

Galen T. Shimoda (Cal. State Bar No. 226752)
Justin P. Rodriguez (Cal. State Bar No. 278275)
Brittany V. Berzin (Cal. State Bar No. 325121)
Shimoda & Rodriguez Law, PC
9401 East Stockton Blvd., Suite 120
Elk Grove, CA 95624
Telephone: (916) 525-0716
Facsimile: (916) 760-3733

Attorneys for Plaintiff TRAVIS BLAIR

Laura C. McHugh - SBN 180930
Ryan LaRocca – SBN 343635
DUGGAN MCHUGH LAW CORPORATION
641 Fulton Avenue, Suite 100
Sacramento, CA 95825
Telephone: 916.550.5309
Facsimile: 916.404.5900

Attorneys for Defendant CLARK WAGAMAN DESIGNS

SUPERIOR COURT OF CALIFORNIA
FOR THE COUNTY OF SACRAMENTO

TRAVIS BLAIR, individually and on behalf of
all other similarly situated employees,

Plaintiff,

vs.

CLARK WAGAMAN DESIGNS, a California
Corporation; and DOES 1 to 100, inclusive,
Defendants.

Case No.: 34-2021-00313156

**JOINT STIPULATION REGARDING CLASS
ACTION AND PAGA SETTLEMENT AND
RELEASE**

Filed: December 22, 2021
FAC Filed: March 10, 2022
Trial Date: None Set

1 This Joint Stipulation Regarding Class Action and PAGA Settlement and Release is made and
2 entered into between the Plaintiff Travis Blair (“Plaintiff”), on behalf of himself, the Labor and Workforce
3 Development Agency, Class Members, and Aggrieved Employees, and Defendants Clark Wagaman
4 Designs and Clark Wagaman, individually, (“Defendants”). This Agreement is subject to the terms and
5 conditions set forth below and the approval of the Court.

6 **1. DEFINITIONS**

7 The following terms, when used in this Agreement, have the following meanings:

8 1.1 “Action” means the above stated lawsuit, *Blair v. Clark Wagaman Designs*, Sacramento
9 County Superior Court, Case No. 34-2021-00313156, filed December 22, 2021.

10 1.2 “Aggrieved Employee(s)” means all non-exempt, hourly employees who have, or continue
11 to, work for Defendants in California during the PAGA Claim Period.

12 1.3 “Agreement” or “Settlement” or “Settlement Agreement” means this Joint Stipulation
13 Regarding Class Action and PAGA Settlement and Release.

14 1.4 “Claim Amount” means an individual Qualified Claimant’s and Aggrieved Employee’s
15 allocation of the Net Settlement Amount and PAGA Payment respectively, as defined in Sections 1.21,
16 1.25, 5.5, and 5.8.

17 1.5 “Claims Administrator” means and refers to ILYM Group, Inc., the third-party entity that
18 will administer the Agreement as outlined in Sections 4 and 7, or any other third-party class action
19 settlement claims administrator agreed to by the Parties and approved by the Court for the purposes of
20 administering this Agreement. The Parties each represent that they do not have any financial interest in
21 the Claims Administrator or otherwise have a relationship with the Claims Administrator that could create
22 a conflict of interest.

23 1.6 “Claims Administrator Costs” means the fees and expenses reasonably incurred by the
24 Claims Administrator as a result of the procedures and processes expressly required by this Agreement,
25 and shall include all costs of administering the Agreement, including, but not limited to, all tax document
26 preparation, custodial fees, and accounting fees incurred by the Claims Administrator; all costs and fees
27 associated with preparing, issuing and mailing any and all notices and other correspondence to Class
28 Members and/or Aggrieved Employees; all costs and fees associated with communicating with Class

Members and/or Aggrieved Employees, Class Counsel, and Defendants' Counsel; all costs and fees associated with computing, processing, reviewing, and paying the Claim Amounts, and resolving disputes; all costs and fees associated with calculating tax withholdings and payroll taxes, if any, making related payment to federal and state tax authorities, if any, and issuing tax forms relating to payments made under the Agreement; all costs and fees associated with preparing any tax returns and any other filings required by any governmental taxing authority or agency; all costs and fees associated with preparing any other notices, reports, or filings to be prepared in the course of administering Claim Amounts; and any other costs and fees incurred and/or charged by the Claims Administrator in connection with the execution of its duties under this Agreement.

