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11 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
12 **COUNTY OF ORANGE**
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14 ARTHUR ALFARO, individually and on
15 behalf of others similarly situated,

16 Plaintiff,

17 vs.

18 N & A ENTERPRISES, INC. DBA BIG D
19 FLOOR COVERING SUPPLIES, a
20 California corporation; and DOES 1 through
21 50, inclusive,

22 Defendants.
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Case No.: 30-2020-01167182-CU-OE-CXC

*Assigned for all purposes to: Hon. William
Claster, Dept. CX104*

**JOINT STIPULATION OF CLASS
ACTION AND PAGA SETTLEMENT**

Complaint Filed: October 26, 2020

Trial Date: None

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

This Joint Stipulation of Class Action and PAGA Settlement is entered into by and between Plaintiff Arthur Alfaro, individually and on behalf of the Settlement Class and Defendant N&A Enterprises, Inc. dba Big D Floor Covering Supplies.

DEFINITIONS

1. "Agreement" or "Settlement Agreement" means this Joint Stipulation of Class Action and PAGA Settlement.

2. "Action" means the court action, entitled "*Alfaro v. N&A Enterprises, Inc.*," Case No. 30-2020-01167182-CU-OE-CXC, pending before the Orange County Superior Court.

3. "Class Counsel" means Protection Law Group, LLP.

4. "Class Counsel's Fees and Costs" means attorneys' fees for Class Counsel's litigation and resolution of this Action and their expenses and costs incurred in connection with the Action, which shall be paid from the Gross Settlement Amount. Class Counsel will request attorneys' fees not to exceed one-third (33.33%) of the Gross Settlement Amount, i.e. Two Hundred and Thirty-Three Thousand Three Hundred and Thirty Three Dollars and Thirty Three Cents (\$233,333.33) and the reimbursement costs and expenses associated with the litigation and settlement of the Action, not to exceed Thirty Thousand Dollars (\$30,000.00), subject to the Court's approval. Defendant has agreed not to oppose Class Counsel's request for fees and reimbursement of costs and expenses in the amount set forth above.

5. "Class List" means a complete list of all Class Members that Defendant will diligently and in good faith compile from their records and provide to the Settlement Administrator within twenty-one (21) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include Class Member's: (1) full name; (2) last known home address; (3) last known telephone number; (4) social security number; (5) start and end dates of active employment as a non-exempt employee of Defendant in the State of California; (6) total Workweeks during the Class Period; (7) total Workweeks during the PAGA Period; and (8) any other information required by the Settlement Administrator in order to effectuate the terms of the Settlement.

1 6. “Class” or “Class Members” means all current and former hourly-paid, non-
2 exempt employees of Defendant who were employed by Defendant in the State of California at
3 any time during the Class Period.

4 7. “Class Period” means the period from October 26, 2016, to November 26, 2021.

5 8. “Class Representative” means Plaintiff Arthur Alfaro as the representative of the
6 Participating Class Members.

7 9. “Class Representative Enhancement Payment” means the amount that the Court
8 authorizes to be paid to Plaintiff Alfaro, in addition to his Individual Settlement Payment, in
9 recognition of the efforts and risks they have taken in assisting with the prosecution of the Action
10 and in exchange for the General Release of their claims as provided herein.

11 10. “Court” means the Superior Court of the State of California for the County of
12 Orange.

13 11. “Defendant” means N&A Enterprises, Inc. dba Big D Floor Covering Supplies.

14 12. “Effective Date” means: the later of: (a) if no timely objections are filed or if all
15 objections are withdrawn, the date upon which the Court enters Final Approval; (b) if an
16 objection is filed and not withdrawn, the date for filing an appeal and no such appeal being filed
17 (c) if any timely appeals are filed, the date of the resolution (or withdrawal) of any such appeal in
18 a way that does not alter the terms of the settlement

19 13. “Final Approval” means the Court entering an order granting final approval of the
20 Settlement Agreement.

21 14. “Gross Settlement Amount” means the sum of Seven Hundred Thousand Dollars
22 (\$700,000). The Gross Settlement Amount is non-reversionary; no portion of the Gross
23 Settlement Amount will return to Defendant.

24 15. “Individual Settlement Payment” means the amount payable from the Net
25 Settlement Amount to each Participating Class Member and any payment a PAGA Member is
26 eligible to receive from the employee portion of the PAGA Payment. Individual Settlement
27 Payments shall be paid by a Settlement Check made payable to Participating Class Members
28 and/or PAGA Members.

1 16. “Net Settlement Amount” means the funds available for payments to the Class,
2 which shall be amount remaining after the following amounts are deducted from the Gross
3 Settlement Amount: (1) Class Counsel’s fees, (2) Class Counsel’s costs, (3) Settlement
4 Administration Costs, (4) Class Representative Enhancement Payment to Plaintiff Alfaro; and
5 (5) the PAGA Payment to the LWDA and PAGA Members.

6 17. “Notice” means the Notice of Class Action Settlement in a form substantially
7 similar to the form attached hereto as Exhibit A, that will be mailed to Class Members’ last
8 known addresses and which will provide Class Members with information regarding the Action
9 and information regarding the settlement of the Action.

10 18. “PAGA” means the California Labor Code Private Attorneys General Act of 2004
11 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”).

12 19. “PAGA Payment” means the amount that the Parties have agreed to allocate in
13 order to settle claims arising under the Private Attorneys General Act of 2004 (Cal. Lab. Code §§
14 2698, *et seq.*)(“PAGA”). The Parties have agreed that Forty Thousand Dollars (\$40,000.00) of
15 the Gross Settlement Amount will be allocated to the resolution of Plaintiff’s PAGA Claims.
16 Seventy Five Percent (75%) of this amount (\$30,000.00) will be paid to the California Labor and
17 Workforce Development Agency in accordance with Labor Code §§ 2698 *et seq.* Twenty Five
18 Percent (25%) of this amount (\$10,000.00), will be distributed to PAGA Members. PAGA
19 Members will receive payment from the employee portion of the PAGA Payment regardless of
20 their decision to participate in the class action if the PAGA Payment is approved by the Court.

21 20. “PAGA Period” means the period from October 26, 2019, to November 26, 2021.

22 21. “PAGA Members” means all current and former non-exempt employees of
23 Defendant who were employed by Defendant in the state of California at any time during the
24 PAGA Period.

25 22. “Parties” means Plaintiff and Defendant, collectively, and “Party” shall mean
26 either Plaintiff or Defendant, individually.

27 23. “Participating Class Members” means all Class Members who do not submit valid
28 and timely Requests for Exclusion.

1 24. “Plaintiff” means Arthur Alfaro.

2 25. “Preliminary Approval” means the Court order granting preliminary approval of
3 the Settlement Agreement.

4 26. “Objection” means a Class Member’s valid and timely written objection to the
5 Settlement Agreement. For an Objection to be valid, it must include: (a) the objector’s full name,
6 address, telephone number, last four digits of the employee’s social security number or employee
7 ID number and (b) a written statement of all grounds for the objection accompanied by legal
8 support, if any, for such objection.

9 27. “Released Class Claims” means claims, rights, demands, liabilities and causes of
10 actions that are alleged or reasonably could have been alleged based on the facts asserted in the
11 operative complaint in the Action including the following claims: (i) failure to pay all regular
12 wages, minimum wages and overtime wages due; (ii) failure to provide meal periods or
13 compensation in lieu thereof; (iii) failure to provide rest periods or compensation in lieu thereof;
14 (iv) failure to reimburse necessary business expenses; (v) failure to provide complete, accurate
15 wage statements; (vi) failure to pay wages timely at time of termination or resignation; (vii)
16 failure to provide timely pay wages during employment; and (viii) unfair business practices
17 that could have been premised on the facts pled in the operative complaint.

