii) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect; (iii) all Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had been neither entered into nor filed with the Court; and (iv) the fact that the Parties were willing to stipulate to class certification of all causes of action pled in the Actions as part of the Settlement will

1 have no bearing on, and will not be admissible in connection with, the issue of whether the Class
2 should be certified by the court in a non-settlement context in these Actions or any other action, and
3 in any of those events, Defendants expressly reserve the right to oppose certification of the Class.

4 In the event of a timely appeal from the Final Order, the Final Order shall be stayed and the
5 Maximum Settlement Amount shall not be paid pending the completion of the appeal.

6 **ARTICLE V**

7 **RELEASES**

8 **Section 5.01: Released Claims by Class Members**

9 Upon the date Defendants transfer the Maximum Settlement Amount, Named Plaintiffs and
10 Participating Class Members release the Released Parties from the Released Claims.

11 **Section 5.02: Released Claims by PAGA Group Members**

12 Upon the date Defendants transfer the Maximum Settlement Amount, the State of California
13 and PAGA Group Members release the Released Parties from all claims exhausted in Plaintiff's
14 notice(s) sent to the LWDA and alleged in the operative complaints in the Actions, which arose
15 during the PAGA Period, regardless of whether PAGA Group Members opt out of the Class
16 Settlement.

17 **Section 5.03: Named Plaintiffs' General Release of Claims**

18 Upon the date Defendants transfer the Maximum Settlement Amount, Named Plaintiffs,
19 waive, release, acquit, and forever discharge the Released Parties from any and all claims, actions,
20 charges, complaints, grievances, and causes of action, of any nature arising from or related to Named
21 Plaintiffs' employment with Defendants, whether known or unknown, which exist or may exist as of
22 the Parties' execution of this Agreement.

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

24 *"A general release does not extend to claims that the creditor or releasing*
25 *party does not know or suspect to exist in his or her favor at the time of*
26 *executing the release and that, if known by him or her, would have*
27 *materially affected his or her settlement with the debtor or released*
28 *party."*

1 Plaintiffs' general release provided herein is made with an express waiver and relinquishment
2 of any claim, right, or benefit under California Civil Code section 1542.

3 ARTICLE VI

4 MISCELLANEOUS PROVISIONS

5 **Section 6.01: Amendments or Modification**

6 The terms and provisions of this Agreement may be amended or modified only by an express
7 written agreement that is signed by all the Parties (or their successors-in-interest) and their counsel.

8 **Section 6.02: Assignment**

9 None of the rights, commitments, or obligations recognized under this Agreement may be
10 assigned by any Party, Class Member, Class Counsel, or Defense Counsel without the express written
11 consent of each other Party and their respective counsel. The representations, warranties, covenants,
12 and agreements contained in this Agreement are for the sole benefit of the Parties under this
13 Agreement and shall not be construed to confer any right or to avail any remedy to any other person.

14 **Section 6.03: Governing Law**

15 This Agreement shall be governed, construed, and interpreted, and the rights of the Parties
16 shall be determined, in accordance with the laws of the State of California, without regard to conflicts
17 of laws.

18 **Section 6.04: Entire Agreement**

19 This Agreement, including the Exhibit referred to herein, which forms an integral part hereof,
20 contains the entire understanding of the Parties with respect to the subject matter contained herein.
21 In case of any conflict between text contained in Articles I through VI of this Agreement and text
22 contained in the Exhibit to this Agreement, the former (*i.e.*, Articles I through VI) shall be
23 controlling, unless the Exhibit is changed by or in response to a Court order. There are no restrictions,
24 promises, representations, warranties, covenants, or undertakings governing the subject matter of this
25 Agreement other than those expressly set forth or referred to herein. This Agreement supersedes all
26 prior agreements and understandings among the Parties with respect to the settlement of the Actions,
27 including correspondence between Class Counsel and Defense Counsel and drafts of prior
28 agreements or proposals.