1.7 "Class Counsel" means Galen T. Shimoda, Justin P. Rodriguez and Brittany V. Berzin of Shimoda & Rodriguez Law, PC.

1.8 "Class Member(s)" means all non-exempt, hourly employees who have worked, or continue to work, for Defendants in California during the Class Period. The estimated number of Class Members is 86.

1.9 "Class Period" means from December 22, 2017, up to the Preliminary Approval Date or August 27, 2022, whichever is earlier.

1.10 "Class Representative" means Plaintiff Travis Blair.

1.11 "Complaint" means the operative Complaint on file in the Action with the Court.

1.12 "Court" means the Sacramento County Superior Court.

1.13 "Defendants" means Clark Wagaman Designs and Clark Wagaman, individually.

1.14 "Defendants' Counsel" means Duggan McHugh Law Corporation.

1.15 "Enhancement Payment" means the amount approved by the Court to be paid to the Class Representative in recognition of the time and effort expended on behalf of Class Members for the benefit of Class Members, which is in addition to any Claim Amount paid to the Class Representative as a Qualified Claimant.

1.16 "Effective Date" means (a) the 60th calendar day after a signed order granting final approval of this settlement has been filed provided no appellate proceeding having been filed; or (b) seventh (7th) calendar day after any appellate proceeding opposing the settlement has been finally

1 dismissed with no material change to the terms of this settlement and there is no right to pursue further
2 remedies or relief, whichever is later.

3 1.17 "Final Approval Date" means the date a signed order granting final approval of this
4 Agreement is filed with the Court.

5 1.18 "Gross Settlement Amount" is the sum of Two Hundred Twenty Thousand Dollars
6 (\$220,000).

7 1.19 "LWDA" means the California Labor and Workforce Development Agency.

8 1.20 "Net Settlement Amount" is the portion of the Gross Settlement Amount available for
9 distribution to Qualified Claimants, as described in this Agreement, after deduction of Class Counsel's
10 attorneys' fees and litigation costs, employer taxes, Claims Administrator Costs, the PAGA Payment, and
11 Enhancement Payment to the Class Representative.

12 1.21 "Notice of Settlement" means the document substantially in the form attached hereto as
13 Exhibit 1.

14 1.22 "Notice Period" means forty-five (45) calendar days from the initial mailing of the Notice
15 of Settlement to Class Members and Aggrieved Employees.

16 1.23 "PAGA" means Private Attorneys General Act.

17 1.24 "PAGA Payment" means the amount allocated from the Gross Settlement Amount towards
18 resolving claims under the Private Attorneys General Act of 2004, California Labor Code §§ 2698 *et seq.*

19 1.25 "PAGA Claim Period" means December 22, 2020 up to the Preliminary Approval Date or
20 August 27, 2022, whichever is earlier.

21 1.26 "Parties" mean Defendants and Plaintiff.

22 1.27 "Preliminary Approval Date" means the date a signed order granting preliminary approval
23 of this Agreement is filed with the Court.

24 1.28 "QSF" means a Qualified Settlement Fund set up by the Claims Administrator for the
25 benefit of the Qualified Claimants and/or Aggrieved Employees and from which the payments under this
26 Agreement shall be made. Any amounts Defendants have agreed to pay under this Agreement shall remain
27 the property of Defendants until the payments required under the Agreement are made.

28 //

1.29 “Qualified Claimant” means any and all Class Members who have not made any timely request to opt-out of the Agreement.

1.30 “Qualified Claimant’s Released Claims” means any and all claims contained in the operative Complaint, and any additional wage and hour claims that could have been brought based on the facts alleged in the operative Complaint, through the Class Period. This release excludes the release of claims not permitted by law. The Qualified Claimant’s Released Claims exclude claims for workers’ compensation or unemployment insurance benefits. This release will cover all Class Members who do not opt out.

1.31 “Qualifying Workweeks” are weeks worked by Class Members and/or Aggrieved Employees during the Class Period and/or PAGA Claim Period, respectively, in California. For Class Members, workweeks shall be defined as the total length of service (in days) in California during the Class Period divided by seven. For Aggrieved Employees workweeks shall be defined as the total length of service (in days) in California during the PAGA Claim Period divided by seven. The calculation of a Class Member’s and/or Aggrieved Employee’s workweeks and a determination as to whether a Class Member and/or Aggrieved Employee was actively employed in California in a particular workweek shall be construed from Defendants’ records.

