

Justin F. Marquez, Esq. (SBN 262417)
justin@wilshirelawfirm.com

Christina M. Le, Esq. (SBN 237697)
cle@wilshirelawfirm.com

Arsiné Grigoryan, Esq. (SBN 319517)
agrigoryan@wilshirelawfirm.com

WILSHIRE LAW FIRM

3055 Wilshire Blvd., 12th Floor
Los Angeles, California 90010
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

Attorneys for Plaintiff *Kania Paton*, et al.

[Additional counsel listed on the following page]

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

KANIA PATON, SIM ASTRONOMO,
GERARDO SANDOVAL, KEVIN
SANDOVAL, MELISSA SANDOVAL,
EULALIA CARVENTE, OLEGARIO
ENCARNACION, GRACIELA JIMENEZ
GONZALEZ, and SILVIA HERNANDEZ,
individually, and on behalf of all others similarly
situated,

Plaintiffs,

v.

RUGGABLE LLC, a Delaware limited liability
company; and DOES 1 through 10, inclusive,

Defendants.

Case No.: 21STCV44381

**CLASS AND REPRESENTATIVE
ACTION COMPLAINT**

[Assigned for all purposes to Judge Wendy
Chang, Dept. 36]

**DECLARATION OF JUSTIN F.
MARQUEZ IN SUPPORT OF
PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

[Filed concurrently with: Plaintiff's Notice of
Motion and Motion for Preliminary Approval
of Class Action and PAGA Settlement;
Memorandum of Points and Authorities; the
Declaration of Sean Hartranft (Settlement
Administrator); and [Proposed] Order]

PRELIMINARY APPROVAL HEARING

Date: November 30, 2023

Time: 8:30 a.m.

Dept: 36

Complaint filed: December 6, 2021

FAC filed: October 31, 2023

Trial date: Not Set

1 Jose Garay (SBN 200494)

2 jose@garaylaw.com

3 **JOSE GARAY, APLC**

4 249 E Ocean Blvd # 814

5 Long Beach, CA 90802

6 Telephone: (949) 208-3400

7 Facsimile: (562) 590-8400

8 *Attorneys for Plaintiff* Graciela Jimenez Gonzalez, et. al

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1. I am admitted, in good standing, to practice as an attorney in the State of California, the Ninth Circuit Court of Appeals, and the United States District Courts for the Central, Southern, Eastern, and Northern Districts of California. I am a Senior Partner at Wilshire Law Firm, PLC, counsel of record for Plaintiffs Kania Paton, Sim Astronomo, Gerardo Sandoval, Melissa Sandoval, and Kevin Sandoval. I am working on this case with our co-counsel, Jose Garay of Garay Law, APLC, who represents Plaintiffs Graciela Jimenez Gonzalez, Eulalia Carvente, Olegario Encarnacion, and Silvia Hernandez. We are working together under a joint prosecution agreement. I have personal knowledge of the facts set forth in this declaration and could and would competently testify to them under oath if called as a witness. This Declaration is submitted in support of Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement on behalf of all Plaintiffs.

2. This is a wage and hour class and Private Attorneys General Act (“PAGA”) (Cal. Lab. Code §§ 2699, *et seq.*) representative action. Plaintiff and putative class members worked in California as hourly-paid or non-exempt employees for Defendant Ruggable LLC during the class period. Defendant is an e-commerce start-up company that produces machine-washable area rugs, runners, and doormats for consumer purchase. Plaintiffs were all non-exempt employees who worked for Defendant in various positions during the class period.

3. Plaintiffs allege that Defendant's payroll, timekeeping, and wage and hour practices resulted in Labor Code violations. Plaintiffs allege that Defendant failed to pay all minimum and straight-time wages owed, Defendant failed to pay for all overtime, Defendant had a policy and practice of not providing its employees with California-compliant meal and rest periods which it did not pay appropriate premiums for, and Defendant failed to reimburse employees for necessary business expenses. Defendant denies these claims and denies that any wages or penalties are owed to the putative class or alleged aggrieved employees. Based on their allegations, Plaintiffs assert

1 related claims for failure to provide accurate wage statements, failure to pay all final wages at
2 termination, unfair business practices, and civil penalties under PAGA.

3 4. On December 6, 2021, Plaintiff Kania Paton filed a PAGA representative action on
4 behalf of herself and all hourly-paid, non-exempt employees in California against Defendant for
5 failure to pay for all hours worked (including minimum, straight time, and overtime wages), failure
6 to provide Plaintiff with legally compliant meal periods, failure to authorize and permit Plaintiff
7 to take rest periods, failure to pay all wages earned twice per month, failure to maintain accurate
8 records, failure to timely pay all final wages to Plaintiff when Defendant terminated her
9 employment, failure to furnish accurate wage statements to Plaintiff and failure to indemnify
10 Plaintiff for necessary business expenditures. On October 1, 2021, Plaintiff Kania Paton sent a
11 notice to Defendant and the California Labor & Workforce Development Agency(“LWDA”)
12 alleging wage-and-hour violations pursuant to PAGA, Cal. Lab. Code §§ 2699, et seq. Attached
13 as **Exhibit 1** is a true and correct copy of Plaintiff Paton’s PAGA notice. The PAGA notice was
14 amended to add Plaintiff Sim Astronomo on December 9, 2021. Attached as **Exhibit 2** is a true
15 and correct copy of the amended PAGA notice. Thereafter, Plaintiff Graciela Jimenez Gonzalez
16 also submitted a separate PAGA notice to the LWDA and Defendant on June 8, 2023. Attached
17 as **Exhibit 3** is a true and correct copy of Plaintiff Gonzalez’s PAGA notice. The operative
18 complaint is the First Amended Complaint deemed filed on October 31, 2023, pursuant to a
19 stipulation submitted by the Parties and granted by the Court. Plaintiffs’ First Amended Complaint
20 adds Plaintiffs Graciela Jimenez Gonzalez, Sim Astronomo, Gerardo Sandoval, Melissa Sandoval,
21 Kevin Sandoval, Eulalia Carvente, Olegario Encarnacion, and Silvia Hernandez and includes class
22 claims for the failure to: (1) pay minimum and straight time wages; (2) pay overtime wages; (3)
23 provide meal periods; (4) authorize and permit rest periods; (5) timely pay final wages at
24 termination; (6) provide accurate itemized wage statements or maintain accurate time records; (7)
25 indemnify employees for expenditures; and (8) unfair business practices.

26 DISCOVERY AND INVESTIGATION

27 5. Following the filing of the Complaint, the Parties exchanged documents and
28 information before mediating this action. Defendant produced a sample of time and pay records

1 for class members. Defendant also provided documents of its wage and hour policies and practices
2 during the class period and information regarding the total number of current and former employees
3 in its informal discovery responses.

4 6. After reviewing documents regarding Defendant's wage and hour policies and
5 practices, and analyzing Defendant's timekeeping and payroll records, Class Counsel was able to
6 evaluate the probability of class certification, success on the merits, and Defendant's maximum
7 monetary exposure for all claims. Class Counsel also investigated the applicable law regarding
8 the claims and defenses asserted in the Litigation. Class Counsel reviewed these records and
9 utilized an expert to prepare a damages analysis prior to mediation.

10 SETTLEMENT NEGOTIATIONS

11 7. On June 8, 2022, my clients only participated in private mediation with experienced
12 class action mediator, Lisa Klerman, Esq. The case did not settle on that date. On January 19,
13 2023, now with the involvement of Mr. Garay's clients, the Parties participated in another private
14 mediation with Ms. Klerman. The mediation was conducted via Zoom. The settlement negotiations
15 were at arm's length and, although conducted in a professional manner, were adversarial. The
16 Parties went into the mediation willing to explore the potential for a settlement of the dispute, but
17 each side was also prepared to litigate their position through trial and appeal if a settlement had
18 not been reached.

19 8. After extensive negotiations and discussions regarding the strengths and
20 weaknesses of Plaintiffs' claims and Defendant's defenses, the Parties were able to reach a
21 resolution, the material terms of which are encompassed within the Settlement Agreement.
22 Attached as **Exhibit 4** is a true and correct copy of the Class Action and PAGA Settlement
23 Agreement and Class Notice¹ ("Settlement Agreement"), which was prepared based on the Los
24 Angeles Superior Court Model Agreement. Attached as **Exhibit 5** is a true and correct copy of the
25 redlined version of the Settlement Agreement showing the changes that were made to the Model
26 Agreement it was based on.

27
28 ¹ Please take note that the fully executed Settlement Agreement will be filed shortly
thereafter the filing of this Motion.

1 9. Class Counsel submitted the proposed Settlement to the LWDA at the time of the
2 filing of the Motion for Preliminary Approval.

3 10. The Parties requested several bids from experienced class action settlement
4 administrators to handle the responsibilities of the Settlement Administrator under this Settlement.
5 The Parties accepted the bid of Apex Class Action LLC (“Apex”). Apex has multiple years of
6 experience in the field of Class Action Administration, particularly in the wage-and-hour arena.
7 In its bid, Apex agreed to cap its costs at \$11,500.00 if there are 750 class members, and it includes
8 a Spanish translation of the notice, as agreed to by the Parties. A true and correct copy of the bid
9 is attached hereto as **Exhibit 6**.

10 11. None of the Plaintiffs in this matter has any interest, financial or otherwise, in the
11 proposed third-party administrator, Apex.

12 12. No one at Wilshire Law Firm, PLC (meaning the law firm itself and anyone
13 employed at the law firm) has any interest, financial or otherwise, in the proposed third-party
14 administrator, Apex.

15 13. Wilshire Law Firm, PLC has a joint prosecution agreement with Jose Garay of
16 Garay Law, APLC.

17 THE PROPOSED SETTLEMENT IS FAIR AND REASONABLE

18 14. Class Counsel has conducted a thorough investigation into the facts of this case.
19 Based on the foregoing discovery and their own independent investigation and evaluation, Class
20 Counsel is of the opinion that the Settlement is fair, reasonable, and adequate and is in the best
21 interests of the Settlement Class Members in light of all known facts and circumstances, the risk
22 of significant delay, the defenses that could be asserted by Defendant both to certification and on
23 the merits, trial risk, and appellate risk.

24 15. One of the greatest risks Plaintiffs will face at class certification is the argument that
25 there is no class because most, if not all, class members are subject to an arbitration agreement and
26 class action waiver.

27 16. Based on an analysis of the facts and legal contentions in this case, documents and
28 information from Defendant, I evaluated Defendant’s maximum exposure. I took into account the

1 risk of not having the claims certified and the risk of not prevailing at trial, even if the claims are
2 certified. After using the data Defendant provided, including class member timekeeping and
3 payroll records, as well as class member demographics (i.e., the number of class members,
4 workweeks, and average total compensation of the class), with the assistance of a statistics expert,
5 I created a damages model to evaluate the realistic range of potential recovery for the class. The
6 damages model is based on the following benchmarks during the class period:

7 Total Class Members: 605

8 Total Workweeks/Paychecks²: 31,011

9 PAGA Eligible Employees: 436

10 PAGA Weekly Pay Periods: 28,701

11 Avg. Hourly Rate: \$15.86

12 17. Based on Plaintiffs' discovery and investigation, Class Counsel reached the
13 conclusion that Defendant failed to pay all minimum and straight-time wages owed, Defendant
14 failed to pay for all overtime, Defendant had a policy and practice of not providing its employees
15 with California-compliant meal and rest periods which it did not pay appropriate premiums for,
16 and Defendant failed to reimburse employees for necessary business expenses. Defendant denies
17 these claims and dispute Class Counsel's conclusions both factually and legally.

18 18. Specifically, Plaintiffs allege that Defendant failed to pay for all hours worked,
19 including minimum wages, straight-time wages, and overtime wages. For purposes of calculating
20 Defendant's liability based on a best-case scenario for Plaintiffs and the Class, I estimate that
21 Defendant's maximum potential exposure by assuming that all unpaid work time should have been
22 paid at the overtime rate, not minimum or straight time wages, because my expert found that 94.8%
23 of all shifts worked by class members were over 8 hours long, and I assumed that Defendant is
24 liable for 2 hours of unpaid work time per week. This results in an estimate of \$1,475,503.38
25 (31,011 weeks * \$15.86 hourly overtime rate * 1.5 overtime rate * 2 hours of unpaid work per
26 week), but I discounted this figure by 80% to account for the difficulty of prevailing on a motion
27

28 ² Non-exempt employees were paid weekly by Defendant.

1 for class certification and a trial on the merits because liability depends on whether Defendant
2 knew or should have known that class members were working off-the-clock, yielding a realistic
3 damage estimate of **\$295,100.68**.³

4 19. With respect to the meal period claim, Plaintiffs allege that Defendant required them
5 and similarly situated class members to either work in lieu of taking meal periods, or their meal
6 periods were untimely or interrupted. My expert analyzed Defendant's timekeeping records and
7 opined that approximately 62.2 % of all meal breaks had violations of short, missed, or no meal
8 periods. Potential liability for the meal period claim, which includes shifts 5-6 hours long, shifts
9 over six hours long, shifts over ten hours long, and shifts over 12 hours long, is \$1,532,064.34
10 (31,011 weeks * 62.3% * \$15.86 * reasonable estimated 5 shifts a week); however, I discounted
11 this figure by 80% to account for the difficulty of certifying and proving meal period claims, to
12 account for the fact that 80% of the meal period violations occurred during shifts between 10-12
13 hours where a meal period was waivable, and to account for Defendant's contention that class
14 members voluntarily chose to forego a meal period and/or were already paid meal period
15 premiums, yielding a realistic damage estimate of **\$306,412.87**.

16 20. With respect to the rest period claim, Plaintiffs allege that Defendant required them
17 and similarly situated class members to work in lieu of taking rest periods, or their rest periods
18 were untimely or interrupted. Assuming a 50% violation rate for the class period based on
19 Plaintiff's and other class members' experience working for Defendant, Defendant's potential
20 liability for the rest period claim is \$1,229,586.15 (31,011 weeks * 50% * \$15.86 * reasonable
21 estimated 5 shifts a week); however, I discounted this figure by 80% to account for the difficulty
22 of certifying and proving rest period claims, particularly because rest periods do not have to be
23 recorded, and to account for the possibility of class members voluntarily choosing to forego a rest
24 period and/or already receiving a rest period premium, yielding a realistic damage estimate of

25 _____
26 ³ An 80% discount for risk at certification and trial is reasonable because the Judicial
27 Council of California found that only 21.4% of all class actions were certified either as part of a
28 settlement *or* as part of a contested certification motion. See Findings of the Study of California
Class Action Litigation, 2000-2006, available at [http:// www.courts.ca.gov/documents/class-
action-lit-study.pdf](http://www.courts.ca.gov/documents/class-action-lit-study.pdf).

1 **\$245,917.23.**

2 21. With respect to the reimbursement claim, Plaintiff alleges that Defendant failed to
3 reimburse employees for necessary business expenses incurred by employees. Plaintiff estimates
4 that each employee incurred approximately \$40 per month for each employee for cell phone and
5 work-related materials that were not reimbursed, for a total of \$310,110 ((31,011 weeks / 4) *
6 \$40.00). However, I discounted this figure by 80% to account for the difficulty of certifying and
7 proving the reimbursement claim and given that, these types of production workers typically did
8 not need to use their cell phone or incur business expenses, for a total of **\$62,022** as a reasonable
9 damage estimate.

10 22. In sum, I estimated that Plaintiff's maximum recovery for the unpaid wage/overtime
11 claim, meal period violations, rest period violations, and reimbursement issue is \$4,547,263.87,
12 but, after factoring in the risk and uncertainty of prevailing at certification and trial, I estimate that
13 Plaintiffs' realistic estimated recovery for the non-penalty claims is **\$909,452.78**.

14 23. With respect to Plaintiff's derivative claims for statutory and civil penalties,
15 Plaintiff estimated that Defendant's realistic potential liability is **\$524,160.72**. I estimate
16 Defendant's maximum potential liability for penalties as follows: \$1,055,441 waiting time
17 penalties for 346 terminated employees), \$1,716,000 (wage statement penalties for 605
18 employees), and \$2,470,166.18 (PAGA penalties for 436 employees) for a total of \$5,241,607.18
19 in maximum potential liability. However, considering Defendant's defenses, the contested nature
20 of Plaintiffs' claims, and the discretionary nature of penalties, and considering that the underlying
21 claims are realistically estimated to be \$909,452.78, such a disproportionate award would also raise
22 due process concerns. Weighing these factors and applying a discount of 90% to account for the
23 risk and uncertainty of prevailing at trial, I arrived at \$524,160.72 for statutory and civil penalties.

24 24. Using these estimated figures, Plaintiffs predicted that the realistic maximum
25 recovery for all claims, including penalties, would be **\$1,433,613.50**. This means that the \$910,000
26 settlement figure represents **63%** of the realistic maximum recovery ($\$910,000 / \$1,433,613.50 =$
27 63%). Considering the risk and uncertainty of prevailing at class certification and at trial, this is a
28

1 fair and reasonable result for the Class.⁴ Indeed, because of the proposed Settlement, class
2 members will receive timely, guaranteed relief, and will avoid the risk of an unfavorable judgment.

3 25. While Plaintiffs are confident in the merits of their claims, a legitimate controversy
4 exists as to each cause of action. Plaintiffs also recognize that proving the amount of wages due
5 to each Class Member would be an expensive, time-consuming, and uncertain proposition.

