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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

MIE MOULTON, an individual, on behalf of
herself and others similarly situated,

PLAINTIFF,

v.

BET INFORMATION SYSTEMS, INC.; and
DOES 1 thru 50, inclusive,

DEFENDANTS.

CASE NO.

[Case Assigned for All Purposes to Hon. David
S. Cunningham in Dept. 11]

**DECLARATION OF LIANE
KATZENSTEIN LY IN SUPPORT OF
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

*[Filed concurrently with Motion for
Preliminary Approval of Settlement and
[Proposed] Order Thereon]*

Date: February 23, 2023

Time: 9:00a.m.

Dept.: 11

Complaint Filed:	October 20, 2021
FAC Filed:	December 27, 2021
Trial Date:	None

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I, Liane Katzenstein Ly, state and declare as follows:

1. I am an attorney admitted before all courts of the State of California and a partner in law firm of Kingsley & Kingsley, APC, counsel of record for Plaintiff in this action. I am personally familiar with the present litigation, including the pleadings, discovery, and filings made in this matter. I make this Declaration from my own personal knowledge, and, if called upon, could and would competently testify to the following.

2. I graduated from Florida State University in 2005 with a degree in English. I graduated from University of California, Davis School of Law in 2008. I am admitted to practice in the following Courts: United States District Court, Northern, Southern, Eastern, and Central Districts of California; all of California State Courts.

3. I make this Declaration in support of Plaintiff's Motion for Preliminary Approval of the Proposed Class Action Settlement in the above-captioned case.

RELEVANT PROCEDURAL HISTORY

4. On October 20, 2021, Plaintiff filed a Class Action Complaint against Defendant Superior Court for the State of California, County of Los Angeles, Case No. 21STCV38602, seeking recovery for: (1) failure to pay wage and/or overtime under Cal. Labor Code §§ 510, 1194, 1199; (2) failure to provide meal breaks pursuant to Cal. Labor Code §§ 226.7 and 512; (3) failure to provide rest breaks pursuant to Cal. Labor Code § 226.7; (4) failure to reimburse business-related expenses under Cal. Labor Code § 2802; (5) failure to provide accurate itemized statements pursuant to Cal. Labor Code § 226(a); (6) waiting time penalties pursuant to Cal. Labor Code § 203; and, (7) violation of Cal. Business & Professions Code § 17200.

5. Also on October 20, 2021, Plaintiff sent a notice letter, pursuant to California Labor Code § 2699, *et seq.*, the Private Attorneys General Act (hereafter, “PAGA”), to the California Workforce Development Agency (hereafter, “LWDA”) regarding her intent to seek civil damages based on Defendant’s alleged violations of the California Labor Codes enumerated in the Complaint in addition to claims pursuant to Cal. Labor Code §§ 204, 210, 226.8, 432.5, and Cal. Labor Code § 432.7. Page Order 7.

1 6. On December 27, 2021, Plaintiff filed a First Amended Class and Representative
2 Action Complaint adding an additional cause of action for penalties pursuant to PAGA based upon
3 the same alleged Cal. Labor Code violations enumerated in the Complaint and additional violations
4 for: (1) failing to keep accurate meal period records under Cal. IWC Wage Order 7-2001; (2)
5 failing to properly classify Plaintiff and other employees as employees under Cal. Labor Code §
6 226.8; (3) failing to pay timely wages under Cal. Labor Code §§ 204(d) and 210; and, (4) requiring
7 Plaintiff and other employees to agree to, as a condition of employment, an independent contractor
8 agreement that contains illegal indemnity in violation of Cal. Labor Code § 432.5.

9 7. The The FAC defines two proposed classes as follows:

- 10 a) “All persons who are employed or have been employed as an independent
11 contractor by BET INFORMATION SYSTEMS, INC., in the State of
12 California since four (4) years prior to the filing of this action to the
13 present.” (“Independent Contractor Class”).
14 b) “All persons who are employed or have been employed as a detailer by BET
15 INFORMATION SYSTEMS, INC., in the State of California since four (4)
16 years prior to the filing of this action to the present.” (“Detailer Class”).
17 (Collectively referred to herein as the “Classes”).

18 8. On March 23, 2022, Defendant removed this Action to the Central District of
19 California and the case was assigned to Judge Dale S. Fischer.

20 9. After a joint request from both Parties, the district court stayed the entire action,
21 including Plaintiff’s right to file a motion for remand, on March 31, 2022.

22 10. The stay was based on the Parties agreement to mediate the case on June 27, 2022.

23 11. The Parties attended mediation with Tripper Ortman on June 13, 2022, and the case
24 settled.

25 12. The Parties stipulated to remand the case back to state court on June 21, 2022, and
26 the district court signed the order remanding on June 22, 2022.

27 **THE DISCOVERY PROCESS**

28 13. Plaintiff and Defendant have yet to engage in formal discovery, instead focusing
their efforts on resolving this case through early mediation. Defendant informally produced a
sampling of time and pay data for members of the Classes on or around June 1, 2022 for mediation

1 purposes only. Plaintiff worked with an expert to review and analyze these records for mediation.

2 14. Defendant denies any liability or wrongdoing of any kind associated with the claims
3 alleged in the Action, disputes the damages and penalties claimed by Plaintiff, and further contends
4 that, for any purpose other than settlement, Plaintiff's claims are not appropriate for class or
5 representative action treatment. Defendant contends, among other things, that, at all times, it has
6 complied with the California Labor Code, and the Industrial Wage Commission Orders.

7 15. Based on their own independent investigation and evaluation, Class Counsel is of
8 the opinion that the Agreement with Defendant is fair, reasonable and adequate, and in the best
9 interest of the settlement classes in light of all known facts and circumstances, including the risk
10 of significant delay, defenses asserted by Defendant, uncertainties regarding a class and
11 representative action trial on the merits, and numerous potential appellate issues. Although
12 Defendant denies any liability, Defendant is agreeing to this Agreement solely to avoid the cost of
13 litigation. Accordingly, the Parties and their counsel desire to fully, finally, and forever settle,
14 compromise and discharge all disputes and claims arising from or relating to the Action on the
15 terms set forth here.

16 **THE CERTIFIED SETTLEMENT CLASS**

17 16. Here, Plaintiff maintains that the proposed settlement class is ascertainable for
18 several reasons: First, Defendant has agreed in the Agreement to provide a class list to the
19 Administrator containing the name, last known mailing address, last known telephone number,
20 Social Security number, and number of Class Period Workweeks and PAGA Pay Periods for all
21 putative class members after issuance of the preliminary approval order.

22 17. Second, Settlement Class Member consist of Defendant's employees, and
23 Defendant is required to keep records of its employees' names, home addresses, and social security
24 numbers.

25 18. Third and finally, Defendant informally produced Plaintiff's personnel file and pay
26 statements, relevant policies, sampling time data, pay data, and wage statements for Settlement
27 Class Members, which confirms that all Settlement Class Member may be readily identified based
28 on Defendant's records.

1 19. Here, the proposed settlement class contains, based upon information and belief,
2 approximately 6,577 employees in the State of California.

3 20. Therefore, Plaintiff is confident her will be able to establish that the proposed
4 settlement class is ascertainable and sufficiently numerous.

5 21. Here, Plaintiff argues that there are questions of law and fact common to the
6 proposed settlement class that predominate over any questions affecting only individual Class
7 Members.

8 22. These common questions include:

- 9 1) Whether Defendant failed to pay all wages and/or overtime compensation;
- 10 2) Whether Defendant failed to provide lawfully required meal periods and/or
11 failed to compensate employees one (1) hour's wages in lieu thereof;
- 12 3) Whether Defendant failed to provide lawfully required rest periods and/or
13 failed to compensate employees one (1) hour's wages in lieu thereof;
- 14 4) Whether Defendant failed to reimburse business-related expenses;
- 15 5) Whether Defendant failed to provide accurate itemized wage statements;
- 16 6) Whether Defendant failed to pay compensation due and owing upon
17 termination of employment;
- 18 7) Whether Defendant engaged in unfair competition; and,
- 19 8) Whether Defendant violated § 2699, et seq. of the Labor Code by engaging
20 in the acts previously alleged, including Defendant's misclassification of
21 Plaintiff as an independent contractor; Defendant's failure to pay all wages
22 for a biweekly payroll period within seven (7) calendar days following the
close of the payroll period; and Defendant's illegal indemnity in the
Independent Contractor agreement.

23 23. Plaintiff's challenge to Defendant's uniform policies and practices involves
24 common factual and legal issues that are amenable to class treatment.

25 24. Here, Plaintiff maintains that the proposed Settlement Class Members suffered the
26 same injuries, in the same manner: Based on Defendant's alleged misclassification of the
27 Settlement Class Members as independent contractors, (1) Settlement Class Members were not
28 paid all wages/overtime; (2) Settlement Class Members did not receive their meal and rest periods

as required; (3) Settlement Class Members were not provided accurate itemized wage statements; (4) Settlement Class Members were not reimbursed for business-related expenses; (5) Settlement Class Members did not receive timely wages; and (6) Settlement Class Members were not paid all wages owed upon termination/resignation.

25. Plaintiff alleges that Settlement Class Members worked in the same capacity for the same employer and were subject to the same employment policies and practices, the questions of fact and claims regarding the status of these employees are the same for each member of the settlement class. Accordingly, for purposes of settlement, certification for settlement purposes is appropriate.

26. Plaintiff worked performed work as a “detailer” for Defendant from approximately January 2020 through August 2021.

27. Plaintiff alleges that she: (1) worked without being paid all wages and/or overtime; (2) worked without being provided compliant meal/rest periods as required by law; (3) worked without being reimbursed for costs associated with personal cell-phone usage and incurred mileage from driving personal vehicle; (4) worked without being provided accurate itemized wage statements; and (5) worked without being paid all wages due upon separation. She also alleges that she experienced derivative claims for unfair business competition (B&P Code §17200) and Labor Code §2699, *et seq.*

28. Plaintiff also contends that her claims are typical of those of the settlement classes.

29. Plaintiff believes that she is capable of fairly representing and adequately protecting the interests of the proposed Settlement Class Members.

30. Plaintiff’s interests in this litigation are coextensive with the interests of the proposed Settlement Class Members. The members of the proposed settlement class all worked for Defendant during the relevant time period and incurred the same type of alleged damages with regard to Defendant’s alleged violations of the law.

31. Moreover, Plaintiff has agreed to serve as Class Representative and has retained qualified Counsel who is experienced in prosecuting wage and hour class actions.

32. This demonstrates her commitment to bringing about the best possible results for

the benefit of the proposed settlement class.

33. Plaintiff has provided her Counsel with all necessary and pertinent information.

34. She has been a very active participant in the litigation including having frequent contact with Settlement Class Members and working closely with Class Counsel to develop the theories of liability.