1 **Section 6.05: Waiver of Compliance**

2 Any failure of any Party, Defense Counsel, or Class Counsel hereto to comply with any
3 obligation, covenant, agreement, or condition set forth in this Agreement may be expressly waived
4 in writing, to the extent permitted under applicable law, by the Party or Parties and their respective
5 counsel entitled to the benefit of such obligation, covenant, agreement, or condition. A waiver or
6 failure to insist upon strict compliance with any representation, warranty, covenant, agreement, or
7 condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

8 **Section 6.06: Counterparts and Fax/PDF/DocuSign Signatures**

9 This Agreement, and any amendments hereto, may be executed in any number of counterparts
10 and any Party and/or their respective counsel may execute any such counterpart, each of which when
11 executed and delivered shall be deemed to be an original. All counterparts taken together shall
12 constitute one instrument. A fax, PDF or DocuSign signature on this Agreement shall be as valid as
13 an original signature.

14 **Section 6.07: Meet and Confer Regarding Disputes**

15 Should any dispute arise among the Parties or their respective counsel regarding the
16 implementation or interpretation of this Agreement, a representative of Class Counsel and a
17 representative of Defense Counsel shall meet and confer in good faith in an attempt to resolve such
18 disputes prior to submitting such dispute to the mediator Tripper Ortman, and if they are still unable
19 to resolve it, to the Court.

20 **Section 6.08: Agreement Binding on Successors**

21 This Agreement will be binding upon, and inure to the benefit of, the successors in interest
22 of each of the Parties.

23 **Section 6.09: Cooperation in Drafting**

24 The Parties have cooperated in the negotiation and preparation of this Agreement. This
25 Agreement will not be construed against any Party on the basis that the Party, or the Party's counsel,
26 was the drafter or participated in the drafting of this Agreement.

1 **Section 6.10: Fair and Reasonable Settlement**

2 The Parties believe that this Agreement reflects a fair, reasonable, and adequate settlement of
3 the Actions and have arrived at this Agreement through arm's-length negotiation and in the context
4 of adversarial litigation, taking into account all relevant factors, current and potential. The Parties
5 further believe that the Settlement is consistent with public policy, and fully complies with applicable
6 law.

7 **Section 6.11: Headings**

8 The descriptive heading of any section or paragraph of this Agreement is inserted for
9 convenience of reference only and does not constitute a part of this Agreement and shall not be
10 considered in interpreting this Agreement.

11 **Section 6.12: Notice**

12 Except as otherwise expressly provided in the Agreement, all notices, demands, and other
13 communications under this Agreement must be in writing, including email, and addressed as follows:

14 *To Named Plaintiffs and the Class:*

15 Paul Denis
16 Ethan Rasi
17 DENIS & RASI, PC
18 38 Corporate Park
19 Irvine, California 92606
20 Telephone: (714) 242-4557
21 Facsimile: (213) 443-9601

22 Samuel A. Wong
23 Kashif Haque
24 Jessica L. Campbell
25 AEGIS LAW FIRM, PC
26 9811 Irvine Center Drive, Suite 100
27 Irvine, California 92618
28 Telephone: (949) 379-6250
 Facsimile: (949) 379-6251

 And

To Defendants:

 ORRICK, HERRINGTON & SUTCLIFFE LLP
 Jessica R. Perry
 Julia C. Riechert
 1000 Marsh Road

Menlo Park, California 94025
Telephone: 650-614-7400
Facsimile: 650-614-7401

Mariam Bicknell
2050 Main Street, Suite 1100
Irvine, California 92614
Telephone: 949-567-6700
Facsimile: 949-567-6710

Section 6.13: Enforcement of Settlement and Continuing Court Jurisdiction

To the extent consistent with class action procedure, this Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6 and California Rule of Court 3.769(h). The Final Order entered by the Court will not adjudicate the merits of the Actions or the liability of the Parties resulting from the allegations of the Actions. Its sole purpose is to adopt the terms of the Settlement and to retain jurisdiction over its enforcement. To that end, the Court shall retain continuing jurisdiction over this State Action and over all Parties and Class Members, to the fullest extent to enforce and effectuate the terms and intent of this Agreement. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

Upon transfer of the Maximum Settlement Amount to the Settlement Administrator, Class Counsel shall move to promptly dismiss the Actions in the Central District of California with prejudice to effectuate Disposition of the federal court Actions.

Section 6.14: Mutual Full Cooperation

The Parties agree to fully cooperate with each other to accomplish the terms of this Agreement, including but not limited to the execution of such documents, and the taking of such other action, as may reasonably be necessary to implement the terms of this Agreement. The Parties to this Agreement shall use their best efforts, to effectuate and implement this Agreement and its terms. In the event the Parties are unable to reach agreement on the form or content of any document

1 needed to implement the Settlement, or on any supplemental provisions that may become necessary
2 to effectuate the terms of the Settlement, the Parties agree to seek the assistance of the Court.