6 26. This Settlement avoids the risks and the accompanying expense of further litigation.
7 Although the Parties had engaged in a significant amount of investigation, informal discovery and
8 class-wide data analysis, the Parties had not yet completed formal written discovery. Plaintiffs
9 intend to depose corporate officers and managers of Defendant. Moreover, preparation for class
10 certification and a trial remained for the Parties as well as the prospect of appeals in the wake of a
11 disputed class certification ruling for Plaintiffs and/or adverse summary judgment ruling. Had the
12 Court certified any claims, Defendant could move to decertify the claims. As a result, the Parties
13 would incur considerably more attorneys' fees and costs through trial.

14 27. The Net Settlement Amount available for Class Member settlement payments is
15 estimated to be \$486,666.67, for a class of 605 persons.⁵ As a result, each Settlement Class
16 Member is eligible to receive an average net benefit of approximately \$804.41.

17 28. The proposed Settlement of \$910,000, therefore, represents a substantial recovery
18 when compared to Plaintiff's reasonably forecasted recovery. When considering the risks of
19 litigation, the uncertainties involved in achieving class certification, the burdens of proof necessary
20 to establish liability, the probability of appeal of a favorable judgment, it is clear that the settlement
21 amount of \$910,000 is within the "ballpark" of reasonableness, and preliminary settlement
22

23 ⁴ See, e.g., *Wise v. Ulta Salon, Cosmetics & Fragrance, Inc.* (E.D. Cal. Aug. 21, 2019)
24 2019 WL 3943859 at *8 (granting preliminary approval where the proposed allocation to settle
25 class claims was between 9.53 percent of Plaintiffs' maximum recovery); *Bravo v. Gale*
26 *Triangle, Inc.* (C.D. Cal. Feb 16, 2017) 2017 WL 708766 at * 10 (finding that "a settlement for
fourteen percent recovery of Plaintiffs' maximum recovery is reasonable"); *In re Omnivision*
Techs., Inc. (N.D. Cal. 2008) 559 F.Supp.2d 1036, 1042 (approving settlement amount that "is
just over 9% of the maximum potential recovery asserted by either party.").

27 ⁵ The Net Settlement Amount is: \$910,000 minus \$303,333.33 for Class Counsel's
28 attorneys' fees, minus \$30,000 for Class Counsel's litigation expenses, minus \$15,000 in
administration costs, minus \$30,000 for the PAGA payment, and minus \$45,000 for the class
representative service awards to the 9 Plaintiffs (\$5,000 each).

1 approval is appropriate.

2 ENHANCEMENT AWARD FOR PLAINTIFFS ARE REASONABLE

3 29. Class Counsel represents that Plaintiffs devoted a great deal of time and work
4 assisting counsel in the case, communicated with counsel very frequently for litigation and to
5 prepare for mediation, and was frequently in contact with Class Counsel during the mediation.
6 Plaintiffs' requested enhancement awards are reasonable, particularly in light of the substantial
7 benefits Plaintiffs generated for all class members.

8 30. Throughout this Litigation, Plaintiffs, who are former employees of Defendant, has
9 cooperated immensely with my office and Mr. Garay's office and has taken many actions to protect
10 the interests of the class. Plaintiffs provided valuable information regarding the unpaid
11 wages/overtime, meal period, rest period, and reimbursement claims. Plaintiffs also informed our
12 offices of developments and information relevant to this action, participated in decisions
13 concerning this action, made themselves available to answer questions during the mediations, and
14 provided our offices with the names and contact information of potential witnesses in this action.
15 Before we filed this case, we received from Plaintiffs documents regarding the claims alleged in
16 this action. The information and documentation provided by Plaintiffs were instrumental in
17 establishing the alleged wage and hour violations alleged in this action, and the recovery provided
18 for in the Settlement Agreement would have been impossible to obtain without Plaintiffs
19 participation.

20 31. At the same time, Plaintiffs faced many risks in adding themselves as the class
21 representatives in this matter. Plaintiffs faced actual risks with their future employment, as putting
22 themselves on public record in an employment lawsuit could also very well affect their likelihood
23 for future employment. Furthermore, as part of this Settlement, Plaintiffs are executing a general
24 release of all claims against Defendant.

25 32. In turn, class members will now have the opportunity to participate in a settlement,
26 reimbursing them for alleged wage violations they may have never known about on their own or
27 been willing to pursue on their own. If these class members would have each tried to pursue their
28 legal remedies on their own, that would have resulted in each having to expend a significant amount

1 of their own monetary resources and time, which were obviated by Plaintiffs putting themselves
2 on the line on behalf of these other class members.

3 33. In the final analysis, this class action would not have been possible without the aid
4 of Plaintiffs, who put their own time and effort into this Litigation, sacrificed the value of their
5 own individual claims, and placed themselves at risk for the sake of the class members. The
6 requested enhancement award for Plaintiffs for their service as the class representatives and for
7 their general release of all individual claims is a relatively small amount of money when the time
8 and effort put into the Litigation are considered and in comparison to enhancements granted in
9 other class actions. The requested incentive award is therefore reasonable to compensate Plaintiffs
10 for their active participation in this lawsuit. Indeed, in *Karl Adams, III, et al. v. MarketStar*
11 *Corporation*, et al., No. 2:14-cv-02509-TLN-DB, a wage and hour class action alleging that class
12 members were misclassified as exempt outside salespersons, I was co-lead Class Counsel and
13 helped negotiate a \$2.5 million class action settlement for 339 class members, and the court
14 approved a \$25,000.00 class representative incentive award for each named Plaintiff.

15 THE REQUEST FOR ATTORNEYS' FEES AND COSTS IS REASONABLE

16 34. The Settlement provides for attorney's fees payable to Class Counsel in an amount
17 up to one-third (33 1/3%) of the Settlement Amount, for a maximum fees award of \$303,333.33,
18 plus actual costs and expenses not to exceed \$15,000.00. Plaintiffs' costs to date in this matter are
19 approximately \$23,773.21. The proposed award of attorneys' fees to Class Counsel, in this case,
20 can be justified under either method – lodestar or percentage recovery. Class Counsel, however,
21 intends to base the proposed award of fees, costs, and expenses on the percentage method as many
22 of the entries in the time records will have to be redacted to preserve attorney-client and attorney
23 work product privileges.

24 35. I am informed and believe that the fee and costs provision is reasonable. The fee
25 percentage requested is less than that charged by my office for most employment cases. My office
26 invested significant time and resources into the case, with payment deferred to the end of the case,
27 and then, of course, contingent on the outcome.

28 36. It is further estimated that Plaintiffs' counsel will need to expend at least another 50

1 to 100 hours to monitor the process leading up to the final approval and payments made to the
2 class. My office also bears the risk of taking whatever actions are necessary if Defendant fails to
3 pay.

4 37. The risk to my office has been very significant, particularly if we would not be
5 successful in pursuing this class action. In that case, we would have been left with no compensation
6 for all the time taken in litigating this case. Indeed, I have taken on a number of class action cases
7 that have resulted in thousands of attorney hours being expended and ultimately having
8 certification denied or the defendant company going bankrupt. The contingent risk in these types
9 of cases is very real and they do occur regularly. Furthermore, we were precluded from focusing
10 on, or taking on, other cases which could have resulted in a larger, and less risky, monetary gain.

11 38. Because most individuals cannot afford to pay for representation in litigation on an
12 hourly basis, Wilshire Law Firm, PLC represents virtually all of its employment law clients on a
13 contingency fee basis. Pursuant to this arrangement, we are not compensated for our time unless
14 we prevail at trial or successfully settle our clients' cases. Because Wilshire Law Firm, PLC is
15 taking the risk that we will not be reimbursed for our time unless our client settles or wins his or
16 her case, we cannot afford to represent an individual employee on a contingency basis if, at the
17 end of our representation, all we are to receive is our regular hourly rate for services. It is essential
18 that we recover more than our regular hourly rate when we win if we are to remain in practice so
19 as to be able to continue representing other individuals in civil rights employment disputes.

20 MY EXPERIENCE AND QUALIFICATIONS

21 39. Wilshire Law Firm, PLC was selected by Best Lawyers and U.S. News & World
22 Report as one of the nation's Best Law Firms in 2023 and is comprised of over 60 attorneys and
23 over 500 employees. Wilshire Law Firm, PLC is actively and continuously practicing in
24 employment litigation, representing employees in both individual and class actions in both state
25 and federal courts throughout California.

26 40. Wilshire Law Firm, PLC is qualified to handle this Litigation because its attorneys
27 are experienced in litigating Labor Code violations in both individual, class action, and
28 representative action cases. Wilshire Law Firm, PLC has handled, and is currently handling,

1 numerous wage and hour class action lawsuits, as well as class actions involving consumer rights
2 and data privacy litigation.

3 41. I graduated from the University of California, Los Angeles's College Honors
4 Program in 2004 with Bachelor of Arts degrees in History and Japanese, *magna cum laude* and *Phi*
5 *Beta Kappa*. As an undergraduate, I also received a scholarship to study abroad for one year at
6 Tokyo University in Tokyo, Japan. I received my Juris Doctor from Notre Dame Law School in
7 2008.

8 42. My practice is focused on advocating for the rights of consumers and employees in
9 class action litigation and appellate litigation. I am currently the primary attorney in charge of
10 litigating several class action cases in state and federal courts across the United States.

11 43. I have received numerous awards for my legal work. From 2017 to 2020, Super
12 Lawyers selected me as a "Southern California Rising Star," and in 2022 and 2023, I was selected
13 as a "Southern California Super Lawyer." I was selected as one of the "Best Lawyers in America"
14 in 2023 and 2024. In 2016 and 2017, the National Trial Lawyers selected me as a "Top 40 Under
15 40" attorney. I am also rated 10.0 ("Superb") by Avvo.com.

16 44. I am on the California Employment Lawyers Association ("CELA")'s Wage and
17 Hour Committee and Mentor Committee, and I was selected to speak at CELA's 2019 Advanced
18 Wage & Hour Seminar on the topic of manageability of class actions. Since 2013, I have actively
19 mentored young attorneys through CELA's mentorship program.

20 45. I am also a past member of the Consumer Attorneys of California ("CAOC"). In
21 2020, I was selected for a position on CAOC's Board of Directors. I am also a past member of
22 CAOC's Diversity Committee, and I helped assist the CAOC in defeating bills that harm
23 employees. Indeed, I recently helped assist Jacqueline Serna, Esq., Legislative Counsel for CAOC,
24 in defeating AB 443, which proposed legislation that sought to limit the enforceability of California
25 Labor Code § 226.

26 46. As the attorney responsible for day-to-day management of this matter at the
27 Wilshire Law Firm, PLC, I have over thirteen years of experience with litigating wage and hour
28 class actions. Over the last thirteen years, I have managed and assisted with the litigation and

1 settlement of several wage and hour class actions. In those class actions, I performed similar tasks
2 as those performed in the course of prosecuting this action. My litigation experience includes:

- 3 a. I served as lead or co-lead in negotiating class action settlements worth over \$10
4 million in gross recovery to class members for each year since 2020, including over
5 \$37.5 million in 2022 and over \$68 million in 2023.
- 6 b. I was part of the team of attorneys that prevailed in *Moore v. Centrelake Medical*
7 *Group, Inc.* (2022) 83 Cal.App.5th 515, the first California appellate decision in a
8 data breach class action holding that consumer plaintiffs adequately alleged injury
9 in fact under the benefit of the bargain theory and monitoring-costs theory.
- 10 c. In 2022, Top Verdict recognized Wilshire Law Firm and myself for having one case
11 in the Top 20 Labor & Employment Settlements in 2021 (including number 19 for
12 the \$1.6 million settlement in *Moreno v. Pretium Packaging, L.L.C*) and four
13 additional cases in the Top 50 Labor & Employment Settlements in 2021 (numbers
14 27, 30, 33, and 37).
- 15 d. To my knowledge, I am the only attorney to appear on each of the following Top
16 Verdict lists for 2018 in California: Top 20 Civil Rights Violation Verdicts, Top 20
17 Labor & Employment Settlements, and Top 50 Class Action Settlements.
- 18 e. As lead counsel, on April 29, 2021, I prevailed against CVS Pharmacy, Inc. by
19 winning class certification on behalf of hundreds of thousands of consumers for
20 misleading advertising claims in *Joseph Mier v. CVS Pharmacy, Inc.*, U.S. Dist. Ct.
21 C.D. Cal. no. SA CV 20-1979-DOC-(ADSx).
- 22 f. As lead counsel, I prevailed against Bank of America by: winning class certification
23 on behalf of thousands of employees for California Labor Code violations; defeating
24 appellate review of the court's order certifying the class; defeating summary
25 judgment; and defeating a motion to dismiss. (*Frausto v. Bank of America, N.A.*
26 (N.D. Cal. 2019) 334 F.R.D. 192, 2020 WL 1290302 (9th Cir. Feb. 27, 2020), 2019
27 WL 5626640 (N.D. Cal. Oct. 31, 2019), 2018 W.L. 3659251 (N.D. Cal. Aug. 2,
28 2018).). The decision certifying the class in *Frausto* is also discussed in Class

1 Certification Under Fed. R. Civ. P. 23 in Action by Information Technology or Call
2 Center Employees for Violation of State Law Wage and Hour Rules, 35 A.L.R. Fed.
3 3d Art. 8.

- 4 g. I was the primary author of the class certification and expert briefs in *ABM*
5 *Industries Overtime Cases* (2017) 19 Cal.App.5th 277, a wage and hour class action
6 for over 40,000 class members for off-the-clock, meal period, split shift, and
7 reimbursement claims. *ABM Industries Overtime Cases* is the first published
8 California appellate authority to hold that an employer's "auto-deduct policy for
9 meal breaks in light of the recordkeeping requirements for California employers is
10 also an issue amenable to classwide resolution." (*Id.* at p. 310.)⁶ Notably, the Court
11 of Appeal also held that expert analysis of timekeeping records can also support the
12 predominance requirement for class certification. (*Id.* at p. 310-11.) In 2021, the
13 case settled for \$140 million, making it one of the largest ever wage and hour class
14 action settlements for hourly-paid employees in California.
- 15 h. I briefed, argued, and won *Yocupicio v. PAE Group, LLC* (9th Cir. 2015) 795 F.3d
16 1057. The Ninth Circuit ruled in my client's favor and held that non-class claims
17 under California's Private Attorney Generals Act ("PAGA") cannot be used to
18 calculate the amount in controversy under the Class Action Fairness Act ("CAFA").
19 This case is cited in several leading treatises such as Wright & Miller's Federal
20 Practice & Procedure, and Newberg on Class Actions. In October 2016, the U.S.
21 Supreme Court denied review of a case that primarily concerned Yocupicio. That
22 effort was led by Theodore J. Boutrous, who brought the cert petition, with amicus
23 support from a brief authored by Andrew J. Pincus.⁷ Considering that leading
24 Supreme Court practitioners from the class action defense bar were very motivated

25
26 ⁶ As a California district court observed before the *ABM Industries Overtime* decision,
27 "[t]he case law regarding certification of auto-deduct classes is mixed." (*Wilson v. TE*
28 *Connectivity Networks, Inc.* (N.D. Cal. Feb. 9, 2017) No. 14-CV-04872-EDL, 2017 WL
1758048, *7.)

⁷ <http://www.chamberlitigation.com/cases/abm-industries-inc-v-castro>.

1 in undermining Yocupicio case, but failed, this demonstrates the national
2 importance of the Yocupicio decision.

- 3 i. On December 13, 2018, the United States District Court granted final approval of
4 the \$2,500,000 class action settlement in *Mark Brulee, et al. v. DAL Global Services,*
5 *LLC* (C.D. Cal. Dec. 13, 2018) No. CV 17-6433 JVS(JCGx), 2018 WL 6616659 in
6 which I served as lead counsel. In doing so, the Court found: “Class Counsel’s
7 declarations show that the attorneys are experienced and successful litigators.” (Id.
8 at p. *10.)
- 9 j. *Gasio v. Target Corp.* (C.D. Cal. Sep. 12, 2014) 2014 U.S. Dist. LEXIS 129852, a
10 reported decision permitting class-wide discovery even though the employer has a
11 lawful policy because “[t]he fact that a company has a policy of not violating the
12 law does not mean that the employees follow it, which is the issue here.” The court
13 also ordered Defendants to pay for the cost of *Belaire-West* notice.
- 14 k. In 2013, I represented a whistleblower that reported that his former employer was
15 defrauding the State of California with the help of bribes to public employees. The
16 case, a false claims (qui tam) action, resulted in the arrest and criminal prosecution
17 of State of California employees by the California Attorney General’s Office.
- 18 l. In 2013, I was part of a team of attorneys that obtained conditional certification for
19 over 2,000,000 class members in a federal labor law case for misclassification of
20 independent contractors that did crowdsourced work on the Internet, *Otey v.*
21 *CrowdFlower, Inc.*, N.D. Cal. Case No. 12-cv-05524-JST (MEJ), resulting in the
22 following pro-plaintiff reported decisions:
- 23 m. 2013 U.S. Dist. LEXIS 151846 (N.D. Cal. Oct. 22, 2013) (holding that an
24 unaccepted Rule 68 offer doesn’t moot plaintiff’s claims, and granting plaintiff’s
25 motion to strike Defendants’ affirmative defenses based on *Twombly/Iqbal*).
- 26 n. 2013 U.S. Dist. LEXIS 122007 (N.D. Cal. Aug. 27, 2013) (order granting
27 conditional collective certification).
- 28 o. 2013 U.S. Dist. LEXIS 95687 (N.D. Cal. July 8, 2013) (affirming the magistrate

1 judge's discovery ruling which held that "evidence of other sources of income is
2 irrelevant to the question of whether a plaintiff is an employee within the meaning
3 of the FLSA").

4 p. 2013 U.S. Dist. LEXIS 91771 (N.D. Cal. June 20, 2013) (granting broad discovery
5 because "an FLSA plaintiff is entitled to discovery from locations where he never
6 worked if he can provide some evidence to indicate company-wide violations").

