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

MERCEDES QUINTANILLA, individually,
and on behalf of all others similarly situated,

Plaintiff,

vs.

CHROME HEARTS LLC, a limited liability
company; CHROME HEARTS FACTORY
LLC, a limited liability company; CHROME
HEARTS HOLDINGS LLC, a limited liability
company; and DOES 1 through 10, inclusive,

Defendants.

Case No.: 21STCV41380 (Lead Case)
Consolidated with Case No. 21STCV44239

[Honorable Elihu M. Berle,
Department SSC-6]

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

Complaint Filed: November 10, 2021
Trial Date: Not Set

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8 *Attorneys for Defendants,*
9 *Chrome Hearts LLC, Chrome Hearts Factory LLC,*
10 *Chrome Hearts Holdings LLC, Chrome Hearts Trading, Inc.*
11 *and Chrome Hearts International Distribution LLC*

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1. RECITALS.

1.2 On November 6, 2021, Plaintiff Mercedes Quintanilla filed with the Labor and Workforce Development Agency (“LWDA”), and sent via certified mail to Defendants, written notice of the California Labor Code sections, which she alleged Defendants had violated, pursuant to Labor Code section 2699.3, subdivision (a).

1.3 On November 10, 2021, Plaintiff Mercedes Quintanilla filed a Class Action Complaint against Chrome Hearts LLC, Chrome Hearts Factory LLC, and Chrome Hearts Holdings LLC, which alleged, on behalf of all non-exempt employees of defendants who worked in

1 California from the date four years before the filing of the complaint to the date the Class Notice is
2 sent: Failure to Pay Minimum Wage [*Labor Code* §§ 204, 1194, 1194.2 and 1197]; Failure to Pay
3 Overtime Compensation [*Labor Code* §§ 1194 and 1198]; Failure to Provide Meal Periods [*Labor*
4 *Code* §§ 226.7 and 512]; Failure to Authorize and Permit Rest Breaks [*Labor Code* § 226.7];
5 Failure to Indemnify Necessary Business Expenses [*Labor Code* § 2802]; Failure to Timely Pay
6 Final Wages at Termination [*Labor Code* §§ 201-203]; Failure to Provide Accurate Itemized Wage
7 Statements [*Labor Code* § 226]; and Unfair Business Practices [*Business & Professions Code* §§
8 17200, *et seq.*].

9 1.4 On December 3, 2021, Plaintiff Miguel Sanchez Martinez filed a Class Action
10 Complaint against the same defendants as identified in the *Quintanilla* matter, as well as Chrome
11 Hearts Trading, Inc. and Chrome Hearts International Distribution LLC, which alleged the same or
12 similar causes of action as alleged in *Mercedes Quintanilla v. Chrome Hearts LLC, et. al.*, Case No.
13 21STCV41380. *Miguel Sanchez Martinez v. Chrome Hearts Factory LLC, et al.*, is designated as
14 Case No. 21STCV44239.

15 1.5 On December 6, 2021, Plaintiff Miguel Sanchez Martinez filed with the Labor and
16 Workforce Development Agency (“LWDA”), and sent via certified mail to Defendants, written
17 notice of the California Labor Code sections, which he alleged Defendants had violated, pursuant to
18 Labor Code section 2699.3, subdivision (a).

19 1.6 On January 14, 2022, Plaintiff Mercedes Quintanilla filed a First Amended Class
20 Action and Representative Action Complaint, which alleged an additional cause of action for Civil
21 Penalties under the Private Attorneys General Act [*Labor Code* §§ 2699, *et. Seq.*] (“PAGA”); and
22 on July 12, 2022, Plaintiff Miguel Sanchez Martinez filed the same.

23 1.7 On July 6, 2022, the Parties participated in a private mediation with experienced,
24 professional mediator, Michael Young, Esq. The mediation did not result in settlement on this date,
25 and the Parties initiated formal discovery thereafter.

1.8 On November 17, 2022, the Court consolidated *Mercedes Quintanilla v. Chrome Hearts LLC, et. al.*, Case No. 21STCV41380 and *Miguel Sanchez Martinez v. Chrome Hearts LLC, et. al.*, Case No. 21STCV44239, and named the former as the lead case.

1.9 On January 11, 2023, Counsel for Plaintiff Mercedes Quintanilla was retained by Adriana Flores, another former, non-exempt employee of Defendants.

1.10 On February 10, 2023, Michael Young, Esq. proposed a final settlement offer to the Parties; and on February 13, 2023, the Parties accepted the final settlement offer, as it reflects their good faith compromise of the claims raised in both Class Action Complaints (hereafter collectively referred to as the “Action”), which was reached through assessment of the mutual risks and costs of further litigation, their July 6, 2022 arms-length mediation with experienced, professional mediator, Michael Young, Esq., and the litigation and discovery that followed;

1.11 On April 3, 2023, the Parties entered into a Joint Stipulation for Leave to File Consolidated Second Amended Class and Representative Action Complaint to name Adriana Flores as an additional class representative in the Action and consolidate all pending claims against Defendants. On April 25, 2023, the Court granted an order thereon, and Plaintiffs filed the operative Second Amended Class and Representative Action Complaint (“Operative Complaint”) thereafter.