18 28. “Released PAGA Claims” means all claims for civil penalties under the
19 California Labor Code Private Attorneys General Act of 2004 that could have been premised on
20 the facts alleged both in the PAGA Notice provided to the LWDA and in the operative
21 complaint.

22 29. “Released Parties” means Defendant N&A Enterprises, Inc. dba Big D Floor
23 Covering Supplies, and its past, present and/or future, officers, directors, members, managers,
24 employees, agents, representatives, attorneys, insurers, partners, investors, shareholders,
25 administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors,
26 assigns, and joint venturers.

27 30. “Request for Exclusion” means a valid and timely written statement submitted
28 by a Class Member requesting to be excluded from the Action. To be effective, the Request for

1 Exclusion must contain (a) the Class Member's name, address, telephone number, and the last
2 four digits of the Class Member's Social Security number and/or the Employee ID number and
3 (b) a clear statement requesting to be excluded from the settlement of the class claims similar to
4 the following: "I wish to exclude myself from the class settlement reached in the matter of
5 *Alfaro v. N&A Enterprises, Inc. dba Big D Floor Covering Supplies*, I understand that by
6 excluding myself, I will not receive money from the settlement of my individual claims." To be
7 effective, the Request for Exclusion must be post-marked by the Response Deadline and
8 received by the Settlement Administrator. The Request for Exclusion shall not be effective as to
9 the release of claims arising under the Private Attorneys General Act. A Request for Exclusion
10 Form substantially in the manner attached hereto as **Exhibit B** shall be mailed to the class
11 members.

12 31. "Response Deadline" means the date sixty (60) days after the Settlement
13 Administrator mails Notice to Class Members and the last date on which Class Members may
14 submit Requests for Exclusion, written objections to the Settlement, or Workweek Disputes. In
15 the event the 60th day falls on a Sunday or Federal holiday, the Response Deadline will be
16 extended to the next day on which the U.S. Postal Service is open. The Response Deadline for
17 Requests for Exclusion or objections will be extended fifteen (15) calendar days for any Class
18 Member who is re-mailed a Notice by the Settlement Administrator, unless the 15th day falls on
19 a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next
20 day on which the U.S. Postal Service is open. The Response Deadline may also be extended by
21 express agreement between Class Counsel and Defendant. Under no circumstances, however,
22 will the Settlement Administrator have the authority to unilaterally extend the deadline for Class
23 Members to submit a Request for Exclusion or objection to the settlement.

24 32. "Settlement" means the disposition of the Action pursuant to this Agreement.

25 33. "Settlement Administrator" means ILYM Group, Inc. The Parties each represent
26 that they do not have any financial interest in the Settlement Administrator or otherwise have a
27 relationship with the Settlement Administrator that could create a conflict of interest.
28

TERMS OF AGREEMENT

37. Settlement Consideration: Defendant shall fund the Gross Settlement Amount and all applicable employer-side payroll taxes following Final Approval by the Court and the occurrence of the Effective Date. The following will be paid out of the Gross Settlement Amount: the sum of the Individual Settlement Payments, the Class Representative Enhancement Payment, Class Counsel's Fees and Costs, the PAGA Payment, and the Settlement Administration Costs, as specified in this Agreement. Except for any employer-side taxes due on the Individual Settlement Payments, or as a result of an increase in the number of workweeks as set forth below, Defendant shall not be required to pay more than the Gross Settlement Amount. The Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Amount will revert to Defendant.

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

1 by more than 912 Workweeks) Defendant shall increase the Gross Settlement Amount on a *pro-*
2 *rata* basis equal to the percentage increase in the number of Workweeks worked by the Class
3 Members above 10%. For example, if the number of Workweeks increases by 11% the Gross
4 Settlement Amount will increase by 1%.

5 39. Funding of the Gross Settlement Amount: Within fourteen (14) calendar days of
6 the Effective Date of the Settlement, Defendant will deposit the Gross Settlement Amount and
7 all applicable employer-side payroll taxes into a Qualified Settlement Fund ("QSF") to be
8 established by the Settlement Administrator. Defendant shall provide all information necessary
9 for the Settlement Administrator to calculate necessary payroll taxes including its official name,
10 8 digit state unemployment insurance tax ID number, and other information requested by the
11 Settlement Administrator, no later than seven (7) calendar days after the Effective Date.

12 40. Distribution of the Gross Settlement Amount: Within fourteen (14) calendar days
13 of the funding of the Settlement, the Settlement Administrator will issue payments for: (a)
14 Individual Settlement Payments; (b) the PAGA Payment to the Labor and Workforce
15 Development Agency; (c) the Class Representative Enhancement Payment; (d) Class Counsel's
16 Fees and Costs and (e) Settlement Administration Costs.

17 41. Attorneys' Fees and Costs: Defendant agrees not to oppose any application or
18 motion by Class Counsel for attorneys' fees of not more than Two Hundred and Thirty Three
19 Thousand Three Hundred and Thirty Three Dollars and Thirty Three Cents (\$233,333.33) plus
20 the reimbursement of costs and expenses associated with the litigation and settlement of the
21 Action, in an amount not to exceed Thirty Thousand Dollars (\$30,000.00), both of which will be
22 paid from the Gross Settlement Amount. Any portion of the requested fees or costs that is not
23 awarded to the Class Counsel shall be reallocated to the Net Settlement Amount and distributed
24 to Participating Class Members as provided in this Agreement.

25 42. Class Representative Enhancement Payment: Defendant agrees not to oppose or
26 object to any application or motion by Plaintiff for a Class Representative Enhancement Payment
27 of Seven Thousand Five Hundred Dollars (\$7,500). The Class Representative Enhancement
28 Payment is in exchange for the General Release of the Plaintiff's individual claims and for his

time, effort and risk in bringing and prosecuting the Action. Any portion of the requested Class Representative Enhancement Payment that is not awarded by the Court shall be reallocated to the Net Settlement Amount and distributed to Participating Class Members as provided in this Agreement.

43. Settlement Administration Costs: The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Gross Settlement Amount as further set forth in this Agreement. Settlement Administration Costs shall not exceed Eight Thousand Dollars (\$8,000).

44. PAGA Payment: Forty Thousand Dollars (\$40,000.00) shall be allocated from the Gross Settlement Amount for settlement of claims for civil penalties under the PAGA. The Settlement Administrator shall pay seventy-five percent (75%) of the PAGA Payment, or Thirty Thousand Dollars (\$30,000.00), to the California Labor and Workforce Development Agency ("LWDA"). Ten Thousand Dollars (\$10,000), will be distributed to PAGA Members on a *pro rata* basis based on the total number of Workweeks worked by each PAGA Member during the PAGA Period. PAGA Members shall receive their portion of the PAGA Payment regardless of their decision to opt-out of the class settlement.