7 q. From 2012 to 2013, I was part of a team of attorneys that obtained class certification
8 for over 60,000 class members for off-the-clock claims, *Linares v. Securitas*
9 *Security Services USA, Inc.*, Los Angeles Superior Court No. BC416555. We also
10 successfully opposed subsequent appeals to the California Court of Appeal and
11 California Supreme Court.

12 47. Christina M. Le is a Senior Attorney at Wilshire Law Firm. She is admitted to
13 practice in the State of California, the Ninth Circuit Court of Appeals, and the United States District
14 Courts for the Central, Southern, Eastern, and Northern Districts of California. She graduated from
15 Loyola Law School, Los Angeles, and attended the University of California, Berkeley for his
16 undergraduate studies, where she obtained a Bachelor of Arts in History. She has over 15 years of
17 litigation experience, which includes the successful handling of numerous employment, wage and
18 hour, and class and representative action matters during the latter half of his career in state and
19 federal court through inception through case resolution. Prior to joining Wilshire Law Firm in
20 November 2021, Ms. Le gained invaluable litigation experience working at various Plaintiffs and
21 defense firms, including Kristensen Weisberg PLC, Jones Bell LLP, Archer Norris PLC, and Lewis
22 Brisbois Bisgaard & Smith LLP. Ms. Le is a member of NELA, CELA, CAALA, LACBA, and the
23 Vietnamese Bar Association of Southern California, and has been a recognized speaker on wage
24 and hour topics for some of these organizations at various conferences and seminars. Her current
25 contingent billing rate for this case is \$750.00 per hour, which is commensurate with Ms. Le's
26 years of experience and work in this practice area.

27 48. Arsiné Grigoryan is an Associate Attorney at my office. She earned two Bachelor
28 of Arts degrees from the University of California, Berkeley in (1) Political Science with an

1 emphasis on international relations and (2) Media Studies. She obtained her Juris Doctor degree
2 from Southwestern Law School. She is presently admitted to practice in all state courts of
3 California (admitted in 2017) and before all federal district courts in California. The focus of her
4 practice at Wilshire Law Firm is currently on class action wage-and-hour law, including Private
5 Attorneys General Act of 2004 (“PAGA”) matters. Prior to joining Wilshire Law Firm, PLC, she
6 worked at a law firm specializing in wage-and-hour class action cases. She is also handling more
7 than a dozen active class action matters currently pending and prosecuting multiple PAGA
8 collective action matters in various courts throughout the State of California. Her current
9 contingency billing rate for this case is \$600.00 per hour which is commensurate with Ms.
10 Grigoryan’s years of experience and work in this practice area.

11 49. My current contingent billing rate of \$1,500.00 per hour is consistent with my actual
12 billing rate for paid legal industry consulting services, my practice area, lead appellate experience
13 in the Ninth Circuit Court of Appeals, numerous awards received, legal market and accepted hourly
14 rates:

- 15 a. I have been paid for legal industry consulting services at \$1,500 per hour by
16 Gerson Lehrman Group (GLG), a company that provides financial information
17 and advises investors and consultants with business clients seeking expert advice.
18 GLG is one of the largest companies that provides expert consulting services.
19 GLG’s clients include corporations, hedge funds, private equity firms, and
20 consulting firms. I have worked with GLG on numerous occasions at a rate of
21 \$1,500 per hour, including on three recent occasions in October and November of
22 2023.
- 23 b. On May 6, 2022, the Hon. Jay A. Garcia-Gregory of the United States District
24 Court in Puerto Rico approved my \$850 hourly rate when he granted final
25 approval of the class action settlement in *Serrano v. Inmediata Corp.*, No. 3:19-
26 cv-01811-JAG, Dkt. 57 (U.S. Dist. Ct. P.R. May 6, 2022).
- 27 c. On September 9, 2021, the Hon. Peter Wilson of the Orange County Superior Court
28 approved my \$800 hourly rate when he granted final approval of the class action

1 settlement in *Ricardo Campos Hernandez v. Adams Iron Co., Inc.*, No. 30-2019-
2 01066522-CU-OE-CXC.

- 3 d. On August 6, 2021, the Hon. Stanley Blumenfeld, Jr. of the United States District
4 Court granted final approval of the \$1,600,000 class action settlement in *Carlos*
5 *Moreno v. Pretium Packaging, Inc.* (C.D. Cal. Aug. 6, 2021) No. 8:19-cv-02500-
6 SB-DFM, 2021 WL 3673845 in which I served as lead counsel. In doing so, the
7 Court approved my then \$750 hourly rate after finding it was “reasonable, given the
8 qualifications of the attorneys who worked on this matter.” (*Id.* at p. *3.)
- 9 e. On January 19, 2021, the Hon. Elihu M. Berle of the Los Angeles County Superior
10 Court approved my \$750 hourly rate when he granted final approval of the class
11 action settlement in *Faye Zhang v. Richemont North America, Inc.*, Case No.
12 19STCV32396.

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

15 Executed on November 3, 2023, at Los Angeles, California.

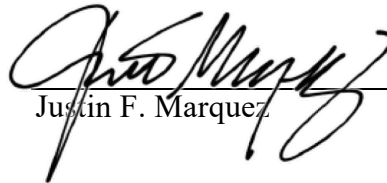
16
17 
18 Justin F. Marquez
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Exhibit 1

WILSHIRE LAW FIRM, PLC

3055 Wilshire Blvd, 12th Floor
Los Angeles, CA 90010
Tel: (213) 381-9988
Fax: (213) 381-9989
www.wilshirelawfirm.com



Bobby Saadian, Esq. JD/MBA

Colin M. Jones, Esq.
A. Ilyas Akbari, Esq.
Brad Stuckey, Esq.
Gail Richardson, Esq.
Justin F. Marquez, Esq.
Robert Dart, Esq.
Jon Teller, Esq.
Sutton A. Shapiro, Esq.
Daniel B. Miller, Esq.

Tae Kim, Esq.
Hazel Chang, Esq.
Daniel DeSantis, Esq.
Nicol Hajjar, Esq.
Thiago Coelho, Esq.
Erik Harper, Esq.
Johnny Ogata, Esq.
Jennifer Reiz, Esq.

October 1, 2021

LWDA

Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
(Via Online Submission)

Ruggable LLC

17809 S. Broadway
Gardena, CA 90248
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6372 2130 75

CSC – Lawyers Incorporating Service

Agent for Service of Process for: Ruggable LLC
2710 Gateway Oaks Drive, Suite 150N
Sacramento, CA 95833
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6372 2130 82

Re: ***Kania Paton v. Ruggable LLC***
Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Kania Paton (“Plaintiff”) to pursue a Labor Code Private Attorneys General Act (“PAGA”) representative action (Cal. Lab. Code §§ 2699, *et seq.*) against her former employer, Ruggable LLC (“Defendant”). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Defendant engaged in with respect to Plaintiff and all of Defendant’s Aggrieved Employees.

Plaintiff wishes to pursue this action on behalf of herself as an aggrieved employee, on behalf of the State of California, as well as on behalf of all other persons who worked for Defendant in California as a non-exempt or hourly-paid employee at any time within the applicable statutory period (hereafter, the “Aggrieved Employees”).

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

Plaintiff's Employment with Defendant

Defendant owns/owned and operates/operated an industry, business, and establishment within the State of California, including Los Angeles County. As such, and based upon all the facts and circumstances incident to Defendant's business in California, Defendant is subject to the California Labor Code, Wage Orders issued by the Industrial Welfare Commission ("IWC"), and the California Business & Professions Code.

Plaintiff Kania Paton is a resident of Los Angeles County, California who worked for Defendant in Gardena, California as an hourly-paid, non-exempt employee from approximately September 2019 to approximately June 2020.¹ During Plaintiff's employment for Defendant, Defendant paid Plaintiff an hourly wage and classified her as non-exempt from overtime. Defendant typically scheduled Plaintiff to work at least five days in a workweek and at least eight hours per day, but Plaintiff also worked more than eight hours in a workday and more than forty (40) hours in a workweek. Throughout Plaintiff's employment, Defendant failed to pay for all hours worked (including minimum, straight time, and overtime wages), failed to provide Plaintiff with legally compliant meal periods, failed to authorize and permit Plaintiff to take rest periods, failed to timely pay all final wages to Plaintiff when Defendant terminated her employment, failed to furnish accurate wage statements to Plaintiff, and failed to indemnify Plaintiff for expenditures. As discussed below, Plaintiff's experience working for Defendant was typical and illustrative.

Defendant Failed to Pay for All Hours Worked, Including Minimum, Straight Time, and Overtime Wages

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

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

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

¹ In response to the COVID-19 pandemic, the Judicial Council of California adopted Emergency Rule 9(a) (California Rules of Court), whereby "statutes of limitations and repose for civil causes of action that exceed 180 days are tolled from April 6, 2020 to October 1, 2020."

Throughout the statutory period, Defendant maintained a policy and practice of not paying Plaintiff and the Aggrieved Employees for all hours worked, including minimum, straight time, and overtime wages. Defendant required Plaintiff and the Aggrieved Employees to work “off-the-clock”, uncompensated, by, for example, requiring Plaintiff and the Aggrieved Employees to perform work during legally required meal periods and after their work shifts ended. Some of this unpaid work should have been paid at the overtime rate. In failing to pay for all hours worked, Defendant also failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked.

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

Failure to Provide Meal Periods

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

Despite these legal requirements, Throughout the statutory period, Defendant wrongfully failed to provide Plaintiff and the Aggrieved Employees with their legally mandated 30-minute, uninterrupted, and duty-free meal period. Plaintiff and the Aggrieved Employees routinely worked through meal periods “off-the-clock,” and Defendant frequently paid Plaintiff and the Aggrieved Employees less than all their work time. Much of this unpaid work should have been paid at the overtime rate. In failing to pay for all hours worked, Defendant also failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked. Defendant also regularly, but not always, required Plaintiff and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, uninterrupted, and duty-free meal period for every five hours of work, or without compensating Plaintiff and the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Instead, Defendant continued to assert control over Plaintiff and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Plaintiff and the Aggrieved Employees permission to take a meal period. Defendant also never informed Plaintiff of her right to, nor permitted her to take, a second meal period when Plaintiff worked at least ten hours of work in a workday. Accordingly, Defendant’s policy and practice was not to provide meal periods to Plaintiff and the Aggrieved Employees in compliance with California law.

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

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

Failure to Authorize and Permit Rest Periods

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

Throughout the statutory period, Defendant has wrongfully failed to authorize and permit Plaintiff and the Aggrieved Employees to take legally compliant rest periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendant authorizing and permitting them to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiff and the Aggrieved Employees for rest periods that were not authorized or permitted. Instead, Defendant continued to assert control over Plaintiff and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or by denying Plaintiff and the Aggrieved Employees permission to take a rest period. Accordingly, Defendant's policy and practice was to not authorize and permit Plaintiff and the Aggrieved Employees to take rest periods in compliance with California law.

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

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

Failure to Pay All Earned Wages Twice Per Month

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

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However, during all such times, Defendant systematically failed and refused to pay the employees all wages due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendant, all wages for all rest periods not authorized and permitted by Defendant, and all wages for all hours worked. As a result, Defendant owe employees the legally required wages for unpaid wages, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

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

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

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

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

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

///

Failure to Timely Pay All Wages at Termination

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

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

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

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

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

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each

hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Lab. Code § 226(e)(2)(B)(iii).)

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

Throughout the statutory period, Defendant failed to furnish Plaintiff and the Aggrieved Employees with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law).

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

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

Failure to Indemnify for Necessary Expenditures

Labor Code § 2802(a) provides that employers shall indemnify his or her employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of his or her duties. Throughout the statute of limitations period applicable to this cause of action, Defendant wrongfully required Plaintiff and the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Defendant. Plaintiff and the Aggrieved Employees regularly paid out-of-pocket for necessary employment-related expenses, including, without limitation, work equipment and use of personal cell phones. Plaintiff and the Aggrieved Employees incurred substantial expenses as a direct result of performing their job duties for Defendant, but Defendant failed to indemnify Plaintiff and the Aggrieved Employees for these employment-related expenses.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 2802 and 2699(f)(2) for failing to indemnify Plaintiff and the Aggrieved Employees for necessary business expenditures.

///

Action for Civil Penalties Under PAGA

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

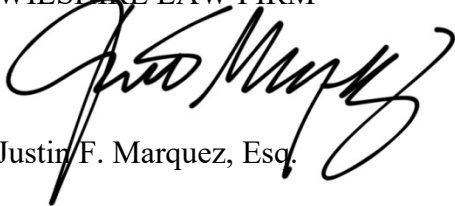
1. Labor Code § 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code § 226.7 and applicable Wage Orders by failing to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing to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

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

Plaintiff has placed Defendant on notice by mailing a certified copy of this correspondence, as indicated on the first page. Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

WILSHIRE LAW FIRM



Justin F. Marquez, Esq.



WILSHIRE LAW FIRM, PLC

3055 WILSHIRE BLVD. 12TH FLOOR

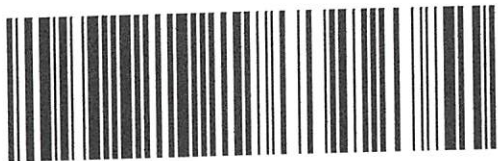
LOS ANGELES, CA 90010

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Ruggable LLC
17809 S. Broadway
Gardena, CA 90248



WILSHIRE LAW FIRM, PLC

3055 WILSHIRE BLVD. 12TH FLOOR
LOS ANGELES, CA 90010

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Pitney Bowes

CSC – Lawyers Incorporating Service
Agent for Service of Process for:
Ruggable LLC
2710 Gateway Oaks Drive, Suite 150N
Sacramento, CA 95833

Exhibit 2

WILSHIRE LAW FIRM, PLC

3055 Wilshire Blvd, 12th Floor
Los Angeles, CA 90010
Tel: (213) 381-9988
Fax: (213) 381-9989
www.wilshirelawfirm.com



Bobby Saadian, Esq. JD/MBA

Colin M. Jones, Esq.	Tae Kim, Esq.
A. Ilyas Akbari, Esq.	Hazel Chang, Esq.
Justin F. Marquez, Esq.	Daniel DeSantis, Esq.
Jon Teller, Esq.	Nicol Hajjar, Esq.
Johnny Ogata, Esq.	Thiago Coelho, Esq.
Gail Richardson, Esq.	Benjamin Haber, Esq.
Christina Le, Esq.	Rachel Vinson, Esq.
Robert Dart, Esq.	Ronghua Guan, Esq.
Daniel B. Miller, Esq.	Arrash Fattahi, Esq.

December 9, 2021

LWDA

Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
(Via Online Submission)

Ruggable LLC

17809 S. Broadway
Gardena, CA 90248
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6372 2097 95

CSC – Lawyers Incorporating Service

Agent for Service of Process for: Ruggable LLC
2710 Gateway Oaks Drive, Suite 150N
Sacramento, CA 95833
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6372 2098 01

Re: ***Kania Paton and Sim Astronomo v. Ruggable LLC***
Amended Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Kania Paton and Sim Astronomo (“Plaintiffs”) to pursue a Labor Code Private Attorneys General Act (“PAGA”) representative action (Cal. Lab. Code §§ 2699, *et seq.*) against their former employer, Ruggable LLC (“Defendant”).

This letter amends Plaintiff Kania Paton’s October 1, 2021 letter by adding an additional plaintiff, Sim Astronomo (all plaintiffs are collectively referred to in this letter as “Plaintiffs”).

The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Defendant engaged in with respect to Plaintiffs and all of Defendant’s Aggrieved Employees.

Plaintiffs wish to pursue this action on behalf of themselves as an aggrieved employee, on behalf of the State of California, as well as on behalf of all other persons who worked for Defendant in California as a non-exempt or hourly-paid employee at any time within the applicable statutory period (hereafter, the “Aggrieved Employees”).

Plaintiffs and the Aggrieved Employees suffered the Labor Code violations described below.

Plaintiffs’ Employment with Defendant

Defendant owns/owned and operates/operated an industry, business, and establishment within the State of California, including Los Angeles County. As such, and based upon all the facts and circumstances incident to Defendant’s business in California, Defendant is subject to the California Labor Code, Wage Orders issued by the Industrial Welfare Commission (“IWC”), and the California Business & Professions Code.

Plaintiff Kania Paton is a resident of Los Angeles County, California who worked for Defendant in Gardena, California as an hourly-paid, non-exempt employee from approximately September 2019 to approximately June 2020.¹ During Plaintiff’s employment for Defendant, Defendant paid Plaintiff an hourly wage and classified her as non-exempt from overtime. Defendant typically scheduled Plaintiff to work at least five days in a workweek and at least eight hours per day, but Plaintiff also worked more than eight hours in a workday and more than forty (40) hours in a workweek.

Plaintiff Sim Astronomo is a resident of Los Angeles County, California who worked for Defendant in Gardena, California as an hourly-paid, non-exempt employee from approximately August 2020 to approximately January 2021. During Plaintiff’s employment for Defendant, Defendant paid Plaintiff an hourly wage and classified him as non-exempt from overtime. Defendant typically scheduled Plaintiff to work at least five days in a workweek and at least eight hours per day, but Plaintiff also worked more than eight hours in a workday and more than forty (40) hours in a workweek.

Throughout Plaintiffs’ employment, Defendant failed to pay for all hours worked (including minimum, straight time, and overtime wages), failed to provide Plaintiffs with legally compliant meal periods, failed to authorize and permit Plaintiffs to take rest periods, failed to timely pay all final wages to Plaintiffs when Defendant terminated their employment, failed to furnish accurate wage statements to Plaintiffs, and failed to indemnify Plaintiffs for expenditures. As discussed below, Plaintiffs’ experience working for Defendant was typical and illustrative.