1.12 Now, therefore, the Parties enter into the instant Joint Stipulation and, solely for purposes of settling the Action and addressing any discrepancies identified herein, stipulate and agree that the requisites for establishing class certification with respect to the Class Members (defined below) have been met and are met, including that the putative Class is ascertainable and so numerous as to make it impracticable to join all putative Class Members; there are common questions of law and fact which predominate over any question(s) affecting any individual putative Class Member; Plaintiffs' claims are typical of the claims of the putative Class; Plaintiffs and Class Counsel will fairly and adequately protect the interests of the putative Class; the prosecution of separate actions by individual members of the putative Class would create the risk of inconsistent or varying adjudications, which would establish incompatible standards of conduct; and a class action is superior to other available means for the fair and efficient adjudication of the controversy.

2.1. “Action” means the consolidated action entitled *Mercedes Quintanilla, et. al. v. Chrome Hearts LLC, et. al.*, Los Angeles Superior Court, Case No. 21STCV41380.

2.2. “Administrator” means the neutral entity the Parties have appointed to administer the Settlement, ILYM Group, Inc.

2.3. “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.

2.4. “Aggrieved Employees” means all non-exempt employees of Defendants who worked in California during the PAGA Period.

2.5. “Class” or “Class Members” means all non-exempt employees of Defendants who worked in California during the Class Period.

2.6. “Class Counsel” means Moon & Yang, APC and Bibiyan Law Group P.C.

2.7. “Class Counsel Fees Payment” means the amount allocated to Class Counsel for reimbursement of their reasonable fees incurred to prosecute the Action.

2.8. “Class Counsel Litigation Expenses Payment” means the amount allocated to Class Counsel for reimbursement of their reasonable expenses incurred to prosecute the Action.

2.9. “Class Data” means Class Member identifying information, including his or her name, last-known mailing address, Social Security Number, hire date(s), termination date(s) (if applicable), and re-hire date(s) (if applicable).

2.10. “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.

2.11. “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.

2.12. “Class Period” means the period from January 1, 2021, through the date the Court grants Preliminary Approval.

2.13. “Class Representatives” means Mercedes Quintanilla, Adriana Flores, and Miguel Sanchez Martinez, the named Plaintiffs in the Action.

2.14. “Class Representative Service Payments” means the payments to the Class Representatives for initiating and providing services in support of the Action and for their general releases, as described in Paragraph 5.1 below.

2.15. “Court” means the Los Angeles Superior Court.

2.16. “Defendants” means Chrome Hearts LLC, Chrome Hearts Factory LLC, Chrome Hearts Holdings LLC, Chrome Hearts Trading, Inc. and Chrome Hearts International Distribution LLC.

2.17. “Defense Counsel” means Jackson Lewis P.C.

2.18. “Effective Date” means the date on which 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 Settlement Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Settlement Class Members object to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

2.19. “Final Approval” means the Court Order Granting Final Approval of the Settlement.

2.20. “Final Approval Hearing” means the Court Hearing on the Motion for Final Approval of the Settlement.

2.21. “Final Judgment” means the Judgment entered by the Court upon granting final approval of the Settlement.

2.22. “Gross Settlement Amount” means \$750,000.00, the total amount Defendants agree to pay under the Settlement, except as provided in Paragraph 9 below, and which will be

1 used to pay the Individual Class Payments, PAGA Settlement Payment, Class Counsel Fees
2 Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payments,
3 and Administration Expenses Payment.

4 2.23. "Individual Class Payments" means the individual payments made to each
5 Settlement Class Member from the Net Settlement Amount.

6 2.24. "Individual PAGA Payment(s)" means the allocation of twenty-five percent of the
7 PAGA Settlement Payment, to be paid to the Aggrieved Employees, pursuant to Labor Code
8 section 2699, subdivision (i).

9 2.25. "LWDA" means the California Labor and Workforce Development Agency.

10 2.26. "LWDA PAGA Payment" means the allocation of seventy-five percent of the
11 PAGA Settlement Payment, to be paid to the LWDA, pursuant to Labor Code section 2699,
12 subdivision (i).

13 2.27. "Net Settlement Amount" means the Gross Settlement Amount less the following
14 payments, in the amounts approved by the Court: the Individual PAGA Payment, LWDA
15 PAGA Payment, Class Representative Service Payments, Class Counsel Fees Payment, Class
16 Counsel Litigation Expenses Payment, and Administration Expenses Payment. The Net
17 Settlement Amount is to be paid to Settlement Class Members as Individual Class Payments.

18 2.28. "Non-Participating Class Members" means Class Members who submit a valid
19 and timely Request for Exclusion from the Settlement.

20 2.29. "PAGA" means the California Labor Code Private Attorneys General Act.

21 2.30. "PAGA Period" means the period from January 1, 2021, through the date the
22 Court grants Preliminary Approval.

23 2.31. "PAGA Pay Period" means the pay periods worked by any Aggrieved Employee
24 during the PAGA Period.

25 2.32. "PAGA Settlement Payment" means \$40,000.000, the total amount of PAGA
26 civil penalties to be paid from the Gross Settlement Amount, and which shall be allocated
27 seventy-five percent to the LWDA (\$30,000.00) ("LWDA PAGA Payment") and twenty-five

1 percent to the Aggrieved Employees (\$10,000.00) (“Individual PAGA Payment”), in settlement
2 of the Released PAGA Claims.

3 2.33. “Plaintiffs” means Mercedes Quintanilla, Adriana Flores and Miguel Sanchez
4 Martinez.

5 2.34. “Preliminary Approval” means the Court Order Granting Preliminary Approval
6 of the Settlement and Class Notice.

7 2.35. “Released Class Claims” means the claims being released as described in
8 Paragraph 5.2 below.