35. Plaintiff has provided her Counsel with all necessary and pertinent information.

36. She also attended the full-day mediation in this matter and was informed of and involved in all of the Settlement negotiations. Therefore, Plaintiff believes that she has and will continue to adequately represent the proposed Settlement Class Members.

37. Plaintiff has provided her Counsel with all necessary and pertinent information.

38. In this regard, the superiority of class treatment is evident here because individual pursuit of class members' claims may not be economically viable.

39. The only alternative to certification would be to force over 6,577 employees to join this action, file individual, uniform actions, or abandon their legal rights altogether.

40. Plaintiff maintains that this economic reality would result in a windfall for Defendant if this case were not certified.

THE PROPOSED SETTLEMENT

41. For purposes of the Agreement, there are two proposed settlement classes:

Independent Contractor Class: All persons who are employed or have been employed as an independent contractor by BET Information Systems, Inc., in the State of California during the Release Period. ("Independent Contractor Class".)

Detailer Class: All persons who are employed or have been employed as a detailer by BET Information Systems, Inc., in the State of California during the Release Period. ("Detailer Class") (collectively "Independent Contractor Class" and "Detailer Class" referred to as the "Classes" or "Class Members".)

42. The Class Period is October 20, 2017 through July 28, 2022.

43. This Agreement is based on an estimated total of 6,577 Class Members and 53,273 Total Workweeks, which are numbers Defendant has confirmed based on its records

44. For purposes of the Agreement, the Aggrieved Employees are defined as: "all

1 persons who are a member of either the Independent Contractor Class or the Detailer Class from
2 October 20, 2020 to July 28, 2022. (“Aggrieved Employees” “PAGA Group” or “PAGA
3 Members”.)

4 45. The PAGA Period is October 20, 2020 through July 28, 2022.

5 46. Based on documents and other information produced by Defendant, there are
6 approximately 3,019 Aggrieved Employees.

7 47. As detailed fully in the Agreement, the Settlement provides for Defendant to pay a
8 Gross Settlement Amount of \$2,250,000.00, which includes the sum of the Individual Class
9 Payments, the Class Representative service award, the Class Counsel Award, PAGA Payment, and
10 the Settlement Administration Costs.

11 48. The Net Settlement Amount is the Gross Settlement Amount, less Class Counsel
12 Award, Class Representative Enhancement, PAGA Payment, and Settlement Administration
13 Costs.

14 **KULLAR ANALYSIS**

15 49. The proposed settlement satisfies each of the *Kullar* factors.

16 50. This discovery permitted Class Counsel to fairly evaluate the strength of the case
17 and the risks associated with ongoing litigation.

18 51. Class Counsel is experienced in handling wage and hour class actions and, after
19 weighing all of the following factors, supports this Agreement.

20 52. Although any person rendering service for another is generally presumed to be an
21 employee (see California Labor Code section 3357), Plaintiff alleges that Defendant knowingly
22 and willfully misclassified Plaintiff and members of the Independent Contractor Class as
23 “independent contractors” in violation of California Labor Code § 226.8, until approximately 2020
24 when Plaintiff and members of the Independent Contractor Class were reclassified as employees.
25 Specifically, Plaintiff was initially classified as an independent contractor for Defendant earning
26 compensation on a piece-rate basis and provided with a 1099. However, in 2020, Plaintiff and the
27 other members of the Independent Contractor Class were reclassified as “employees” and were
28 thereafter provided W2s. After being reclassified as employees in 2020, Plaintiffs were paid at a

1 flat-rate, that operated as a sort of “piece-rate”, per store visited.

2 53. However, Plaintiff alleges that at all times while working for BET, Plaintiff was
3 actually an employee of Defendant rather than an independent contractor because, inter alia: BET
4 had control or the right to control Plaintiff’s and the Independent Contractor Class’s work by
5 overseeing and instructing Plaintiff and Class Members how to complete assignments and
6 assigning which stores they were sent to. For example, BET would assign approximately 15 store
7 assignments at a time, and Plaintiff and Class Members had no discretion over which stores
8 comprised the 15. Moreover, when a BET company scheduler would assign a job to Plaintiff and
9 she declined that assignment, Plaintiff would have difficulty obtaining other jobs thereafter or not
10 be assigned any jobs at all.

11 54. Plaintiff alleges that Defendant knowingly and willfully misclassified Plaintiff and
12 members of the Independent Contractor Class as “independent contractors” during the relevant
13 time period in order to avoid the costs associated with the rights afforded to employees under
14 federal and California law- all to Defendant’s benefit.

15 55. Plaintiff believes that she has a strong argument for misclassification.

16 56. However, if the Court determined that the Independent Contractor Class was
17 classified correctly, most of the other claims in this action would fail.

18 57. Plaintiff took these risks into account when settling.

19 58. Plaintiff factored in the possibility that the misclassification claim would fail, and
20 the rest period claim would fail with it.

21 59. Additionally, Defendant argued that Class Members had ample time to take rest
22 breaks.

23 60. This was an additional risk factor for this claim.

24 61. Defendant disputes that the Class Members were not compensated for travel time.
25 BET argues that it did include travel time in its compensation. Furthermore, BET disputes that the
26 majority of the Class Members actually travelled between location.

27 62. Plaintiff maintains that Defendant violated California’s meal break laws by not
28 allowing Plaintiff and members of the Classes, to take daily meal breaks. Indeed, due to the hectic

1 nature of their job, Plaintiff was rarely able to ever take a lawful meal break.

2 63. Thus, Plaintiff and other members of the Classes were routinely discouraged and
3 prevented from taking uninterrupted meal, and rest, periods in order to complete all of an
4 assignment's required duties and avoid the imposition of potential disciplinary measures.

5 64. Plaintiff contends that Defendant also violated California's meal period laws by not
6 paying Plaintiff and members of the Classes an extra hour of wages for each missed or improper
7 meal period

8 65. Thus, Plaintiff alleges that Defendant failed to maintain a company meal period
9 policy compliant with California law and failed to provide Plaintiff and members of the Classes
10 with proper meal periods.

11 66. Defendant argues that many of the "Shifts" worked by the Class Members were too
12 short to necessitate a meal break.

13 67. Additionally, Defendant argues that the Class Members had ample time to take
14 breaks and they were informed of their right to take them.

15 68. Plaintiff maintains that Defendant violated California's rest break laws by not
16 allowing Plaintiff and members of the Classes to take regular rest breaks. In fact, Plaintiff alleges
17 he and class members were never provided 10-minute rest breaks, and it was never even mentioned
18 that she could or should be allowed to take one

19 69. Thus, Defendant did not maintain a company rest period policy and/or practice
20 compliant with California law, and Employer frequently did not provide Plaintiff and members of
21 the Classes with appropriate rest periods. Further, Defendant failed to pay Plaintiff and members
22 of the Classes with an additional hour of pay at Plaintiff's and the Classes' regular rates of pay for
23 each missed or improper rest period.

24 70. Defendant argues that the Class Members had ample time to take rest breaks and
25 they were informed of their right to take them. Defendant argues that there was extensive down
26 time that permitted rest breaks.

27 71. Plaintiff argues that BET required Plaintiff and members of the Classes to incur
28 necessary expenses to perform their work duties. Specifically, BET required Plaintiff to use their

1 personal cell phones in executing their duties under Defendant's employ

2 72. Additionally, Plaintiff necessarily incurred costs associated with mileage in order
3 to travel between stores.

4 73. Because BET failed to reimburse Plaintiff and members of the Classes for these
5 business expenses, BET is liable under Cal. Labor Code section 2802.

6 74. Defendant argues that it did reimburse for business expenses and that it maintained
7 a system for Class Members to submit their reimbursement requests.

8 75. The records produced by BET did indicate some reimbursements.

9 76. This did create a risk for certification and a merits risk that Plaintiff considered as
10 part of the settlement negotiations.

11 77. Plaintiff and members of the Classes were paid by the "piece". However, the wage
12 statements issued to members of the Classes, including Plaintiff, failed to include the "the number
13 of piece-rate units earned" and the "applicable piece rate" paid to Plaintiff and the Classes in
14 violation of Cal. Lab. Code section 226(a)(3).

15 78. The Agreement's contemplated PAGA payment of \$25,000.00 is appropriate.

16 79. There is significant expense associated with the class certification process, which
17 the Parties can avoid by entering into the contemplated Agreement now.

18 80. If the Court did eventually certify a class, trial of a case involving approximately
19 6,577 Settlement Class Members would require the retention of expensive expert witnesses, the
20 accrual of extensive litigation costs, and a significant time overlay by the parties.

21 81. Moreover, given the complexity and unsettled nature of the issues in this case it is
22 likely that any outcome at trial would have resulted in a lengthy and costly appeal. An appeal
23 would result in further delay for the Settlement Class Members who are waiting for a resolution in
24 this matter.

25 82. This case has not been certified to be tried as a class action. While Plaintiff believes
26 there is strong evidence to support certification of several possible certification is always hard
27 fought and subject to judicial discretion. Moreover, in class actions, decertification is always a
28 possibility. In attempting to certify a class, the parties would need to conduct multiple depositions,

1 including of the Class Representative and of several person(s) most knowledgeable regarding
2 Defendant's policies. There is a risk for both sides as to what these depositions will reveal and
3 whether they will support class certification to the extent expected.

4 83. Plaintiff also factored in the risks associated with existence of arbitration
5 agreements.

6 84. Plaintiff and most of the Class Members signed arbitration agreements.

7 85. These agreements included class action and PAGA waivers.

8 86. Plaintiff believes she has strong defenses to enforcement of the agreement.

9 87. However, Plaintiff acknowledges the risks associated with Defendant's motion to
10 compel arbitration. The Parties agreed to stay this issue pending mediation.

11 88. This was biggest risk to the case and it warranted the largest discount.

12 89. It was very difficult for the Parties to reach this Settlement of \$2,250,000.00.

13 90. This Settlement is the result of adversarial, non-collusive, and arms-length
14 negotiations. The Parties arrived at it after extensive investigation and discovery, careful
15 evaluation of the law, risks, and all information substantiating the amount of penalties reasonably
16 likely to be awarded to the class were the trier of fact to find Defendant liable, and the assistance
17 of an experienced mediator, Tripper Ortman.

18 91. Plaintiff assessed full value of the Minimum Wage/Overtime claim, without any
19 discount, at approximately \$169,159.00, Plaintiff valued the unpaid rest period wage claim at
20 \$98,705.00, and Plaintiff valued the failure to account for the piece rate pay at \$60,052 (Total of
21 \$327,916).

22 92. This was based on the minimum wage rate for each year and the hours tracked by
23 Defendant through its own systems (they utilized an application on the Class Members phones for
24 part of the Class Period).