1.32 “Released PAGA Claims” means any and all claims that were brought under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.*, contained in the operative Complaint and any additional wage and hour PAGA claims that could have been brought based on the facts alleged in the operative Complaint during the PAGA Claim Period. Aggrieved Employees cannot opt out of this waiver of claims.

1.33 “Released Parties” means Defendants, as well as Defendants’ past and present owners, parents, affiliated or related companies, officers, shareholders, directors, agents, employees, attorneys, insurers, successors and assigns, and any individual that could have been jointly or severally liable with Defendants.

2. DESCRIPTION OF THE LITIGATION

2.1 On or about December 22, 2021, Plaintiff sent notice to the LWDA to exhaust administrative remedies under the PAGA for failure to pay overtime wages, failure to provide meal periods

1 or pay premiums in lieu thereof, failure to provide rest periods or pay premiums in lieu thereof, failure to
2 provide accurate wage statements, failure to pay final wages, failure to pay reimbursements for expenses,
3 failure to maintain accurate records, failure to provide paid sick leave, and violation of Labor Code section
4 558 and 558.1. The LWDA did not respond to the notice within the statutorily required time frame and,
5 as such, Plaintiff became authorized to act as a Private Attorneys General on all alleged PAGA claims.

6 2.2 On or about December 22, 2021, Plaintiff filed a class action Complaint in Sacramento
7 County Superior Court on behalf of himself and Class Members alleging claims for failure to pay overtime
8 wages, meal period violations, rest period violations, wage statement violations, waiting time penalties,
9 failure to reimburse expenses, and unfair competition. Plaintiff filed a First Amended Complaint on
10 approximately March 10, 2022 to add a PAGA cause of action based on the violations alleged in the
11 December 22, 2021 notice to the LWDA on behalf of himself and Aggrieved Employees.

12 2.3 Through informal discovery, Defendants and Defendants' Counsel provided Class
13 Counsel with copies of all applicable versions of its policies and procedures, employee handbooks,
14 information on Class Members including, but not limited to, Class Members' workweeks, total number of
15 Class Members, as well as timecard data and payroll reports for a randomly selected sample of Class
16 Members.

17 2.4 On May 18, 2022, the Parties participated in a lengthy mediation with private mediator
18 David L. Perrault, Esq. Approximately two weeks later, the Parties were able to come to a resolution after
19 a mediator's proposal. At all times, the Parties' settlement negotiations have been non-collusive,
20 adversarial, and at arm's length.

21 2.5 Discussions between Plaintiff and Class Counsel, between counsel for the Parties,
22 document productions, extensive legal analysis, the provision of information by Defendants to Plaintiff
23 and the detailed analysis of the records, including expert analysis, have permitted each side to assess the
24 relative merits of the claims and the defenses to those claims.

25 2.6 In the Action, Plaintiff contends that Defendants violated California law by 1) failing to
26 pay the correct regular rates of pay by failing to account for the value of non-discretionary bonuses being
27 paid in the same workweek as overtime premiums and paid sick time; 2) failing to pay overtime wages to
28 employees paid under a piece rate compensation system prior to January 2020; 3) failing to authorize and

1 permit all meal periods and keep track of whether employees took meal periods; 4) failing to compensate
2 for rest and recovery periods; and 5) failing to reimburse employees for the use of personal items for work,
3 such as personal cellphones and tools. Defendants have denied each of Plaintiff's claims and Defendants
4 have denied that this Action is appropriate for class certification for anything other than settlement
5 purposes. The agreed upon Gross Settlement Amount was reached after evaluating the Parties' theories
6 of potential exposure for the underlying claims and the class data supporting these claims. The Parties,
7 with the assistance of the mediator, also assessed appropriate discounts to the potential liability based on
8 Defendants' factual and legal contentions and defenses.

9 2.7 The Parties agree that the above-described investigation and evaluation, as well as
10 discovery and the information exchanged to date, are more than sufficient to assess the merits of the
11 respective Parties' positions and to compromise the issues on a fair and equitable basis. Plaintiff, Class
12 Counsel, Defendants, and Defendants' Counsel have concluded that it is desirable that the Action be
13 settled in a manner and upon such terms and conditions set forth herein in order to avoid further expense,
14 inconvenience and distraction of further legal proceedings, and the risk of an adverse outcome each of the
15 Parties potentially face in the Action. Therefore, the Parties desire to resolve the claims in the Action.
16 Plaintiff, Class Counsel, Defendants, and Defendants' Counsel are of the opinion that the Agreement for
17 the consideration and terms set forth herein is fair, reasonable, and adequate in light of all known facts
18 and circumstances.