9 2.36. “Released PAGA Claims” means the claims being released as described in
10 Paragraph 5.3 below.

11 2.37. “Released Parties” means: Defendants and each of their former and present
12 directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors,
13 assigns, subsidiaries, affiliates, managers, employees, agents, representatives, partners,
14 investors, administrators, parent companies, DBAs, divisions, and joint venturers.

15 2.38. “Request for Exclusion” means the submission of a written request by a Class
16 Member to be excluded from the Settlement, which is signed by the Class Member.

17 2.39. “Response Deadline” means sixty (60) calendar days after the Administrator
18 mails the Class Notice to the Class Members and Aggrieved Employees and the last date on
19 which Class Members may: (a) fax, email or mail Requests for Exclusion from the Settlement,
20 or (b) fax, email or mail Objections to the Settlement. Class Members to whom Notice Packets
21 are resent after having been returned undeliverable to the Administrator shall have an additional
22 fourteen (14) calendar days beyond the Response Deadline.

23 2.40. “Settlement” means the disposition of the Action effected by this Agreement.

24 2.41. “Settlement Class Member” or “Participating Class Member” means a Class
25 Member who does not submit a valid and timely Request for Exclusion from the Settlement.

26 2.42. “Workweeks” means the weeks worked by any Settlement Class Member during
27 the Class Period, based on hired date(s), termination date(s) (as applicable), and re-hire date(s)

(as applicable).

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendants agree to pay the Gross Settlement Amount of \$750,000.00 and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendants have no obligation to pay the Gross Settlement Amount or any payroll taxes prior to the deadline stated in Paragraph 4.2 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Settlement 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. Net 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: The Class Representative Service Payments to the Class Representatives of not more than \$10,000.00 each (in addition to any Individual Class Payments and Individual PAGA Payments the Class Representatives are entitled to receive as Settlement Class Members and Aggrieved Employees). Defendants will not oppose a request for payments that do not exceed this amount. As part of their motion for the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than sixteen (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 \$250,000.00, or one third of the Gross Settlement Amount, and a Class Counsel Litigation

1 Expenses Payment of not more than \$35,000.00. Defendants will not oppose a request for
2 payments that do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion
3 for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment no later than
4 sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class
5 Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment less than the
6 amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount.
7 Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising
8 from any claim to any portion of any Class Counsel Fees Payment and/or Class Counsel
9 Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and
10 Class Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel
11 assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and
12 Class Counsel Litigation Expenses Payment and hold Defendants harmless from and indemnify
13 Defendants for any dispute or controversy regarding division or sharing of such payments.

14 3.2.3. To the Administrator: An Administration Expenses Payment not to
15 exceed \$15,000.00, except for a showing of good cause and as approved by the Court. To the
16 extent the Administration Expenses Payment is less or the Court approves payment less than
17 \$15,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

18 3.2.4. To Each Settlement Class Member: An Individual Class Payment
19 calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks
20 worked by all Settlement Class Members during the Class Period and (b) multiplying the result
21 by each Settlement Class Member's Workweeks.

22 3.2.4.1. Tax Allocation of Individual Class Payments. 20% of each
23 Settlement Class Member's Individual Class Payment will be allocated to settlement of wage
24 claims (the "Wage Portion"). The Wage Portion is subject to tax withholding and will be
25 reported on an IRS W-2 Form. 80% of each Settlement Class Member's Individual Class
26 Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage
27 Portion"). The Non-Wage Portion is not subject to wage withholdings and will be reported on

1 IRS 1099 Forms. Settlement Class Members assume full responsibility and liability for any
2 employee taxes owed on their Individual Class Payment.

3 3.2.4.2. Effect of Non-Participating Class Members on Calculation of
4 Individual Class Payments. Non-Participating Class Members will not receive any Individual
5 Class Payments. The Administrator will retain amounts equal to their Individual Class
6 Payments in the Net Settlement Amount for distribution to Settlement Class Members on a pro
7 rata basis.

8 3.2.5. To the LWDA and Aggrieved Employees: A PAGA Settlement Payment
9 in the amount of \$40,000.00 to be paid from the Gross Settlement Amount, with seventy-five
10 percent (\$30,000.00) allocated to the LWDA PAGA Payment and twenty-five percent
11 (\$10,000.00) allocated to the Individual PAGA Payments.

12 3.2.5.1. The Administrator will calculate each Individual PAGA
13 Payment by (a) dividing the amount of the total Individual PAGA Payment (\$10,000.00) by the
14 total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA
15 Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods.
16 Aggrieved Employees assume full responsibility and liability for any taxes owed on their
17 Individual PAGA Payment.

18 **4. SETTLEMENT FUNDING AND PAYMENTS.**

19 4.1. Class Data. Not later than fifteen (15) days after the Court grants Preliminary
20 Approval of the Settlement, Defendants will simultaneously deliver the Class Data to the
21 Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members'
22 privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data
23 only for purposes of this Settlement and for no other purpose, and restrict access to the Class
24 Data to Administrator employees who need access to the Class Data to effect and perform under
25 this Agreement. Defendants have a continuing duty to immediately (a) notify Class Counsel if it
26 discovers the Class Data omitted a class member and (b) provide corrected/updated Class Data
27 as soon as reasonably feasible. Without any extension of the deadline by which Defendants

1 must send the Class Data to the Administrator, the Parties and their counsel will expeditiously
2 use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to omitted
3 data.