25 93. Plaintiff's expert also extrapolated the data for the portion of the Class Period that
26 was not tracked this way.

27 94. The average shift length was 4.28 hours so the overtime actually worked was
28 relatively low.

1 95. The full value of the Meal Period claim, without any discount, was approximately
2 \$452,613.00.

3 96. Plaintiff utilized the same hourly rates noted above and determined the shifts that
4 were long enough to necessitate a meal period from Defendant's records

5 97. The full value of the Rest Period claim, without any discount, was approximately
6 \$592,228.00.

7 98. Plaintiff utilized the same hourly rates noted above and determined the shifts that
8 were long enough to necessitate a rest period from Defendant's records.

9 99. With regard to the Reimbursement Claim analysis, Plaintiff was able to determine
10 the mileage from Defendant's system and deduct any reimbursements actually paid by cross
11 referencing the pay data.

12 100. Plaintiff also utilized \$35.00 per month for the reimbursement for cell phone usage.
13 This brought the damages for this claim to \$1,150,366.00.

14 101. Plaintiff valued the Wage Statement Claim, without discount, at \$1,183,950.00.

15 102. Plaintiff used \$100 for each wage statement issued (pay period) and utilized a
16 \$4,000 cap on wage statement penalties per employee.

17 103. Plaintiff valued the Waiting Time Claim at \$8,203,427.00 based on approximately
18 5,198 former employees and an average shift length of approximately 4.18 hours.

19 104. Finally, Plaintiff calculated the value of the PAGA claims (stacked for each
20 violation at \$35,731,600.00. This includes penalties for all of the underlying claims.

21 105. If the only penalty awarded was for the misclassification claim, the value of the
22 PAGA claim is \$26,260.00 (at \$10,000 a head).

23 106. If only one penalty is applied for any of the other violations, the value is
24 \$2,367,900.00.

25 107. As such, there is a high fluctuation in the possible penalties awarded at maximum
26 value.

27 108. The court also has discretion to decrease these penalties

28 109. Per Plaintiff's assessment, the maximum potential value of all of Plaintiff's and the

Settlement Class Members' claims was without including PAGA is \$11,910,500.00.

110. The value of the non-penalty claims is \$2,523,123.00.

111. Obviously, factoring PAGA, and stacking penalties, the value of the case is close to \$50,000,000.00.

112. Given the risks associated with waiting time penalties and PAGA and the risks associated with the arbitration agreement, Class Counsel believes the Gross Settlement Amount of \$2,250,000.00 is fair and reasonable.

113. Defendant also violated California's meal period laws by not paying Plaintiff and members of the Classes an extra hour of wages for each missed or improper meal period.

114. Thus, Plaintiff alleges that Defendant failed to maintain a company meal period policy compliant with California law and failed to provide Plaintiff and members of the Classes with proper meal periods.

115. Defendant argues that many of the "Shifts" worked by the Class Members were too short to necessitate a meal break.

116. Additionally, Defendant argues that the Class Members had ample time to take breaks and they were informed of their right to take them.

ATTORNEY COMPETENCE

117. Kingsley & Kingsley is experienced in prosecuting employment litigation, and since 2000 we have focused our practice on wage, hour, and working condition violations. My firm is well versed in class action litigation and has diligently and aggressively pursued this action. Kingsley & Kingsley currently serves as class counsel for several dozens of pending class action lawsuits in Northern, Central, Eastern, and Southern California in both State and Federal Court. Below is a small, but representative sampling of wage and hour cases handled by my firm:

a. *Goodman v. Crystal Ventures, Inc.* (No. BC245561, L.A. Super. Ct.) In January 2002, Hon. Anthony Mohr granted final approval of settlement in the gross amount of \$255,000 and the court approved the attorneys' fee request of 33 1/3%.

b. *Johnston v. The Cheesecake Factory* (No. BC316180, L.A. Super. Ct.) In December 2005, Honorable Rita Miller granted final approval of Settlement in the

- gross amount of \$4,000,000 and the court granted attorneys' fees request of 30%.
- c. *Tumino v. HOB Entertainment* (No. BC327962, L.A. Super. Ct.) In May 2006, the Honorable Conrad R. Aragon granted final approval of Settlement in the gross amount of \$1,000,000 and the court granted attorneys' fees request of 30%.
- d. *Ryan v. Hilton Hotels Corporation*, (No. BC364260, L.A. Super. Ct.) In March 2008, the Honorable Mary Thornton House granted final approval of Settlement in the gross amount of \$1,675,000.00 and the court granted attorneys' fees request of 33 1/3%.
- e. *Gerritson v. Styles For Less, Inc.*, (No. BC402921, L.A. Super. Ct.) In September 2010, the Hon. Kenneth R. Freeman granted final approval of Settlement in the gross amount of \$2,000,000.00, and the court granted attorneys' fees request of 33.3%.
- f. *Lewis v. Collabrus, Inc., et al.*, (No. 109CV-142927, Santa Clara Super. Ct.) In March 2012, the Honorable James P. Kleinberg granted final approval of Settlement in the gross amount of \$2,000,000.00, and the court granted attorneys' fees request of 33.3%.
- g. *Hirschinger v. Blue Cross of California*, Los Angeles Superior Court (No. BC402739, L.A. Super. Ct.) In June 2013, the Honorable Lee Smally Edmund granted final approval of Settlement in the gross amount of \$4,700,000.00, and the court granted attorneys' fees request of 38%.
- h. *Anderson v. Total Renal Care, Inc.*, (No. BC388335, L.A. Super. Ct.) In January 2014, the Honorable William F. Highberger granted final approval of Settlement in the gross amount of \$1,500,000.00 and the court granted attorneys' fees request of 33.33%.
- i. *Rojas, et al. v. Sunview Vineyards of California, Inc.*, Eastern District (1:09-cv-00705 AWIJLT). This certified class action was approved for final settlement by the Honorable Anthony W. Ishii in October 2015, in the gross amount of \$4,550,000.00, with attorneys' fees approved in the amount of \$1,137,500.00.

- j. *Westbrook v. International Surfacing Systems*, (No. RG10510015, Alameda Super. Ct.) In August 2015, the Hon. Wynne Carvill granted final approval of Settlement in the gross amount of \$995,000.00, and the court granted attorney's fees request of 33.33%.
- k. *Kane et al. v. Valley Slurry Seal*, (No. CV08-2483, Yolo Super. Ct.) In March 2016 after a class trial with a verdict in the class's favor, the Honorable Daniel P. Maguire, awarded Kingsley & Kingsley and co-counsel \$996,232.72 in attorney's fees.
- l. *Aparacio v. Abercrombie & Fitch Stores, Inc.*, (No. BC499281, L.A. Super. Ct.) In June 2016, the Hon. Kenneth Freeman granted final approval of Settlement in the gross amount of \$2,000,000.00, and the court granted attorney's fees request of 33.33%.
- m. *Isaguirre v. Guess?, Inc., Los Angeles Superior Court (BC357631)*. The matter was proposed for final settlement by the Honorable Richard L. Fruin on February 19, 2016, in the gross amount of \$5,250,000.
- n. *Hirschinger v. Blue Cross of California*, Los Angeles Superior Court (BC402739). The matter was approved for final settlement by the Honorable Lee Smally Edmund in June 2013, in the gross amount of \$4,700,000.00, with attorney's fees request of 38%.
- o. *Munoz, et al. v. Giumarra Vineyards Corporation*, United States District Court for the Eastern District of California (Case No.: 1:09-cv-00703 - AWI – JLT). The matter was approved for final settlement by the Honorable Anthony W. Ishii in November 2017, in the gross amount of \$6,100,000.00, plus interest, with attorney's fees benchmark award of \$1,525,000.
- p. *Pineda, et al. v. Grimmway Enterprises, Inc.*, Kern County Superior Court (BCV-15-101333). The matter was approved for final settlement before the Hon. Stephen D. Schuett, Dept. 10, in January 2018, in the gross amount of \$9,000,000 with attorneys' fees request of 33.33%.

1 118. Kingsley & Kingsley, APC filed its first class certification motion in the year 2000
2 and since that time has been appointed class counsel on dozens of wage and hour class actions that
3 have been approved for class certification. Since 2012, Kingsley & Kingsley, APC has moved for
4 class certification in 15 matters and has successfully obtained class certification in 15 of those
5 cases. A brief sampling of which includes:

- 6 a. *Lewis v. Collabrus, Inc., Santa Clara County Superior Court (109CV-142927),*
7 *approved for Class Certification in 2011.*
- 8 b. *Melendrez v. JK Communications*, No. BC497692, (L.A. Super. Ct., filed
9 December 19, 2012) (court granted contested class certification and appointed
10 Kingsley & Kingsley as class counsel).
- 11 c. *Amaro, et al v. Gerawan Farming, Inc.*, No. 1:14-cv-00147-DAD-SAB (E.D. Cal.,
12 filed February 3, 2014) (court granted contested class certification and appointed
13 Kingsley & Kingsley as class counsel).
- 14 d. *Suarez v. Mazatlan, Inc.*, No. 37-2015-00002978-CU-OE-CTL (S.D. Super. Ct.,
15 filed January 27, 2015) (court granted contested class certification and appointed
16 Kingsley & Kingsley as class counsel).
- 17 e. *Ruiz v. Daniel C. Salas Harvesting, Inc.*, Kings County Superior Court (16 C 0214).
18 contested class certification granted in June 2020.
- 19 f. *Weldon v. Geo Corrections & Detentions, LLC*, Kern County Superior Court
20 (BCV-16-102833), contested class certification granted in 2018.
- 21 g. *Patton v. Skyler Electric*, Nevada County Superior Court, (CU17-082544),
22 contested class certification granted in June 2020.
- 23 h. *Hameister v. Jaco Oil Company*, Kern County Superior Court (BCV-17-102876),
24 contested class certification granted in August 2020.

25 119. Class Counsel is experienced in the handling of wage and hour class actions and
26 supports this Settlement. Based on its analysis, Class Counsel believes that this settlement is fair
27 and reasonable and in the best interest of the Class.

28 120. After factoring in the risks explained above, Class Counsel believes that the

proposed settlement is fair and reasonable.

SERVICE AWARD TO THE NAMED PLAINTIFF

121. The Class Representative is entitled to an enhancement for her valiant effort and time expended in this matter. The time spent by MIE MOULTON is significant and includes researching and retaining competent counsel; providing information to Class Counsel regarding the nature of the work at Defendant; compiling relevant documents; working closely with Class Counsel to develop the theories of liability and martial relevant evidence; regularly discussing the status of the case with Class Counsel; discussing the case via telephone with Settlement Class Members; attending a full-day of mediation; and responding promptly to Class Counsel's communications regarding settlement.