45. Net Settlement Amount for Payment of Class Claims: The Net Settlement Amount will be used to satisfy the class portion of Participating Class Members Individual Settlement Payments in accordance with the terms of this Agreement. The estimated Net Settlement Amount is as follows:

Gross Settlement Amount	\$	700,000.00
Enhancement Payment:	\$	7,500.00
Class Counsel's Fees:	\$	233,333.33
Class Counsel's Costs:	\$	30,000.00
PAGA Payment	\$	40,000.00
Settlement Administration Costs:	\$	8,000.00
Estimated Net Settlement Amount	\$	381,166.67

1 46. Individual Settlement Payment Calculations: Individual Settlement Payment will
2 be paid from the Net Settlement Amount and the 25% portion of the PAGA Payment allocated
3 for PAGA Members and shall be paid pursuant to the formula set forth herein:

4 a) Calculation of Class Portion of Individual Settlement Payments:

5 The Settlement Administrator will calculate the total Workweeks for all Participating Class
6 Members by adding the number of Workweeks worked by each Participating Class Member
7 during the Class Period. The respective Workweeks for each Participating Class Member will be
8 divided by the total Workweeks for all Participating Class Members, resulting in the Payment
9 Ratio for each Participating Class Member. Each Participating Class Member's Payment Ratio
10 will then be multiplied by the Net Settlement Amount to calculate each Settlement Class
11 Member's estimated share of the Net Settlement Amount.

12 b) Calculation of PAGA Portion of Individual Settlement Payments:

13 The Settlement Administrator will calculate the total Workweeks for all PAGA Members by
14 adding the number of Workweeks worked by each PAGA Member during the PAGA Period.
15 The respective Workweeks for each PAGA Member will be divided by the total Workweeks for
16 all PAGA Members, resulting in the Payment Ratio for each PAGA Member. Each PAGA
17 Member's Payment Ratio will then be multiplied by the employee portion of the PAGA Payment
18 to calculate each PAGA Member's estimated share of the PAGA Payment. PAGA Members
19 shall receive this portion of their Individual Settlement Payment regardless of whether they opt
20 out of the participation regarding the class claims.
21

22 b) Allocation of Individual Settlement Payments: All Individual Settlement
23 Payments will be allocated as follows: twenty percent (20%) of each Individual Settlement
24 Payment will be allocated as wages, forty percent (40%) shall be allocated as interest, and forty
25 percent (40%) shall be allocated as penalties. The portion of the Individual Settlement Payment
26 allocated to wages will be reported by the Settlement Administrator on an IRS Form W-2. The
27 remaining non-wage payments will be reported on an IRS Form-1099 by the Settlement
28 Administrator.

1 47. No Credit Toward Benefit Plans: The Individual Settlement Payments made to
2 Participating Class Members under this Settlement, as well as any other payments made pursuant
3 to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans
4 to which any Class Members may be eligible, including, but not limited to profit-sharing plans,
5 bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and
6 any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not
7 affect any rights, contributions, or amounts to which any Class Members may be entitled under
8 any benefit plans.

9 48. Settlement Administration Process: The Parties agree to cooperate in the
10 administration of the Settlement and to make all reasonable efforts to control and minimize the
11 costs and expenses incurred in administration of the Settlement. The Settlement Administrator
12 will provide the following services:

- 13 a) Establish and maintain a Qualified Settlement Fund.
- 14 b) Calculate the Individual Settlement Payment each Participating Class
15 Member is eligible to receive and the portion of the PAGA Payment each
16 PAGA Member shall receive.
- 17 c) Print and mail the Notice.
- 18 d) Conduct additional address searches for mailed Notices that are returned
19 as undeliverable.
- 20 e) Process Requests for Exclusion, field inquiries from Class Members,
- 21 f) Print and issue and issue Settlement Payment Checks, prepare IRS W2 and
22 1099 Tax Forms and any other filings required by any governmental
23 taxing authority.
- 24 g) Provide declarations and/or other information to this Court as requested by
25 the Parties and/or the Court regarding the settlement administration
26 process.
- 27 h) Provide weekly status reports to counsel for the Parties.
- 28 i) Posting a notice of final judgment online at Settlement Administrator's

1 website.

2 j) Translate the Notice from English to Spanish

3 49. Delivery of the Class List: Within twenty-one (21) calendar days of Preliminary
4 Approval, Defendant will provide the Class List to the Settlement Administrator. This is a
5 material term of the Agreement, and if Defendant fails to comply, Plaintiff shall have the right to
6 void the Agreement.

7 50. Notice by First-Class U.S. Mail: Within seven (7) calendar days after receiving
8 the Class List from Defendant, the Settlement Administrator will mail the Notice to all Class
9 Members via regular First-Class U.S. Mail, using the most current, known mailing addresses
10 identified in the Class List.

11 51. Confirmation of Contact Information in the Class List: Prior to mailing, the
12 Settlement Administrator will perform a search based on the National Change of Address
13 Database for information to update and correct for any known or identifiable address changes.
14 Any Notice returned to the Settlement Administrator as non-deliverable on or before the
15 Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding
16 address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing
17 on the Notice. If no forwarding address is provided, the Settlement Administrator will promptly
18 attempt to determine the correct address using a skip-trace, or other search using the name,
19 address and/or Social Security number of the Class Member involved, and will then perform a
20 single re-mailing. If any notice sent to a Class Member by the Settlement Administrator is
21 returned as undeliverable to a current employee, then Defendant shall make all reasonable efforts
22 to obtain the current address from the Class Member and provide the same within seven (7)
23 calendar days of notice from the Settlement Administrator. Those Class Members who receive a
24 re-mailed Notice, whether by skip-trace or by request, will have between the later of (a) an
25 additional fifteen (15) calendar days or (b) the Response Deadline to postmark a Request for
26 Exclusion, or an objection to the Settlement.

27 52. Notice: All Class Members will be mailed a Notice. Each Notice will provide: (a)
28 information regarding the nature of the Action; (b) a summary of the Settlement's principal

1 terms; (c) the Class definition; (d) the total number of Workweeks each respective Class Member
2 worked for Defendant during the Settlement Class Period; (e) each Class Member's estimated
3 Individual Settlement Payment and the formula for calculating Individual Settlement Payments;
4 (f) the dates which comprise the Class Period; (g) the deadlines by which the Class Member must
5 postmark Requests for Exclusion, Objections to the Settlement, or Workweek Disputes; (h) the
6 claims to be released, as set forth herein; and (j) the date for the final approval hearing.

7 53. Disputed Information on Notice: Class Members will have an opportunity to
8 dispute the information provided in their Notice. To the extent Class Members dispute the
9 number of Workweeks with which they have been credited or the amount of their Individual
10 Settlement Payment, Class Members may produce evidence to the Settlement Administrator
11 showing that such information is inaccurate. Absent evidence rebutting Defendant's records,
12 Defendant's records will be presumed determinative. However, if a Class Member produces
13 evidence to the contrary by the Response Deadline, the Parties will evaluate the evidence
14 submitted by the Class Member and the Parties will make the final decision as to the number of
15 eligible Workweeks that should be applied and/or the Individual Settlement Payment to which
16 the Class Member may be entitled. If the Parties do not agree, the dispute will be submitted to
17 the Court. A workweek dispute form substantially in the form attached hereto as Exhibit C shall
18 be provided to the Class Members.

19 54. Defective Submissions: If a Class Member's Request for Exclusion is defective as
20 to the requirements listed herein, that Class Member will be given an opportunity to cure the
21 defect(s). The Settlement Administrator will mail the Class Member a cure letter within three (3)
22 business days of receiving the defective submission to advise the Class Member that his or her
23 submission is defective and that the defect must be cured to render the Request for Exclusion
24 valid. The Class Member will have until the later of (a) the Response Deadline or (b) fifteen (15)
25 calendar days from the date of the cure letter, whichever date is later, to postmark a revised
26 Request for Exclusion. If a Class Member responds to a cure letter by filing a defective claim,
27 then the Settlement Administrator will have no further obligation to give notice of a need to cure.
28 If the revised Request for Exclusion is not postmarked within that period, it will be deemed

1 untimely.