4 4.2. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross
5 Settlement Amount and the amounts necessary to fully pay their share of payroll taxes, by
6 transmitting the funds to the Administrator no later than thirty (30) days after the Effective
7 Date. If Defendants fail to timely transfer the funds as set forth in this Agreement, Defendants
8 shall have fourteen (14) calendar days from the last day the payment is due to cure the untimely
9 payment. Defendants shall transmit the funds pursuant to the Settlement Administrator's
10 electronic transfer instructions. Defendants' payment obligations with respect to the Gross
11 Settlement Amount, Defendants' share of payroll taxes, and any cure payment shall be met
12 upon initiating the electronic transfer of funds to the Administrator, pursuant to the
13 Administrator's instructions. In the event of an unsuccessful electronic transfer of funds, the
14 Parties agree to cooperate in good faith to resolve the issues.

15 4.3. Payments from the Gross Settlement Amount. Within fourteen (14) days after
16 Defendants fully fund the Gross Settlement Amount, the Administrator will mail checks for the
17 Individual Class Payments, Individual PAGA Payments, LWDA PAGA Payment,
18 Administration Expenses Payment, Class Counsel Fees Payment, Class Counsel Litigation
19 Expenses Payment, and Class Representative Service Payments. Disbursement of the Class
20 Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative
21 Service Payments shall not precede disbursement of the Individual Class Payments and
22 Individual PAGA Payments.

23 4.3.1. The Administrator will issue checks for the Individual Class Payments
24 and/or Individual PAGA Payments and send them to the Class Members via First Class U.S.
25 Mail, postage prepaid. The face of each check shall prominently state the date (not less than
26 180 days after the date of mailing) when the check will be voided. The Administrator will
27 cancel all checks not cashed by the void date. The Administrator will send checks for

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

9 4.3.2. The Administrator must conduct a Class Member Address Search for all
10 other Class Members whose checks are returned undelivered without USPS forwarding
11 addresses. Within seven (7) days of receiving a returned check the Administrator must re-mail
12 checks to the USPS forwarding address provided or to an address ascertained through the Class
13 Member Address Search. The Administrator need not take further steps to deliver checks to
14 Class Members whose re-mailed checks are returned as undelivered. The Administrator shall
15 promptly send a replacement check to any Class Member whose original check was lost or
16 misplaced, requested by the Class Member prior to the void date.

17 4.3.3. For any Class Member whose Individual Class Payment check or
18 Individual PAGA Payment check is uncashed and cancelled after the void date, the
19 Administrator shall transmit the funds represented by such checks to the California Controller's
20 Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid
21 residue," subject to the requirements of California Code of Civil Procedure Section 384,
22 subdivision (b).

23 4.3.4. The payment of Individual Class Payments and Individual PAGA
24 Payments shall not obligate Defendants to confer any additional benefits or make any additional
25 payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in
26 this Agreement.

1 **5. RELEASES OF CLAIMS.** Effective on the date when Defendants fully fund the entire
2 Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the
3 Individual Class Payments, Plaintiffs, Class Members and Class Counsel will release claims
4 against all Released Parties as follows:

5 5.1. Plaintiffs' Release. In addition to the Released Class Claims and Released
6 PAGA Claims described below, Plaintiffs and their respective former and present spouses,
7 representatives, agents, attorneys, heirs, administrators, successors, and assigns generally,
8 release and discharge Released Parties from all claims, demands, rights, liabilities and causes of
9 action of every nature and description whatsoever, whether known or unknown, asserted or that
10 might have been asserted, whether in tort, contract, or for violation of any state or federal
11 statute, rule, law or regulation arising out of, relating to, or in connection with any act or
12 omission of the Released Parties through the date of full execution of this Settlement Agreement
13 in connection with his or her employment or the termination thereof ("Plaintiffs' Release").
14 Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to
15 those rights that as a matter of law cannot be waived, including, but not limited to any claims
16 for vested benefits, unemployment benefits, disability benefits, social security benefits, or
17 workers' compensation benefits that arose at any time. Plaintiffs acknowledge that they may
18 discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know
19 or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective
20 in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of
21 them.

22 5.1.1. Plaintiffs' Waiver of Rights Under California Civil Code Section 1542.
23 For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions,
24 rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

5.2. Released Class Claims by Settlement Class Members: All Settlement 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, in the Operative Complaint, that arose during the Class Period including with respect to the following claims: (a) failure to pay all overtime wages owed; (b) failure to pay minimum wages owed; (c) failure to provide meal periods, or premium pay for non-compliant meal periods; (d) failure to authorize and permit rest periods, or premium pay for non-compliant rest periods; (e) failure to issue accurate, itemized wage statements and maintain payroll records; (f) failure to pay all wages due upon separation of employment; (g) failure to reimburse for necessary business expenses; (h) all claims under California Business & Professions Code § 17200 for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories described above; (i) failure to pay any owed vacation; (j) violation of or claims under the following sections of the California Labor Code sections 201, 202, 203, 204, 206, 218.6, 226, 226.3, 226.7, 227.3, 510, 512, 1174, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2699.5, 2802; and (k) violation of the California Industrial Wage Orders that could have been premised on the facts, claims, causes of action or legal theories described above, as well as any potential penalties, interest or attorneys' fees associated with all of such causes of action under California law ("Released Class Claims"). Except as set forth in Section 5.3 of this Agreement, Settlement 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. Released PAGA Claims by Aggrieved Employees: All Class Members who are Aggrieved Employees, regardless of whether they are Settlement Class Members or Non-Participating Class Members, are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators,

1 successors, and assigns, the Released Parties from all claims demands, rights, liabilities and
2 causes of action under the California Labor Code Private Attorneys General Act that were
3 alleged, or reasonably could have been alleged, based on the claims asserted in the Operative
4 Complaint or Plaintiffs' Amended Notice of Labor Code Violations and PAGA Penalties,
5 arising during or with respect to the PAGA Period ("Released PAGA Claims").