122. As set forth in the Agreement, Plaintiff will also be entering into a general release of liability pursuant to Civil Code Section 1542.

123. Class Counsel considers this to be a fair and reasonable enhancement. The enhancement takes into consideration the time, effort, and expense incurred by Plaintiff in coming forward to litigate this matter on behalf of all Settlement Class Members. Plaintiff will provide a detailed declaration with the Final Approval Motion detailing her participation and further justification for the enhancement.

SUBMISSION TO THE LABOR WORKFORCE DEVELOPMENT AGENCY

124. Proof of submission of Plaintiff's Motion, all related documents, and copy of the email from the LWDA confirming receipt is attached to the Declaration of Liane Katzenstein Ly as Exhibit "3."

EXHIBITS

125. Attached hereto as Exhibit "1" is a true and correct copy of the fully-executed Class Action and PAGA Settlement Agreement ("Agreement").

126. Attached hereto as Exhibit "2" is a true and correct redlined copy of the fully-executed Class Action and PAGA Settlement Agreement ("Agreement").

127. Attached hereto as Exhibit "3" is a true and correct copy of the proof of submission of Plaintiff's Motion, all related documents, and copy of the email from the LWDA confirming

1 receipt.

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

4 This Declaration was executed this 22nd day of November, 2022, in Los Angeles,
5 California.

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8 Liane Katzenstein Ly
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EXHIBIT "1"

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff MIE MOULTON (“Plaintiff”) and defendant BET INFORMATION SYSTEMS, INC. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant captioned MIE MOULTON, an individual, on behalf of herself and others similarly situated, PLAINTIFF, v. BET INFORMATION SYSTEMS, INC.; and DOES 1 thru 50, inclusive, DEFENDANTS, Case No. 21STCV38602 initiated on October 20, 2021 and pending in Superior Court of the State of California, County of Los Angeles.
- 1.2. “Administrator” means ILYM Group, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” “PAGA Group” or “PAGA Member” means all persons who are a member of either the Independent Contractor Class or the Detailer Class from October 20, 2020 to July 28, 2022.
- 1.5. “Classes” means
All persons who are employed or have been employed as an independent contractor by BET Information Systems, Inc., in the State of California during the Release Period (“Independent Contractor Class”); and

All persons who are employed or have been employed as a detailer by BET Information Systems, Inc., in the State of California during the Release Period (“Detailer Class”).
- 1.6. “Class Counsel” means Kingsley & Kingsley, APC.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

- 1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12. “Class Period” means the period from October 20, 2017 to July 28, 2022.
- 1.13. “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.14. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.15. “Court” means the Superior Court of California, County of Los Angeles.
- 1.16. “Defendant” means named Defendant BET INFORMATION SYSTEMS, INC.
- 1.17. “Defense Counsel” means Klinedinst PC.
- 1.18. “Detailer” is a person who performs retail and merchandising services, including but not limited to audits (entering data and taking pictures of products), merchandising (building displays, stocking shelves, adding promotional materials to products, etc.), sell-ins (introducing new products to store managers), in-store demonstrations (handing out samples and explaining products), digital demonstrations (creating video reviews of products), resets (rearranging products in a store), and other services.
- 1.19. “Effective Date” means the date when all of the following events have occurred: (1) the Stipulation of Settlement has been executed by all Parties, Class Counsel and Defendant’s Counsel; (2) the Court has given preliminary approval to the Stipulation of Settlement; (3) the Notice of Class Action Settlement has been given to the putative members of the Settlement Class, providing them with an opportunity to object to the terms of this Stipulation of Settlement or to opt out of the Stipulation of Settlement; (4) the court has held a formal fairness hearing and entered a final Order and Judgment certifying the Settlement Class, and approving the Stipulation of Settlement; and sixty-five (65) calendar days have passed since the Court has entered a final Order and Judgment certifying the Settlement Class and approving the Stipulation of Settlement, with no appeal

having been filed. In the event an appeal is timely filed, the Effective Date shall occur five (5) business days after any appeal, writ or other appellate proceedings opposing the Stipulation of Settlement has been finally and conclusively dismissed with no right to pursue further remedies or relief and this Settlement has been upheld.

- 1.20. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.21. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.22. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.23. “Gross Settlement Amount” means \$2,250,000.00 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 10 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator’s Expenses.
- 1.24. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.25. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.26. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.27. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.28. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.29. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.30. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

- 1.31. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.32. "PAGA Period" means the period from October 20, 2020 to July 28, 2022.
- 1.33. "PAGA" means the Private Attorney General Act of 2004 (Labor Code §§ 2698. et seq.).
- 1.34. "PAGA Notice" means Plaintiff's October 20, 2021 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.35. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$6,250.00) and the 75% to LWDA (\$18,750.00) in settlement of PAGA claims.
- 1.36. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.37. "Plaintiff" means MIE MOULTON, the named plaintiff in the Action.
- 1.38. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.
- 1.39. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.40. "Released Class Claims" means the claims being released as described in Paragraph 6.2 below.
- 1.41. "Released PAGA Claims" means the claims being released as described in Paragraph 6.3 below.
- 1.42. "Released Parties" means: Defendant and all of its present and former, direct and indirect, parent companies, subsidiaries, owners, divisions, concepts, related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any individuals or entity which could be liable for any of the Released Claims and Defendant's counsel of record in the Action.
- 1.43. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.44. "Response Deadline" means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets

are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

- 1.45. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.46. “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

1. RECITALS.

- 1.1. On October 20, 2021, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for failure to pay wages and overtime pursuant to Labor Code sections 510, 1194, and 1199; failure to provide meal periods pursuant to Labor Code sections 226.7 and 512; failure to provide rest periods pursuant to Labor Code section 226.7; failure to reimburse expenses pursuant to Labor Code section 2802; penalties pursuant to Labor Code section 226(a); penalties pursuant to Labor Code section 203; and unfair business practices pursuant to Business & Professions Code section 17200 et seq. On December 27, 2021, Plaintiff filed a First Amended Complaint (“FAC”) alleging an additional cause of action against Defendant for penalties pursuant to the Private Attorney General Act of 2004 (“PAGA”) (Lab. Code § 2699 et seq.). The First Amended Complaint is the operative complaint in the Action (the “Operative Complaint”). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged.
- 1.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 1.3. On March 24, 2022, Defendant filed its Notice of Removal in Los Angeles Superior Court, removing the action to the United States District Court for the Central District of California.
- 1.4. On June 13, 2022, the Parties participated in an all-day mediation presided over by mediator Tripper Ortman III which led to this Agreement to settle the Action.
- 1.5. Prior to mediation, Plaintiff obtained, through informal discovery, pertinent documents and data for the Class and PAGA Members so that the Parties could fully investigate the claims at issue and understand their strengths and weaknesses. Plaintiff’s investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).
- 1.6. The Court has not granted class certification.

17. On June 21, 2022, the Parties stipulated to remand the action back to Los Angeles County Superior Court. The Court granted the stipulation and ordered the action to be remanded on the same day.
18. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

2. MONETARY TERMS.

21. Gross Settlement Amount. Except as otherwise provided by Paragraph 10 below, Defendant promises to pay \$2,250,000.00 and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
22. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
 221. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$10,000.00 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.
 222. To Class Counsel: A Class Counsel Fees Payment of not more than 33- 1/3%, which is currently estimated to be \$750,000.00 and a Class Counsel Litigation Expenses Payment of not more than \$25,000.00. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation

Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

223. To the Administrator: An Administrator Expenses Payment not to exceed \$53,300.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$53,300.00, the Administrator will retain the remainder in the Net Settlement Amount.

224. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks. The Administrator will calculate the number of workweeks worked by the Class Members in an hourly-paid or non-exempt position in California during the Class Period ("Compensable Workweeks") based upon the records in Defendant's possession, custody or control, the amount to be paid per workweek, and the individual settlement awards to eligible Class Members. The Compensable Workweeks will be calculated by the Administrator for each Class Member. Defendant's workweek data will be presumed to be correct, unless a particular Class Member proves otherwise to the Administrator by credible evidence. The individual settlement awards will be determined by dividing the Net Settlement Fund by the total number of Compensable Workweeks for the entire Settlement Class resulting in the Workweek Value; and then multiplying the Workweek Value by the number of Compensable Workweeks worked by each Class Member.

224.1. Tax Allocation of Individual Class Payments. 10% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The 90% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for alleged unpaid interest (45% allocation), and alleged unpaid civil and statutory penalties (45% allocation), (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

2242. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

225. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$25,000.00 to be paid from the Gross Settlement Amount, with 75% (\$18,750.00) allocated to the LWDA PAGA Payment and 25% (\$6,250.00) allocated to the Individual PAGA Payments.

225.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$6,250.00) 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.

225.2. 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.

3. SETTLEMENT FUNDING AND PAYMENTS.

31. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 6,577 Class Members who collectively worked a total of 53,273 Workweeks through July 28, 2022, and 3,019 Aggrieved Employees who worked a total 22,244 of PAGA Pay Periods.

32. Class Data. Not later than 14 days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet, which includes the social security numbers, most recent contact information, and work week data for each of the Class Members, to the extent it is in Defendant's possession or control. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

33. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than 14 days after the Effective Date.
34. Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
341. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
342. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
343. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

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

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

61 Plaintiff's Release. Plaintiff and his or her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class 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 (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiff's PAGA Notice, or ascertained during the Action and released under 6.2, below. ("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 Class 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.

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

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

62 Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged under state, federal or local law, whether statutory, common law, or administrative law, based on the facts alleged in the Action, during the periods of employment as detailers or independent contractors in California during the Class Period, including allegations of alleged, failure to pay timely wages; failure to pay overtime wage; meal period

violations; rest period violations; failure to pay meal or rest period premiums; failure to reimburse expenses; wage statement violations; waiting time penalties; misclassification of independent contractors; civil penalties, including penalties under PAGA, based on the allegations set forth above; violations of Business and Professions Code section 17200 based on the allegations set forth above; including, but not limited to, claims for injunctive relief; penalties of any nature; interest; fees; and costs (“Released Claims”). Except as set forth in Section 6.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

63 Release by Aggrieved Employees and by Non-Participating Class Members Who Are Aggrieved Employees: All Aggrieved Employees including All Non-Participating Class Members who are 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, the PAGA Notice and ascertained in the course of the Action including but not limited to violations of Labor Code sections 201-204, 226(a), 226.7, 226.8, 432.5, 510,512, 1194, 1194.2, 1199, and 2802.

7. **MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary Approvals.