19 **3. THE CONDITIONAL NATURE OF THIS AGREEMENT**

20 3.1 This Agreement and all associated exhibits or attachments are made for the sole purpose
21 of settling the Action. This Agreement and the settlement it evidences are made in compromise of disputed
22 claims. Because the Action was pled as a class action, this Agreement must receive preliminary and final
23 approval by the Court. Accordingly, the Parties enter into this Agreement and associated settlement on a
24 conditional basis. If the Court does not enter an order granting final approval of the Agreement, or if the
25 Court's approval of the settlement is reversed or materially modified on appellate review, this Agreement
26 shall be deemed null and void; it shall be of no force or effect whatsoever; it shall not be referred to or
27 utilized for any purpose whatsoever; and the negotiation, terms and entry of the Agreement shall remain
28

subject to the provisions of California Evidence Code Sections 1119 and 1152, Federal Rule of Evidence 408, and any other analogous rules of evidence that may be applicable.

3.2 Defendants have denied all claims as to liability, damages, liquidated damages, penalties, interest, fees, restitution, injunctive relief and all other forms of relief asserted in the Action. Defendants have agreed to resolve the Action via this Agreement, but to the extent this Agreement is deemed void or the Final Approval Date does not occur, Defendants do not waive, but rather expressly reserve, all rights to challenge all such claims and allegations in the Action upon all procedural and factual grounds, including, without limitation, the ability to challenge class or collective treatment on any grounds, as well as to assert any and all other potential defenses or privileges.

4. SCOPE OF THE CLASS

4.1 The scope of the class of individuals encompassed under the Agreement, who are entitled to all benefits as authorized under the Agreement and subject to all obligations and duties required under the Agreement, shall include all Class Members as defined in Section 1.8 and all Aggrieved Employees as defined in Section 1.2. However, it shall not include any Class Members who submit valid and timely requests to opt-out of the Agreement and settlement, as set forth in Section 7.5.1.

4.2 Individuals entitled to recover under this Agreement will include only those individuals who are identified as being within the scope of this Agreement under Section 4.1.

4.3 Any person who believes that he or she is a Class Member or Aggrieved Employee and wishes to participate in the Agreement, but did not receive a Notice of Settlement because his or her name did not appear on the class list provided to the Claims Administrator prior to mailing, may submit a data request to the Claims Administrator. The data request must contain all of the following information: (a) the full name and, if applicable, Social Security Number of the individual making the request; (b) the name used by such employee as of the time his or her employment with Defendants ended; (c) the years during which such employee was employed with Defendants; and (d) a return address to which a response may be sent. Every data request must be postmarked on or before the conclusion of the Notice Period or otherwise submitted to the Claims Administrator such that it is received before the conclusion of the Notice Period. Upon receipt of any data requests, the Claims Administrator shall promptly (in no event

more than two business days) transmit the data requests to Defendants' Counsel and request that Defendants review their records.

4.4 If Defendants do agree that the person listed in a data request is a Class Member and/or Aggrieved Employee, the Claims Administrator shall promptly mail a Notice of Settlement to the person who submitted the data request, at the address designated for that purpose in the data request. All provisions of this Agreement relating to the Notice of Settlements shall apply to Notice of Settlements sent in response to data requests, and any person who submits a data request and is sent a Notice of Settlement in response shall be treated by the Claims Administrator as a Class Member and/or Aggrieved Employee for all other purposes.

4.5 If Defendants do disagree that the person listed in a data request is a Class Member and/or Aggrieved Employee, Defendants' Counsel and Class Counsel shall attempt to resolve any such dispute in good faith within seven (7) calendar days of Class Counsel being advised in writing of the data request dispute. Defendants' records shall control unless the individual submitting the data request provides persuasive evidence to doubt the accuracy of those records. Each data request dispute that Defendants' Counsel and Class Counsel cannot timely resolve shall be resolved by the Claims Administrator. The Claims Administrator must accept and weigh all the evidence provided in a good faith attempt to resolve the dispute. The Claims Administrator must resolve any dispute submitted to it within seven (7) calendar days after Defendants' Counsel and Class Counsel submit the dispute to the Claims Administrator. The decision by the Claims Administrator shall be final and there shall be no right of appeal.