6 5.3.1. The foregoing release shall be binding on Plaintiffs, the Aggrieved
7 Employees, and the State of California, and shall bar by res judicata any claim under the PAGA
8 brought by any person, including the Aggrieved Employees, on behalf of the State of California,
9 as to any claims predicated on the Released PAGA Claims.

10 **6. MOTION FOR PRELIMINARY APPROVAL.** Plaintiffs will prepare and file a
11 motion for preliminary approval ("Motion for Preliminary Approval") that complies with the
12 Court's current checklist for Preliminary Approval.

13 6.1. Responsibilities of Counsel. Class Counsel is responsible for timely finalizing
14 and filing the Motion for Preliminary Approval. The Parties are jointly responsible for
15 appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel
16 is responsible for delivering the Court's Preliminary Approval to the Administrator to initiate
17 the notice process.

18 6.2. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion
19 for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and
20 Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person
21 or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant
22 Preliminary Approval or conditions Preliminary Approval on any material change to this
23 Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of
24 the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement
25 and otherwise satisfy the Court's concerns.

1 **7. SETTLEMENT ADMINISTRATION.**

2 7.1. Selection of Administrator. The Parties have jointly selected ILYM Group, Inc.
3 to serve as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc.
4 agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this
5 Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel
6 represent that they have no interest or relationship, financial or otherwise, with the
7 Administrator other than a professional relationship arising out of prior experiences
8 administering settlements.

9 7.2. Employer Identification Number. The Administrator shall have and use its own
10 Employer Identification Number for purposes of calculating payroll tax withholdings and
11 providing reports to state and federal tax authorities.

12 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund
13 that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury
14 Regulation section 468B-1.

15 7.4. Notice to Class Members.

16 7.4.1. No later than three (3) business days after receipt of the Class Data, the
17 Administrator shall notify Class Counsel that the list has been received and provide the number
18 of Class Members and Aggrieved Employees.

19 7.4.2. Using best efforts to perform as soon as possible, and in no event later
20 than fourteen (14) calendar days after receiving the Class Data, the Administrator will send to
21 all Class Members identified in the Class Data, via first-class United States Postal Service
22 (“USPS”) mail, the Class Notice substantially in the form attached to this Agreement as **Exhibit**
23 **A**. The Class Notice shall prominently estimate the dollar amounts of any Individual Class
24 Payment and/or Individual PAGA Payment payable to the Settlement Class Member and/or
25 Aggrieved Employee. Before mailing Class Notices, the Administrator shall update Class Member
26 addresses using the National Change of Address database.

27 7.4.3. Not later than three (3) business days after the Administrator’s receipt of
28

1 any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class
2 Notice using any forwarding address provided by the USPS. If the USPS does not provide a
3 forwarding address, the Administrator shall conduct a Class Member Address Search, and re-
4 mail the Class Notice to the most current address obtained. The Administrator has no
5 obligation to make further attempts to locate or send Class Notices to Class Members whose
6 Class Notice is returned by the USPS a second time.

7 7.4.4. The deadlines for Class Members' written objections and Requests for
8 Exclusion will be extended an additional fourteen (14) days beyond the sixty (60) days provided
9 in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will
10 inform the Class Member of the extended deadline with the re-mailed Class Notice.

11 7.4.5. If the Administrator, Defendants, Defense Counsel or Class Counsel is
12 contacted by or otherwise discovers any persons who believe they should have been included in
13 the Class Data and should have received a Class Notice, the Parties will expeditiously meet and
14 confer in person or by telephone, and in good faith, in an effort to agree on whether to include
15 them as Class Members. If the Parties agree, such persons will be Class Members entitled to the
16 same rights as other Class Members, and the Administrator will send, via email or overnight
17 delivery, a Class Notice requiring them to exercise options under this Agreement not later than
18 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are
19 later.

20 7.5. Requests for Exclusion (Opt-Outs).

21 7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class
22 Settlement must send the Administrator, by fax, email or mail, a signed written Request for
23 Exclusion no later than sixty (60) days after the Administrator mails the Class Notice (plus an
24 additional 14 days for Class Members whose Class Notice is re-mailed). A Request for
25 Exclusion is a letter from a Class Member or his/her representative that reasonably
26 communicates the Class Member's election to be excluded from the Settlement and includes the
27 Class Member's name, address and email address or telephone number. To be valid, a Request

1 for Exclusion must be timely faxed, emailed or postmarked by the Response Deadline.

2 7.5.2. The Administrator may not reject a Request for Exclusion as invalid
3 because it fails to contain all the information specified in the Class Notice. The Administrator
4 shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the
5 identity of the person as a Class Member and the Class Member's desire to be excluded. The
6 Administrator's determination shall be final and not appealable or otherwise susceptible to
7 challenge. If the Administrator has reason to question the authenticity of a Request for
8 Exclusion, the Administrator may demand additional proof of the Class Member's identity.

9 7.5.3. Every Class Member who does not submit a timely and valid Request for
10 Exclusion is deemed to be a Settlement Class Member under this Agreement, entitled to all
11 benefits and bound by all terms and conditions of the Settlement, including the Settlement Class
12 Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the
13 Settlement Class Member actually receives the Class Notice or objects to the Settlement.