71 Defendant’s Declaration in Support of Preliminary Approval. Within 14 days of the full execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed Declaration from Defendant and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and Defendant shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

72 Plaintiff’s Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and

extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members or the Administrator; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); and all facts relevant to any actual or potential conflict of interest with Class Members and the Administrator. In their Declarations, Plaintiff and Class Counsel Declaration shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 73 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.
- 74 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

8 SETTLEMENT ADMINISTRATION.

- 81 Selection of Administrator. The Parties have jointly selected ILYM Group to serve as the Administrator and verified that, as a condition of appointment, ILYM Group agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 82 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.
- 83 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

84 Notice to Class Members.

- (i) No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.
- (ii) Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- (iii) Not later than 3 business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- (iv) The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- (v) If the Administrator, Defendant or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

85 Requests for Exclusion (Opt-Outs).

- (i) Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re- mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
 - (ii) The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
 - (iii) Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 6.2 and 6.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
 - (iv) Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.3 of this Agreement and are eligible for an Individual PAGA Payment.
- 86 Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall

be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges.

87 Objections to Settlement.

- (i) Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.
- (ii) Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).
- (iii) Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

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

- (i) Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.
- (ii) Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class

Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

- (iii) Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- (iv) Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- (v) Administrator’s Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.
- (vi) Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

- 9. CLASS SIZE ESTIMATES and ESCALATOR CLAUSE** Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, (1) there are 6,577 Class Members and 53,273 Total Workweeks through July 28, 2022 and (2) there were 3,019 Aggrieved Employees who worked 22,244 Pay Periods during the PAGA Period. If the Total Workweeks count increases by more than 7.5%, Defendant shall increase the Gross

Settlement Amount by the percentage of increase, and Defendant shall bear the increased cost of the Settlement Administration.

10. **DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 3% of the total of all Class Members, or if the payroll taxes exceed \$15,000.00, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw within five (5) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.
11. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.
 - 11.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
 - 11.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
 - 11.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
 - 11.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and

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

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

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

13. ADDITIONAL PROVISIONS.

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

- 132 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 133 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 134 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 135 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 136 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

- 137 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 138 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 139 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 1310 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 1311 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 1312 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 1313 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 1314 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.
- 1315 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

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

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

To Plaintiff:

Kingsley & Kingsley, APC
Eric B. Kingsley
Liane Katzenstein Ly
Jessica Bulaon
16133 Ventura Blvd., Suite 1200
Encino, CA 91436
To Defendant:

Klinedinst PC
Thomas E. Daugherty
501 West Broadway, Suite 600
San Diego, California 92101

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

13.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to 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.

13.20 No Third-Party Beneficiary. There are no third party beneficiaries who are to be benefited or who may enforce the terms of this Memorandum, other than as expressly stated herein.

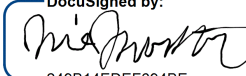
13.21 Stipulation to Class Certification. The Parties agree to stipulate to class certification for settlement purposes as part preliminary approval of the settlement, subject to court approval.

13.22 No Media. Following preliminary approval of the Settlement, the Class Representative and Class Counsel will not have any communications with the media other

than to direct the media to the public records of the Action on file with the courts. Class Counsel will take all steps necessary to ensure the Class Representative is aware of, and will encourage the Class Representative to adhere to, the restriction against any media comment on the Settlement and its terms. Class Counsel further agrees not to use the Settlement of this Action or any of its terms for any marketing purposes.

Plaintiff

Dated: October 20, 2022

DocuSigned by:

249B14EDEF694BE...

Mie Moulton

Defendant

Dated: October 20, 2022

BET Information Systems, Inc.

DATED: October 20, 2022

KINGSLEY & KINGSLEY, APC



By: Liane Katzenstein Ly
Attorneys for Plaintiff and the Proposed Classes

DATED: October 20, 2022

KLINEDINST PC

By: Thomas E. Daugherty
Attorneys for Defendant BET Information Systems,
Inc.

than to direct the media to the public records of the Action on file with the courts. Class Counsel will take all steps necessary to ensure the Class Representative is aware of, and will encourage the Class Representative to adhere to, the restriction against any media comment on the Settlement and its terms. Class Counsel further agrees not to use the Settlement of this Action or any of its terms for any marketing purposes.

Plaintiff

Dated: October 25, 2022

Mic Moulton

Defendant

Dated: October 25, 2022 Paul Kalivas
Paul Kalivas (Nov 4, 2022 11:20 PDT)

BET Information Systems, Inc.

APPROVED AS TO FORM:

DATED: October 25, 2022

KINGSLEY & KINGSLEY, APC

By: _____
Liane Katzenstein Ly
Attorneys for Plaintiff and the Proposed Classes

APPROVED AS TO FORM:

DATED: November 4, 2022

KLINEDINST PC

By: Thomas E. Daugherty
Thomas E. Daugherty
Attorneys for Defendant BET Information Systems,
Inc.

EXHIBIT A

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

MIE MOULTON, an individual, on behalf of herself and others similarly situated, PLAINTIFF,
v. BET INFORMATION SYSTEMS, INC.; and DOES 1 thru 50, inclusive, DEFENDANTS,
Case No. 21STCV38602

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

You may be eligible to receive money from an employee class action lawsuit (“Action”) against BET INFORMATION SYSTEMS, INC. (abbreviate name; “Defendant” or “BET” is used herein as a placeholder) for alleged wage and hour violations. The Action was filed by a former BET employee MIE MOULTON (“Plaintiff”) and seeks payment of (1) back wages and other relief for all persons who are employed or have been employed as an independent contractor by BET Information Systems, Inc., in the State of California during the Release Period (“Independent Contractor Class”); and all persons who are employed or have been employed as a detailer by BET Information Systems, Inc., in the State of California during the Release Period (“Detailer Class”); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all persons who are a member of either the Independent Contractor Class or the Detailer Class from October 20, 2020 to July 28, 2022. (“Aggrieved Employees” or “PAGA Group”).

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

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

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

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

If you worked for Defendant during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

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

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is [date]	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces

Written Objections Must be Submitted by [date]	the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the [date] Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [date]. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by [date]	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendant's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [date]. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former BET employee. The Action accuses Defendant of violating California labor laws by failing to pay wages and overtime pursuant to Labor Code sections 510, 1194, and 1199; failing to provide meal periods pursuant to Labor Code sections 226.7 and 512; failing to provide rest periods pursuant to Labor Code section 226.7; failing to reimburse expenses pursuant to Labor Code section 2802; penalties pursuant to Labor Code section 226(a); penalties pursuant to Labor Code section 203; and unfair business practices pursuant to Business & Professions Code section 17200 et seq.. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiff is represented by attorneys in the Action: Kingsley & Kingsley, APC ("Class Counsel.")

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

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

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

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

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

1. Defendant will Pay \$2,250,000.00 as the Gross Settlement Amount (Gross Settlement). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement not more than 14 days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$750,000.00 (33-1/3% of the Gross Settlement] to Class Counsel for attorneys' fees and up to \$25,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$10,000.00 as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$53,300.00 to the Administrator for services administering the Settlement.
 - D. Up to \$25,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

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

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross

Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve an allocation of 10% of each Individual Class Payment to taxable wages (“Wage Portion”) and 90% to interest and penalties (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

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

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

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void:

Defendant will not pay any money and Class Members will not release any claims against Defendant.

8. Administrator. The Court has appointed a neutral company, [name] (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
9. Participating Class Members’ Release. After the Judgment is final and Defendant has fully funded the Gross Settlement (and separately paid all employer payroll taxes), Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

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

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged under state, federal or local law, whether statutory, common law, or administrative law, based on the facts alleged in the Action, during the periods of employment as detailers or independent contractors in California during the Class Period, including allegations of alleged, failure to pay timely wages; failure to pay overtime wage; meal period violations; rest period violations; failure to pay meal or rest period premiums; failure to reimburse expenses; wage statement violations; waiting time penalties; misclassification of independent contractors; civil penalties, including penalties under PAGA, based on the allegations set forth above; violations of Business and Professions Code section 17200 based on the allegations set forth above; including, but not limited to, claims for injunctive relief; penalties of any nature; interest; fees; and costs (“Released Claims”). Except as set forth in Section 6.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

10. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and Defendant has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim

against Defendant or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

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

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, 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, the PAGA Notice and ascertained in the course of the Action[including, violations of Labor Code sections 201-204, 226(a), 226.7, 226.8, 432.5, 510,512, 1194, 1194.2, 1199, and 2802.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$6,250.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until [date] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

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

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

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

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

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

7. HOW DO I OBJECT TO THE SETTLEMENT?

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

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is [date].** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action Mie Moulton v. BET Information Systems, Inc. et al and include your name, current

address, telephone number, and approximate dates of employment for Defendant and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [date] at [time] in Department 11 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). [confirm]. Check the Court's website for the most current information.

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

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to [Claim Administrator] website at [URL of website]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. 21STCV38602. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

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

Class Counsel:
Eric B. Kingsley
Liane Katzenstein Ly
Jessica Bulaon
eric@kingsleykingsley.com
liane@kingsleykingsley.com
jessi@kingsleykingsley.com

service@kingsleykingsley.com
Kingsley & Kingsley, APC
16133 Ventura Blvd., Suite 1200
Encino, CA 91436
(818) 990-8300

Settlement Administrator:
[Name of Company]
[Email Address]

[Mailing Address]
[Telephone]
[Fax Number]

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

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

11. WHAT IF I CHANGE MY ADDRESS?

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

EXHIBIT "2"

~~[FORM]~~ CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE[†]

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff MIE MOULTON~~[name]~~ (“Plaintiff”) and defendant BET INFORMATION SYSTEMS, INC.~~XYZ~~~~[name]~~ (“Defendant~~XYZ~~”). The Agreement refers to Plaintiff and Defendant~~XYZ~~ collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant~~XYZ~~ captioned MIE MOULTON, an individual, on behalf of herself and others similarly situated, PLAINTIFF, v. BET INFORMATION SYSTEMS, INC.; and DOES 1 thru 50, inclusive, DEFENDANTS, Case No. 21STCV38602~~[caption and case number]~~ initiated on October 20, 2021~~[filing date]~~ and pending in Superior Court of the State of California, County of Los Angeles.
- 1.2. “Administrator” means ILYM Group~~[name]~~, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” “PAGA Group” or “PAGA Member” means all persons who are a member of either the Independent Contractor Class or the Detailer Class from October 20, 2020 to July 28, 2022~~[e.g., a person employed by XYZ in California and classified as a _____ who worked for XYZ during the PAGA Period]~~.
- 1.5. “Classes” means
All persons who are employed or have been employed as an independent contractor by BET Information Systems, Inc., in the State of California during the Release Period (“Independent Contractor Class”); and
All persons who are employed or have been employed as a detailer by BET Information Systems, Inc., in the State of California during the Release Period (“Detailer Class”)~~[define class e.g., all persons employed by XYZ in California and classified as _____ who worked for XYZ during the Class Period]~~.
- ~~1.5.1.6.~~ “Class Counsel” means Kingsley & Kingsley, APC~~[name]~~.
- ~~1.6.1.7.~~ “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.