3 **Section 6.15: Authorization to Act**

4 Class Counsel warrants and represents that they are authorized by Named Plaintiffs, and
5 Defense Counsel warrants that they are authorized by Defendants, to take all appropriate action
6 required to effectuate the terms of this Agreement, except for signing documents, including but not
7 limited to this Agreement, that are required to be signed by the Parties themselves. Defendants
8 represent and warrant that the individual executing this Agreement on its behalf has the full right,
9 power, and authority to enter into this Agreement and to carry out the transactions contemplated
10 herein.

11 **Section 6.16: No Reliance on Representations**

12 The Parties have made such investigation of the facts and the law pertaining to the matters
13 described herein and to this Agreement as they deem necessary, and have not relied, and do not rely,
14 on any statement, promise, or representation of fact or law, made by any of the other parties, or any
15 of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted
16 rights, or with regard to the advisability of entering into and executing this Agreement, or with respect
17 to any other matters. No representations, warranties, or inducements, except as expressly set forth
18 herein, have been made to any party concerning this Agreement.

19 **Section 6.17: Publicity**

20 Neither Plaintiffs nor their Counsel shall engage in any publicity or disparagement of any
21 type related to the Actions, Defendants or this Settlement. However, Class Counsel may include
22 public information about the settlement in their declarations listing their qualifications for other
23 cases.

EXECUTION BY PARTIES AND COUNSEL

The Parties and their respective counsel hereby execute this Agreement.

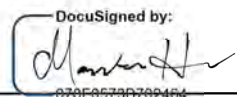
Dated: _____

MERCEDES HALDY

By: _____
Named Plaintiff

Dated: 1/5/2022

MARGARITA HERNANDEZ

By:  _____
Named Plaintiff

Dated: 12/29/2021

CHICO'S FAS, INC., CHICO'S RETAIL
OPERATIONS, INC., SOMA INTIMATES,
LLC AND WHITE HOUSE BLACK MARKET,
INC.

By: Molly Langenstein
(Signature)
Molly Langenstein
(Printed Name)
Chief Executive Officer and President
(Title)
On Behalf of Defendants

APPROVED AS TO FORM ONLY:

Dated: _____

DENIS & RASI, PC

By: _____
Paul J. Denis
Ethan E. Rasi

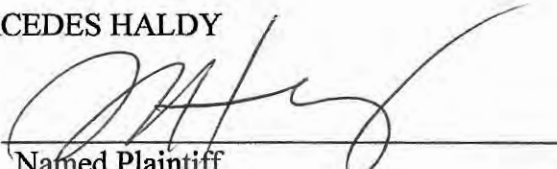
Attorneys for Named Plaintiff Mercedes Haldy

EXECUTION BY PARTIES AND COUNSEL

The Parties and their respective counsel hereby execute this Agreement.

Dated: 1/10/22

MERCEDES HALDY

By: 
Named Plaintiff

Dated: _____

MARGARITA HERNANDEZ

By: _____
Named Plaintiff

Dated: _____

CHICO'S FAS, INC., CHICO'S RETAIL
OPERATIONS, INC., SOMA INTIMATES,
LLC AND WHITE HOUSE BLACK MARKET,
INC.

By: _____
(Signature)

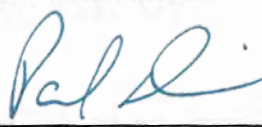
(Printed Name)

(Title)
On Behalf of Defendants

APPROVED AS TO FORM ONLY:

Dated: 1-11-22

DENIS & RASI, PC

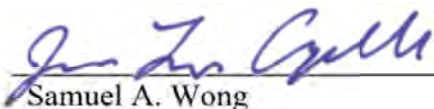
By: 
Paul J. Denis
Ethan E. Rasi

Attorneys for Named Plaintiff Mercedes Haldy

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Dated: January 3, 2022

AEGIS LAW FIRM, PC

By: 
Samuel A. Wong
Jessica L. Campbell

Attorneys for Named Plaintiff Margarita Hernandez

Dated: December 30, 2021

**ORRICK, HERRINGTON & SUTCLIFFE
LLP**

By: 
Julia C. Riechert

Attorneys for Defendants

EXHIBIT A

THIS IS AN IMPORTANT COURT APPROVED NOTICE. READ CAREFULLY.