14 7.5.4. Every Class Member who submits a valid and timely Request for
15 Exclusion is a Non-Participating Class Member and shall not receive an Individual Class
16 Payment or have the right to object to the class action components of the Settlement. Because
17 future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-
18 Participating Class Members who are Aggrieved Employees are deemed to release the claims
19 identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

20 7.6. Objections to Settlement.

21 7.6.1. Only Settlement Class Members may object to the class action
22 components of the Settlement and/or this Agreement, including contesting the fairness of the
23 Settlement and/or amounts requested for the Class Counsel Fees Payment, Class Counsel
24 Litigation Expenses Payment and/or Class Representative Service Payments. Non-Participating
25 Class Members have no right to object to any of the class action components of the Settlement.

26 7.6.2. Settlement Class Members may send written objections to the
27 Administrator, by fax, email, or mail. In the alternative, Settlement Class Members may appear

1 in Court (or hire an attorney to appear in Court) to present verbal objections at the Final
2 Approval Hearing. A Settlement Class Member who elects to send a written objection to the
3 Administrator must do so not later than 60 days after the Administrator's mailing of the Class
4 Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

5 7.7. Administrator Duties. The Administrator has a duty to perform or observe all
6 tasks to be performed or observed by the Administrator contained in this Agreement.

7 7.7.1. Website, Email Address and Toll-Free Number. The Administrator will
8 maintain and use an internet website to post information of interest to Class Members including
9 the date, time and location for the Final Approval Hearing and copies of the Settlement
10 Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the
11 Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel
12 Litigation Expenses Payment and Class Representative Service Payments, the Final Approval
13 and the Judgment. The Administrator will also maintain and monitor an email address and a
14 toll-free telephone number to receive Class Member calls, faxes and emails.

15 7.7.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator
16 will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not
17 later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the
18 Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names
19 and other identifying information of Class Members who have timely submitted valid Requests
20 for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class
21 Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for
22 Exclusion from Settlement submitted (whether valid or invalid).

23 7.7.3. Weekly Reports. The Administrator must, on a weekly basis, provide
24 written reports to Class Counsel and Defense Counsel that, among other things, tally the number
25 of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for
26 Exclusion (whether valid or invalid) received, objections received, and checks mailed for
27 Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly
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1 Reports must include the Administrator's assessment of the validity of Requests for Exclusion
2 and attach copies of all Requests for Exclusion and objections received.

3 7.7.4. Administrator's Declaration. Not later than fourteen (14) days before the
4 date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the
5 Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable
6 for filing in Court attesting to its due diligence and compliance with all of its obligations under
7 this Agreement, including, but not limited to, its mailing of the Class Notice, the Class Notices
8 returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the
9 total number of Requests for Exclusion from Settlement it received (both valid or invalid), the
10 number of written objections and attach the Exclusion List. The Administrator will supplement
11 its declaration as needed or requested by the Parties and/or the Court. Class Counsel is
12 responsible for filing the Administrator's declaration(s) in Court.

13 7.7.5. Final Report by Administrator. Within ten (10) days after the
14 Administrator disburses all funds in the Gross Settlement Amount, the Administrator will
15 provide Class Counsel and Defense Counsel with a final report detailing its disbursements by
16 employee identification number only of all payments made under this Agreement. At least
17 fifteen (15) days before any deadline set by the Court, the Administrator will prepare, and
18 submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court
19 attesting to its disbursement of all payments required under this Agreement. Class Counsel is
20 responsible for filing the Administrator's declaration in Court.

21 **8. CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.** Based on its records,
22 Defendants estimate that, as of the date of this Settlement Agreement: (1) there are
23 approximately 545 Class Members who worked approximately 39,730 Workweeks during the
24 Class Period. If the number of Workweeks as of the date the Court grants Preliminary Approval
25 increases by more than 10% (more than 3,973), the Gross Settlement Amount will increase pro
26 rata based on the number of Workweeks above the additional 10% increase. Thus, for example,
27 if there are 47,676 Workweeks (*i.e.* 20% greater than 39,730 Workweeks) during the Class
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1 Period, then the Gross Settlement Amount shall be increased by 10% of the Gross Settlement
2 Amount, or \$75,000.00 (\$750,000 x 0.1).

3 **9. DEFENDANTS' RIGHT TO WITHDRAW.** If the number of valid Requests for
4 Exclusion identified in the Exclusion List exceeds 10% of the total Class Members, Defendants
5 may, but are not obligated to, elect to withdraw from the Settlement. The Parties agree that, if
6 Defendants withdraw, the Settlement shall be void ab initio, have no force or effect whatsoever,
7 and that neither Party will have any further obligation to perform under this Agreement;
8 provided, however, Defendants will remain responsible for paying all Settlement
9 Administration Expenses incurred to that point. Defendants must notify Class Counsel and the
10 Court of its election to withdraw not later than seven (7) days after the Administrator sends the
11 final Exclusion List to Defense Counsel; late elections will have no effect.

12 **10. MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before
13 the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval
14 of the Settlement that includes a request for approval of the PAGA settlement under Labor Code
15 section 2699, subd. (l), a Proposed Final Approval Order, and a proposed Judgment
16 (collectively "Motion for Final Approval").

17 10.1. Response to Objections. Each Party retains the right to respond to any
18 objection raised by a Settlement Class Member, including the right to file responsive documents
19 in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise
20 ordered or accepted by the Court.