5. TERMS OF THE SETTLEMENT

The Parties agree as follows:

5.1 Gross Settlement Amount: In consideration and exchange for the releases described in Section 6, Defendants shall pay the Gross Settlement Amount (\$220,000). Funding of the Gross Settlement Amount will be completed in (3) installment payments. The first installment in the amount of \$75,000 shall be paid within 30 days after the Preliminary Approval Date to be held in trust in a QSF by the Claims Administrator. The second installment in the amount of \$75,000 shall be paid within 30 days after the Final Approval Date, but no earlier than 90 days after the first payment, to be held in trust in a QSF by the Claims Administrator. The third installment of \$70,000 shall be paid within 90 calendar days

1 following the second installment payment, to be held in trust in a QSF by the Claims Administrator. The
2 Gross Settlement Amount includes payments to Qualified Claimants, payments to Aggrieved Employees,
3 all attorneys' fees, costs and litigation expenses related to the Action incurred to date, as well as all such
4 fees and costs incurred in documenting the Agreement, administering the Agreement (including Claims
5 Administrator Costs), and obtaining final approval of the Agreement, the Enhancement Payment to the
6 Class Representative, any monies necessary to satisfy Defendants' tax obligations (*e.g.* employer FICA,
7 FUTA and SDI contributions on wage payments) on any monies distributed to Qualified Claimants, and
8 the PAGA Payment.

9 5.2 Attorneys' Fees and Costs: Class Counsel will apply to the Court for attorney's fees of
10 35% of the Gross Settlement Amount, which shall be paid from the Gross Settlement Amount. Defendants
11 have agreed to not oppose Class Counsel's application for attorneys' fees so long as it does not exceed the
12 35% threshold. Class Counsel will also be entitled to reimbursement for advanced litigation expenses not
13 to exceed \$10,000, which shall be paid from the Gross Settlement Amount. Defendants have agreed to
14 not oppose Class Counsel's request for reimbursement for advanced litigation expenses so long as they
15 do not exceed the \$10,000 threshold. The Claims Administrator will issue Class Counsel an IRS Form
16 1099 for the attorneys' fees and costs paid under this Agreement. In the event that the Court awards less
17 than the requested attorney's fees and/or costs, the portion of the requested amounts not awarded to Class
18 Counsel shall be added to the Net Settlement Amount to be distributed to Qualified Claimants on a pro
19 rata basis.

20 5.3 Claims Administrator Costs: The Claims Administrator Costs shall be paid from the Gross
21 Settlement Amount and shall not exceed \$10,000. The difference between any actual costs and the
22 allocated \$10,000 shall be added to the Net Settlement Amount to be distributed to Qualified Claimants
23 on a pro rata basis.

24 5.4 Enhancement Payment: Class Counsel, on behalf of Plaintiff, shall apply to the Court for
25 an Enhancement Payment to the Class Representative in an amount not to exceed Fifteen Thousand
26 Dollars (\$15,000) to compensate for the risks, time, and expense of his involvement in the Action and
27 securing the benefits of this Agreement for Class Members. The Enhancement Payment is in addition to
28 the Claim Amount Plaintiff would otherwise be due under the Agreement as a Qualified Claimant.

Defendants have agreed to not oppose Class Counsel's request for an Enhancement Payment to Plaintiff so long as it does not exceed the amount stated herein. The Enhancement Payment will be designated as a non-wage payment and reported on an IRS Form 1099-MISC. In the event that the Court awards less than the Enhancement Payment amount requested, then any portion of the requested amount not awarded to the Class Representative shall be added to the Net Settlement Amount to be distributed to Qualified Claimants on a pro rata basis.

5.5 PAGA Payment: Ten Thousand Dollars (\$10,000) of the Gross Settlement Amount shall be allocated to resolving claims under the PAGA. Seventy-Five percent (75%) of the PAGA Payment will be paid to the LWDA and Twenty-Five percent (25%) will be paid to Aggrieved Employees on a pro rata basis as described below in Section 5.8. Any amount not approved by the Court for the allocated PAGA Payment shall be added to the Net Settlement Amount to be distributed to Qualified Claimants on a pro rata basis.

5.6 Treatment of Residue and Cy Pres: For any portion of the Net Settlement Amount or PAGA Payment allocated to Qualified Claimants and/or Aggrieved Employees that were not claimed by cashing their respective settlement checks before the deadline to do so, that remaining amount shall be donated equally, *i.e.* 50/50, to Capital Pro Bono, Inc., and the Center for Workers' Rights. No portion of the Gross Settlement Amount will revert to Defendants for any reason.