~~1.7.1.8.~~ “Class Data” means Class Member identifying information in Defendant XYZ’s possession including the Class Member’s name, last-known mailing address, Social Security number, ~~and~~ and number of Class Period Workweeks and PAGA Pay Periods.

~~1.8.1.9.~~ “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

~~1.9.1.10.~~ “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

~~1.10.1.11.~~ “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English ~~{with a Spanish translation, if applicable}~~ in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

~~1.11.1.12.~~ “Class Period” means the period from October 20, 2017 to July 28, 2022~~{date}~~ to ~~{date}~~.ⁱⁱ

~~1.12.1.13.~~ “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.

~~1.13.1.14.~~ “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

~~1.14.1.15.~~ “Court” means the Superior Court of California, County of Los Angeles.

~~1.15.1.16.~~ “Defendant XYZ” means named Defendant BET INFORMATION SYSTEMS, INC.~~{name}~~.

~~1.17.~~ “Defense Counsel” means Klinedinst PC~~{name}~~.

~~1.18.~~ “Detailer” is a person who performs retail and merchandising services, including but not limited to audits (entering data and taking pictures of products), merchandising (building displays, stocking shelves, adding promotional materials to products, etc.), sell-ins (introducing new products to store managers), in-store demonstrations (handing out samples and explaining products), digital demonstrations (creating video reviews of products), resets (rearranging products in a store), and other services.

~~1.16.~~ _____

~~1.17.~~ _____

~~1.18.~~ —“Effective Date” means the date by when all of the following events have occurred: (1) the Stipulation of Settlement has been executed by all Parties, Class Counsel and Defendant’s Counsel; (2) the Court has given preliminary approval to the Stipulation of Settlement; (3) the Notice of Class Action Settlement has been given to the putative members of the Settlement Class, providing them with an opportunity to object to the terms of this Stipulation of Settlement or to opt out of the Stipulation of Settlement; (4) the court has held a formal fairness hearing and entered a final Order and Judgment certifying the Settlement Class, and approving the Stipulation of Settlement; and sixty-five (65) calendar days have passed since the Court has entered a final Order and Judgment certifying the Settlement Class and approving the Stipulation of Settlement, with no appeal having been filed. In the event an appeal is timely filed, the Effective Date shall occur five (5) business days after any appeal, writ or other appellate proceedings opposing the Stipulation of Settlement has been finally and conclusively dismissed with no right to pursue further remedies or relief and this Settlement has been upheld. both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

~~1.19.~~

~~1.19.~~1.20. “Final Approval” means the Court’s order granting final approval of the Settlement.

~~1.20.~~1.21. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

~~1.21.~~1.22. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

~~1.22.~~1.23. “Gross Settlement Amount” means \$2,250,000.00~~[\$amount]~~ which is the total amount DefendantXYZ agrees to pay under the Settlement except as provided in Paragraph 109 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator’s Expenses.

~~1.23.~~1.24. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

~~1.24.~~1.25. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.

~~1.25.~~1.26. “Judgment” means the judgment entered by the Court based upon the Final Approval.

~~1.26.~~1.27. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

~~1.27.~~1.28. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

~~1.28.~~1.29. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

~~1.29.~~1.30. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

~~1.30.~~1.31. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for DefendantXYZ for at least one day during the PAGA Period.

~~1.31.~~1.32. “PAGA Period” means the period from October 20, 2020 to July 28, 2022~~{date}~~ to ~~{date}~~.ⁱⁱⁱ

~~1.32.~~1.33. “PAGA” means the Private Attorneys General Act of 2004 (Labor Code §§ 2698. et seq.).

~~1.33.~~1.34. “PAGA Notice” means Plaintiff’s October 20, 2021~~{date}~~ letter to DefendantXYZ and the LWDA ~~[and Plaintiff’s {date} letter to XYZ and the LWDA]~~ providing notice pursuant to Labor Code section 2699.3, subd.(a).

~~1.34.~~1.35. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$6,250.00 ~~[insert amount]~~) and the 75% to LWDA (\$18,750.00~~[insert amount]~~) in settlement of PAGA claims.

~~1.35.~~1.36. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

~~1.36.~~1.37. “Plaintiff” means MIE MOULTON~~[name]~~, the named plaintiff in the Action.

~~1.37.~~1.38. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

~~1.38.~~1.39. “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.

~~1.39.~~1.40. “Released Class Claims” means the claims being released as described in Paragraph 6.2 below.

~~1.40.~~1.41. “Released PAGA Claims” means the claims being released as described in Paragraph 6.~~32~~ below.

~~1.41.~~1.42. “Released Parties” means: DefendantXYZ and all of its present and former, direct and indirect, parent companies, subsidiaries, owners, divisions, concepts, related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any individuals or entity which could be liable for any of the Released Claims and Defendant’s counsel of record in the Action.~~each of its former and present directors, officers, shareholders, owners, [members], attorneys, insurers, predecessors, successors, assigns, [subsidiaries,] and [affiliates].~~

~~1.42.~~1.43. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

~~1.43.~~1.44. “Response Deadline” means [e.g., 60] days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

~~1.44.~~1.45. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

~~1.45.~~1.46. “Workweek” means any week during which a Class Member worked for DefendantXYZ for at least one day, during the Class Period.^{iv}

1. RECITALS.

1.1. On October 20, 2021~~[date]~~, Plaintiff commenced this Action by filing a Complaint alleging causes of action against DefendantXYZ for failure to pay wages and overtime pursuant to Labor Code sections 510, 1194, and 1199; failure to provide meal periods pursuant to Labor Code sections 226.7 and 512; failure to provide rest periods pursuant to Labor Code section 226.7; failure to reimburse expenses pursuant to Labor Code section 2802; penalties pursuant to Labor Code section 226(a); penalties pursuant to Labor Code section 203; and unfair business practices pursuant to Business & Professions Code section 17200 et seq.~~[specify causes of action]. [The Complaint is the operative complaint in the Action (the “Operative Complaint.”)]~~ [On December 27, 2021~~[date]~~, Plaintiff filed a [e.g., First Amended Complaint (“FAC”)] alleging an additional causes of action against DefendantXYZ for penalties pursuant to the Private Attorney General Act of 2004 (“PAGA”) (Lab. Code § 2699 et seq.)~~[specify causes of action]~~. The [e.g., First Amended] Complaint is the operative complaint in the Action (the “Operative Complaint.”)].

DefendantXYZ denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.

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

1.2.1.3. On March 24, 2022, Defendant filed its Notice of Removal in Los Angeles Superior Court, removing the action to the United States District Court for the Central District of California.

1.3.1.4. On June 13, 2022~~[date[s],~~ [the Parties participated in an all-day mediation presided over by mediator Tripper Ortman III~~[mediator's name]~~ which led to this Agreement to settle the Action~~[or describe alternative means of negotiation]~~.

1.4.1.5. Prior to ~~[mediation]~~~~[negotiating the Settlement]~~, Plaintiff obtained, through ~~[formal]~~~~[informal]~~ discovery, pertinent documents and data for the Class and PAGA Members so that the Parties could fully investigate the claims at issue and understand their strengths and weaknesses~~[identify documents, testimony and information obtained]~~. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

1.6. The Court ~~[has]~~~~[has not]~~ granted class certification.~~[Insert details as needed.]~~

1.5.1.7. On June 21, 2022, the Parties stipulated to remand the action back to Los Angeles County Superior Court. The Court granted the stipulation and ordered the action to be remanded on the same day.

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

2. MONETARY TERMS.

2.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 109 below, DefendantXYZ promises to pay \$2,250,000.00~~[amount]~~ and no more as the Gross Settlement Amount ~~[and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments.]~~ DefendantXYZ has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.36.1 of this Agreement.^v The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to DefendantXYZ.

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

2.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$~~10,000.00~~~~[amount]~~ (in addition to any Individual Class Payment ~~and any Individual PAGA Payment~~ the Class Representative is entitled to receive as a Participating Class Member). ~~DefendantXYZ~~ will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than ~~16 court~~ days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

2.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than ~~33-1/3—~~%, which is currently estimated to be \$~~750,000.00~~~~[amount]~~ and a Class Counsel Litigation Expenses Payment of not more than \$~~25,000.00~~~~[amount]~~. ~~DefendantXYZ~~ will not oppose requests for these payments provided that ~~they~~ do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than ~~16 court~~ days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds ~~DefendantXYZ~~ harmless, and indemnifies ~~DefendantXYZ~~, from any dispute or controversy regarding any division or sharing of any of these Payments.

2.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$~~530,3000.00~~~~[amount]~~ except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$~~530,3000.00~~~~[amount]~~, the Administrator will retain the remainder in the Net Settlement Amount.

2.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

~~2.2.4.1. Tax Allocation of Individual Class Payments. [Specify percentage]10% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The [specify percentage]90% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for alleged unpaid interest (45% allocation), and alleged unpaid civil and statutory penalties (45% allocation), (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment. [e.g., interest and penalties] (the "Non-Wage Portion").^{vi} The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.~~

~~2.2.4.2.2.2.4.1.~~

~~2.2.4.3.2.2.4.2.~~ Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

2.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$~~25,000.00~~~~[amount]~~ to be paid from the Gross Settlement Amount, with 75% (\$~~18,750.00~~~~[amount]~~) allocated to the LWDA PAGA Payment and 25% (\$~~6,250.00~~~~[amount]~~) allocated to the Individual PAGA Payments.

2.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$~~6,250.00~~~~[amount]~~) 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.

2.2.5.2. 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.

3. SETTLEMENT FUNDING AND PAYMENTS.

3.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant XYZ estimates there are ~~6,2536,577~~~~[number]~~ Class Members who collectively worked a total of ~~50,89153, 273~~~~[amount]~~ Workweeks ~~through May 11,~~

~~2022~~July 28, 2022, and ~~{number}~~3,019 of Aggrieved Employees who worked a total ~~22,244~~~~{amount}~~ of PAGA Pay Periods.

- 3.2. Class Data. Not later than ~~{e.g., 145}~~ days after the Court grants Preliminary Approval of the Settlement, DefendantXYZ will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. DefendantXYZ has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which DefendantXYZ must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
- 3.3. Funding of Gross Settlement Amount. DefendantXYZ shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay DefendantXYZ's share of payroll taxes by transmitting the funds to the Administrator no later than ~~{14}~~ days after the Effective Date.
- 3.4. Payments from the Gross Settlement Amount. Within ~~{14}~~ days after DefendantXYZ funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
- 3.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

3.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within [7] days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

3.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks [to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).] ~~[or to a Court-approved nonprofit organization or foundation consistent with Code of Civil Procedure Section 384, subd. (b) ("Cy Pres Recipient") [adding name]]. The Parties, Class Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended Cy Pres Recipient.~~

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

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

6.1 Plaintiff's Release. Plaintiff and his or her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences [that occurred during the Class 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 (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiff's PAGA Notice, [or ascertained during the Action and released under 6.2, below]. ("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 Class 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.