21 10.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions
22 Final Approval on any material change to the Settlement (including, but not limited to, the
23 scope of release to be granted by Class Members), the Parties will expeditiously work together
24 in good faith to address the Court's concerns by revising the Agreement as necessary to obtain
25 Final Approval. The Court's decision to award less than the amounts requested for the Class
26 Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation
27 Expenses Payment and/or Administration Expenses Payment shall not constitute a material
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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 Settlement Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

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 the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service 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.

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

4 **12. ADDITIONAL PROVISIONS.**

5 12.1. No Admission of Liability, Class Certification or Representative Manageability
6 for Other Purposes. This Agreement represents a compromise and settlement of highly
7 disputed claims. Nothing in this Agreement is intended or should be construed as an admission
8 by Defendants that any of the allegations in the Operative Complaint have merit or that
9 Defendants have any liability for any claims asserted; nor should it be intended or construed as
10 an admission by Plaintiffs that Defendants' defenses in the Action have merit. The Parties agree
11 that class certification and representative treatment is for purposes of this Settlement only. If,
12 for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment,
13 Defendants reserve the right to contest certification of any class for any reasons and all available
14 defenses to the claims in the Action, and Plaintiffs reserve the right to move for class
15 certification on any grounds available and to contest Defendants' defenses. The Settlement, this
16 Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be
17 admissible in connection with, any litigation (except for proceedings to enforce or effectuate the
18 Settlement and this Agreement).

19 12.2. Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel,
20 Defendants and Defense Counsel separately agree that, until the Motion for Preliminary
21 Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or
22 publicize, or cause or permit another person to disclose, disseminate or publicize, any of the
23 terms of the Agreement directly or indirectly, specifically or generally, to any person,
24 corporation, association, government agency, or other entity except: (1) to the Parties' attorneys,
25 accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2)
26 counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing
27 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.

12.3. Each Party agrees to immediately notify each other of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendants 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. This paragraph does not restrict Class Counsel’s communications with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.

12.4. 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.

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

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

12.7. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree

1 upon the form or content of any document necessary to implement the Settlement, or on any
2 modification of the Agreement that may become necessary to implement the Settlement, the
3 Parties will seek the assistance of a mediator and/or the Court for resolution.

4 12.8. No Prior Assignments. The Parties separately represent and warrant that they
5 have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
6 transfer, or encumber to any person or entity and portion of any liability, claim, demand, action,
7 cause of action, or right released and discharged by the Party in this Settlement.

8 12.9. No Tax Advice. Neither Plaintiffs, Class Counsel, Defendants nor Defense
9 Counsel are providing any advice regarding taxes or taxability, nor shall anything in this
10 Settlement be relied upon as such within the meaning of United States Treasury Department
11 Circular 230 (31 CFR Part 10, as amended) or otherwise.

12 12.10. Modification of Agreement. This Agreement, and all parts of it, may be
13 amended, modified, changed, or waived only by an express written instrument signed by all
14 Parties or their representatives, and approved by the Court.

15 12.11. Agreement Binding on Successors. This Agreement will be binding upon, and
16 inure to the benefit of, the successors of each of the Parties.

17 12.12. Applicable Law. All terms and conditions of this Agreement and its exhibits
18 will be governed by and interpreted according to the internal laws of the state of California,
19 without regard to conflict of law principles.

20 12.13. Cooperation in Drafting. The Parties have cooperated in the drafting and
21 preparation of this Agreement. This Agreement will not be construed against any Party on the
22 basis that the Party was the drafter or participated in the drafting.

23 12.14. Confidentiality. To the extent permitted by law, all agreements made, and
24 orders entered during Action and in this Agreement relating to the confidentiality of information
25 shall survive the execution of this Agreement.

26 12.15. Use and Return of Class Data. Information provided to Class Counsel pursuant
27 to Cal. Evid. Code section 1152, and all copies and summaries of the Class Data provided to
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1 Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or
2 in connection with the Settlement, may be used only with respect to this Settlement, and no
3 other purpose, and may not be used in any way that violates any existing contractual agreement,
4 statute, or rule of court. Not later than ninety (90) days after the date when the Court discharges
5 the Administrator's obligation to provide a Declaration confirming the final pay out of all
6 Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data
7 received from Defendants unless, prior to the Court's discharge of the Administrator's
8 obligation, Defendants make a written request to Class Counsel for the return, rather than the
9 destructions, of Class Data.

10 12.16. Headings. The descriptive heading of any section or paragraph of this
11 Agreement is inserted for convenience of reference only and does not constitute a part of this
12 Agreement.

13 12.17. Calendar Days. Unless otherwise noted, all reference to "days" in this
14 Agreement shall be to calendar days. In the event any date or deadline set forth in this
15 Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first
16 business day thereafter.

17 12.18. Notice. All notices, demands or other communications between the Parties in
18 connection with this Agreement will be in writing and deemed to have been duly given as of the
19 third business day after mailing by United States mail, or the day sent by email or messenger,
20 addressed as follows:

21 To Plaintiffs:

22 **MOON & YANG, APC**
23 Kane Moon
Allen Feghali
Jacquelyne VanEmmerik
24 1055 West Seventh Street, Suite 1880
Los Angeles, CA 90017

BIBIYAN LAW GROUP, P.C.
David Bibiyan
Diego Aviles
Vedang J. Patel
8484 Wilshire Boulevard, Suite 500
Beverly Hills, California 90211

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27 //
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1 To Defendants:

2 **JACKSON LEWIS P.C.**

3 Nicole M. Shaffer, Esq

4 3390 University Avenue, Suite 110

5 Riverside, California 92501

6 Telephone: (951) 848-7948

7 12.19. Execution in Counterparts. This Agreement may be executed in one or more
8 counterparts by facsimile, electronically (i.e., DocuSign), or email which for purposes of this
9 Agreement shall be accepted as an original. All executed counterparts and each of them will be
10 deemed to be one and the same instrument if counsel for the Parties will exchange between
11 themselves signed counterparts. Any executed counterpart will be admissible in evidence to
12 prove the existence and contents of this Agreement.