///

¹ In response to the COVID-19 pandemic, the Judicial Council of California adopted Emergency Rule 9(a) (California Rules of Court), whereby “statutes of limitations and repose for civil causes of action that exceed 180 days are tolled from April 6, 2020 to October 1, 2020.”

Defendant Failed to Pay for All Hours Worked, Including Minimum, Straight Time, and Overtime Wages

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

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

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

Throughout the statutory period, Defendant maintained a policy and practice of not paying Plaintiffs and the Aggrieved Employees for all hours worked, including minimum, straight time, and overtime wages. Defendant required Plaintiffs and the Aggrieved Employees to work “off-the-clock”, uncompensated, by, for example, requiring Plaintiffs and the Aggrieved Employees to perform work during legally required meal periods and after their work shifts ended. Some of this unpaid work should have been paid at the overtime rate. In failing to pay for all hours worked, Defendant also failed to maintain accurate records of the hours Plaintiffs and the Aggrieved Employees worked.

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

Failure to Provide Meal Periods

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

Despite these legal requirements, Defendant wrongfully failed to provide Plaintiffs and the Aggrieved Employees with their legally mandated 30-minute, uninterrupted, and duty-free meal period. Plaintiffs and the Aggrieved Employees routinely worked through meal periods “off-the-clock,” and Defendant frequently paid Plaintiffs and the Aggrieved Employees less than all their work time. Much of this unpaid work should have been paid at the overtime rate. In failing to

pay for all hours worked, Defendant also failed to maintain accurate records of the hours Plaintiffs and the Aggrieved Employees worked. Defendant also regularly, but not always, required Plaintiffs and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, uninterrupted, and duty-free meal period for every five hours of work, or without compensating Plaintiffs and the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Instead, Defendant continued to assert control over Plaintiffs and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Plaintiffs and the Aggrieved Employees permission to take a meal period. Defendant also never informed Plaintiffs of their right to, nor permitted them to take, a second meal period when Plaintiffs worked at least ten hours of work in a workday. For example, Defendant would routinely manufacture Plaintiff Sim Astromomo's time keeping records to falsely show that he took his second meal periods when in fact he didn't and worked off-the-clock, uncompensated. Accordingly, Defendant's policy and practice was not to provide meal periods to Plaintiffs and the Aggrieved Employees in compliance with California law.

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

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

Failure to Authorize and Permit Rest Periods

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

Throughout the statutory period, Defendant has wrongfully failed to authorize and permit Plaintiffs and the Aggrieved Employees to take legally compliant rest periods. Defendant regularly required Plaintiffs and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendant authorizing and permitting them to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiffs and the Aggrieved Employees for rest periods that were not authorized or permitted. Instead, Defendant continued to assert control over Plaintiffs and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work

tasks which could not be completed without working in lieu of taking mandatory rest periods, or by denying Plaintiffs and the Aggrieved Employees permission to take a rest period.

Accordingly, Defendant's policy and practice was to not authorize and permit Plaintiffs and the Aggrieved Employees to take rest periods in compliance with California law.

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

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

Failure to Pay All Earned Wages Twice Per Month

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

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However, during all such times, Defendant systematically failed and refused to pay the employees all wages due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendant, all wages for all rest periods not authorized and permitted by Defendant, and all wages for all hours worked. As a result, Defendant owe employees the legally required wages for unpaid wages, and Plaintiffs and the Aggrieved Employees suffered damages in those amounts.

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

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

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

Defendant, however, failed to maintain accurate records of hours worked and all meal periods

taken or missed by Plaintiffs and the Aggrieved Employees.

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

Failure to Timely Pay All Wages at Termination

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

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

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

Accordingly, Plaintiffs and the Aggrieved Employees are entitled to recover from Defendant their additionally accruing wages for each day they were not paid, at their regular hourly rate of

pay, up to thirty (30) days maximum pursuant to Labor Code § 203.

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

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Lab. Code § 226(e)(2)(B)(iii).)

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

Throughout the statutory period, Defendant failed to furnish Plaintiffs and the Aggrieved Employees with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law).

Because Defendant violated Labor Code § 226, Plaintiffs and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights. Accordingly, Plaintiffs and similarly Aggrieved Employees are entitled to recover from Defendant the greater of their actual damages caused by Defendant’s failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding four thousand dollars (\$4,000) per employee.

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

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Failure to Indemnify for Necessary Expenditures

Labor Code § 2802(a) provides that employers shall indemnify his or her employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of his or her duties. Throughout the statute of limitations period applicable to this cause of action, Defendant wrongfully required Plaintiffs and the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Defendant. Plaintiffs and the Aggrieved Employees regularly paid out-of-pocket for necessary employment-related expenses, including, without limitation, work equipment and use of personal cell phones. Plaintiffs and the Aggrieved Employees incurred substantial expenses as a direct result of performing their job duties for Defendant, but Defendant failed to indemnify Plaintiffs and the Aggrieved Employees for these employment-related expenses.

As a result, Defendant is liable to Plaintiffs and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 2802 and 2699(f)(2) for failing to indemnify Plaintiffs and the Aggrieved Employees for necessary business expenditures.

Action for Civil Penalties Under PAGA

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

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

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

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LWDA

Amended Notice of Labor Code Violations and PAGA

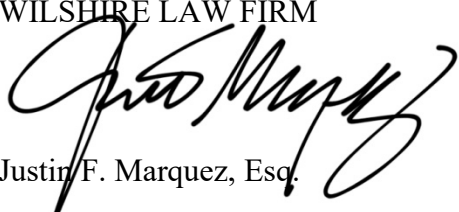
December 9, 2021

Page 9 of 9

Plaintiffs have placed Defendant on notice by mailing a certified copy of this correspondence, as indicated on the first page. Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

WILSHIRE LAW FIRM

A handwritten signature in black ink, appearing to read "Justin Marquez", written over the printed name.

Justin F. Marquez, Esq.



WILSHIRE LAW FIRM, PLC
3055 WILSHIRE BLVD., 12TH FLOOR
LOS ANGELES, CA 90010



9489 0090 0027 6372 2097 95

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Pitney Bowes

Ruggable LLC
17809 S. Broadway
Gardena, CA 90248



WILSHIRE LAW FIRM, PLC
3055 WILSHIRE BLVD., 12TH FLOOR
LOS ANGELES, CA 90010



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Pitney Bowes

CSC – Lawyers Incorporating Service
Agent for Service of Process for:
Ruggable LLC
2710 Gateway Oaks Drive, Suite 150N
Sacramento, CA 95833

Exhibit 3



3738 Bayer Avenue, Suite 104
Long Beach, CA 90808
T. (562) 855-0004
F. (562) 855-0002
asalusky@saluskylaw.com
www.saluskylaw.com

June 8, 2022

Via Email
LABOR AND WORKFORCE DEVELOPMENT AGENCY
PAGAFilings@dir.ca.gov

Via Certified Mail #
Return Receipt Requested
Ruggable, LLC, a Delaware Limited Liability Corporation
17809 Broadway
Gardena, CA 90248

Agent for Service of Process
Corporation Service Company dba Lawyers Incorporating Service
2710 Gateway Oaks Drive, Suite 150N
Sacramento, CA 95833

Re: Graciela Jiminez-Gonzalez v. Ruggable, LLC, a Delaware Limited Liability Corporation

**NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO
LABOR CODE SECTION § 2698 ET SEQ.**

To: California Labor and Workforce Development Agency and Ruggable, LLC, a Delaware Limited Liability Corporation

From: Plaintiff, Graciela Jiminez-Gonzalez, on behalf of herself and other aggrieved employees who were subject to the Defendant's wage and hour policies as set forth below.

Factual Statement

Please note that the firms, Salusky Law Group and Garay Law, APLC, represent the interests of Plaintiff, who intends to file a complaint alleging various Labor Code violations and seeking civil penalties under the Private Attorneys General Act of 2004, Labor Code sections 2698 *et seq.* ("PAGA"), on behalf of herself and all other aggrieved employees.

Theories of Labor Code Violations and Remedies

Defendant is in the business of providing and manufacturing rugs. Plaintiff was an hourly-paid, non-exempt employee for Defendant.

Plaintiff alleges Defendant violated various sections of the Labor Code, including sections 201, 202, 203, 204, 226, 226.7, 510, 512, 558, 1174, 1194 and 1197, by failing to provide Plaintiff and all other aggrieved employees with all wages for all hours worked, including, but not limited to, regular and minimum wage, overtime and double-time hours, meal and rest period premium pay, and reimbursement for necessary business expenditures. Plaintiff and similarly aggrieved employees consist of identifiable, current, and/or former similarly situated persons who worked for Defendant in non-exempt positions in California during the liability period of one year prior to the filing of a complaint alleging a PAGA cause of action.

A. Defendant Failed to Provide Plaintiff and Other Aggrieved Employees with Meal and Rest Periods, or Premium Compensation in Lieu Thereof, in Violation of California Law

Plaintiff alleges that she and other aggrieved employees were routinely not provided with timely, 30-minute off-duty meal periods, as required by the Labor Code. Plaintiff and other aggrieved employees allege that they did not receive at least one duty-free, uninterrupted meal period within the first five (5) hours worked, and a second meal period before the start of the 11th hour of work. (*Brinker Rest. Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1041-42.) When employees failed to receive their meal break, they did not receive premium pay as compensation for the missed, short, or interrupted meal breaks.

Plaintiff further alleges that she and other aggrieved employees did not receive duty-free, uninterrupted rest periods for every four (4) hours worked, or major fraction thereof, as required by the Labor Code. Defendant prevented Plaintiff and other aggrieved employees from taking rest breaks throughout their shifts. This was due in part to Defendant's policy and practice of providing inadequate coverage to allow for breaks to be taken. Further, due to the pressure from Defendant, Plaintiff and other aggrieved employees were not authorized and permitted to take a second rest period, on shifts exceeding six hours of work, and/or third rest breaks, on shifts exceeding ten hours of work. When employees were prevented from taking rest breaks, they did not receive premium pay for the missed rest breaks. Defendant's conduct, which is in violation of the Labor Code, is also actionable under PAGA.

B. Defendant Failed to Pay Plaintiff and Other Aggrieved Employees for all Hours Worked, Including Minimum Wage and Overtime, in Violation of California Law

Defendant failed to pay Plaintiff and other aggrieved employees for all hours worked at the legally mandated wage rates for all hours worked. Specifically, Plaintiff and other aggrieved employees regularly worked beyond the eighth (8th) hour of their shifts, but Defendant only compensated Plaintiff and aggrieved employees for eight (8) hours at their regular rate of pay and did not compensate Defendant and similarly aggrieved employees for time worked beyond the

eighth hour of their scheduled shifts. Defendant did not properly calculate Plaintiff's and other aggrieved employees' overtime and double-time rates.

Defendant required Plaintiff and other aggrieved employees to go through a COVID-19 security checkpoint prior to clocking into work. At least 100 people came to work for each of the four shifts and had to go through a long line with a security checkpoint, with one to two people administering a health questionnaire and temperature check. After clearing this portion of the COVID-19 checkpoint, Plaintiff and other aggrieved employees walked to one of two buildings where they would clock in on a machine. The machine always had a line. The entire process took approximately 15 minutes from the time of getting in line until actually clocking into work. Plaintiff and other aggrieved employees came to work at least 15 minutes prior to their respective start time, in order to clear the security line and be able to clock in without being considered tardy.

Further, when an employee reported to work and failed to clear the security checkpoint, that employee was sent home and Defendant failed to pay reporting time pay.

Further, Defendant failed to pay Plaintiff and other aggrieved employees for hours worked off-the-clock when they performed work during legally required meal periods and rest periods.

Defendant was obligated to pay Plaintiff and other aggrieved employees overtime compensation for all hours worked in excess of eight (8) hours of work in one (1) day or forty (40) hours in one (1) week and double-time compensation for hours worked in excess of twelve (12) in one (1) day. Defendant also failed to pay Plaintiff and other aggrieved employees, proper overtime and/or double-time rates for hours worked off-the-clock, as required by law. Defendant's conduct is in violation of Labor Code sections 510, 1194 and 1197, and is actionable under PAGA.

C. Defendant Failed to Provide Plaintiff and Other Aggrieved Employees with Compliant Wage Statements, and Failed to Timely Pay All Wages Owed Upon Severance of Employment, in Violation of California Law

Based on currently available information and records, Defendant did not keep accurate time records in violation of the Labor Code, the applicable wage order, and actionable under PAGA. By failing to include on Plaintiff and other aggrieved employees' pay stubs all rest and meal break premium wages and full compensation for all hours worked including proper overtime and double-time wages, Defendant failed to keep accurate payroll records and failed to provide Plaintiff and other aggrieved employees with complete and accurate wage statements. This conduct is in violation of Labor Code sections 226 and 1174 and is actionable under PAGA.

As a further result of Defendant's failure to pay all wages owed as described herein, Defendant also violated Labor Code sections 201, 202, 203, and 204 due to its uniform policy, practice, and procedure of failing to pay all wages earned to former employees at the time their employment ended.

D. Defendant Failed Calculate the Regular Rate of Pay by Including the Non-Discretionary Bonus, in Violation of California Law

Based on currently available information and records, Defendant offered a non-discretionary bonus to its employees but failed to calculate it in the regular rate of pay, as required by law. Accordingly, Defendant failed to pay all wages owed, in violation of Labor Code sections 510, 1194 and 1197.

E. Defendant Failed to Reimburse Plaintiff and Other Aggrieved Employees for Necessary Business Expenditures, in Violation of California Law

Based on currently available information and records, Defendant did not reimburse Plaintiff and other aggrieved employees for necessary business expenditures, including, but not limited to, the cost of maintenance for their logo branded work uniforms, the required use of their personal cellular phones for work-related purposes, and the purchase of back brace belts, which is in violation of Labor Code section 2802, the applicable wage order, and actionable under PAGA.

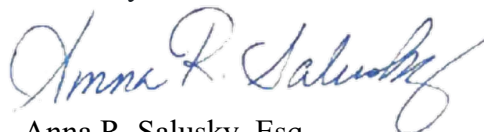
F. Reservation of Rights

The facts and claims contained herein are based on the information available at the time of this writing. Therefore, if through discovery and/or expert review, Plaintiff becomes aware of additional compensation owed or losses incurred by Plaintiff or by any other aggrieved employee of the Defendant, Plaintiff expressly reserves the right to revise these facts and/or add any new claims by amending the claim letter or by adding applicable causes of action to the complaint which will relate back to the date of this letter.

If the Labor and Workforce Development Agency intends to investigate the allegations set forth herein, please provide notice via certified mail to:

SALUSKY LAW GROUP
Anna R. Salusky, Esq.
3738 Bayer Avenue, Suite 104
Long Beach, CA 90808
Tel: (562) 855-0004
Fax: (562) 855-0002
asalusky@saluskylaw.com

Sincerely,



Anna R. Salusky, Esq.
SALUSKY LAW GROUP

Exhibit 4

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is entered into by and between Plaintiffs Kania Paton, Graciela Jimenez Gonzalez, Sim Astronomo, Gerardo Sandoval, Melissa Sandoval, Kevin Sandoval, Eulalia Carvente, Olegario Encarnacion, and Silvia Hernandez (“Plaintiffs”) and Defendant Ruggable LLC (“Defendant”). The Agreement refers to Plaintiffs and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1 “Action” means Plaintiffs’ class and PAGA action lawsuit alleging wage and hour violations against Defendant, captioned *Kania Paton, et al. v. Ruggable LLC*, initiated on or about December 6, 2021 and pending in Superior Court of the State of California, County of Los Angeles, Case No. 21STCV44381.

1.2 “Administrator” means Apex Class Action LLC, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4 “Aggrieved Employee” means all hourly employees who worked in California for Defendant during the PAGA Period.

1.5 “Class” means all hourly employees who worked in California for Defendant during the Class Period.

1.6 “Class Counsel” means Justin Marquez, Christina Le, and Arsiné Grigoryan of Wilshire Law Firm, PLC, and Jose Garay of Garay Law, APLC.

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, and Social Security number.

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 and Spanish in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.12 “Class Period” means the period from June 8, 2018 and June 8, 2022.

1.13 “Class Representatives” means the named Plaintiffs in the operative Complaint in the Action seeking Court approval to serve as Class Representatives.

1.14 “Class Representative Service Payments” means the payments to the Class Representatives 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 Defendant Ruggable LLC.

1.17 “Defense Counsel” means Emma Luevano and Te’Aira Law of Mitchell Silberberg & Knupp LLP.

1.18 “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

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

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

1.21 “Final Judgment” means the Judgment entered by the Court upon granting Final Approval of the Settlement.

1.22 “Gross Settlement Amount” means \$910,000, which is the total amount Defendant agrees to pay under the Settlement. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Litigation Expenses, Class Representative Service Payments, and the Administration Expenses Payment.

1.23 “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount based on the number of paychecks received during the Class Period.

1.24 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties based on the number of paychecks received during the PAGA Period.

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

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

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

1.28 “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 Payments, 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 “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 “PAGA Period” means the period from April 6, 2020 and June 8, 2022.

1.31 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698, *et seq.*).

1.32 “Plaintiffs’ PAGA Notices” means Kania Paton’s October 1, 2021 letter to the LWDA, the amended PAGA Notice adding Sim Astronomo on December 9, 2021, and Graciela Jimenez Gonzalez’s June 8, 2022 letter to the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a).

1.33 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$7,500) and 75% to LWDA (\$22,500) in settlement of PAGA claims.