Margarita Hernandez, et al. v. Chico's FAS, Inc., et al., San Diego County Superior Court
Case No. 37-2021-00053273-CU-OE-CTL

If you worked for Chico's FAS, Inc., Chico's Retail Operations, Inc., Soma Intimates, LLC, and/or White House Black Market, Inc. as a non-exempt employee in California at any time from February 16, 2017 through December 31, 2021, a settlement of a class action lawsuit may affect your rights.

This is a court-authorized notice. It is not a solicitation from a lawyer.

A proposed settlement (the "Settlement") has been reached in a class action lawsuit entitled *Margarita Hernandez, et al. v. Chico's FAS, Inc.*, Case No. 37-2021-00053273-CU-OE-CTL (San Diego County Superior Court) (the "Lawsuit"). The purpose of this Notice of Class Action Settlement ("Notice") is to briefly describe the Lawsuit, and to inform you of your rights and options in connection with the Lawsuit and the proposed settlement.

The Court has preliminarily approved a class action settlement with Defendants Chico's FAS, Inc., Chico's Retail Operations, Inc., Soma Intimates, LLC, and White House Black Market, Inc. ("Defendants"), which will affect all non-exempt employees who worked for Defendants as a non-exempt employee in California at any time between February 16, 2017 through December 31, 2021 (the "Class").

If the Court grants final approval of the Settlement, there may be money available to you.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
PARTICIPATE IN THE SETTLEMENT – <u>NO ACTION REQUIRED</u>	Stay in this Lawsuit. Receive a payment. Cannot pursue your own lawsuit. By doing nothing, you become part of the Class and will collect a settlement payment as detailed below. But you will not be able to bring your own lawsuit against Defendants for wage and hour violations that relate to the claims brought in this Lawsuit.
OBJECT TO THE SETTLEMENT	Stay in this Lawsuit. Receive a payment. Object. Cannot pursue your own lawsuit. To object to the Settlement, you must write to the Settlement Administrator about why you do not like the settlement. You will remain a member of the Class, and if the Court approves the Settlement, you will be bound by the terms of the settlement in the same way as Class Members who do not object.
ASK TO BE EXCLUDED (i.e. Opt Out)	Get out of this Lawsuit. Receive a smaller or no payment from it. Keep your right to pursue your own lawsuit for damages. If you ask to be excluded from the Settlement, you keep your right to sue Defendants separately about the legal claims in this Lawsuit, except as to the claim under the California Private Attorneys General Act ("PAGA"). If you choose this option, you must exclude yourself, in writing, from the Settlement. As a result, you may receive no payment at all. At most, you will receive a very small payment for resolution of

	the PAGA claim if you a member of the PAGA Group, which is a subset of the Class.
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Regardless of the option you choose, you will not be retaliated against for exercising your rights. To object to the Settlement or to ask to be excluded, you must act before [DATE].

Any questions? Read on or contact the Settlement Administrator listed below at 1-XXX-XXX-XXXX.

BASIC INFORMATION

1. Why did I get this notice?

Defendants' records show that you worked for Defendants in California as a non-exempt employee at some point between February 16, 2017 and December 31, 2021.

The Court has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable. Any final determination of those issues will be made at the final approval hearing. You have legal rights and options that you may exercise as part of this Settlement. Judge Katherine Bacal of the Superior Court of the State of California, County of San Diego, is overseeing this Lawsuit.

2. What is this lawsuit about?

In this Lawsuit, Plaintiffs Margarita Hernandez and Mercedes Haldy ("Plaintiffs") claim that Defendants: (1) failed to pay minimum wage for all hours worked; (2) failed to pay wages for overtime, sick pay, vacation, and paid time off properly and/or timely; (3) failed to provide meal periods and failed to pay premium pay for missed, late, interrupted or short meal periods; (4) failed to permit rest breaks and failed to pay premium pay for missed, late, interrupted or short rest breaks; (5) failed to reimburse all business expenses; (6) failed to provide timely and accurate, itemized wage statements; (7) forced patronage; (8) failed to timely pay wages during employment; (9) failed to timely pay final pay, (10) failed to provide notices required under Labor Code section 2810.5, and (11) Plaintiffs argued that these claimed violations were unfair and unlawful business practices under California's Unfair Competition Laws, and that they entitled Plaintiffs to recover civil penalties to be split 75% to the State of California and 25% to certain employees. Plaintiffs also claimed entitlement to restitution, interest, attorneys' fees, and costs.