5.7 No Additional Benefits Contributions: All Claim Amounts paid to Qualified Claimants and Aggrieved Employees shall be deemed to be income solely in the year in which such amounts were actually received. It is expressly understood and agreed that the receipt of such Claim Amounts will not entitle any Qualified Claimant or Aggrieved Employee to any new or additional compensation or benefits under any company bonus or other compensation or benefit plan or agreement in place during the period covered by the Agreement, nor will it entitle any Qualified Claimant Aggrieved Employee to any increased retirement, 401(k) and/or 403(b) benefits or matching benefits, or deferred compensation benefits. It is the intent of this Agreement that the Claim Amounts provided for in this Agreement are the sole payments to be made by Defendants to the Qualified Claimants and Aggrieved Employees in connection with this Agreement

1 5.8 Pro Rata Distribution Formula: Payment to Qualified Claimants and Aggrieved
2 Employees of their Claim Amount will not require the submission of a claim form. A Net Settlement
3 Amount will be determined by subtracting from the Gross Settlement Amount any amounts for approved
4 attorneys' fees and costs, any Enhancement Payment to the Class Representative, the Claims
5 Administrator Costs, employer taxes, and the PAGA Payment. Each Class Member's share will be
6 determined by dividing their total Qualifying Workweeks within the Class Period by the total Qualifying
7 Workweeks by all Class Members. That fraction will then be multiplied by the Net Settlement Amount
8 to arrive at the Class Member's individual share of the Net Settlement Amount. Each Aggrieved
9 Employee's share of the 25% portion of the PAGA Payment will be determined by dividing their total
10 Qualifying Workweeks within the PAGA Claim Period by the total Qualifying Workweeks by all
11 Aggrieved Employees within the PAGA Claim Period. That fraction will then be multiplied by the 25%
12 portion of the PAGA Payment to arrive at the Aggrieved Employee's individual share.

13 5.9 Tax Allocation: The Parties recognize that the Claim Amounts to be paid to Qualified
14 Claimants and/or Aggrieved Employees reflect a settlement of a dispute over claimed penalties and wages.
15 The Claims Administrator shall calculate the employer's share of payroll taxes on the amounts paid to
16 Qualified Claimants as wages as well as calculating all required withholdings and deductions from said
17 wage payments. The characterization of Claim Amounts to Qualified Claimants and Aggrieved
18 Employees are as follows:

19 5.9.1 One third (1/3) of each Qualified Claimants' Claim Amount shall be allocated for
20 payment of disputed wages and shall be subject to required employer taxes. Qualified Claimants shall
21 receive an IRS Form W-2 for reporting of this portion of their Claim Amount.

22 5.9.2 Two thirds (2/3) of each Qualified Claimants' Claim Amount shall be allocated for
23 disputed statutory penalties and interest, and no amount shall be deducted for any taxes. This portion of
24 the Claim Amount consists of other income, not wages, for which the Qualified Claimants shall receive
25 an IRS Form 1099-MISC.

26 5.9.3 The entirety (100%) of each Aggrieved Employee's share of the 25% portion of the
27 PAGA Payment shall be allocated for payment of disputed civil penalties, and no amount shall be deducted
28

1 for any taxes. This portion of the Claim Amount consists of other income, not wages, for which the
2 Aggrieved Employees shall receive an IRS Form 1099-MISC.

3 5.10 Qualified Claimants and Aggrieved Employees shall be solely responsible for the reporting
4 and payment of their share of any federal, state and/or municipal income or other taxes on payments made
5 pursuant to this Agreement, and shall hold the Parties, Class Counsel, and Defendants' Counsel free and
6 harmless from any claims resulting from treatment of such payments as non-taxable, including the
7 treatment of such payments as not subject to withholding or deduction for payroll and employment taxes.
8 No party has made any representation to any of the other Parties as to the taxability of any payments
9 pursuant to this Agreement, including the payments to Qualified Claimants, the payments to Aggrieved
10 Employees, the payments to Class Counsel, the payments to the Class Representative, the payroll tax
11 liability of Defendants, or the allocation of the Net Settlement Amount or PAGA Payment to wage and
12 non-wage income as provided in this Section, or otherwise as to tax implications of any provision of this
13 Agreement.