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

1.35 “Plaintiffs” means Kania Paton, Graciela Jimenez Gonzalez, Sim Astronomo, Gerardo Sandoval, Melissa Sandoval, Kevin Sandoval, Eulalia Carvente, Olegario Encarnacion, and Silvia Hernandez, the named plaintiffs in the Action.

1.36 “Preliminary Approval” means the Court’s order granting preliminary approval of the Settlement.

1.37 "Preliminary Approval Order" means the Order Granting Preliminary Approval and Approval of PAGA Settlement.

1.38 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

1.39 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.

1.40 “Released Parties” means Defendant and each and all of its present and former partners, parents, subsidiaries, affiliates, and related entities and all of their officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, payroll companies, staffing agencies, successors and assigns, and any other persons acting by, through, under, or in concert with any of them (including any alleged joint employers).

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

1.42 “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.

1.43 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

2. RECITALS.

2.1 On or about December 6, 2021, Plaintiff Kania Paton commenced this Action by filing a Complaint against Defendant for PAGA penalties due to the alleged failure to pay all wages due (including minimum wage, straight time, and overtime wages), failure to pay for all hours worked, failure to provide meal or rest periods, failure to timely pay wages and final wages, failure to maintain accurate records of hours worked and meal periods, failure to furnish accurate wage statements, and failure to provide expense reimbursements (including claims derivative and/or related to these claims). On or about October 31, 2023, Plaintiff Kania Paton filed a First Amended Complaint asserting class claims based on the same underlying facts, and naming Graciela Jimenez Gonzalez, Sim Astronomo, Gerardo Sandoval, Melissa Sandoval, Kevin Sandoval, Eulalia Carvente, Olegario Encarnacion, and Silvia Hernandez as additional Plaintiffs. The 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.

2.2 The Parties dispute whether Plaintiffs’ PAGA Notices were timely, but stipulate to timeliness for purposes of settlement only.

2.3 On or about January 19, 2023, Parties participated in a mediation which led to this Agreement to settle the Action.

2.4 Prior to negotiating the Settlement, Plaintiffs obtained informal discovery which included, among other things, the total number of Class Members and Aggrieved Employees at issue and a sample of records for the Class Members and Aggrieved Employees (including their time records and paystubs). Plaintiffs' 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*").

2.5 The Court has not granted class certification. The Parties stipulate to class certification for purposes of settlement only. If the Court does not grant Preliminary and Final Approval of this Agreement despite the Parties' good faith efforts to address the Court's concerns without increasing the Gross Settlement Amount, the Parties shall return to status quo ante.

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

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Defendant promises to pay \$910,000 and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount 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.

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

3.2.1 To Plaintiffs: Class Representative Service Payments to the Class Representatives of not more than \$5,000 each (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as Participating Class Members or Aggrieved Employees). Defendant will not oppose Plaintiffs' request for Class Representative Service Payments that do not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, Plaintiffs 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 Class Representative Service Payments less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payments.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than 33 1/3% of the Gross Settlement Amount, which is currently estimated to be \$303,333.33 and a Class Counsel Litigation Expenses Payment of not more than \$30,000. Defendant will not oppose requests for these payments provided they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Counsel 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 of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation 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.

3.2.3 To the Administrator: An Administration Expenses Payment not to exceed \$15,000 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$15,000, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$30,000 to be paid from the Gross Settlement Amount, with 75% (\$22,500) allocated to the LWDA PAGA Payment and 25% (\$7,500) allocated to the Individual PAGA Payments.

3.2.4.1 The Administrator will calculate each Individual PAGA Payment as a pro rata share of the Aggrieved Employees' 25% share of PAGA Penalties (\$7,500) based on the number of paychecks received during the PAGA Period. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payments.

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

3.2.4.3 If the Court requires a PAGA allocation higher than the foregoing, such determination shall not increase the amount of the Gross Settlement Amount, and the amounts that constitute the Gross Settlement Amount shall be reallocated as necessary.

3.3 Payments from the Net Settlement Amount. Payment will be made to Participating Class Members from the Net Settlement Amount as follows:

3.3.1 Individual Class Payment. All Participating Class Members will receive their pro rata share of the Net Settlement Amount based on the number of paychecks received during the Class Period.

3.3.2 Tax Allocation of Payments. 100% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties. The Individual Class Payments 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 Payments.

3.3.3 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 based on the number of paychecks received during the Class Period.

3.3.4 If the Court disapproves of the payment structure in this Agreement, then the Parties will negotiate in good faith to adjust the structure, but in no event will Defendant be required to pay more than the Gross Settlement Amount on the basis of the payment structure.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Members. Based on a review of its records to date, Defendant estimates there are 605 Class Members.

4.2 Class Data. Not later than 20 days after the Court grants Preliminary Approval of the Settlement, Defendant will 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. 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.

4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, by transmitting the funds to the Administrator no later than 30 days after the Effective Date. The time to make such payment may be extended by mutual consent of the Parties.

4.4 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 Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (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 Class

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 Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 10 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, if requested by the Class Member prior to the void date.

4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member, thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure section 384, subd. (b).

4.4.4 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 beyond those specified in this Agreement.

5. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 **Plaintiffs' Release.** Plaintiffs and each of their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, debts, liabilities, demands, obligations, penalties, premium pay, guarantees, costs, expenses, attorneys' fees, damages, actions or causes of action of whatever kind or nature, contingent or accrued, that occurred in connection with their employment with Defendant, 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, Plaintiffs' PAGA Notices, or ascertained during the Action and released under Paragraph 5.3, below, including under any legal theory that was alleged or that could have been alleged for any failure to pay all wages due (including minimum wage, straight time, and overtime wages), failure to pay for all hours worked, failure to provide meal or rest periods, failure to timely pay wages and final wages, failure to maintain accurate records of hours worked and meal periods, failure to furnish accurate wage statements, and failure to provide expense reimbursements (including claims derivative and/or related to these

claims) (“Plaintiffs’ Release”). This Release shall include all claims and theories arising under the California Labor Code, the Fair Labor Standards Act, California wage orders, and applicable regulations, including California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, and 2802, as well as claims under Business and Professions Code section 17200, *et seq.*, and/or California Labor Code section 2698, *et seq.* based on alleged violations of the above Labor Code provisions, as alleged in the Action. Plaintiffs’ 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 of their employment with Defendant. Plaintiffs acknowledge that they may discover facts or law different from, or in addition to, the facts or law that they now know or believe to be true but agree, nonetheless, that Plaintiffs’ Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs’ discovery of them.

5.1.1 Plaintiffs’ Waiver of Rights under California Civil Code Section 1542. For purposes of Plaintiffs’ Release, Plaintiffs expressly waive and relinquish 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.

5.2 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 all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and ascertained in the course of the Action, including, *e.g.*, any failure to pay all wages due (including minimum wage, straight time, and overtime wages), failure to pay for all hours worked, failure to provide meal or rest periods, failure to timely pay wages and final wages, failure to maintain accurate records of hours worked and meal periods, failure to furnish accurate wage statements, failure to provide expense reimbursements (including claims derivative and/or related to these claims). This Release shall include all claims and theories arising under the California Labor Code, the Fair Labor Standards Act, California wage orders, and applicable regulations, including California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, and 2802, as well as claims under Business and Professions Code section 17200, *et seq.*, and/or California Labor Code section 2698, *et seq.* based on alleged violations of the above Labor Code provisions, as alleged in the Action. Except as set forth in Paragraph 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

5.3 Release by Aggrieved Employees. All Aggrieved Employees (regardless of whether they are Participating Class Members) 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 facts stated in the Operative Complaint during the PAGA Period, Plaintiffs' PAGA Notices, and ascertained in the course of the Action, including, *e.g.*, any failure to pay all wages due (including minimum wage, straight time, and overtime wages), failure to pay for all hours worked, failure to provide meal or rest periods, failure to timely pay wages and final wages, failure to maintain accurate records of hours worked and meal periods, failure to furnish accurate wage statements, failure to provide expense reimbursements (including claims derivative and/or related to these claims).

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

6.1 Plaintiffs' Responsibilities. Plaintiffs 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 Plaintiffs, Class Counsel, or Defense Counsel; (v) a signed declaration from Plaintiffs 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; (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)), and this Agreement (Labor Code section 2699, subd. (l)(2)); (vi) a redlined version of the Parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (vii) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator. In their Declarations, Plaintiffs and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 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.

6.3 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,

by video conference, 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, by video conference, or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns; provided, however, that Defendant shall be under no obligation to proceed with the Settlement if the required material changes are unacceptable to Defendant or would require Defendant to pay more than the Gross Settlement Amount.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected Apex Class Action LLC to serve as the Administrator and verified that, as a condition of appointment, Apex Class Action LLC 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.

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

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

7.4 Notice to Class Members.

7.4.1 Not later than 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 and Aggrieved Employees.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 20 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. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 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 the Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 The deadlines for Class Members' written objections 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.

7.4.5 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, by video conference, 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 are later.

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out) of the 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.

7.5.2 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.

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

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class

Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Objections to Settlement.

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

7.6.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so no 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).

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

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

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

7.7.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 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; and (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

7.7.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, and checks mailed for Individual Class

Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

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

7.7.5 Final Report by 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 (or similar unique identification) 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.

8. CLASS SIZE, WORK WEEK ESTIMATE, AND ESCALATOR CLAUSE. Based on its records, Defendant estimates that, as of June 8, 2022, there are approximately 605 Class Members and 31,011 paychecks received during the Class Period of June 8, 2018 and June 8, 2022. In the event that the number of paychecks received by the class members during the Class Period increases by more than 10% or 3,101, then the Gross Settlement Amount shall be increased proportionally by the paychecks received in excess of 3,101 (e.g., if the number of paychecks received from June 8, 2018 to June 8, 2022 increase by 12% (3,721), the GROSS SETTLEMENT AMOUNT will increase by \$17,980 (620 x \$29)).

9. DEFENDANT’S RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendant may elect, but is not obligated, 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 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 not later than 7 days after the Administrator sends the final Exclusion List to Defense Counsel.

10. MOTION FOR FINAL APPROVAL. Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs 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”). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than 14 days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person, by video conference, or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final Approval; provided, however, that Defendant shall be under no obligation to proceed with the Settlement if the required material changes are unacceptable to Defendant or would require Defendant to pay more than the Gross Settlement Amount. The Court’s decision to award less than the amounts requested for the Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this Paragraph.

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

10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, and 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.

10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address, if possible, 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; provided, however, that at no time will Defendant be required to pay more than the Gross Settlement Amount. An

appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payments or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this Paragraph, as long as the Gross Settlement Amount remains unchanged.

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

12. ADDITIONAL PROVISIONS.

12.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by 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 Plaintiffs 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 not grant Preliminary Approval, Final Approval, or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, as well as the representative treatment or manageability of any PAGA claim, and Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve 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).

12.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, 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 Plaintiffs' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) as for Defendant, as needed for legal, accounting, tax, or other business reasons; (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. Plaintiffs, 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, with any 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. Plaintiffs and Class Counsel shall not publicize the settlement on their websites, in advertising/marketing materials, or on social media, other than filing documents with the Court. This Paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

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

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

12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs 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.

12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, and submitting supplemental evidence or supplementing points and authorities as requested by the Court. Plaintiffs will not opt out of the Settlement. 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 the Court for resolution.

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

12.8 No Tax Advice. Neither Plaintiffs, 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.

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

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

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

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

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

12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to California Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with settlement negotiations or in connection with the Settlement, may be used only with respect to this Settlement, and for 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, Plaintiffs 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 destruction, of Class Data.

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

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

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

To Plaintiffs:

Justin Marquez	Jose Garay
Christina Le	GARAY LAW, APLC
Arsiné Grigoryan	249 E Ocean Blvd #814
WILSHIRE LAW FIRM, PLC	Long Beach CA 90802
3055 Wilshire Blvd., 12th Floor	
Los Angeles, CA 90010	

To Defendant:

Emma Luevano
Te'Aira Law
MITCHELL SILBERBERG & KNUPP LLP
2049 Century Park East, 18th Floor
Los Angeles, CA 90067

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

12.19 Stay of Litigation. The Parties agree that, upon the execution of this Agreement, the Action shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree, upon the signing of this Agreement and pursuant to California Code of Civil Procedure section 583.330, to extend the date to bring a case to trial under California Code of Civil Procedure section 583.310 for the entire period of this settlement process.

Kania Paton

Graciela Jimenez Gonzalez

Sim Astronomo

Gerardo Sandoval

Melissa Sandoval

Kevin Sandoval

Eulalia Carvente

Olegario Encarnacion

Silvia Hernandez

Justin Marquez, Esq.
Wilshire Law Firm, PLC
Counsel for Plaintiffs

Jose Garay, Esq.
Garay Law, APLC
Counsel for Plaintiffs

Jessica Schreiber

Emma Luevano 11/3/2023

For Defendant Ruggable LLC

By: Jessica Schreiber

Its: Acting General Counsel

Emma Luevano, Esq.

Mitchell Silberberg & Knupp LLP

Counsel for Defendant

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

[Kania Paton, et al. v. Ruggable LLC, Case No. 21STCV44381]

***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 Defendant Ruggable LLC (“Defendant”) for alleged wage and hour violations. The Action was filed by Plaintiffs Kania Paton, Graciela Jimenez Gonzalez, Sim Astronomo, Gerardo Sandoval, Melissa Sandoval, Kevin Sandoval, Eulalia Carvente, Olegario Encarnacion, and Silvia Hernandez (“Plaintiffs”) and seeks payment of (1) alleged unpaid wages and other relief for a class of hourly, non-exempt employees (“Class Members”) who worked for Defendant during the Class Period (June 8, 2018 and June 8, 2022); and (2) alleged penalties under the California Private Attorneys General Act (“PAGA”) for all hourly, non-exempt employees who worked for Defendant during the PAGA Period (April 6, 2020 and June 8, 2022) (“Aggrieved Employees”).

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 to 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 withholdings) 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 received _____ paychecks** during the Class Period and **you received _____ paychecks** during the PAGA Period. If you believe that you received more paychecks 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 Plaintiffs and Plaintiffs’ 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	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.
The Opt-out Deadline is [date]	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 Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or
Written Objections Must be Submitted by [date]	

You Can Participate in the [date] Final Approval Hearing	Plaintiffs if you think they are unreasonable. See Section 7 of this Notice. 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 Paychecks	The amount of your Individual Class Payment and Individual PAGA Payment (if any) depend on how many paychecks you received during the Class Period and how many paychecks you received during the PAGA Period, respectively. The number of paychecks you received during the Class Period and the number of paychecks you received during the PAGA Period (if any) 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.
Written Challenges Must be Submitted by [date]	

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are current and former employees of Defendant. The Action accuses Defendant of violating California labor laws by failing to pay all wages due (including minimum wage, straight time, and overtime wages), failing to pay for all hours worked, failing to provide meal or rest periods, failing to timely pay wages and final wages, failing to maintain accurate records of hours worked and meal periods, failing to furnish accurate wage statements, and failure to provide expense reimbursements (including claims derivative and/or related to these claims). Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiffs are represented by attorneys in the Action: Justin Marquez, Christina Le, and Arsiné Grigoryan of Wilshire Law Firm, PLC, and Jose Garay of Garay Law, APLC ("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 Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendant hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an agreement to 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, Plaintiffs 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.

Plaintiffs 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 \$910,000 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 Payments, 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 30 days after the Judgment entered by the Court becomes 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, Plaintiffs 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 \$303,333.33 (33 1/3% of the Gross Settlement] to Class Counsel for attorneys' fees and up to \$30,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$5,000 for each named Plaintiff for the Class Representative Service Payment for filing the Action, working with Class Counsel and representing the Class. Class Representative Service Payments will be the only monies Plaintiffs will receive other than each Plaintiff's Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$15,000 to the Administrator for services administering the Settlement.
 - D. Up to \$30,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA 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 the number of paychecks received.
4. Taxes Owed on Payments to Class Members. Plaintiffs and Defendant are asking the Court to approve an allocation of 100% of each Individual Class Payment to interest and penalties. 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 Plaintiffs 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 to 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 paychecks received, 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, 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 all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and ascertained in the course of the Action, including, *e.g.*, any failure to pay all wages due (including minimum wage, straight time, and overtime wages), failure to pay for all hours worked, failure to provide meal or rest periods, failure to timely pay wages and final wages, failure to maintain accurate records of hours worked and meal periods, failure to furnish accurate wage statements, failure to provide expense reimbursements (including claims derivative and/or related to these claims). This Release shall include all claims and theories arising under the California Labor Code, the Fair Labor Standards Act, California wage orders, and applicable regulations, including California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, and 2802, as well as claims under Business and Professions Code section 17200, *et seq.*, and/or California Labor Code section 2698, *et seq.* based on alleged violations of the above Labor Code provisions, as alleged in the Action. Except as set forth in Paragraph 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

10. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and Defendant has paid the Gross Settlement, 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 Aggrieved Employees (regardless of whether they are Participating Class Members) 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 facts stated in the Operative Complaint during the PAGA Period, Plaintiffs' PAGA Notices, and ascertained in the course of the Action, including, *e.g.*, any failure to pay all wages due (including minimum wage, straight time, and overtime wages), failure to pay for all hours worked, failure to provide meal or rest periods, failure to timely pay wages and final wages, failure to maintain accurate records of hours worked and meal periods, failure to furnish accurate wage statements, failure to provide expense reimbursements (including claims derivative and/or related to these claims).