2 55. Request for Exclusion Procedures: Any Class Member wishing to opt-out from
3 the Action must sign and postmark a written Request for Exclusion to the Settlement
4 Administrator by the Response Deadline. The Request for Exclusion must include (a) the Class
5 Member's name, address, telephone number, and the last four digits of the Class Member's
6 Social Security number and/or the Employee ID number and (b) a clear statement requesting to
7 be excluded from the settlement of the class claims similar to the following: "I wish to exclude
8 myself from the class settlement reached in the matter of *Alfaro v. N&A Enterprises, Inc. dba*
9 *Big D Floor Covering Supplies*. I understand that by excluding myself, I will not receive money
10 from the settlement of my individual claims. The date of the postmark on the return mailing
11 envelope receipt confirmation will be the exclusive means to determine whether a Request for
12 Exclusion has been timely submitted. All Requests for Exclusion will be submitted to the
13 Settlement Administrator, who will certify jointly to Class Counsel and Defendant's Counsel the
14 Requests for Exclusion that were timely submitted. All Class Members who do not request
15 exclusion from the Action will be bound by all terms of the Settlement Agreement if the
16 Settlement is granted final approval by the Court. The Request for Exclusion shall not be
17 effective as to the release of claims arising under the Private Attorneys General Act.

18 56. Defendant's Right to Rescind: If ten percent (10%) or more of the Class Members
19 (rounded to the next whole number) elect not to participate in the Settlement, Defendant may, at
20 its election, rescind the Settlement Agreement and all actions taken in furtherance of it will be
21 thereby null and void. Defendant must meet and confer with Class Counsel prior to exercising
22 this right and must make clear their intent to rescind the Agreement within fourteen (14) calendar
23 days of the Settlement Administrator notifying the Parties of these opt-outs. If Defendant
24 exercises its right to rescind the Agreement, Defendant shall be responsible for all Settlement
25 Administration Costs incurred to the date of rescission.

26 57. Settlement Terms Bind All Class Members Who Do Not Opt-Out: Any Class
27 Member who does not affirmatively opt-out of the Settlement by submitting a timely and valid
28 Request for Exclusion will be bound by all of its terms, including those pertaining to the

1 Released Class Claims, as well as any Judgment that may be entered by the Court if it grants
2 final approval to the Settlement. Class Members who opt-out of the Settlement shall not be
3 bound by such Judgment or release. The names of Class Members who have opted-out of the
4 settlement shall be disclosed to the Counsel for both Plaintiff and Defendant and noted in the
5 proposed Judgment submitted to the Court.

6 58. Objection Procedures: To object to the Settlement, a Participating Class Member
7 must postmark a valid Objection to the Settlement Administrator on or before the Response
8 Deadline. The Objection must be signed by the Participating Class Member and contain all
9 information required by this Settlement Agreement including the employees full name, address,
10 telephone number, the last four digits of their social security number and/or Employee ID
11 number, and the specific reason including any legal grounds for the Participating Class Members
12 objection. The postmark date will be deemed the exclusive means for determining that the Notice
13 of Objection is timely. Participating Class Members who fail to object in the manner specified
14 above will be foreclosed from making a written objection, but shall still have a right to appear at
15 the Final Approval Hearing in order to have their objections heard by the Court. At no time will
16 any of the Parties or their counsel seek to solicit or otherwise encourage Participating Class
17 Members to submit written objections to the Settlement or appeal from the Order and Judgment.
18 Class Counsel will not represent any Class Members with respect to any objections to this
19 Settlement.

20 59. Certification Reports Regarding Individual Settlement Payment Calculations: The
21 Settlement Administrator will provide Defendant's Counsel and Class Counsel a weekly report
22 which certifies: (a) the number of Class Members who have submitted valid Requests for
23 Exclusion; (b) the number of Notices returned and re-mailed and (c) whether any Class Member
24 has submitted a challenge to any information contained in the Notice. Additionally, the
25 Settlement Administrator will provide to counsel for both Parties any updated reports regarding
26 the administration of the Settlement Agreement as needed or requested.

27 60. Uncashed Settlement Checks: Any checks issued by the Settlement Administrator
28 to Participating Class Members and PAGA Members will be negotiable for at least one hundred

eighty (180) calendar days. If a Participating Class Member or PAGA Member does not cash his or her Settlement Check or PAGA payment check within 180 days, the uncashed funds, subject to Court approval, shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code §1500, *et. seq.* for the benefit of those Participating Class Members and PAGA Members who did not cash their checks until such time that they claim their property. The Parties agree that this disposition results in no “unpaid residue” under California Civil Procedure Code § 384, as the entire Net Settlement Amount will be paid out to Participating Class Members and PAGA Members, whether or not they all cash their Settlement Checks or PAGA payment checks. Therefore, Defendant will not be required to pay any interest on such amounts. The Individual Settlement Payments provided to Participating Class Members and to PAGA Members shall prominently state the expiration date or a statement that the Settlement Check will expire in one hundred eighty (180) days, or alternatively, such a statement may be made in a letter accompanying the Individual Settlement Payment. Expired Individual Settlement Payments will not be reissued, except for good cause and as mutually agreed by the Parties in writing. The parties agree no unclaimed funds will result from the settlement.

61. Administration of Taxes by the Settlement Administrator: The Settlement Administrator will be responsible for issuing to Plaintiff, Participating Class Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes and penalties to the appropriate government authorities.

62. Tax Liability: Defendant makes no representation as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiff and Participating Class Members are not relying on any statement, representation, or calculation by Defendant or by the Settlement Administrator in this regard. Plaintiff and Participating Class Members understand and agree that they will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein. Defendant’s share of any employer payroll taxes and other required employer withholdings due on the Individual Settlement Payments, including, but not limited to,

1 Defendant's FICA and FUTA contributions, shall be paid separate and apart from the Gross
2 Settlement Amount.

3 63. Circular 230 Disclaimer: Each Party to this Agreement (for purposes of this
4 section, the "acknowledging party" and each Party to this Agreement other than the
5 acknowledging party, an "other party") acknowledges and agrees that: (1) no provision of this
6 Agreement, and no written communication or disclosure between or among the Parties or their
7 attorneys and other advisers, is or was intended to be, nor shall any such communication or
8 disclosure constitute or be construed or be relied upon as, tax advice within the meaning of
9 United States Treasury Department circular 230 (31 CFR part 10, as amended); (2) the
10 acknowledging party (a) has relied exclusively upon his, her or its own, independent legal and
11 tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not
12 entered into this Agreement based upon the recommendation of any other Party or any attorney
13 or advisor to any other Party, and (c) is not entitled to rely upon any communication or
14 disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be
15 imposed on the acknowledging party, and (3) no attorney or adviser to any other Party has
16 imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax
17 strategies (regardless of whether such limitation is legally binding) upon disclosure by the
18 acknowledging party of the tax treatment or tax structure of any transaction, including any
19 transaction contemplated by this Agreement.

20 64. No Prior Assignments: The Parties and their counsel represent, covenant, and
21 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported
22 to assign, transfer, or encumber to any person or entity any portion of any liability, claim,
23 demand, action, cause of action or right herein released and discharged.

24 65. Release by Participating Class Members: Upon the complete funding of the Gross
25 Settlement Amount and all applicable employer-side payroll taxes by Defendant, Participating
26 Class Members shall fully release and discharge the Released Parties from the Released Class
27 Claims that arose during the Class Period. This release shall be binding on all Participating Class
28 Members.

1 66. Release by the State of California, the LWDA, and PAGA Members: Upon the
2 complete funding of the Gross Settlement Amount and all applicable employer-side payroll taxes
3 by Defendant all PAGA Members, the LWDA, and State of California shall release and
4 discharge the Released Parties from the Released PAGA Claims that arose during the PAGA
5 Period. All PAGA Members shall release claims arising under PAGA regardless of their decision
6 to participate in the class settlement.