14 5.11 No Additional Contribution by Defendants: Defendants' monetary obligation under this
15 Agreement is limited to the Gross Settlement Amount. All other costs and expenses arising out of or in
16 connection with the performance of this Agreement shall be paid from the Gross Settlement Amount,
17 unless expressly provided otherwise herein. However, in the event this agreement is deemed null and
18 void as described in Section 3 because the Court, in its independent determination, finds that the
19 Agreement does not meet the standards for settlement approval, then Defendants and Plaintiff shall be
20 equally responsible for the costs of the Claims Administrator incurred between the date the Agreement
21 was executed and the date of such event.

22 5.12 Certification For Settlement Purposes: The Parties agree that, for purposes of settlement
23 only, certification of the class as defined in Section 1.8 and 4.1 is appropriate and the requisites for
24 establishing class certification have been met and are met.

25 5.13 Adequacy of Class Counsel and Class Representative: The Parties agree that, for purposes
26 of settlement only, Class Counsel and Plaintiff are adequate representatives for Class Members and
27 Aggrieved Employees.

28 //

1 **6. RELEASE**

2 6.1 Release of Claims by Plaintiff and Qualified Claimants: Upon the Effective Date, Plaintiff
3 and all Qualified Claimants will be deemed to fully, finally and forever release Qualified Claimant's
4 Released Claims as to all Released Parties. In addition, on the Effective Date, Plaintiff and all Qualified
5 Claimants and their successors in interest will be permanently enjoined and forever barred from
6 prosecuting any of Qualified Claimant's Released Claims against any of the Released Parties.

7 6.2 Release of Claims by Plaintiff and Aggrieved Employees: Upon the Effective Date,
8 Plaintiff and all Aggrieved Employees will be deemed to fully, finally and forever release the Released
9 PAGA Claims as to all Released Parties. In addition, on the Effective Date, Plaintiff and all Aggrieved
10 Employees and their successors in interest will be permanently enjoined and forever barred from
11 prosecuting any of the Released PAGA Claims against any of the Released Parties.

12 6.3 General Release and 1542 Waiver of Plaintiff Travis Blair, Individually:

13 Upon the date the Court enters an order granting final approval of the settlement and Defendant
14 fully funds the Gross Settlement Amount, in addition to the claims being released by all Class Members
15 and Aggrieved Employees, Plaintiff Travis Blair, individually, will provide the following additional
16 general release ("General Release"): Plaintiff Travis Blair fully and finally releases the Released Parties
17 claims, grievances, rights, demands, debts, damages, actions, obligations, liabilities, and causes of action
18 of any and every kind, nature, and character whatsoever, known or unknown, which Plaintiff Travis Blair
19 may now have or has ever had against the Released Parties, related in any way to the transactions,
20 occurrences, acts, or omissions occurring prior to the execution of this Agreement, or arising from or in
21 any way related to Plaintiff Travis Blair's employment with the Defendants and separation therefrom.
22 This release is intended to be interpreted broadly to apply to all transactions and occurrences between
23 Plaintiff Travis Blair and any other Released Party related to Plaintiff Travis Blair's employment,
24 including the employment conditions with the Defendants' compensation, commissions, work scheduling,
25 any meal, rest break, or overtime violations, and all other losses, liabilities, claims, charges, demands and
26 causes of action, known or unknown, suspected or unsuspected, arising directly or indirectly out of or in
27 any way connected with Plaintiff Travis Blair employment with the Defendants, or arising from or in any
28 way related to Plaintiff Travis Blair separation therefrom, including, without limitation, any claim based

1 in tort, contract, common law, claims pursuant to the state or federal Constitutions, or claims pursuant to
2 state or federal statutes (including, without limitation, the California Fair Employment and Housing Act,
3 the California Civil Code, the California Government Code, California Labor Code (including but not
4 limited to failure to furnish compliant wage statements, misclassification, failure to timely pay wages,
5 failure to pay earned wages or minimum wage, meal and rest period violations, overtime violations, and
6 waiting time penalties), Labor Code section 132a, the Americans with Disabilities Act, and Title VII of
7 the Civil Rights Act of 1964), the Age Discrimination in Employment Act, the California Family Rights
8 Act of 1991, the Federal Family and Medical Leave Act, the National Labor Relations Act, Title VII of
9 the Civil Rights Act of 1964, as amended any claim filed with any administrative agency (including,
10 without limitation, the Labor Commissioner), Unfair Competition, any and all state and federal wage and
11 hour claims, as well as all claims for physical injuries, illness or damage, and all claims for attorneys'
12 fees, costs and expenses, as well as all claims, grievances, claims and/or appeals under Employers' internal
13 administrative review procedures, but excluding any claims that cannot lawfully be waived or released by
14 private agreement.