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. All Participating Class Members will receive their pro rata share of the Net Settlement Amount based on the number of paychecks received during the Class Period.
2. Individual PAGA Payments. The Administrator will calculate each Individual PAGA Payment as a pro rata share of the Aggrieved Employees' 25% share of PAGA Penalties (\$7,500) based on the number of paychecks received during the Class Period.
3. Paycheck Received Challenges. The number of paychecks received during the Class Period and the number of paychecks received 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 paychecks 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 paychecks received 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 paychecks received 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 to be excluded. Be sure to personally sign your request, identify the Action as *Kania Paton v. Ruggable LLC.*, 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 Plaintiffs and Defendant are asking the Court to approve. At least 16 court 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 Awards stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as Class Representative Service Awards. 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 Awards may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs 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 [Kania Paton, et al. v. Ruggable LLC] 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 X 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, Plaintiffs, 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/>). 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 Plaintiffs 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 the [specify whose] 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. 21STCV44381. 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.

Justin Marquez
Christina Le
Arsiné Grigoryan
WILSHIRE LAW FIRM, PLC
3055 Wilshire Blvd., 12th Floor
Los Angeles, CA 90010
Telephone: (213) 784-3830
Facsimile: (213) 381-9989
justin@wilshirelawfirm.com
cle@wilshirelawfirm.com
agrigoryan@wilshirelawfirm.com

Jose Garay
GARAY LAW, APLC
249 E Ocean Blvd #814
Long Beach CA 90802
Telephone: (949) 208 3400
Facsimile: (562) 590 – 8400
jose@garaylaw.com
hg@garaylaw.com

Settlement Administrator:

[Name]

[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/search_upd.html] for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

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

Exhibit 5

~~FORM~~ CLASS ACTION AND PAGA SETTLEMENT
AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is ~~made entered into~~ by and between ~~plaintiff [name] (“Plaintiff”)~~ Plaintiffs Kania Paton, Graciela Jimenez Gonzalez, Sim Astronomo, Gerardo Sandoval, Melissa Sandoval, Kevin Sandoval, Eulalia Carvente, Olegario Encarnacion, and defendant XYZ [name] (“XYZ”) Silvia Hernandez (“Plaintiffs”) and Defendant Ruggable LLC (“Defendant”). The Agreement refers to ~~Plaintiff~~ Plaintiffs and ~~XYZ Defendant~~ collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1 “Action” means ~~the Plaintiff’s~~ Plaintiffs’ class and PAGA action lawsuit alleging wage and hour violations against ~~XYZ Defendant~~, captioned ~~[caption and case number]~~ Kania Paton, et al. v. Ruggable LLC, initiated on ~~[filing date]~~ or about December 6, 2021 and pending in Superior Court of the State of California, County of Los Angeles, Case No. 21STCV44381.

1.2 “Administrator” means ~~[name]~~ Apex Class Action LLC, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4 “Aggrieved Employee” means ~~[e.g., a person employed by XYZ all hourly employees who worked in California and classified as a _____ who worked for XYZ Defendant during the PAGA Period].~~

1.5 “Class” means ~~[define class e.g., all persons employed by XYZ all hourly employees who worked in California and classified as _____ who worked for XYZ Defendant during the Class Period].~~

1.6 “Class Counsel” means ~~[name]~~ Justin Marquez, Christina Le, and Arsiné Grigoryan of Wilshire Law Firm, PLC, and Jose Garay of Garay Law, APLC.

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 ~~XYZ’s Defendant’s~~ possession including the Class Member’s name, last-known mailing address, and 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 ~~[with a and Spanish translation, if applicable]~~ 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 ~~[date] to [date]~~ June 8, 2018 and June 8, 2022.

1.13 “Class ~~Representative~~ Representatives” means the named ~~Plaintiff~~ Plaintiffs in the operative Complaint in the Action seeking Court approval to serve as ~~a Class Representative.~~ Representatives.

1.14 “Class Representative Service ~~Payment~~ Payments” means the ~~payment~~ payments to the Class ~~Representative~~ Representatives 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 ~~“XYZ” means named “Defendant [name].”~~ means Defendant Ruggable LLC.

1.17 “Defense Counsel” means ~~[name]~~ Emma Luevano and Te’ Aira Law of Mitchell Silberberg & Knupp LLP.

1.18 “Effective Date” means the date by when both of the following have occurred:
(a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and
(b) the Judgment is final. The Judgment is final as of the latest of the following occurrences:
(a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

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

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

1.21 “Final Judgment” means the Judgment entered by the Court upon granting Final Approval of the Settlement.

1.22 “Gross Settlement Amount” means ~~\$[amount]~~ \$910,000, which is the total amount ~~XYZ Defendant~~ agrees to pay under the Settlement ~~except as provided in Paragraph 9 below.~~ The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Litigation Expenses, Class Representative Service ~~Payment~~ Payments, and the ~~Administrator’s Administration~~ Payment.

1.23 “Individual Class Payment” means the Participating Class Member’s pro rata

share of the Net Settlement Amount ~~calculated according to~~based on the number of ~~Workweeks-~~
~~worked~~paychecks received during the Class Period.

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

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

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

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

1.28 “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~~Payments, 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 “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.

~~1.1. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for XYZ- for at least one day during the PAGA Period.~~

1.30 ~~“PAGA Period” means the period from [date] to [date].~~April 6, 2020 and June 8, 2022.

1.31 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698-~~3~~, *et seq.*).

1.32 ~~“Plaintiffs’ PAGA Notice~~Notices” means [Plaintiffs’ [date] Kania Paton’s October 1, 2021 letter to XYZ and the LWDA-], the amended PAGA Notice adding Sim Astronomo on December 9, 2021, and [Plaintiffs’ [date] Graciela Jimenez Gonzalez’s June 8, 2022 letter to XYZ and the LWDA] providing notice pursuant to Labor Code section 2699.3, subd.-(a).

1.33 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees ~~(insert amount)~~(\$7,500) and ~~the~~ 75% to LWDA ~~(insert amount)~~(\$22,500) in settlement of PAGA claims.

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

1.35 ~~“Plaintiff~~Plaintiffs” means [name]-, Kania Paton, Graciela Jimenez Gonzalez, Sim Astronomo, Gerardo Sandoval, Melissa Sandoval, Kevin Sandoval, Eulalia Carvente, Olegario Encarnacion, and Silvia Hernandez, the named ~~plaintiff~~plaintiffs in the Action.

1.36 “Preliminary Approval” means the Court’s order granting preliminary approval of the Settlement.

1.37 "Preliminary Approval Order" means the ~~proposed~~ Order Granting Preliminary Approval and Approval of PAGA Settlement.

1.38 “Released Class Claims” means the claims being released as described in Paragraph ~~6~~5.2 below.

1.39 “Released PAGA Claims” means the claims being released as described in Paragraph ~~6-25~~5.3 below.

1.40 “Released Parties” means: ~~XYZ Defendant~~ and each and all of its ~~former and~~ present and former partners, parents, subsidiaries, affiliates, and related entities and all of their officers, directors, officers, shareholders, owners, [members], employees, agents, servants, registered representatives, attorneys, insurers, predecessors payroll companies, staffing agencies, successors, and assigns [subsidiaries] [affiliates], and any other persons acting by, through, under, or in concert with any of them (including any alleged joint employers).

1.41 “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.

1.42 “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.

1.43 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

2. ~~“Workweek” means any week during which a Class Member worked for XYZ for at least one day, during the Class Period.~~ RECITALS.

2.1 On ~~[date]~~ or about December 6, 2021, Plaintiff Kania Paton commenced this Action by filing a Complaint ~~alleging causes of action against XYZ for [specify causes of action].~~ [The Defendant for PAGA penalties due to the alleged failure to pay all wages due (including minimum wage, straight time, and overtime wages), failure to pay for all hours worked, failure to provide meal or rest periods, failure to timely pay wages and final wages, failure to maintain accurate records of hours worked and meal periods, failure to furnish accurate wage statements, and failure to provide expense reimbursements (including claims derivative and/or related to these claims). On or about October 31, 2023, Plaintiff Kania Paton filed a First Amended Complaint asserting class claims based on the same underlying facts, and naming Graciela Jimenez Gonzalez, Sim Astronomo, Gerardo Sandoval, Melissa Sandoval, Kevin Sandoval, Eulalia Carvente, Olegario Encarnacion, and Silvia Hernandez as additional Plaintiffs. The Amended Complaint is the operative complaint in the Action (the “Operative Complaint.”)] [On [date], Plaintiff filed a [e.g., First Amended Complaint] alleging causes of action against XYZ for [specify causes of action]. The [e.g., First Amended] Complaint is the operative complaint in the Action (the “Operative Complaint.”)] XYZ). Defendant 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 XYZ and the LWDA by sending the PAGA Notice.~~

~~2.2 On [date[s]], [The Parties dispute whether Plaintiffs' PAGA Notices were timely, but stipulate to timeliness for purposes of settlement only.~~

~~2.2.3 On or about January 19, 2023, Parties participated in an all-day mediation presided over by [mediator's name] which led to this Agreement to settle the Action [or describe alternative means of negotiation].~~

2.32.4 Prior to ~~[mediation]~~ [negotiating the Settlement], ~~Plaintiff, Plaintiffs~~ obtained ~~through [formal][informal] discovery, [identify documents, testimony and information obtained].~~ ~~Plaintiffs~~ which included, among other things, the total number of Class Members and Aggrieved Employees at issue and a sample of records for the Class Members and Aggrieved Employees (including their time records and paystubs). Plaintiffs' 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*").

~~1.3. ——— The Court [has][has not] granted class certification. [Insert details as needed.]~~

2.5 ——— The Court has not granted class certification. The Parties stipulate to class certification for purposes of settlement only. If the Court does not grant Preliminary and Final Approval of this Agreement despite the Parties' good faith efforts to address the Court's concerns without increasing the Gross Settlement Amount, the Parties shall return to status quo ante.

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

3. MONETARY TERMS.

3.1 Gross Settlement Amount. ~~Except as otherwise provided by Paragraph 9 below, XYZ~~ Defendant promises to pay ~~[\$amount]~~ \$910,000 and no more as the Gross Settlement Amount ~~[and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments.] XYZ.~~ Defendant has no obligation to pay the Gross Settlement Amount ~~(or any payroll taxes)~~ prior to the deadline stated in Paragraph ~~6-14.3~~ 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 ~~XYZ~~ Defendant.

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

3.2.1 To Plaintiff, Plaintiffs: Class Representative Service ~~Payment~~ Payments to the Class ~~Representative~~ Representatives of not more than ~~[\$amount]~~ \$5,000 each (in addition to any Individual Class Payment ~~[and any Individual PAGA Payment]~~ the Class ~~Representative~~ Representatives are entitled to receive as ~~a~~ Participating Class ~~Member~~). ~~XYZ~~ Members or Aggrieved Employees). Defendant will not oppose ~~Plaintiff's~~ Plaintiffs' request for ~~a~~ Class Representative Service ~~Payment~~ Payments that ~~does~~ do not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, ~~Plaintiff~~ Plaintiffs 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~~ Payments 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~~ Payments using IRS Form 1099. ~~Plaintiff assumes~~ Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative

Service ~~Payment.~~ Payments.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than ~~—%,~~ 33 1/3% of the Gross Settlement Amount, which is currently estimated to be ~~[\$amount]~~ \$303,333.33 and a Class Counsel Litigation Expenses Payment of not more than ~~[\$amount].~~ XYZ\$30,000. Defendant will not oppose requests for these payments provided ~~that they~~ do not exceed these amounts. ~~Plaintiff~~ Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Counsel 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 of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation 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 XYZDefendant harmless, and indemnifies XYZDefendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3 To the Administrator: An ~~Administrator~~Administration Expenses Payment not to exceed ~~\$(amount)~~\$15,000 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 ~~\$(amount)~~\$15,000, the Administrator will retain the remainder in the Net Settlement Amount.

~~3.2.4 — To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing~~ To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$30,000 to be paid from the Gross Settlement Amount, with 75% (\$22,500) allocated to the LWDA PAGA Payment and 25% (\$7,500) allocated to the Individual PAGA Payments.

3.2.4.1 The Administrator will calculate each Individual PAGA Payment as a pro rata share of the Aggrieved Employees' 25% share of PAGA Penalties (\$7,500) based on the number of paychecks received during the PAGA Period. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payments.

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

3.2.4.3 If the Court requires a PAGA allocation higher than the foregoing, such determination shall not increase the amount of the Gross Settlement Amount, and the amounts that constitute the Gross Settlement Amount shall be reallocated as necessary.

3.3 Payments from the Net Settlement Amount. Payment will be made to Participating Class Members from the Net Settlement Amount as follows:

~~3.2.43.3.1~~ 3.3.1 Individual Class Payment. All Participating Class Members will receive their pro rata share of the Net Settlement Amount based on the number of paychecks received during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

~~3.2.53.3.2~~ 3.3.2 Tax Allocation of Individual Class Payments. [Specify percentage] 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] Tax Allocation of Payments.~~
100% of each Participating Class Member’s Individual Class Payment will be allocated to settlement of claims for ~~[e.g., interest and penalties] (the “Non-Wage Portion”).~~ The ~~Non-Wage Portions~~Individual Class Payments 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.~~Payments.

3.2.63.3.3 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 ~~based on the number of paychecks received during the Class Period.~~

~~1.3.1. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount~~ If the Court disapproves of \$[amount] the payment structure in this Agreement, then the Parties will negotiate in good faith to adjust the structure, but in no event will Defendant be paid from required to pay more than the Gross Settlement Amount, with 75% (\$amount) allocated to the LWDA PAGA Payment and 25% (\$amount) allocated to the Individual PAGA Payments.

3.2.73.3.4 ~~_____ The Administrator will calculate each Individual PAGA Payment by (a) dividing on the amount basis of the Aggrieved Employees' 25% share of PAGA Penalties (\$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 payment structure.~~

~~1.3.1.1. _____ If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.~~

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 ~~_____ Class Workweeks and Aggrieved Employee Pay Periods. Class Members.~~ Based on a review of its records to date, XYZDefendant estimates there are [number]605 Class Members ~~who collectively worked a total of [amount] Workweeks, and [number] of Aggrieved Employees who worked a total [amount] of PAGA Pay Periods.~~

4.2 Class Data. Not later than ~~[e.g., 15]~~20 days after the Court grants Preliminary Approval of the Settlement, XYZDefendant 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. XYZDefendant 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 XYZDefendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3 Funding of Gross Settlement Amount. XYZDefendant shall fully fund the Gross Settlement Amount, ~~and also fund the amounts necessary to fully pay XYZ's share of payroll taxes by~~ transmitting the funds to the Administrator no later than ~~[14]~~30 days after the Effective Date. The time to make such payment may be extended by mutual consent of the Parties.

4.4 Payments from the Gross Settlement Amount. Within ~~{14}~~ days after ~~XYZ~~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.~~Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service ~~Payment~~Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (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~~Class

Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the ~~Settlement~~ Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.14.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are ~~returned~~ returned undelivered without USPS forwarding address. Within ~~7~~10 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, if requested by the Class Member prior to the void date.

4.4.24.4.3 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~~ 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.~~ (b).

4.4.34.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate ~~XYZ~~ 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.

5. RELEASES OF CLAIMS. Effective on the date when ~~XYZ~~ 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, Plaintiffs,~~ Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 ~~Plaintiff's~~ Plaintiffs' Release. ~~Plaintiff~~ Plaintiffs and ~~his or her~~ each of their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, ~~transactions, debts, liabilities, demands, obligations, penalties, premium pay, guarantees, costs, expenses, attorneys' fees, damages, actions or occurrences~~ causes of action of whatever kind or nature, contingent or accrued, that occurred ~~during the Class Period~~, in connection with their employment with Defendant, 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~~ Plaintiffs' PAGA ~~Notice, Notices,~~ or

ascertained during the Action and released under ~~6.2~~Paragraph 5.3, below]. ~~(“Plaintiffs,~~
including under any legal theory that was alleged or that could have been alleged for any failure
to pay all wages due (including minimum wage, straight time, and overtime wages), failure to
pay for all hours worked, failure to provide meal or rest periods, failure to timely pay wages
and final wages, failure to maintain accurate records of hours worked and meal periods, failure
to furnish accurate wage statements, and failure to provide expense reimbursements (including
claims derivative and/or related to these

claims) (“Plaintiffs’ Release.”) ~~Plaintiff’s~~). This Release shall include all claims and theories arising under the California Labor Code, the Fair Labor Standards Act, California wage orders, and applicable regulations, including California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, and 2802, as well as claims under Business and Professions Code section 17200, *et seq.*, and/or California Labor Code section 2698, *et seq.* based on alleged violations of the above Labor Code provisions, as alleged in the Action. Plaintiffs’ 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 of their employment with Defendant~~. Plaintiffs acknowledge that ~~Plaintiff they~~ may discover facts or law different from, or in addition to, the facts or law that ~~Plaintiff they~~ now ~~knows~~ know or ~~believes~~ believe to be true but ~~agrees~~ agree, nonetheless, that ~~Plaintiff’s~~ Plaintiffs’ Release shall be and remain effective in all respects, notwithstanding such different or additional facts or ~~Plaintiff’s~~ Plaintiffs’ discovery of them.

5.1.1 ~~Plaintiff’s~~ Plaintiffs’ Waiver of Rights under California Civil Code Section 1542. For purposes of ~~Plaintiff’s~~ Plaintiffs’ Release, ~~Plaintiff~~ Plaintiffs expressly ~~waives~~ waive and ~~relinquishes~~ relinquish 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.