7 67. Release of Additional Claims & Rights by Plaintiff: Upon the funding of the
8 Gross Settlement Amount, Plaintiff Alfaro agrees—on behalf of himself only—to the additional
9 following General Release: In consideration of Defendant's promises and agreements as set forth
10 herein, Plaintiff hereby fully releases the Released Parties from any and all Released Class
11 Claims and Released PAGA Claims and also generally releases and discharges the Released
12 Parties from any and all claims, demands, obligations, causes of action, rights, or liabilities of
13 any kind which have been or could have been asserted against the Released Parties arising out of
14 or relating to their employment by Defendant or termination thereof, including but not limited to
15 claims for wages, restitution, penalties, retaliation, defamation, discrimination, harassment or
16 wrongful termination of employment. This release specifically includes any and all claims,
17 demands, obligations and/or causes of action for damages, restitution, penalties, interest, and
18 attorneys' fees and costs (except provided by the Settlement Agreement) relating to or in any
19 way connected with the matters referred to herein, whether or not known or suspected to exist,
20 and whether or not specifically or particularly described herein. Specifically, Plaintiff Alfaro
21 waives all rights and benefits afforded by California Civil Code Section 1542, which provides:

22 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
23 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
24 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE
25 RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE
26 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE
27 DEBTOR OR RELEASED PARTY.

28 This release specifically excludes claims for unemployment insurance, disability, social

1 security, and workers compensation (with the exception of claims arising pursuant to California
2 Labor Code Sections 132(a) and 4553)

3 68. Neutral Employment Reference: Defendant agrees that it will adopt a neutral
4 reporting policy regarding any future employment references related to Plaintiff. In the event that
5 any potential or future employers of Plaintiff request a reference regarding Defendant's
6 employment of Plaintiff Alfaro, Defendant shall only provide the requested Plaintiff's dates of
7 employment, job titles during employment, and final rate of pay. Defendant shall not refer to the
8 Action or this Settlement

9 69. Nullification of Settlement Agreement: In the event that: (a) the Court does not
10 finally approve the Settlement as provided herein; (b) the Court strikes or does not approve any
11 material term of this Settlement Agreement; or (c) the Settlement does not become final as
12 written and agreed to by the Parties for any other reason, then this Settlement Agreement, and
13 any documents generated to bring it into effect, will be null and void, all amounts deposited into
14 the QSF will be returned to Defendant, and the Parties shall be returned to their original
15 respective positions. Any order or judgment entered by the Court in furtherance of this
16 Settlement Agreement will likewise be treated as void from the beginning. Should the Court fail
17 to approve this settlement for any reason, the Parties agree that they will return to and attend
18 mediation with a mutually agreed Mediator in an effort to reach a settlement that may be
19 approved by the Court.

20 70. Preliminary Approval Hearing: Plaintiff will obtain a hearing before the Court to
21 request Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary
22 Approval Order for: (a) conditional certification of the Settlement Class for settlement purposes
23 only, (b) Preliminary Approval of the proposed Settlement Agreement, and (c) setting a date for
24 a Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for
25 the Notice to be sent to all Class Members as specified herein. In conjunction with the
26 Preliminary Approval hearing, Plaintiff will submit this Agreement, which sets forth the terms of
27 the Settlement, and will include the proposed Notice attached as Exhibit A. Defendant agrees
28 that it will not oppose Plaintiff's motion for Preliminary Approval. Any failure by the Court to

1 fully and completely approve the Agreement as to the Action will result in this Settlement
2 Agreement and the Memorandum of Understanding entered into by the Parties, and all
3 obligations under this Settlement Agreement and the Memorandum of Understanding being
4 nullified and voided.

5 71. Final Settlement Approval Hearing and Entry of Judgment: Upon expiration of
6 the deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and
7 with the Court's permission, a Final Approval/Settlement Fairness Hearing will be conducted to
8 determine the Final Approval of the Settlement Agreement along with the amounts properly
9 payable for: (a) Individual Settlement Payments; (b) the Attorneys' Fees and Costs; (c) the Class
10 Representative Enhancement Payment; and (d) the Settlement Administration Costs. Class
11 Counsel will be responsible for drafting all documents necessary to obtain Final Approval. Any
12 failure by the Court to fully and completely approve the Settlement Agreement as to all of the
13 Action, or the entry of any Order by another Court with regard to any of the Action which has
14 the effect of modifying material terms of this Agreement or preventing the full and complete
15 approval of the Settlement Agreement as written and agreed to by the Parties, will result in this
16 Agreement and all obligations under this Agreement being null and void. Defendant agrees it
17 shall not oppose the granting of the Motion for Final Approval, provided Defendant has not
18 exercised its right to rescind pursuant to the terms of this Agreement.

19 72. Judgment and Continued Jurisdiction: Upon Final Approval of the Settlement by
20 the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the
21 Judgment to the Court for its approval. After entry of the Judgment, the Court will have
22 continuing jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement
23 of the terms of the Settlement, (b) Settlement administration matters, and (c) such post-Judgment
24 matters as may be appropriate under court rules or as set forth in this Settlement.

25 73. Exhibits Incorporated by Reference: The terms of this Settlement include the
26 terms set forth in any attached Exhibits, which are incorporated by this reference as though fully
27 set forth herein. Any Exhibits to this Settlement are an integral part of the Settlement.

28 74. Entire Agreement: This Settlement Agreement and any attached Exhibits

1 constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous
2 written or oral agreements may be deemed binding on the Parties.

3 75. Amendment or Modification: This Settlement Agreement may be amended or
4 modified only by a written instrument signed by counsel for all Parties or their successors-in-
5 interest.

6 76. Authorization to Enter Into Settlement Agreement: Counsel for all Parties warrant
7 and represent they are expressly authorized by the Parties whom they represent to negotiate this
8 Settlement Agreement and to take all appropriate action required or permitted to be taken by
9 such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any
10 other documents required to effectuate the terms of this Settlement Agreement. The Parties and
11 their counsel will cooperate with each other and use their best efforts to affect the
12 implementation of the Settlement. If the Parties are unable to reach agreement on the form or
13 content of any document needed to implement the Settlement, or on any supplemental provisions
14 that may become necessary to effectuate the terms of this Settlement, the Parties may seek the
15 assistance of the Court to resolve such disagreement.

16 77. Binding on Successors and Assigns: This Settlement Agreement will be binding
17 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously
18 defined.

19 78. California Law Governs: All terms of this Settlement Agreement and Exhibits
20 hereto will be governed by and interpreted according to the laws of the State of California.

21 79. Execution and Counterparts: This Settlement Agreement is subject only to the
22 execution of all Parties. However, the Settlement Agreement may be executed in one or more
23 counterparts. All executed counterparts and each of them, including facsimile and scanned copies
24 of the signature page, will be deemed to be one and the same instrument provided that counsel
25 for the Parties will exchange among themselves original signed counterparts.

26 80. Acknowledgement that the Settlement is Fair and Reasonable: The Parties believe
27 this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have
28 arrived at this Settlement after arm's-length negotiations and in the context of adversarial

1 litigation, taking into account all relevant factors, present and potential. The Parties further
2 acknowledge that they are each represented by competent counsel and that they have had an
3 opportunity to consult with their counsel regarding the fairness and reasonableness of this
4 Settlement.

5 81. Invalidity of Any Provision: Before declaring any provision of this Agreement
6 invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible
7 consistent with applicable precedents so as to define all provisions of this Agreement valid and
8 enforceable.