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

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

- 6.2 Release by Participating Class Members Who Are Not Aggrieved Employees: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged under state, federal or local law, whether statutory, common law, or administrative law, based on the ~~Class Period~~ facts alleged in the Action, during the periods of employment as detailers or independent contractors in California during the Class Period, stated in the Operative Complaint [and ascertained in the course of the Action] [including allegations of alleged, failure to pay timely wages; failure to pay overtime wage; meal period violations; rest period violations; failure to pay meal or rest period premiums; failure to reimburse expenses; wage statement violations; waiting time penalties; misclassification of independent contractors; civil penalties, including penalties under PAGA, based on the allegations set forth above; violations of Business and Professions Code section 17200 based on the allegations set forth above; including, but not limited to, claims for injunctive relief; penalties of any nature; interest; fees; and costs ("Released Claims") e.g., "(a) any and all claims involving any alleged failure to pay minimum wage; etc.]. Except as set forth in Section 6.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

- 6.3 Release by Non-Participating Class Members Who Are Aggrieved Employees: All Non-Participating Class Members who are 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 ~~[and ascertained in the course of the Action]~~[including, violations of Labor Code sections 201-204, 226(a), 226.7, 226.8, 432.5, 510, 512, 1194, 1194.2, 1199, and 2802 e.g., "(a) any and all claims involving any alleged failure to pay minimum wage; etc.].

7. **MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary Approvals.

7.1 DefendantXYZ’s Declaration in Support of Preliminary Approval. Within ~~[]~~ 14 days of the full execution of this Agreement, DefendantXYZ will prepare and deliver to Class Counsel a signed Declaration from DefendantXYZ and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator ~~and Cy Pres Recipient~~. In their Declarations, Defense Counsel and DefendantXYZ shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

7.2 Plaintiff’s Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: -(i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members ~~and/or the proposed Cy Pres~~; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members; ~~and/or~~ the Administrator ~~and/or the proposed Cy Pres~~; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and all facts relevant to any actual or potential conflict of interest with Class Members; and the Administrator, ~~and/or the Cy Pres Recipient~~. In their Declarations, Plaintiff and Class Counsel Declaration shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

7.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than ~~{30}~~ days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court’s Preliminary Approval to the Administrator.

7.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel

and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

8. SETTLEMENT ADMINISTRATION.

8.1 Selection of Administrator. The Parties have jointly selected ~~{name}~~ ILYM Group to serve as the Administrator and verified that, as a condition of appointment, ~~{name}~~ ILYM Group agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

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

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

8.4 Notice to Class Members.

(i) ~~_____~~ No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.

(i) ~~_____~~

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

(ii) ~~_____~~

~~(iii)~~ —

~~(iv)~~ — Not later than {3} business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

~~(iii)~~ —

~~(v)~~ —

~~(vi)~~ — The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional {14} days beyond the {60} days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

~~(iv)~~ —

~~(vii)~~ —

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

8.5 Requests for Exclusion (Opt-Outs).

~~(i)~~ — Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than {60} days after the Administrator mails the Class Notice (plus an additional {14} days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

~~(i)~~ —

- (ii) —The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- (iii) —Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 6.2 and 6.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- (iv) —Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.34 of this Agreement and are eligible for an Individual PAGA Payment.

~~8.6~~ —Challenges to Calculation of Workweeks. Each Class Member shall have ~~60~~ days after the Administrator mails the Class Notice (plus an additional ~~14~~ days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges.

~~8.6~~

~~8.7~~

~~8.68.7~~ Objections to Settlement.

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

(i) —

(ii) —

(iii) — Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than [60] days after the Administrator's mailing of the Class Notice (plus an additional [14] days for Class Members whose Class Notice was re-mailed).

(ii) —

(iv) —

(v)(iii) — Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

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

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

(i) —

(ii) —

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

~~(iii)~~ —

~~(iv)~~ —

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

~~(v)~~ —

~~(vi)~~ —

~~(vii)~~ — Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.

~~(iv)~~ —

~~(viii)~~ —

~~(ix)~~ — Administrator’s Declaration. Not later than ~~{14}~~ days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.

~~(v)~~ —

~~(x)~~ —

~~(xi)~~~~(vi)~~ — Final Report by Settlement Administrator. Within ~~{10}~~ days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least ~~{15}~~ days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

9. CLASS SIZE ESTIMATES ~~{and ESCALATOR CLAUSE}~~ –Based on its records, Defendant XYZ estimates that, as of the date of this Settlement Agreement, (1) there are 6,577~~253~~~~[number]~~ Class Members and 530,273~~891~~~~[number]~~ Total Workweeks through July 28, 2022~~May 11, 2022~~ during the Class period and (2) there were 3,019~~[number]~~ Aggrieved Employees who worked ~~[number]~~22,244 Pay Periods during the PAGA Period.^{vii} If the workweek count increases by more than 7.5%, Defendant shall increase the Gross Settlement Amount by the percentage of increase, and Defendant shall bear the increased cost of the Settlement Administration.

9.—

10.—

11. DEFENDANT XYZ'S RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 3%~~[specify percentage]~~ of the total of all Class Members, or if the payroll taxes exceed \$15,000.00, Defendant XYZ may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant XYZ withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant XYZ will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant XYZ must notify Class Counsel and the Court of its election to withdraw not later than ~~[seven]~~ within five (5) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10.—

12.—

13.11. MOTION FOR FINAL APPROVAL. Not later than [16] court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiff shall provide drafts of these documents to Defense Counsel not later than [seven] days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

13.1 — Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than not [five] court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

11.1

13.2

11.2 — Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as

necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

~~13.3-~~

~~13.4-~~

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

~~13.5-~~

~~13.6-~~

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

11.4

~~13.8-~~

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

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

15.13. ADDITIONAL PROVISIONS.

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

15.213.2 — **Confidentiality Prior to Preliminary Approval.** Plaintiff, Class Counsel, DefendantXYZ and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, DefendantXYZ and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

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

~~15.4~~13.4 — Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

~~15.5~~13.5 — Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and DefendantXYZ, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

~~15.6~~13.6 — Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

~~15.7~~13.7 — No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

~~15.8~~13.8 — No Tax Advice. Neither Plaintiff, Class Counsel, DefendantXYZ nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

~~13.9~~ — ~~MM~~Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

13.10

Agreement Binding on Successors. This Agreement will be binding upon, and ~~d~~d-inure to the benefit of, the successors of each of the Parties.

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

13.12Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

13.13Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

13.14Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by DefendantXYZ in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from DefendantXYZ unless, prior to the Court's discharge of the Administrator's obligation, DefendantXYZ makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

13.15Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

13.16Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

13.17Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Kingsley & Kingsley, APC
Eric B. Kingsley
Liane Katzenstein Ly
Jessica Bulaon
16133 Ventura Blvd., Suite 1200
Encino, CA 91436

To ~~DefendantXYZ~~:

Klinedinst PC
Thomas E. Daugherty
501 West Broadway, Suite 600
San Diego, California 92101

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

13.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to 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.

13.20 No Third-Party Beneficiary. There are no third party beneficiaries who are to be benefited or who may enforce the terms of this Memorandum, other than as expressly stated herein.

13.21 Stipulation to Class Certification. The Parties agree to stipulate to class certification for settlement purposes as part preliminary approval of the settlement, subject to court approval.

13.22 No Media. Following preliminary approval of the Settlement, the Class Representative and Class Counsel will not have any communications with the media other than to direct the media to the public records of the Action on file with the courts. Class Counsel will take all steps necessary to ensure the Class Representative is aware of, and will encourage the Class Representative to adhere to, the restriction against any media comment on the Settlement and its terms. Class Counsel further agrees not to use the Settlement of this Action or any of its terms for any marketing purposes.

15.9 Effective Date. The effective date of the Settlement shall mean the date when all of the following events have occurred: (1) the Stipulation of Settlement has been executed by all Parties, Class Counsel and Defendant's Counsel; (2) the court has given preliminary approval to the Stipulation of Settlement; (3) the Notice of Class Action Settlement has been given to the putative members of the Settlement Class, providing them with an opportunity to object to the terms of this Stipulation of Settlement or to opt out of the Stipulation of Settlement; and (4) the court has held a formal fairness hearing and entered a final Order and Judgment certifying the Settlement Class, and approving the Stipulation of Settlement. In the event there are written objections filed prior to the final fairness hearing which are not later withdrawn or denied, then the effective date will occur: (a) sixty five (65) calendar days have passed since the Court has entered a final Order and Judgment certifying the Settlement Class and approving the Stipulation of

Settlement, with no appeal having been filed; and (b) only in the event an appeal is timely filed, five (5) business days after any appeal, writ or other appellate proceedings opposing the Stipulation of Settlement has been finally and conclusively dismissed with no right to pursue further remedies or relief.

Plaintiff

Dated: November 16, 2022~~July 5, 2022~~~~July 5, 2022~~~~July 1, 2022~~

Mie Moulton

Defendant

Dated: November 16, 2022~~July 5, 2022~~~~July 5, 2022~~~~July 1, 2022~~

BET Information Systems, Inc.

DATED: November 16, 2022~~July 5, 2022~~~~July 5, 2022~~~~July 1, 2022~~

KINGSLEY & KINGSLEY, APC

By: _____

Liane Katzenstein Ly
Attorneys for Plaintiff and the Proposed Classes

DATED: November 16, 2022~~July 5, 2022~~~~July 5, 2022~~~~July 1, 2022~~

KLINEDINST PC

By: _____

Thomas E. Daugherty
Attorneys for Defendant BET Information Systems, Inc.

EXHIBIT A

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

MIE MOULTON, an individual, on behalf of herself and others similarly situated, PLAINTIFF,
v. BET INFORMATION SYSTEMS, INC.; and DOES 1 thru 50, inclusive, DEFENDANTS,
Case No. 21STCV38602~~[case name and number]~~

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

You may be eligible to receive money from an employee class action lawsuit (“Action”) against BET INFORMATION SYSTEMS, INC.~~[name of defendant]~~ (abbreviate name; “DefendantXYZ” or “BET” is used herein as a placeholder) for alleged wage and hour violations. The Action was filed by a~~[n]~~[former] BETXYZ employee MIE MOULTON~~[name]~~ (“Plaintiff”) and seeks payment of (1) back wages ~~[and other relief]~~ for all persons who are employed or have been employed as an independent contractor by BET Information Systems, Inc., in the State of California during the Release Period (“Independent Contractor Class”); and all persons who are employed or have been employed as a detailer by BET Information Systems, Inc., in the State of California during the Release Period (“Detailer Class”)~~a class of [e.g., hourly] employees (“Class Members”) who worked for XYZ during the Class Period ([date] to [date]);~~ and (2) penalties under the California Private Attorney General Act (“PAGA”) for all persons who are a member of either the Independent Contractor Class or the Detailer Class from October 20, 2020 to July 28, 2022.~~all [e.g., hourly] employees who worked for XYZ during the PAGA Period ([date] to [date])~~ (“Aggrieved Employees” or “PAGA Group”).