5.2 Release by Participating Class Members ~~Who Are Not Aggrieved Employees:-~~. All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from ~~(+)~~ 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, e.g., ~~“(a) any and all claims involving any alleged~~ failure to pay all wages due (including minimum wage; etc.-, straight time, and overtime wages), failure to pay for all hours worked, failure to provide meal or rest periods, failure to timely pay wages and final wages, failure to maintain accurate records of hours worked and meal periods, failure to furnish accurate wage statements, failure to provide expense reimbursements (including claims derivative and/or related to these claims). This Release shall include all claims and theories arising under the California Labor Code, the Fair Labor Standards Act, California wage orders, and applicable regulations, including California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, and 2802, as well as claims under Business and Professions Code section 17200, *et seq.*, and/or California Labor Code section 2698, *et seq.* based on alleged violations of the above Labor Code provisions, as alleged in the Action. Except as set forth in ~~Section 6~~ Paragraph 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

5.25.3 Release by ~~Non-Participating Class Members Who Are~~ Aggrieved Employees:-
All ~~Non-Participating Class Members who are~~ Aggrieved Employees (regardless of whether they are Participating Class Members) 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] during~~ the PAGA Notice ~~[Period, Plaintiffs' PAGA Notices,~~ and ascertained in the course of the Action~~], including, e.g., "(a) any and all claims involving any alleged~~ failure to pay all wages due (including minimum wage; etc.), straight time, and overtime wages), failure to pay for all hours worked, failure to provide meal or rest periods, failure to timely pay wages and final wages, failure to maintain accurate records of hours worked and meal periods, failure to furnish accurate wage statements, failure to provide expense reimbursements (including claims derivative and/or related to these claims).

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

~~6.1 XYZ's Declaration in Support of Preliminary Approval. Within [] days of the full execution of this Agreement, XYZ will prepare and deliver to Class Counsel a signed Declaration from XYZ 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 XYZ shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.~~

6.1 ~~Plaintiff's~~ Plaintiffs' Responsibilities. ~~Plaintiff~~ Plaintiffs 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~~ Plaintiffs, Class Counsel, or Defense Counsel; (v) a signed declaration from ~~Plaintiff~~ Plaintiffs 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)), and this Agreement (Labor Code section 2699, subd. (l)(2)); ~~and~~ (vi) a redlined version of the Parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (vii) all facts relevant to any actual or potential conflict of interest with Class Members, ~~and/or the Administrator and/or the Cy Pres Recipient.~~ In their Declarations, ~~Plaintiff~~ Plaintiffs and Class Counsel ~~Declaration~~ shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 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.

| 6.3 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.

by video conference, 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, by video conference, or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns—; provided, however, that Defendant shall be under no obligation to proceed with the Settlement if the required material changes are unacceptable to Defendant or would require Defendant to pay more than the Gross Settlement Amount.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected ~~[name]~~Apex Class Action LLC to serve as the Administrator and verified that, as a condition of appointment, ~~[name]~~Apex Class Action LLC 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.

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

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

7.4 Notice to Class Members.

7.4.1 —~~No~~Not 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;~~ and Aggrieved Employees.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than ~~[14]~~20 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.

7.4.3 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.~~

to make further attempts to locate or send the Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 The deadlines for Class Members' written objections, ~~Challenges to Workweeks and/or Pay Periods~~, and Requests for Exclusion will be extended an additional {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.

7.4.5 If the Administrator, ~~XYZ~~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, by video conference, 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~~whichever are later.

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out) of the ~~Class~~ Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than {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.

7.5.2 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.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs ~~65.2~~ and ~~65.3~~ of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for

Exclusion is a Non-Participating Class Member and shall not receive an Individual Class

Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph ~~6.4~~5.3 of this Agreement and are eligible for an Individual PAGA Payment.

~~6.2 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 the challenges.~~

~~7.6~~ Objections to Settlement.

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

7.6.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present 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 no~~ 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).

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

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

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

7.7.2 Requests for Exclusion (Opt-outs) and Exclusion List. The

Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than ~~{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; and (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

7.7.27.7.3 Weekly Reports. The Administrator must, on a weekly basis,

provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, ~~challenges to Workweeks 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.

~~6.2.1 ——— 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.~~

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

7.7.47.7.5 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 (or similar unique identification) 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.

8. CLASS SIZE ~~ESTIMATES~~, WORK WEEK ESTIMATE, AND ESCALATOR CLAUSE

Based on its records, ~~XYZ~~ Defendant estimates that, as of ~~the date of this Settlement Agreement, (1) June 8, 2022~~, there are ~~[number]~~ approximately 605 Class Members and ~~[number]~~ Total Workweeks 31,011 paychecks received during the Class Period ~~and (2) there were [number] Aggrieved Employees who worked [number] Pay Periods of June 8, 2018 and June 8, 2022. In the event that the number of paychecks received by the class members during the PAGA-Period-Class Period increases by more than 10% or 3,101, then the Gross Settlement Amount shall be increased proportionally by the paychecks received in excess of 3,101 (e.g., if the number of paychecks received from June 8, 2018 to June 8, 2022 increase by 12% (3,721), the GROSS SETTLEMENT AMOUNT will increase by \$17,980 (620 x \$29)).~~

9. XYZ’S ~~DEFENDANT’S~~ RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds ~~[specify percentage]~~ 10% of the total of all Class Members, ~~XYZ~~ Defendant may elect, but is not obligated, ~~elect~~ to withdraw from the Settlement. The Parties agree that, if ~~XYZ~~ 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, ~~XYZ~~ Defendant will remain responsible

for paying all Settlement Administration Expenses incurred to that point. ~~XYZ~~Defendant must notify Class Counsel and the Court of its election to withdraw not later than ~~{seven}~~7 days after the Administrator sends the final Exclusion List to Defense Counsel; ~~late elections will have no effect.~~

10. MOTION FOR FINAL APPROVAL. Not later than ~~{16}~~ court days before the calendared Final Approval Hearing, ~~Plaintiff~~Plaintiffs 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~~Plaintiffs shall provide drafts of these documents to Defense Counsel not later than ~~[seven]~~14 days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person, by video conference, or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than ~~that [five]~~than 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final Approval; provided, however, that Defendant shall be under no obligation to proceed with the Settlement if the required material changes are unacceptable to Defendant or would require Defendant to pay more than the Gross Settlement Amount. The Court’s decision to award less than the amounts requested for the Class Representative Service ~~Payment~~Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or ~~Administrator~~Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this Paragraph.

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

10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment ~~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, and the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs, or appeals. If an objector appeals the Judgment, the Parties’ obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final; ~~except as to matters that do not affect the amount of the Net Settlement Amount~~.

10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address, if possible, 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~~; provided, however, that at no time will Defendant be required to pay more than the Gross Settlement

| Amount. An

appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service ~~Payment~~Payments or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this Paragraph, as long as the Gross Settlement Amount remains unchanged.

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

12. ADDITIONAL PROVISIONS.

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

12.2 Confidentiality Prior to Preliminary Approval. ~~Plaintiff~~Plaintiffs, Class Counsel, ~~XYZ~~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'Plaintiffs' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; ~~(2) counsel in a related matter~~ (2) as for Defendant, as needed for legal, accounting, tax, or other business reasons; (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~~Plaintiffs, Class Counsel, ~~XYZ~~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 any 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. Plaintiffs and Class Counsel shall not publicize the settlement on their websites, in advertising/marketing materials, or on social media, other than filing documents with the Court. This Paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class

Counsel's ethical obligations owed to Class Members.

~~12.2~~12.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this Paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

~~12.3~~12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached ~~exhibit~~exhibit shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

~~12.4~~12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by ~~Plaintiff~~Plaintiffs and ~~XYZ~~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.

~~12.5~~12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, and submitting supplemental evidence ~~and/or~~ supplementing points and authorities as requested by the Court. Plaintiffs will not opt out of the Settlement. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of ~~a mediator and/or~~ the Court for resolution.

~~12.6~~12.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity ~~and any~~ portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

~~12.7~~12.8 No Tax Advice. Neither ~~Plaintiff~~Plaintiffs, Class Counsel, ~~XYZ~~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.

~~12.8~~12.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

~~12.9~~12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

~~12.10~~12.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

~~12.11~~12.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

~~12.12~~12.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

~~12.13~~12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to ~~Cal. Evid.~~California Evidence Code ~~§section~~ 1152, and all copies and summaries of the Class Data provided to Class Counsel by ~~XYZ~~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 for 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~~Plaintiffs shall destroy, all paper and electronic versions of Class Data received from ~~XYZ~~Defendant unless, prior to the Court's discharge of the Administrator's obligation, ~~XYZ~~Defendant makes a written request to Class Counsel for the return, rather than the ~~destructions~~destruction, of Class Data.

~~12.14~~12.15 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

~~12.15~~12.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

~~12.16~~12.17 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To ~~Plaintiff~~Plaintiffs:

<u>Justin Marquez</u>	<u>Jose Garay</u>
<u>Christina Le</u>	<u>GARAY LAW, APLC</u>
<u>Arsiné Grigoryan</u>	<u>249 E Ocean Blvd #814</u>
<u>WILSHIRE LAW FIRM, PLC</u>	<u>Long Beach CA 90802</u>
3055 Wilshire Blvd., 12th Floor	
Los Angeles, CA 90010	

To ~~XYZ~~Defendant:

Emma Luevano
Te'Aira Law
MITCHELL SILBERBERG & KNUPP LLP

2049 Century Park East, 18th Floor
Los Angeles, CA 90067

~~12.17~~12.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (*i.e.*, DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument, as if counsel for the Parties ~~will~~ exchange~~exchanged~~ between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

~~12.18~~12.19 Stay of Litigation. The Parties agree that, upon the execution of this Agreement, the ~~litigation~~Action shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree ~~that~~, upon the signing of this Agreement ~~that~~and pursuant to ~~CCP~~California Code of Civil Procedure section 583.330, to extend the date to bring a case to trial under ~~CCP~~California Code of Civil Procedure section 583.310 for the entire period of this settlement process.

Kania Paton

Graciela Jimenez Gonzalez

Sim Astronomo

Gerardo Sandoval

Melissa Sandoval

Kevin Sandoval

Eulalia Carvente

Olegario Encarnacion

Silvia Hernandez

Justin Marquez, Esq.
Wilshire Law Firm, PLC
Counsel for Plaintiffs

[Signature]_____
[name] For Plaintiff

[Signature]_____
[name and title] For XYZ

[Signature]_____
[name] Counsel for Plaintiff

[Signature]_____
[name]

Jose Garay, Esq.
Garay Law, APLC
Counsel for
XYZPlaintiffs

For Defendant Ruggable LLC

By:

Its:

Emma Luevano, Esq.

Mitchell Silberberg & Knupp LLP

Counsel for Defendant

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

~~[case name and number]~~
[Kania Paton, et al. v. Ruggable LLC, Case No. 21STCV44381]

*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 ~~[name of defendant] (abbreviate name; “XYZ” is used herein as a placeholder)~~ Defendant Ruggable LLC (“Defendant”) for alleged wage and hour violations. The Action was filed by a ~~n~~ [former] XYZ employee [name] (“Plaintiff Plaintiffs Kania Paton, Graciela Jimenez Gonzalez, Sim Astronomo, Gerardo Sandoval, Melissa Sandoval, Kevin Sandoval, Eulalia Carvente, Olegario Encarnacion, and Silvia Hernandez (“Plaintiffs”) and seeks payment of (1) ~~back~~ alleged unpaid wages ~~[and other relief]~~ for a class of ~~[e.g., hourly], non-exempt~~ employees (“Class Members”) who worked for ~~XYZ~~ Defendant during the Class Period ~~([date] to [date])~~ ;(June 8, 2018 and June 8, 2022); and (2) alleged penalties under the California Private Attorney ~~Attorneys~~ General Act (“PAGA”) for all ~~[e.g., hourly], non-exempt~~ employees who worked for ~~XYZ~~ Defendant during the PAGA Period ~~([date] to [date])~~ (April 6, 2020 and June 8, 2022) (“Aggrieved Employees”).

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

Based on ~~XYZ’s~~ Defendant’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$_____ (less ~~withholding~~ withholdings) 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 ~~XYZ’s~~ 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 ~~XYZ’s~~ Defendant’s records showing that **you ~~worked~~ _____ workweeks received _____ paychecks** during the Class Period and **you ~~worked~~ _____ workweeks received _____ paychecks** during the PAGA Period. If you believe that you ~~worked~~ received more ~~workweeks~~ paychecks 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~~ Plaintiffs and ~~Plaintiff’s~~ Plaintiffs’ attorneys (“Class Counsel”). The Court will also

| decide whether to enter a judgment that requires XYZDefendant to make payments under the
| Settlement and requires Class Members and Aggrieved Employees to give up their rights to
| assert certain claims against XYZ-Defendant.

| If you worked for XYZDefendant 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 XYZ-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 XYZDefendant, 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.

XYZDefendant 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	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.
The Opt-out Deadline is [date]	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 Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or
Written Objections Must be Submitted by [date]	

You Can Participate in the [date] Final Approval Hearing	Plaintiffs if you think they are unreasonable. See Section 7 of this Notice. 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 Paychecks	The amount of your Individual Class Payment and Individual PAGA Payment (if any) depend on how many paychecks you received during the Class Period and how many paychecks you received during the PAGA Period, respectively. The number of paychecks you received during the Class Period and the number of paychecks you received during the PAGA Period (if any) 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.
Written Challenges Must be Submitted by [date]	

1. WHAT IS THE ACTION ABOUT?

~~Plaintiff is a[n] [~~

~~Plaintiffs are current and former] XYZ-employee- employees of Defendant.~~ The Action accuses ~~XYZ~~Defendant of violating California labor laws by failing to pay ~~{e.g., overtime wages, minimum wages, all~~ wages due ~~upon termination and reimbursable expenses}{including minimum wage, straight time, and overtime wages}~~, failing to pay for all hours worked, failing to provide ~~{e.g., meal or rest periods, rest breaks-failing to timely pay wages and final wages, failing to maintain~~ accurate ~~itemized~~records of hours worked and meal periods, failing to furnish accurate wage statements~~}-, and failure to provide expense reimbursements (including claims derivative and/or related to these claims).~~

Based on the same claims, ~~Plaintiff has~~Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). ~~Plaintiff is~~Plaintiffs are represented by attorneys in the Action: ~~{name of attorney Justin Marquez, Christina Le, and law firm}Arsiné Grigoryan of Wilshire Law Firm, PLC, and Jose Garay of Garay Law, APLC~~ (“Class Counsel.”).

~~XYZ~~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 ~~XYZ~~Defendant or ~~Plaintiff is~~Plaintiffs are correct on the merits. In the meantime, ~~Plaintiff~~Plaintiffs and ~~XYZ~~[Defendant] 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 ~~(to 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~~Plaintiffs and ~~XYZ~~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, ~~XYZ~~Defendant does not admit any violations or concede the merit of any claims.

~~Plaintiff~~

Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) XYZDefendant 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. XYZDefendant Will Pay ~~[\$amount]~~\$910,000 as the Gross Settlement Amount (Gross Settlement). XYZDefendant 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~~Payments, 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, XYZDefendant will fund the Gross Settlement not more than ~~[14]~~30 days after the Judgment entered by the Court ~~become~~becomes 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, PlaintiffPlaintiffs 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 ~~[\$ amount]~~(~~x~~\$303,333.33 (33 1/3% of the Gross Settlement]) to Class Counsel for attorneys' fees and up to ~~[\$amount]~~\$30,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to ~~[\$amount]~~as a \$5,000 for each named Plaintiff for the Class Representative ~~Award~~Service Payment for filing the Action, working with Class Counsel and representing the Class. ~~A~~Class Representative ~~Award~~Service Payments will be the only monies PlaintiffPlaintiffs will receive other than each Plaintiff's Individual Class Payment and any Individual PAGA Payment.
 - C. Up to ~~[\$amount]~~\$15,000 to the Administrator for services administering the Settlement.
 - D. Up to ~~[\$amount]~~\$30,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA 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.~~ the number of paychecks received.
4. Taxes Owed on Payments to Class Members. ~~Plaintiff~~ Plaintiffs and ~~XYZ~~ Defendant are asking the Court to approve an allocation of ~~[specify percentage]~~ 100% of each Individual Class Payment to ~~taxable wages (“Wage Portion”)~~ and ~~[specify percentage]~~ to ~~[e.g., interest, etc.] (“Non-Wage Portion.”).~~ The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. [Option 1: (XYZ will separately pay employer payroll taxes it owes on the Wage Portion.)] and penalties. 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~~ Plaintiffs and ~~XYZ~~ 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]~~ [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 ~~XYZ.~~ 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 ~~XYZ.~~ 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 to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and ~~XYZ~~Defendant have agreed that, in either case, the Settlement will be void: ~~XYZ~~

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

7.8. 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 Workweekspaychecks received, 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.

8.9. Participating Class Members’ Release. After the Judgment is final and XYZDefendant 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 XYZDefendant 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, e.g., ~~“(a) any and all claims involving any alleged~~ failure to pay all wages due (including minimum wage; etc., straight time, and overtime wages), failure to pay for all hours worked, failure to provide meal or rest periods, failure to timely pay wages and final wages, failure to maintain accurate records of hours worked and meal periods, failure to furnish accurate wage statements, failure to provide expense reimbursements (including claims derivative and/or related to these claims). This Release shall include all claims and theories arising under the California Labor Code, the Fair Labor Standards Act, California wage orders, and applicable regulations, including California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, and 2802, as well as claims under Business and Professions Code section 17200, et seq., and/or California Labor Code section 2698, et seq. based on alleged violations of the above Labor Code provisions, as alleged in the Action. Except as set forth in ~~Section 6~~ Paragraph 5.3 of the Settlement ~~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.