9 82. Waiver of Certain Appeals: The Parties agree to waive appeals and to stipulate to
10 class certification for purposes of this Settlement only; except, however, that either party may
11 appeal any court order that materially alters the Settlement Agreement's terms.

12 83. Class Action Certification for Settlement Purposes Only: The Parties agree to
13 stipulate to class action certification only for purposes of the Settlement. If, for any reason, the
14 Settlement is not approved, the stipulation to certification will be void. The Parties further agree
15 that certification for purposes of the Settlement is not an admission that class action certification
16 is proper under the standards applied to contested certification motions and that this Agreement
17 will not be admissible in this or any other proceeding as evidence that either: (a) a class action
18 should be certified or (b) Defendant is liable to Plaintiff or any Class Member, other than
19 according to the Settlement's terms.

20 84. Non-Admission of Liability: The Parties enter into this Agreement to resolve the
21 dispute that has arisen between them and to avoid the burden, expense and risk of continued
22 litigation. In entering into this Agreement, Defendant does not admit, and specifically denies, it
23 has violated any federal, state, or local law; violated any regulations or guidelines promulgated
24 pursuant to any statute or any other applicable laws, regulations or legal requirements; breached
25 any contract; violated or breached any duty; engaged in any misrepresentation or deception; or
26 engaged in any other unlawful conduct with respect to their employees. Neither this Agreement,
27 nor any of its terms or provisions, nor any of the negotiations connected with it, shall be
28 construed as an admission or concession by Defendant of any such violations or failures to

1 comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this
2 Agreement, this Agreement and its terms and provisions shall not be offered or received as
3 evidence in any action or proceeding to establish any liability or admission on the part of
4 Defendant or to establish the existence of any condition constituting a violation of, or a non-
5 compliance with, federal, state, local or other applicable law.

6 85. Captions: The captions and section numbers in this Agreement are inserted for the
7 reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
8 provisions of this Agreement.

9 86. Waiver: No waiver of any condition or covenant contained in this Settlement
10 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered
11 to imply or constitute a further waiver by such party of the same or any other condition,
12 covenant, right or remedy.

13 87. Enforcement Action: In the event that one or more of the Parties institutes any
14 legal action or other proceeding against any other Party or Parties to enforce the provisions of
15 this Settlement or to declare rights and/or obligations under this Settlement, the successful Party
16 or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys'
17 fees and costs, including expert witness fees incurred in connection with any enforcement
18 actions.

19 88. Mutual Preparation: The Parties have had a full opportunity to negotiate the terms
20 and conditions of this Agreement. Accordingly, this Agreement will not be construed more
21 strictly against one Party than another merely by virtue of the fact that it may have been prepared
22 by counsel for one of the Parties, it being recognized that, because of the arms-length
23 negotiations between the Parties, all Parties have contributed to the preparation of this Settlement
24 Agreement.

25 89. Representation By Counsel: The Parties acknowledge that they have been
26 represented by counsel throughout all negotiations that preceded the execution of this
27 Agreement, and that this Agreement has been executed with the consent and advice of counsel
28 and reviewed in full. Further, Plaintiff and Class Counsel warrant and represent that there are no

1 liens on the Agreement.

2 90. All Terms Subject to Final Court Approval: All amounts and procedures
3 described in this Settlement Agreement herein will be subject to final Court approval.

4 91. Cooperation and Execution of Necessary Documents: The Parties agree to
5 cooperate to promote participation in the Settlement, and in seeking court approval of the
6 Settlement. The Parties and their counsel agree not to take any action to encourage any Class
7 Members to opt out of and/or object to the Settlement. Defendant agrees not to obtain any
8 settlement agreement waivers, Pick Up Stix agreements or arbitration agreements from any Class
9 Member prior to the funding of the Gross Settlement Amount concerning claims released via
10 this Agreement, or enter into any arbitration agreement with any Class Member that covers the
11 claims released via this Agreement during the Settlement approval process prior to the funding of
12 the Gross Settlement Amount and that the Parties will work in good faith to reach an agreement
13 approved by the Court.

14 92. Confidentiality: The Parties and their counsel agree to keep the terms of the
15 Settlement confidential until the filing of Plaintiff's Motion for Preliminary Approval. Plaintiff,
16 Class Counsel, Defendant and their counsel agree that they will not issue any press releases,
17 initiate any contact with the press, respond to any press inquiry or have any communication with
18 the press about the fact, amount or terms of the Settlement Agreement. Nothing in this
19 Settlement Agreement shall limit Defendant's ability to fulfill disclosure obligations reasonably
20 required by law or in furtherance of business purposes, including the fulfillment of obligations
21 stated in this Settlement Agreement or limit Class Counsel's communications with the Class
22 Members in furtherance of approval of this Settlement.

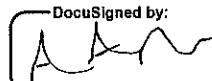
23 93. Binding Agreement: The Parties warrant that they understand and have full
24 authority to enter into this Settlement, and further intend that this Settlement Agreement will be
25 fully enforceable and binding on all Parties, and agree that it will be admissible and subject to
26 disclosure in any proceeding to enforce its terms, notwithstanding any settlement confidentiality
27 provisions that otherwise might apply under federal or state law.

1 Dated: 12/21/2021

PLAINTIFF

By: _____

Arthur Alfaro

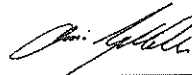
DocuSigned by:

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5 Dated: 12/23/2021

PROTECTION LAW GROUP, LLP

By: _____

Heather Davis, Esq.
Amir Nayebdadash
Attorneys for Plaintiff



11 Dated: 01/09/2022

DEFENDANT

**N&A ENTERPRISES, INC DBA BIG D
FLOOR COVERING SUPPLIES.**

By: _____

Name: _____

Title: _____







18 Dated: 01/10/2022

**GORDON REES SCULLY MANSUKHANI,
LLP**

By: _____

Kendra S. Canape
Christina R. Spiezia
Attorneys for Defendant

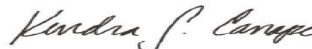


Exhibit A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Alfaro v. N&A Enterprises, Inc. dba Big D Floor Covering Supplies
Orange County Superior Court Case No. 30-2020-01167182-CU-OE-CXC

**THIS IS A COURT-AUTHORIZED NOTICE. IT IS NOT A SOLICITATION.
PLEASE READ THIS NOTICE CAREFULLY.
YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT.**

To: All current and former hourly-paid, non-exempt employees of N&A Enterprises, Inc. dba Big D Floor Covering Supplies in the State of California at any time from October 26, 2016, and November 26, 2021.

BASIC INFORMATION

1. What is this settlement about?

A lawsuit has been commenced by Arthur Alfaro (“Plaintiff”) against Defendant N&A Enterprises, Inc. dba Big D Floor Covering Supplies (“Defendant” or “Big D Floor Covering Supplies”). The case is currently pending in the Orange County Superior Court, Case No. 30-2020-01167182-CU-OE-CXC

The lawsuit claims that Defendant violated sections of the California Labor Code and California Business and Professions Code. Specifically, Plaintiff alleges that Defendant failed to provide himself and other employees with compliant meal and rest periods and associated premium pay, did not properly pay employees all wages owed for time worked including overtime, did not provide accurate wage statements, did not timely pay all wages owed at termination of employment, failed to reimburse employees for necessary business expenses, and maintained unfair business practices. The lawsuit also seeks to recover penalties pursuant to the California Private Attorneys General Act (“PAGA”). The lawsuit also claims that the Defendant violated the California Labor Code and the California Business and Professions Code, entitling Class Members are entitled to damages, penalties, and restitution. Defendant denies all alleged violations and denies that it owes Class Members any remedies. The Court has not made a ruling on the merits of the case.