Throughout the litigation, Defendants have denied—and continue to deny—the factual and legal allegations in the case. Defendants do not believe that they violated any law or regulation relating to how they paid employees, when they paid employees, how much they paid employees, or how wage statements displayed information. Defendants deny any wrongdoing and assert that their conduct at all times complied with the law. Defendants further deny that they owe the monies claimed in the Lawsuit. However, Defendants have voluntarily agreed to the terms of a negotiated settlement in order to avoid the burden and expense of continued litigation.

3. What is a class action and who is involved?

In a class action lawsuit such as this, a person called the "Class Representative" sues on behalf of other people who may have similar claims. The people together are a "Class" or "Class Members." The person

who is the Class Representative is also called the plaintiff. The companies sued are called the defendants. In class action litigation, one Court resolves the issues for everyone in the Class in one lawsuit, except for those people who choose to exclude themselves from the Class.

This class action also includes a “Private Attorney General” (PAGA) claim where the Plaintiffs are attempting to recover penalties for the State of California. In a PAGA action, the State receives 75% of the civil penalties, while employees receive 25%. This settlement will resolve all claims by the State for civil penalties arising from claims made by Plaintiffs or their counsel in the Lawsuit during the period of August 6, 2020 to December 31, 2021 and non-exempt employees covered by the Lawsuit will be barred from bringing another lawsuit on behalf of the State for such penalties.

4. Why is this Lawsuit a class action?

For settlement purposes only, Plaintiffs and Defendants agreed that this case can proceed as a class action and to ask the Court to approve the settlement for the Class. The Court has not ruled on the merits of the case, and the decision to certify the Class for settlement purposes should not be viewed as a prediction or agreement that Plaintiffs or the Class would ultimately prevail on the merits of the action.

5. What are the terms of the proposed Settlement?

Subject to final Court approval, the major terms of the Settlement are as follows:

1. Defendants have agreed to pay \$3,850,000.00 to settle the claims made in this Lawsuit. This amount is also known as the “Maximum Settlement Amount.”
2. Plaintiffs have agreed to release all of their claims in this Lawsuit against Defendants.
3. **Class Settlement Payments:** Plaintiffs seek the following deductions from the \$3,850,000.00 Maximum Settlement Amount:
 - a. Up to one-third (1/3) of the Maximum Settlement Amount (currently equal to \$1,283,333.33) for Class Counsel’s attorneys’ fees.
 - b. Up to \$30,000.00 for reimbursement of Class Counsel’s actual litigation costs.
 - c. An enhancement award of up to \$5,000.00 each to Plaintiffs for filing the Lawsuit, performing work in connection with the Lawsuit, and undertaking the risks of filing the Lawsuit.
 - d. A General Release Payment of \$10,000.00 each to Plaintiffs in exchange for their execution of a general release of all of their potential claims against Defendants.
 - e. Up to \$10,000.00 to cover the costs of the Settlement Administrator.
 - f. Payment of \$75,000.00 to the California Labor and Workforce Development Agency for the release of PAGA claims.

If the Court approves the requested deductions, there will be approximately \$2,421,666.67 remaining, before deducting for taxes, to be distributed to Class Members. This is the “Net Settlement Amount.” Any amounts not requested or awarded by the Court will be included in the Net Settlement Amount. The Net Settlement Amount will be distributed to Class Members who do not request exclusion (the “Participating Class Members”) on a pro rata basis according to the number of workweeks they worked during the Class Period.

PAGA Settlement Payments. A portion of the Maximum Settlement Amount in the amount of \$25,000.00, which is part of the Net Settlement Sum, will be set aside for Class Members who worked for Defendants in California at some point between August 6, 2020 and December 31, 2021 (“PAGA Group”). If you are a member of the PAGA Group, you will receive a pro rata share of \$25,000.00, regardless of whether you opt-out of the settlement. You will not be able to pursue any claim on behalf of the State for such penalties.

Settlement Payments Generally. If a settlement check remains uncashed after 180 days from issuance, the check will become void and a stop payment will be placed on the uncashed check and the amount will be held with the Controller of the State of California to be held under the Unclaimed Property Law.

Your estimated Individual Settlement Payment is listed in Section 6 of this Notice. Applicable taxes will be withheld from your payment.