13 12.20. Breach. In the event any civil action or litigation is instituted to remedy,
14 prevent, or obtain relief from a Material Breach of this Settlement Agreement by a Party, the
15 prevailing Party in such enforcement action will be entitled to attorneys' fees and costs in
16 connection with such enforcement action. Any attorneys' fees and costs awarded against the
17 Class Members and in favor of Defendants shall be paid by Class Counsel. "Material Breach"
18 as used in this paragraph means a breach of Settlement Agreement terms that prevents the
19 Settlement from being completed, including any failure by Defendants to fund the Settlement.

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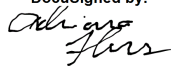
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1 12.21. Stay of Litigation. The Parties agree that upon the execution of this Agreement
2 the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties
3 further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to
4 extend the date to bring a case to trial under CCP section 583.310 for the entire period of this
5 settlement process.

6 Dated: 5/12/2023

By:

DocuSigned by:

0034003D3340486...
Adriana Flores

8 Dated:

By:

Mercedes Quintanilla

13 Dated:

By:

Miguel Sanchez Martinez

17 Dated:

By:

For Chrome Hearts LLC, Chrome
Hearts Holdings LLC, Chrome Hearts
Factory LLC, Chrome Hearts Trading,
Inc. and Chrome Hearts International
Distribution LLC

MOON & YANG, APC

23 Dated: 05/15/2023

By:


Kane Moon, Esq.
Allen Feghali, Esq.
Jacquelyne VanEmmerik, Esq.
Attorneys for Plaintiffs, Mercedes
Quintanilla and Adriana Flores

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4 extend the date to bring a case to trial under CCP section 583.310 for the entire period of this
5 settlement process.

6 Dated:

By:

Adriana Flores

8 Dated: July 27, 2023

By:

Mercedes Quintanilla

13 Dated:

By:

Miguel Sanchez Martinez

17 Dated: May 19, 2023

By:

For Chrome Hearts LLC, Chrome
Hearts Holdings LLC, Chrome Hearts
Factory LLC, Chrome Hearts Trading,
Inc. and Chrome Hearts International
Distribution LLC

MOON & YANG, APC

23 Dated:

By:

Kane Moon, Esq.
Allen Feghali, Esq.
Jacquelyne VanEmmerik, Esq.
Attorneys for Plaintiffs, Mercedes
Quintanilla and Adriana Flores

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Dated:

By:

Adriana Flores

Dated:

By:

Mercedes Quintanilla

May 23, 2023

Dated:

By:


[Miguel Sanchez \(May 23, 2023 13:37 PDT\)](#)
Miguel Sanchez Martinez

Dated:

By:

For Chrome Hearts LLC, Chrome
Hearts Holdings LLC, Chrome Hearts
Factory LLC, Chrome Hearts Trading,
Inc. and Chrome Hearts International
Distribution LLC

MOON & YANG, APC

Dated:

By:

Kane Moon, Esq.
Allen Feghali, Esq.
Jacquelyne VanEmmerik, Esq.
Attorneys for Plaintiffs, Mercedes
Quintanilla and Adriana Flores

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5 settlement process.

6 Dated:

By:

Adriana Flores

8 Dated:

By:

Mercedes Quintanilla

13 Dated:

By:

Miguel Sanchez Martinez

17 Dated: May 19, 2023

By:

For Chrome Hearts LLC, Chrome
Hearts Holdings LLC, Chrome Hearts
Factory LLC, Chrome Hearts Trading,
Inc. and Chrome Hearts International
Distribution LLC

MOON & YANG, APC

23 Dated:

By:

Kane Moon, Esq.
Allen Feghali, Esq.
Jacquelyne VanEmmerik, Esq.
Attorneys for Plaintiffs, Mercedes
Quintanilla and Adriana Flores

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May 24
Dated: ~~April~~, 2023

BIBIYAN LAW GROUP, P.C.

By: Vedang J. Patel
David Bibiyan, Esq.
Diego Aviles, Esq.
Vedang J. Patel, Esq.
Attorneys for Plaintiff, Miguel Sanchez
Martinez

JACKSON LEWIS P.C.

Dated: By: Nicole M. Shaffer, Esq.
Attorney for Defendants, Chrome
Hearts LLC, Chrome Hearts Holdings
LLC and Chrome Hearts Factory LLC

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BIBIYAN LAW GROUP, P.C.

Dated:

By: _____
David Bibiyan, Esq.
Diego Aviles, Esq.
Vedang J. Patel, Esq.
Attorneys for Plaintiff, Miguel Sanchez
Martinez

JACKSON LEWIS P.C.

Dated: May 19, 2023

By:  _____
Nicole M. Shaffer, Esq.
Attorney for Defendants, Chrome
Hearts LLC, Chrome Hearts Holdings
LLC and Chrome Hearts Factory LLC

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EXHIBIT A