2. Why is this a class action?

In a class action, one or more people, called the Class Representative(s), sue on behalf of people who appear to have similar claims. All these people are referred to as Class Members. In a class action, one court resolves the issues for all Class Members in one lawsuit, except for those who exclude themselves from the Class. The Orange County Superior Court is in charge of this class action.

3. Why is there a settlement?

The Court has not decided in favor of the Plaintiffs or Defendant. Instead, both sides agreed to a settlement which is memorialized in the Joint Stipulation of Class Action and PAGA Settlement (“Agreement” or “Settlement”). On **[DATE OF PRELIMINARY APPROVAL]** the Court granted preliminary approval of the Settlement, appointed Plaintiff as the Class Representative, and appointed their attorneys at Protection Law Group as counsel for the Class (“Class Counsel”).

The Court has not yet determined whether it will approve the settlement. Instead, the Court has only determined that the settlement is within the range that could be approved and therefore Notice should be provided to the Class Members. The Court will make a final determination whether to approve the settlement at the Final Approval Hearing.

WHO IS IN THE SETTLEMENT?

4. How do I know if I am part of the settlement?

You are part of the Settlement, and a Class Member, if you were employed by Defendant as an hourly-paid, non-exempt employee in the state of California at any time between October 26, 2016, and November 26, 2021.

THE SETTLEMENT BENEFITS—WHAT YOU GET

5. What does the settlement provide?

The Settlement provides that Defendant will pay a maximum of Seven Hundred Thousand Dollars (\$700,000) (“Gross Settlement Amount”). This includes all costs and attorneys’ fees for Class Counsel.

The “Net Settlement Amount” is the portion of the Gross Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion in exchange for the release of their class claims. The Net Settlement Amount is the Gross Settlement Amount less the following amounts (which are subject to Court approval):

- A. **Attorneys’ Fees to Class Counsel** not to exceed 1/3 of the Gross Settlement Amount or Two Hundred and Thirty-Three Thousand Three Hundred and Thirty Three Dollars and Thirty Three Cents (\$233,333.33);
- B. **Litigation Costs/Expenses to Class Counsel** not to exceed Thirty Thousand Dollars (\$30,000.00);
- C. **Enhancement Payment to the Class Representative** in an amount not to exceed Seven Thousand Five Hundred Dollars (\$7,500);
- D. **Settlement Administration Costs** which are currently estimated to be Eight Thousand Dollars (\$8,000); and
- E. **PAGA Payment** in the amount of Forty Thousand Dollars (\$40,000) for the settlement of claims arising under the Private Attorney’s General Act of 2004 (PAGA). Seventy-Five percent (75%) of this amount, (\$30,000) shall be paid to the LWDA. The remaining twenty-five percent (25%) (\$10,000) will be distributed to hourly-paid, non-exempt employees who worked for Defendant in the State of California at any time between October 26, 2019, and November 26, 2021.

The amount you are eligible to receive from the settlement, your “Individual Settlement Payment” will be determined on a *pro rata* basis, based on the number of weeks you worked in California as an hourly-paid, non-exempt employee of Defendant from October 26, 2016, and November 26, 2021 (“Workweeks”). Your Individual Settlement Payment includes both your estimated share of the Net Settlement Amount and, if eligible, your share of the PAGA Payment.

Your Individual Settlement Payment will be apportioned as twenty percent (20%) wages, forty percent (40%) interest and forty percent (40%) penalties. The wage portion of the Individual Settlement Payment will be subject to withholding for the employee taxes and will be reported on a W-2 Form. Employer-side payroll taxes shall be paid separately from and in addition to the Gross Settlement Amount. The penalties and interest portions of each class member’s settlement payment will not be subject to any withholdings and will be reported on an IRS Form 1099.

You worked XXX workweeks during the class period. Your Individual Settlement Payment is \$XXX.XX. This amount is an estimate and is subject to change.

This amount was determined based on Defendant’s record of your employment between October 26, 2016, and November 26, 2021, and is presumed correct. If you dispute the accuracy of Defendant’s records as to the number of weeks worked during the Class Period, you must sign and return the work week dispute form included with this Notice to the Settlement Administrator and provide any documentation you have supporting such dispute by

[DATE]. All disputes regarding your workweeks will be resolved and decided by the Parties, or if the Parties cannot agree, the Court, after you submit evidence to the Settlement Administrator. The Settlement Administrator's contact information is listed below:

[Settlement Administrator]

[Address]

[Telephone No].

HOW TO GET A PAYMENT FROM THE SETTLEMENT

6. How can I get a payment?

You do not have to do anything to qualify for a payment of your portion of the Settlement.

7. What am I giving up if I do not request to be excluded from the Settlement?

Upon the funding of the Gross Settlement Amount by Defendant, in exchange for the consideration set forth by the Settlement, Class Members who do not submit a timely request for exclusion will release the "Released Parties" from the "Released Class Claims" for the "Class Period."

The "Released Parties" include Defendant N&A Enterprises, Inc. dba Big D Floor Covering Supplies, and its past, present and/or future, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

The "Released Class Claims" include any and all claims, rights, demands, liabilities and causes of actions that are alleged or reasonably could have been alleged based on the facts asserted in the operative complaint in the Action including the following claims: (i) failure to pay all regular wages, minimum wages and overtime wages due; (ii) failure to provide meal periods or compensation in lieu thereof; (iii) failure to provide rest periods or compensation in lieu thereof; (iv) failure to reimburse necessary business expenses; (v) failure to provide complete, accurate wage statements; (vi) failure to pay wages timely at time of termination or resignation; (vii) failure to provide timely pay wages during employment; and (viii) unfair business practices that could have been premised on the facts pled in the operative complaint.

The "Class Period" during which the release of Released Class Claims pertains is from October 26, 2016, to November 26, 2021.

PAGA Members who worked for Defendant in the State of California as an hourly-paid, non-exempt employees at any time between October 26, 2019, and November 26, 2021, the LWDA, and the State of California shall further release the released Parties from all Released PAGA Claims that arose during the PAGA Period.

The Released PAGA Claims include all claims for civil penalties under the California Labor Code Private Attorneys General Act of 2004 that could have been premised on the facts alleged both in the PAGA Notice provided to the LWDA and in the operative complaint.

The PAGA Period during which the release of the Released PAGA Claims pertains is October 26, 2019, to November 26, 2021.

All PAGA Members shall release the Released PAGA Claims regardless of whether they submit a request for exclusion as the request for exclusion does not apply to this claim.

EXCLUDING YOURSELF FROM THE RELEASE OF NON-PAGA CLAIMS

If you want to keep the right to sue or continue to sue Defendant with respect to the Released Claims (other than those which arise under the Private Attorney General Act (California Labor Code sections 2698 *et seq.*), then you must submit a request for exclusion in conformity with the requirements set forth herein. If you exclude yourself, you will not receive payment from Net Settlement Amount. However, if eligible, you will still receive a payment in an amount equal to your estimated *pro rata* share of the PAGA Payment because the Request for Exclusion does not apply to this claim.

8. How can I not participate in the Settlement?

To exclude yourself from the release of Released Class Claims you must submit a written request for exclusion. A Request for Exclusion Form has been sent to you along with this Notice. You must complete all information on this form or submit a separate written request for exclusion that includes your name, address, telephone number and the last four digits of your social security number and/or employee ID number. Your request for exclusion must also include a statement that you do not wish to be included in this action similar to the following: I wish to exclude myself from the class action settlement reached in the matter of *Alfaro v. N&A Enterprises, Inc. dba Big D Floor Covering Supplies*. I understand that by excluding myself I will not receive money from the class portion of the settlement.”