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

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

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

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and

Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires [DefendantXYZ](#) to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against [DefendantXYZ](#).

If you worked for [DefendantXYZ](#) during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

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

[DefendantXYZ](#) will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don’t Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against DefendantXYZ that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is [date]	If you don’t want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. DefendantXYZ must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel

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

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a ~~[an]~~ ~~[former]~~ [BETXYZ](#) employee. The Action accuses [DefendantXYZ](#) of violating California labor laws by [failing to pay wages and overtime pursuant to Labor Code sections 510, 1194, and 1199; failing to provide meal periods pursuant to Labor Code sections 226.7 and 512; failing to provide rest periods pursuant to Labor Code section 226.7; failing to reimburse expenses pursuant to Labor Code section 2802; penalties pursuant to Labor Code section 226\(a\); penalties pursuant to Labor Code section 203; and unfair business practices pursuant to Business & Professions Code section 17200 et seq.](#) ~~failing to pay [e.g., overtime wages, minimum wages, wages due upon termination and reimbursable expenses] and failing to provide [e.g., meal periods, rest breaks and accurate itemized wage statements]~~. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiff is represented by attorneys in the Action: [Kingsley & Kingsley, APC](#) ~~[name of attorney and law firm]~~ ("Class Counsel.")

[DefendantXYZ](#) strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

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

So far, the Court has made no determination whether [DefendantXYZ](#) or Plaintiff is correct on the merits. In the meantime, Plaintiff and [DefendantXYZ](#) ~~[hired [an experienced, neutral mediator] [a retired judge]]~~ ~~[describe alternative means of negotiations]~~ in an effort to resolve the Action by

negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and DefendantXYZ have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, DefendantXYZ does not admit any violations or concede the merit of any claims.

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

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

1. DefendantXYZ wWill Pay \$2,250,000.00[\$amount] as the Gross Settlement Amount (Gross Settlement). DefendantXYZ has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, DefendantXYZ will fund the Gross Settlement not more than 14 days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$750,000.00[\$ amount] (33-1/3% of the Gross Settlement] to Class Counsel for attorneys’ fees and up to \$25,000.00[amount] for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$10,000.00[amount] as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff’s Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$50,000.0053,300.00[amount] to the Administrator for services administering the Settlement.

- D. Up to \$25,000.00~~[amount]~~ for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

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

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiff and DefendantXYZ are asking the Court to approve an allocation of 10%~~[specify percentage]~~ of each Individual Class Payment to taxable wages (“Wage Portion”) and 90%~~[specify percentage]~~ to ~~[e.g., interest, and penalties etc.]~~ (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. ~~[Option 1: (DefendantXYZ will separately pay employer payroll taxes it owes on the Wage Portion.)]~~ The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

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

Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against [DefendantXYZ](#).

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

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and [DefendantXYZ](#) have agreed that, in either case, the Settlement will be void: [DefendantXYZ](#) will not pay any money and Class Members will not release any claims against [DefendantXYZ](#).
8. Administrator. The Court has appointed a neutral company, [\[name\]](#) (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
9. Participating Class Members’ Release. After the Judgment is final and [DefendantXYZ](#) has fully funded the Gross Settlement ~~[Option 1: (and separately paid all employer payroll taxes)]~~, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against [DefendantXYZ](#) or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

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

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint ~~[and ascertained in the course of the Action]~~ ~~[including, failure to pay timely wages; failure to pay overtime wage; meal period violations; rest period violations; failure to pay meal or rest period premiums; failure to reimburse expenses; wage statement violations; waiting time penalties; misclassification of independent contractors; civil penalties, including penalties under PAGA, based on the allegations set forth above; violations of Business and Professions Code section 17200 based on the allegations set forth above; including, but not limited to, claims for injunctive relief; penalties of any nature; interest; fees; and costs (“Released Claims”)]~~e.g., “(a) any and all claims involving any alleged

~~failure to pay minimum wage; etc.].~~ Except as set forth in Section 6.3 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period. ^{viii.}

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and DefendantXYZ has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against DefendantXYZ, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against DefendantXYZ or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

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

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, 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 ~~[and]~~ ascertained in the course of the Action~~[including, violations of Labor Code sections 201-204, 226(a), 226.7, 226.8, 432.5, 510, 512, 1194, 1194.2, 1199, and 2802e.g., (a) any and all claims involving any alleged failure to pay minimum wage; etc.]~~.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$6,250.00~~[amount]~~ by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in DefendantXYZ's records, are stated in the first page of this Notice. You have until [date] to challenge the number of Workweeks and/or Pay Periods credited

to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

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

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

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

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

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

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and [DefendantXYZ](#) are asking the Court to approve. At least [\[insert\]](#) days before the [\[date\]](#) Final Approval Hearing, Class Counsel

and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website [need details] or the Court's website [need details].

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is [date].** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action [Mie Moulton v. BET Information Systems, Inc. et al](#)~~[case-caption]~~ and include your name, current address, telephone number, and approximate dates of employment for [Defendant\[XYZ\]](#) and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [date] at [time] in Department [11\[7\]](#) of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). [confirm]. Check the Court's website for the most current information.

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

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything [DefendantXYZ](#) and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to [~~specify whose~~ [Claim Administrator](#)] website at [[URL of](#)

[website](#)]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) ~~{confirm}~~ and entering the Case Number for the Action, Case No. [21STCV38602](#)~~{number}~~. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

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

Class Counsel:

[Eric B. Kingsley](#)

[Liane Katzenstein Ly](#)

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[Kingsley & Kingsley, APC](#)

[16133 Ventura Blvd., Suite 1200](#)

[Encino, CA 91436](#)

[\(818\) 990-8300](#)

~~{Name of Attorney}~~

~~{Email Address}~~

~~{Name of Firm}~~

~~_____ {Mailing Address}~~

~~_____ {Telephone}~~

~~{Mailing Address}~~~~Fax Number~~

~~{Telephone}~~

~~{Fax Number}~~

service@kingsleykingsley.com

[Kingsley & Kingsley, APC](#)

[16133 Ventura Blvd., Suite 1200](#)

[Encino, CA 91436](#)

[\(818\) 990-8300](#)

Settlement Administrator:

~~[Name of Company]~~

~~[Email Address]~~

~~{Mailing Address}~~

~~_____ {Telephone}~~

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, ~~{you should consult the Unclaimed Property Fund~~ [\[https://www.sco.ca.gov/upd_msg.html\]](https://www.sco.ca.gov/upd_msg.html) ~~website]~~ for instructions on how to retrieve the funds ~~{you will have no way to recover the money}.~~

11. WHAT IF I CHANGE MY ADDRESS?

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

ⁱ ~~This Form Class Action and PAGA Settlement Agreement is for settlements of single plaintiff wage and hour actions asserting class claims and PAGA claims against a single employer (XYZ). The parties will need to revise this form if there are multiple plaintiffs or multiple defendants. For settlements of wage and hour class actions that do not include PAGA claims, please use the Form Class Action Settlement Agreement and Class Notice.~~

ⁱⁱ ~~Whether the “date of preliminary approval” yields a fair and adequate payment to Class Members may depend on whether the Class Members, in exchange for their releases of claims, receive consideration for time worked between the date when parties reached a settlement and the date of preliminary approval. The Parties’ *Kullar* analysis must give the Court sufficient information to allow the Court to determine whether the Gross Settlement Amount “represents a reasonable compromise, given the magnitude and apparent merit of the claims being released, discounted by the risks and expenses of attempting to establish and collect on those claims by pursuing the litigation.” (*Luckey v. Superior Court* (2014) 228 Cal.App.4th 81, 94–95, internal quotation marks omitted.)~~

ⁱⁱⁱ ~~See endnote ii above.~~

^{iv} ~~The Parties may need to tailor this language to pay periods or shifts depending on the facts of the case.~~

^v ~~The Parties are free to negotiate a payment plan structure, if appropriate, and payment deadlines may fall earlier as necessary thereto.~~

^{vi} ~~Note that this is not the only possible appropriate breakdown depending on the claims at issue in the case (e.g., a settlement that is solely a Labor Code Section 226(a) claim.)~~

^{vii} ~~Insert negotiated terms, if any, addressing the possibility that XYZ’s estimates of class size, Workweeks or Pay Periods turn out to be understated such as an ADR clause imposing a duty to engage in good faith negotiations or mediation or an “escalator” clause memorializing XYZ’s promise to increase the Gross Settlement Amount in an agreed-upon proportion to the percentage by which the calculated class size, Workweeks, or Pay Periods exceeds XYZ’s estimates.~~

^{viii} ~~Releases in Notice should track the releases in the Settlement Agreement.~~

(PROOF OF LWDA SUBMISSION)

EXHIBIT "3"

(PROOF OF SERVICE)
[CCP 1013(a)(3)]

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 years and not a party to the within action. My business address is 16133 Ventura Boulevard, Suite 1200, Encino, California 91436.

On November 22, 2022, I served all interested parties in this action the following documents described as: **DECLARATION OF LIANE KATZENSTEIN LY IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT** by placing a true copy thereof enclosed in a sealed envelope addressed as follows:

KLINEDINST PC Thomas Daugherty TDaugherty@Klinedinstlaw.com Jessica S. Park jpark@klinedinstlaw.com 501 West Broadway, Suite 600 San Diego, CA 92101 <i>Attorneys for Defendant</i>	DAVTYAN LAW FIRM, INC. Emil Davtyan emil@davtyanlaw.com 880 E. Broadway Glendale, CA 91205 <i>Attorney for Plaintiff and the Proposed Classes</i>
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[XX] BY ELECTRONIC SERVICE: I caused a true and correct copy thereof to be electronically filed using the Labor and Workforce Development Agency Electronic Filing ("EF") System (<https://dir.tfaforms.net/308>) and service was completed by electronic means by transmittal of the documents referenced herein on the EF System.

[XX] (BY ELECTRONIC MAIL TRANSMISSION) I caused the document to be send to the persons at the e-mail address(es) listed on the attached service list. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful. A pdf copy of which was sent via email to the below email address(es).

[XX] (STATE) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on November 22, 2022, at Woodland Hills, California.



Michelle Tanzer