6. What is my approximate Individual Settlement Payment?

According to payroll records maintained by Defendants, the total number of weeks you worked in California for Defendants as a non-exempt employee during the Class Period is [REDACTED].

Based on information provided above and anticipated court-approved deductions, your share of the settlement is estimated to be \$ [REDACTED], less applicable taxes and withholdings.

You do not need to do anything further to receive your Individual Settlement Payment, other than to ensure that the Settlement Administrator has an accurate mailing address for you. It is important that you contact and inform the Settlement Administrator listed in Section 13, below, of any changes to your mailing address for timely payment.

Disputing Your Payment Amount

If you believe your total weeks worked during the Class Period shown above is not correct, you may send a letter to the Settlement Administrator indicating what you believe is correct by no later than [DATE]. You should also send any documents or other information that supports your belief. The Settlement Administrator will attempt to resolve any dispute based on Defendants’ records and any information you provide. Any disputes not resolved with you will be resolved by the Settlement Administrator.

7. What rights am I releasing in the Settlement?

If the Court grants final approval of the Settlement and you do not opt out of the Settlement, you will be deemed to have released Defendants, including their past or present successors and predecessors in interest, acquirers, subsidiaries, affiliates, parents, officers, directors, shareholders, employees, agents, principals, representatives, accountants, auditors, consultants, insurers and reinsurers (“Released

Parties”) from all claims, demands, rights, liabilities, penalties under the Private Attorneys General Act, and causes of action, whether known or unknown, that were or could have been asserted (whether in tort, contract, or otherwise) for violation of federal, state or local law arising out of, or reasonably relating to, the claims, facts and allegations pled in the operative complaint in this Lawsuit, including that Defendants failed to pay all wages due (including minimum, regular, sick pay, vacation, paid time off and overtime wages), failed to provide legally-compliant meal and rest breaks and failed to pay premium pay for missed, late, interrupted or short meal and rest breaks, failed to timely pay all earned wages and compensation, failed to provide timely final pay, failed to reimburse for reasonable and necessary business expenses, forced patronage, failed to provide accurate itemized wage statements, failed to provide notices required under Labor Code section 2810.5, and engaged in unfair business practices due to the underlying violations at any time during the Class Period (“Released Claims”).

Additionally, if you worked during the period of August 6, 2020 through December 31, 2021, you are a PAGA Group Member and you will also release the right to bring a claim for civil penalties on behalf of the State (and other employees) based on the same facts or theories as the Released Claims, which arose during the PAGA Period, even if you have formally opted out of being a Participating Class Member.

8. How do I object to the Settlement?

If you are a Class Member and would like to object to the Settlement, you must not submit a request for exclusion (*i.e.*, must not opt out). In order to object, you may send a written statement of the grounds for your objection to the Settlement Administrator, which includes your name, address, phone number, signature, and the name of the case, and be postmarked or faxed on or before [DATE]. You may appear in person at the Final Fairness and Approval Hearing to present any oral objections even if you do not submit a timely written objection. You can also hire an attorney at your own expense to represent you in your objection. The Court will receive copies of any and all communications objecting to the Settlement.

9. How do I ask to be excluded from the Class?

If you are a Class Member and would like to exclude yourself from the Class (“opt-out”), you or your authorized representative, needs to mail or fax a written Request for Exclusion to the Settlement Administrator with your name, address, phone number, signature, and a statement to the effect of “I want to opt out of the Hernandez v. Chico’s Settlement. I understand I will not receive any payment as a participating class member.” Requests for Exclusion must be postmarked or faxed on or before [DATE].

Any Class Member who requests to be excluded from the Class will not be entitled to any recovery under the Settlement and will not be bound by the Settlement or have any right to object, appeal, or comment on the Settlement. Subject to Court approval, Class Members who fail to submit a valid and timely request for exclusion will be bound by all terms of the Settlement and any ruling from the Court to give final approval of the Settlement. But Class Members cannot opt out of releasing PAGA claims, as those claims belong to the State of California and Plaintiffs have agreed to release those claims by acting as a proxy for the State.