Your Request for Exclusion Form or separate written request for exclusion must be mailed to the Settlement Administrator at the address listed below, post-marked by [DATE]. You cannot exclude yourself by phone or any means other than those described in this Notice.

[Settlement Administrator]

[Address]

If you ask to be excluded, you will not receive payment of any portion of the Net Settlement Amount and you cannot object to the Settlement. You will not be legally bound by the release of Released Class Claims.

9. If I don't exclude myself, can I sue Defendant for the same thing later?

No. Unless you submit a request for exclusion, you give up the right to sue Defendant and Released Parties for the Released Class Claims. If you have a pending lawsuit involving the Released Claims, speak to your lawyer in that lawsuit immediately.

10. If I exclude myself, can I get money from this settlement?

You will not receive money for the class claims. You will still receive your portion of the PAGA Payment if eligible because the request for exclusion does not apply to this claim.

THE LAWYERS REPRESENTING YOU

11. Do I have a lawyer in this case?

The Court has approved Protection Law Group, LLP as Class Counsel. These attorneys contact information is set forth below:

PROTECTION LAW GROUP LLP

Heather Davis, Esq.
Amir Nayebdadash, Esq.

237 California Street
El Segundo, California 90245
Telephone: (424) 290-3095

Class Counsel will ask the Court for attorneys' fees of up to \$233,333.33 and reimbursement of litigation cost/expenses of up to \$30,000. These amounts are subject to Court approval and the Court may award less than these amounts.

OBJECTING TO THE SETTLEMENT

You can object to the Settlement or some part of it.

12. How do I tell the Court I want to object to the settlement?

If you are a Class Member, you can object to the Settlement and you can give reasons for why you think the Court should not approve it. The Court will consider your views. To object, you must mail your objection to the Settlement Administrator no later than [DATE]. Your objection must include your full name, address, telephone number, the last four digits of your social security number or employee ID number, and the specific reason for your objection. You may also come to the Final Approval Hearing on [DATE] and make an objection at that time, regardless of whether you submitted a written objection.

13. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to grant final approval of the Settlement ("Final Approval Hearing"). You may attend, but you do not have to attend.

14. When and where will the Court decide whether to approve the settlement?

The Court will hold the Final Approval Hearing at [] a.m./p.m. on [], 2022], at the Orange County Superior Court located at 751 W Santa Ana Blvd, Santa Ana, CA 92701 in Department CX104.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, and determine whether to grant final approval of the Settlement. If there are objections, the Court will consider them.

15. Do I have to come to the hearing?

No. If you agree to the Settlement you do not have to come to Court to talk about it. However, you may attend. You may also retain your own lawyer at your expense to attend on your behalf.

16. How will I learn if the settlement was approved

A notice of final judgment will be posted on the Settlement Administrator website located at [www.\[\]com](http://www.[]com)

IF YOU DO NOTHING

17. What happens if I do nothing at all?

If you do nothing, you will receive your share of the Settlement, and you will release the Released Claims. You will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants or Released Parties about the Released Claims, ever again. Your Individual Settlement Payment will be mailed to you and remain valid and negotiable for 180 days. If you do not cash your settlement check within 180 days from the date on the check, these funds will be transferred to the Controller of the State of California's Unclaimed Property Fund. You may then claim these funds from there.

If you lose your check or it is damaged in the mail, contact the Settlement Administrator.

GETTING MORE INFORMATION

18. How do I get more information?

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by viewing the settlement located on the Settlement Administrator's website at [\[REDACTED\]](#) or by contacting the Settlement Administrator or Class Counsel. You may also review the documents that have been filed in this matter with the Court (for a fee) on the Court's website: <https://www.occourts.org/online-services/case-access>

WHAT IF MY INFORMATION CHANGES?

19. What if my contact information changes ?

It is your responsibility to inform the Settlement Administrator of your updated information to ensure receipt of settlement payments or communications regarding this matter. You can change or update your contact information by contacting the Settlement Administrator.

DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE CLERK OF THE COURT OR THE JUDGE

Exhibit B

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Exhibit C

WORKWEEK DISPUTE FORM

Alfaro v. N&A Enterprises, Inc. dba Big D Floor Covering Supplies
Orange County Superior Court Case No. 30-2020-01167182-CU-OE-CXC

INSTRUCTIONS: You have been identified as a member of the Settlement Class described in the Notice of Proposed Class Action Settlement that was sent to you with this Workweek Dispute Form. This form can be used to update your contact information, or to dispute your total workweeks according to Defendant N&A Enterprises, Inc. dba Big D Floor Covering Supplies' ("Defendant") records.

If the information contained on this form is correct, you DO NOT need to take any action at this time and will automatically be sent a settlement payment after the settlement is approved.

If the contact information contained in this form is incorrect, or if you believe the number of workweeks reported in Defendant's records is inaccurate, you must complete, sign, and return this form, along with documents supporting your dispute, to the Settlement Administrator at:

ILYM Group, Inc.
14771 Plaza Drive, Unit L
Tustin, CA 92780
(888) 250-6810

ALL WORKWEEK DISPUTE FORMS MUST BE MUST POSTMARKED NO LATER THAN [60 DAYS AFTER MAILING OF NOTICE].

1. CURRENT CLASS MEMBER INFORMATION CORRECTED INFORMATION

Current Information:

<<CLASS MEMBER NAME>>

<<STREET ADDRESS>>

<<CITY, STATE, ZIP>>

Last 4 Digits of Social Security No.: << >>

Corrected Information:

If any of the information above is incorrect, please provide the corrected information in the space provided and return this form to the Settlement Administrator at the address listed above.

2. REPORTED WORKWEEKS

According to Defendant's records, you performed work for Defendant in California as a non-exempt, hourly employee, for a total of [INSERT NO. OF WORKWEEKS] workweeks during the time period between October 26, 2016, and November 26, 2021. Based on this figure, the Settlement Administrator has preliminarily calculated your total share due under this settlement to be approximately \$_____. This figure could change if any Class Members opt-out from the Settlement or the Court approves other payments. There are required tax withholdings from your share of the Settlement.

If the information above is accurate, you do NOT need to take any action at this time and will automatically be sent your share of the settlement.

If you believe that the information above is inaccurate, please check the box below, write in the number of

workweeks you believe you worked for Defendant in California as a non-exempt, hourly employee between October 26, 2016, and November 26, 2021, sign and date this form where indicated below, and return this completed form to the Settlement Administrator, along with any documents that support your dispute. If you do not provide any documents supporting your dispute, the number of workweeks reported in Defendant's records will be presumed correct and your challenge will be rejected by the Settlement Administrator.

☐

I wish to challenge the total number of workweeks reported above. I believe that I worked _____ workweeks for N&A Enterprises, Inc. dba Big D Floor Covering Supplies in California between October 26, 2016, and November 26, 2021. I have included any documentary evidence that supports my claim, and I recognize that my claim will not be reviewed without such statement or evidence being provided. I understand that by submitting this challenge, I authorize the Parties to review and make a determination based on Defendant's records and the records/statement I submitted. I understand that this determination may increase or decrease the amount of my settlement share. I understand that such determinations are final and binding, with no opportunity for further appeal.

Date: _____

Signature of Class Member

Print Name of Class Member

If you have any questions about completing this form, please call the Settlement Administrator at [INSERT TOLL FREE NUMBER]. You are responsible for ensuring that the Settlement Administrator receives this form.