9.10. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and XYZDefendant has paid the Gross Settlement ~~(and separately paid the employer side payroll taxes)~~, all Aggrieved Employees will be barred from asserting PAGA claims

| against ~~XYZ~~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 ~~XYZ~~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-Aggrieved Employees (regardless of whether they are 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]~~ during the PAGA Notice [Period, Plaintiffs' PAGA Notices, and ascertained in the course of the Action~~],~~ including, e.g., ~~(a) any and all claims involving any alleged failure to pay all wages due (including minimum wage; etc.), straight time, and overtime wages), failure to pay for all hours worked, failure to provide meal or rest periods, failure to timely pay wages and final wages, failure to maintain accurate records of hours worked and meal periods, failure to furnish accurate wage statements, failure to provide expense reimbursements (including claims derivative and/or related to these claims).~~

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~~ will receive their pro rata share of the Net Settlement Amount based on the number of Workweeks worked by each individual Participating Class Member paychecks received during the Class Period.
- ~~1.~~ Individual PAGA Payments. The Administrator will calculate each Individual PAGA Payments by ~~(Payment as a) dividing \$[amount] by pro rata share of 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.~~
2. Workweek/Pay Period Challenges. Employees' 25% share of PAGA Penalties (\$7,500) based on the number of paychecks received during the Class ~~Workweeks you worked~~Period.
- ~~2.3.~~ Paycheck Received Challenges. The number of paychecks received during the Class Period and the number of ~~PAGA Pay Periods you worked~~paychecks received during the PAGA Period, as recorded in ~~XYZ's~~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~~paychecks 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 ~~XYZ's~~Defendant's calculation of ~~Workweeks and/or Pay Periods~~paychecks received based on ~~XYZ's~~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~~paychecks received challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and ~~XYZ's~~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 to be excluded. Be sure to personally sign your request, identify the Action as ~~[caption of Action]~~, Kania Paton v. Ruggable LLC, 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~~Plaintiffs and ~~XYZ~~Defendant are asking the Court to approve. At least ~~[insert]~~16 court 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~~Awards stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount ~~Plaintiff is~~Plaintiffs are requesting as ~~a~~-Class Representative Service ~~Award.~~Awards. 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~~Awards may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or ~~Plaintiff~~Plaintiffs 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 [~~case caption~~ Kania Paton, et al. v. Ruggable LLC] and include your name, current address, telephone number, and approximate dates of employment for ~~[XYZ]~~ 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 ~~[7]~~ X 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~~ Plaintiffs, 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://w://www.lacourt.org/lacc/> - ~~[confirm]~~ - www.lacourt.org/lacc/). 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 ~~XYZ~~ Defendant and ~~Plaintiff~~ Plaintiffs 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 the [specify whose] 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]~~ (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. ~~[number]~~ - 21STCV44381. 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:

[Name of Attorney]

[Email Address]

[Name of Firm]

[Mailing Address]

[

Justin Marquez
Christina Le
Arsiné Grigoryan
WILSHIRE LAW FIRM, PLC
3055 Wilshire Blvd., 12th Floor
Los Angeles, CA 90010
Telephone: (213) 784-3830
Facsimile: (213) 381-9989
justin@wilshirelawfirm.com
cle@wilshirelawfirm.com
agrigoryan@wilshirelawfirm.com

Jose Garay
GARAY LAW, APLC
249 E Ocean Blvd #814
Long Beach CA 90802
Telephone: (949) 208 3400
Facsimile: (562) 590 – 8400
jose@garaylaw.com
hg@garaylaw.com

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/search_upd.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.

Exhibit 6



Quotation For:

Justin F. Marquez, Esq.
Wilshire Law Firm, PLC
Justin@wilshirelawfirm.com
213.381.9988

Prepared by:

Sean Hartranft
Apex Class Action LLC
Sean@apexclassaction.com
949.878.3676

Case Name: Paton v. Ruggable

Date: 4/7/23
RFP Number: 99880005

Settlement Specifications

Estimated Class Size:	750
Certified Language Translation:	Yes
Basic Settlement Website:	Yes
Percentage of Undeliverable Mail:	20%

Comments or Special Instructions

None

Service	Unit	Rate	Volume	Amount
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Data Analytics and Standardization

Import and Standardize Data*	Per Hour	\$125.00	2	\$250.00
Data Analyst	Per Hour	\$150.00	2	\$300.00
*Data provided must be in a workable format. Apex can standardized provided data at an additional cost of \$150/hr.				
Sub Total:				\$550.00

Mailing of Class Notice

Form Set-Up (Formatting for Review and Approval)	Per Hour	\$120.00	2	\$240.00
Print & Mailing of Class Notice	Per Piece	\$1.50	750	\$1,125.00
USPS First Class Postage	Per Piece	\$0.60	750	\$450.00
Remail Notice to Updated Address (Skip Trace)	Per Piece	\$2.00	150	\$300.00
Receive and Process Undeliverable Mail	Per Hour	\$75.00	1	\$75.00
Process Class Member Correspondence via mail, e-mail & fax	Per Hour	\$75.00	1	\$75.00
NCOA Address Update	Static Rate	\$50.00	1	\$50.00
Certified Spanish Translation	Static Rate	\$1,200.00	1	\$1,200.00
Sub Total:				\$3,515.00

Project Management

Project Management	Per Hour	\$150.00	1	\$150.00
Project Coordinator	Per Hour	\$90.00	3	\$270.00
Data Analyst and Reporting	Per Hour	\$140.00	2	\$280.00
Sub Total:				\$700.00

APEX

Class action settlement administration



Service	Unit	Rate	Volume	Amount
Toll-Free Contact Center, Website & Reporting				
Toll-Free Contact Center	Static Rate	\$90.00	1	\$90.00
Website: Static	Static Rate	\$500.00	1	\$500.00
Status Reports	Static Rate	\$750.00	1	Waived
Sub Total:				\$590.00

Distribution & Fund Management				
Settlement Calculations	Per Hour	\$140.00	3	\$420.00
Account Management and Reconciliation	Per Hour	\$140.00	3	\$420.00
Print & Mailing Distribution Settlement Check	Per Piece	\$1.50	750	\$1,125.00
USPS First Class Postage	Per Hour	\$0.60	750	\$450.00
Remail Distribution to Updated Address (Skip Trace)	Per Piece	\$2.00	75	\$150.00
Individual Income Tax Preparation & Reporting	Per Hour	\$100.00	8	\$800.00
QSF Income Tax Reporting (per calendar year)	Per Year	\$1,250.00	1	\$1,250.00
Unclaimed Funds: CA State Controller's Unclaimed Property Fund	Static Rate	\$700.00	1	\$700.00
Sub Total:				\$5,315.00

Post Distribution Reconciliation				
Bank Account Reconciliation	Per Hour	\$135.00	2	\$270.00
Project Management Reconciliation	Per Hour	\$100.00	2	\$200.00
Declarations	Per Hour	\$120.00	3	\$360.00
Sub Total:				\$830.00

TOTAL ESTIMATED PROJECT COST: \$11,500.00

Thank you for your business!

Sean at 949.878.3676

Terms & Conditions

The following Terms and Conditions govern the provision of all AI services to be provided by Apex Class Action and its affiliates ("Apex") to the Client. These terms and conditions are binding and shall apply to all services provided by Apex in relation to any related services or products.

1. **Services:** Apex commits to providing the Client with the administrative services detailed in the attached Proposal (the "Services").
2. **Payment Terms:** As compensation for the legal services to be provided, the Client agrees to pay Apex all fees detailed in the Proposal. The fees quoted in the Proposal (and any subsequent proposals for additional services) are estimates based on the information provided to Apex by the Client. Apex makes no representation that the estimated fees in the Proposal or any subsequent proposals for additional services shall equal the actual fees charged by Apex to the Client, which fees (including individual line items) may be greater or less than estimated. If additional services are requested on an hourly basis and are not specifically detailed in the Proposal, Apex will prepare estimates for such services subject to approval by the Client. In the performance of such additional services, Apex will charge standard hourly fees which shall apply.
3. **Incurred Expenses:** In relation to the provision of services outlined in this agreement, the Client agrees to reimburse Apex for all reasonable out-of-pocket expenses incurred. Such expenses may include, but are not limited to, costs associated with postage, media production or publication, banking fees, brokerage fees, messenger and delivery service expenses, travel expenses, filing fees, office supplies, meals, staff overtime expenses, and other related costs and expenses. If not otherwise specified in writing, fees for print notice and certain expenses, such as media publication and postage, must be paid immediately upon invoicing and, in certain cases, at least ten (10) days prior to the date on which such expenses will be incurred.
4. **Invoicing:** Apex shall present invoices for its fees and expenses on a monthly basis, except as provided in Section 3. The Client agrees to pay each invoice within 30 days of receipt. In case of non-payment within 90 days of the billing date, an additional service charge of 1.5% per month may apply. Apex reserves the right to increase its prices, charges, and rates annually, subject to reasonable adjustments. If any price increases exceed 10%, Apex shall give thirty (30) days' notice to the Client. In the event of any unpaid invoices beyond 120 days of the due date, Apex reserves the right to withhold services and reports until payment is received, subject to notice to the Client. It is important to note that Apex's failure to provide services and reports in such instances shall not constitute a default under this agreement.
5. **Case Duration:** The duration of these Terms and Conditions, except for the data storage obligations stated in Section 13, shall be in effect until 30 days following the completion of the Services as described in the Proposal. The parties may extend these Terms and Conditions in writing for a mutually agreed-upon period beyond this initial 30-day period.
6. **Termination of Services:** Either party may terminate the Services by providing thirty (30) days written notice to the other party. Alternatively, termination may occur immediately upon written notice for Cause, as defined below. Cause means (i) Apex's gross negligence or willful misconduct that causes serious and material harm to the Client; (ii) the Client's failure to pay Apex invoices for more than one hundred twenty (120) days from the date of the invoice; or (iii) the accrual of invoices or unpaid services where Apex reasonably believes it will not be paid. Termination of the Services shall not relieve the Client of its obligation to pay Apex for services rendered prior to the termination.
7. **Independent Contractor:** As an independent contractor, Apex will provide services under the terms of this agreement. It is agreed that neither Apex nor any of its employees will be considered an employee of the Client. Consequently, Apex and its employees will not be eligible for any benefits provided by the Client to its employees. The Client will not make any tax deductions from the payments due to Apex for state or federal tax purposes. Apex will be solely responsible for paying all taxes and other payments due on payments received from the Client under this agreement.
8. **Apex warrants that the Services outlined in the Proposal will be performed in accordance with the standards generally adhered to by professionals providing similar services. It is acknowledged that the Services may entail the likelihood of some human and machine errors, omissions, delays, and losses that may result in damage. However, Apex shall not be held liable for such errors, omissions, delays, or losses unless they are caused by its gross negligence or willful misconduct. In the event of any breach of this warranty by Apex, the Client's sole remedy will be limited to Apex's rerunning, at its expense, any inaccurate output provided that such inaccuracies occurred solely as a result of Apex's gross negligence or willful misconduct under this agreement.**
9. **Limitation of Liability:** The Client acknowledges that Apex shall not be held liable for any consequential, special, or incidental damages incurred by the Client in relation to the performance of Services, whether the claim is based on breach of warranty, contract, tort (including negligence), strict liability, or any other grounds. Under no circumstances shall Apex's liability to the Client, for any Losses (including court costs and reasonable attorney's fees), arising out of or in connection with these Terms and Conditions, exceed the total amount charged or chargeable to the Client for the specific service(s) that caused the Losses.
10. **Indemnification:** The Client agrees to indemnify and hold harmless Apex from any losses, suits, actions, judgments, fines, costs, liabilities, or claims arising from any action or proceeding relating to the Services provided by Apex, regardless of whether or not it results in liability (collectively referred to as "Indemnified Claims"). However, this indemnification provision shall not apply to the extent that such Indemnified Claims are caused by Apex's willful misconduct, gross negligence, or breach of these Terms and Conditions. This provision shall survive termination of the Services.

11. **Confidentiality:** Apex will uphold strict confidentiality between Apex and the Client and applies to all non-public records, documents, systems, procedures, processes, software, and other information received by either party in connection with the performance of services under these terms. Both Apex and the Client agree to keep confidential all such non-public information, including any material marked or identified as confidential or proprietary. Any such confidential information shall not be disclosed, provided, disseminated, or otherwise made available to any third party, except as required to fulfill the parties' obligations under these terms. The parties acknowledge that in the event of any request to disclose any confidential information in connection with a legal or administrative proceeding, or otherwise to comply with a legal requirement, prompt notice of such request must be given to the other party to enable that party to seek an appropriate protective order or other remedy or to waive compliance with the relevant provisions of these terms. If the Client seeks a protective order or another remedy, Apex, at the Client's expense, will cooperate with and assist the Client in such efforts. If the Client fails to obtain a protective order or waives compliance with the relevant provisions of these terms, Apex will disclose only that portion of the confidential information that it determines it is required to disclose. This confidentiality provision shall survive termination of the services provided. Both parties acknowledge and agree that any breach of these terms may cause irreparable harm to the non-breaching party and that injunctive relief may be necessary to prevent any actual or threatened breach. The terms set forth between the parties supersede all prior negotiations, understandings, and agreements between the parties concerning confidentiality. These terms may only be amended in writing and signed by both parties.
12. **Ownership of the programs, system data, and materials provided by Apex to the Client during the course of providing services herein shall solely belong to Apex. It is acknowledged that fees and expenses paid by the Client do not confer any rights in such property. It is also understood that the said property is made available to the Client solely for the purpose of using it during and in connection with the services provided by Apex.**
13. **Upon the completion of the administration and unless retention instructions are ordered by the court, Apex will notify the client that it will destroy and/or return all confidential information and property within 90 days upon the client's written request. Alternatively, the material may be stored for one year at a monthly fee of \$1.50 per storage box for paper documents and \$0.01 per image for electronic copies over a period of three years, which compensates Apex for its electronic and hard-copy storage costs. Apex will not be liable for any damages, liability, or expenses incurred in connection with any delay in delivery of, or damage to disks, magnetic tapes, or any input data provided by the client or its representatives unless Apex has agreed in writing to assume such responsibility.**
14. **COMPLETE AGREEMENT.** These Terms and Conditions, along with the attached Proposal, represent the complete agreement and understanding between the parties and override any prior agreements (whether written or oral) between Apex and the Client regarding the subject matter. Any modification to these Terms and Conditions may only be made in writing and must be signed by both Apex and the Client. The headings in this document are included for convenience only and do not alter or restrict any provisions in these Terms and Conditions. They may not be used in the interpretation of these Terms and Conditions.
15. **This provision outlines the requirements for providing notice or other communication under this agreement. All such communications must be in writing and can be delivered either by personal delivery or through U.S. Mail with prepaid postage or overnight courier. Once delivered personally or sent through the mail, the notice will be considered given after five (5) days from the deposit date in the U.S. Mail. Alternatively, if sent through an overnight courier, the notice will be considered given one business day after delivery to the such courier. It's important to note that the notice must be provided to a responsible officer or principal of the Client or Apex, depending on the case.**
16. **Force Majeure:** In the event of any failure or delay in performance due to circumstances beyond Apex's control, including but not limited to strikes, lockouts, fires, floods, acts of God or public enemy, riots, civil disorders, insurrections, war or war conditions, or interference by civil or military authorities, Apex shall not be held liable for any resulting loss or damage. The time for performance under this agreement shall be extended for a period equal to the duration of the disabling cause and a reasonable time thereafter. This provision shall constitute a force majeure clause and shall be construed accordingly.
17. **The applicable state and federal laws shall govern the interpretation and enforcement of these Terms and Conditions. No choice of law or conflict of laws provisions shall affect this governing law provision.**
18. **Severability:** This applies to all clauses and covenants contained within these Terms and Conditions. In the event that any clause or covenant is deemed invalid, illegal, or unenforceable, the remaining provisions shall remain valid and enforceable to the fullest extent permissible by law. The validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired by the invalidity, illegality, or unenforceability of any provision deemed so.
19. **Nonwaiver:** This applies to these Terms and Conditions. This means that any failure by one party to enforce a provision of these terms on one or more occasions shall not be construed as a waiver of that provision. In other words, any failure to enforce a provision does not give up the right to enforce it in the future. All provisions of these Terms and Conditions remain in full force and effect, regardless of any prior failure to enforce them.

PROOF OF SERVICE

Paton, et al. v. Ruggable, LLC, et al.
21STCV44381

STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

I, Sandy Sespene, state that I am employed in the aforesaid County, State of California; I am over the age of eighteen years and not a party to the within action; my business address is 3055 Wilshire Blvd., 12th Floor, Los Angeles, California 90010. My electronic service address is ssespene@wilshirelawfirm.com.

On November 3, 2023, I served the foregoing **DECLARATION OF JUSTIN F. MARQUEZ IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT**, on the interested parties by placing a true copy thereof, enclosed in a sealed envelope by following one of the methods of service as follows:

Emma Luevano (SBN 198421)
eyl@msk.com
Te' Aira Law
tla@msk.com

MITCHELL SILBERBERG & KNUPP LLP
2049 Century Park East, 18th Floor
Los Angeles, California 90067
Telephone: (310) 312-3189
Facsimile: (310) 312-3100

Attorneys for Defendant

Jose Garay (SBN 200494)

jose@garaylaw.com

hg@garaylaw.com

JOSE GARAY, APLC

249 E Ocean Blvd # 814

Long Beach, CA 90802

Telephone: (949) 208-3400

Facsimile: (562) 590-8400

*Attorneys for Plaintiffs Graciela
Jimenez Gonzalez, et al.*

(X) **BY E-MAIL:** I hereby certify that this document was served from Los Angeles, California, by e-mail delivery on the parties listed herein at their most recent known email address or e-mail of record in this action.

(X) **BY UPLOAD:** I hereby certify that the documents were uploaded by my office to the State of California Labor and Workforce Development Agency Online Filing Site.

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

Executed on November 3, 2023, at Los Angeles, California.



Sandy Sespene