THE LAWYERS AND PLAINTIFFS REPRESENTING YOU

10. Who are the attorneys representing you?

Samuel A. Wong
Kashif Haque
Jessica L. Campbell
Christopher Harvey (charvey@aegislawfirm.com)
AEGIS LAW FIRM, PC
9811 Irvine Center Drive, Suite 100
Irvine, CA 92618
Tel: 949-379-6250

Paul Denis (pdenis@denisrasilaw.com)
Ethan Rasi (erasi@denisrasilaw.com)
DENIS & RASI, PC
38 Corporate Park
Irvine, CA 92606
Tel: (714) 242-4557
Fax: (213) 443-9601

The Court has preliminarily decided that Aegis Law Firm, PC and Denis & Rasi are qualified to represent you and all Class Members. The law firms' attorneys are experienced in handling similar cases against other employers. More information about these law firms, their practice, and their lawyers' experience is available at <http://denisrasilaw.com/> and www.aegislawfirm.com.

11. How will the lawyers be paid?

As part of the Settlement, Class Counsel has requested one-third of the Maximum Settlement Amount (currently equal to \$1,283,333.33) in attorneys' fees, plus actual costs not to exceed \$30,000.00, to be paid from the Maximum Settlement Amount to compensate Class Counsel for their work on this matter. You will not have to pay Class Counsel's fees and costs from your Individual Settlement Payment.

12. How will Plaintiffs be paid?

As part of the Settlement, Class Counsel has requested an enhancement award of up to \$5,000.00 each to be paid to Plaintiffs for their efforts in this matter during initial investigation, discovery, mediation and the like, while serving as Class Representatives and taking on the burden and risks of litigation. The Plaintiffs will also be paid individual settlements of \$10,000.00 each (the "General Release Payments") in exchange for their execution of a general release of their potential claims against Defendants.

THE SETTLEMENT, APPROVAL, AND PAYMENT PROCESS

13. Who is handling the Settlement Administration process?

Simpluris, Inc.
3194-C Airport Loop Drive
Costa Mesa, CA 92626
(800) 779-2104

14. When is the Final Fairness and Approval Hearing and do I have to attend?

The Final Fairness and Approval Hearing has been set for [DATE], at [TIME] in Department C-69 of the San Diego County Superior Court for the State of California, located at 330 West Broadway, San Diego, CA 92101. You do not need to attend the hearing to be a part of the Settlement. However, if you wish to object to the Settlement, you may appear at the hearing. Please note that the hearing may be

continued without further notice to the Class. Make sure you check the Court's website before attempting to come to Court in person. You may be required to appear only by phone or video, depending on the current safety requirements due to the pandemic.

15. When will I get money after the hearing?

The Court will hold a hearing on [DATE], to decide whether to approve the settlement. If the Court approves the settlement, then there may be appeals if anyone objects. It is always uncertain when these objections and appeals can be resolved, and resolving them can take time. If the Court approves the Settlement and if you do not opt out, your Individual Settlement Payment set forth in Section 6 above is expected to be distributed after Defendants make payment to the Settlement Administrator. If there are no objections or appeals, Defendants will transfer the settlement funds within 10 business days of the Court's approval, and the Settlement Administrator will then distribute the funds. If there are objections or appeals, the payment can be delayed by at least 60 days, or even over a year. To check on the progress of the settlement, contact the Settlement Administrator or Class Counsel at the phone number or address listed above.

GETTING MORE INFORMATION

16. Are more details available?

For more information, the pleadings and other records in this litigation, including copies of the Settlement Agreement, may be examined at any time during regular business hours at the office of the Clerk of the Superior Court of the State of California for San Diego County, at the San Diego County Superior Court, located at 330 West Broadway, San Diego, CA 92101. You can also view the case records online at the court's website: <http://courtindex.sdcourt.ca.gov/CISPublic/casesearch>. Select "Civil" from the drop-down menu as the "Case Type", select "San Diego" as the "Case Location", then insert the Case Number: 37-2021-00053273-CU-OE-CTL in the "Case Number" prompt. Then click "search" to view the case record.

Any questions regarding this Class Notice or the Lawsuit may be directed to the Settlement Administrator at the phone number or address listed above. Alternatively, you may contact your own attorney, at your own expense, to advise you, or you may contact the lawyers representing the Class at the address, telephone number or email address set forth above. If your address changes, or is different from the address on the envelope enclosing this Notice, please promptly notify the Settlement Administrator.

**PLEASE DO NOT CALL OR WRITE TO THE COURT, DEFENDANTS OR
DEFENDANTS' ATTORNEYS WITH QUESTIONS ABOUT THIS NOTICE**