15 This General Release includes any unknown claims Plaintiff Travis Blair does not know or suspect
16 to exist in his favor at the time of this General Release, which, if known by him, might have affected his
17 settlement with, and release of, the Released Parties or might have affected his decision not to object to
18 this Settlement or this Release. To the extent the foregoing releases are releases to which Section 1542 of
19 the California Civil Code or similar provisions of other applicable law may apply, Plaintiff expressly
20 waives any and all rights and benefits conferred upon them by the provisions of Section 1542 of the
21 California Civil Code or similar provisions of applicable law which are as follows:

22 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR**
23 **RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER**
24 **FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY**
25 **HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER**
26 **SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**
27
28

1 The significance of this release and waiver of Civil Code Section 1542 has been explained to
2 Plaintiff Travis Blair by his counsel.

3 **7. SETTLEMENT ADMINISTRATION**

4 7.1 Duties of Claims Administrator: The Claims Administrator shall be responsible for: 1)
5 receiving Class Member and Aggrieved Employee contact information and confirming addresses are
6 valid; 2) calculating estimated Claim Amounts and any and all taxes associated with the Claim Amounts,
7 including Employer taxes; 3) taking appropriate steps to trace and locate any individual Class Members
8 and Aggrieved Employee whose address or contact information as provided to the Claims Administrator
9 is inaccurate or outdated and mailing the Notice of Settlement to Class Members; 4) providing notification
10 to the appropriate state and federal officials of this Agreement as required under the law; 5) receiving,
11 independently reviewing, and resolving any challenges (in consultation with Class Counsel and
12 Defendants' Counsel) from Class Members or Aggrieved Employees, including any associated
13 documentation, regarding their Qualified Workweek calculations; 6) receiving and serving on Class
14 Counsel, Defendants' Counsel, and the Court, copies of any written objections, and/or any opt out
15 statements; 7) establishing a toll free telephone line and responding to inquiries and requests for
16 information or assistance from Class Members and/or Aggrieved Employees; 8) maintaining a QSF; 9)
17 determining and paying the final amounts due to be paid under the Agreement after resolution of all
18 challenges, disputes, opt-outs, awarded attorneys' fees and costs, Claims Administrator Costs, PAGA
19 Payment, taxes, any Enhancement Payments, and for funds that cannot be distributed due to the inability
20 to locate Class Members or Aggrieved Employees; 10) determining the validity of any disputes or late
21 opt-outs by previously unidentified Class Members or Aggrieved Employees; 11) paying any residual
22 funds from uncashed checks; 12) reporting to Class Counsel and Defendants' Counsel regarding the
23 statistics of the administration, including (a) the number of initial Notice of Settlements mailed; (b) the
24 number of forwarded Notice of Settlements; (c) the number of re-mailed Notice of Settlements; (d) the
25 number of total undeliverable Notice of Settlements; (e) the number of address traces performed for
26 undeliverable Notice of Settlements; (f) the number of Notice of Settlements undeliverable from traced
27 addresses; (g) the number of total objections received; (h) the number of opt-out requests received; (i) the
28 number of disputes received; (j) the number of disputes resolved; 13) providing a declaration to the Court

1 regarding the final statistics of the administration and compliance with all payment obligations under the
2 Agreement; 14) completing all necessary tax reporting on the QSF and payment of the Claim Amounts to
3 Qualified Members and Aggrieved Employees; and 15) carrying out other related tasks as necessary to
4 effectuate the terms of this Agreement and any Order of the Court. All disputes relating to the Claims
5 Administrator's ability and need to perform its duties shall be referred to the Court, if necessary, which
6 will have continuing jurisdiction over the terms and conditions of this Agreement, until all payments and
7 obligations contemplated by the Agreement have been fully executed.

8 7.2 Notice to Class Members and Aggrieved Employees: The Notice of Settlement will
9 provide Class Members and Aggrieved Employees with a summary of the terms and conditions of the
10 Agreement, how to participate in the settlement, how to object to the Agreement, how to dispute the
11 individual's Qualifying Workweeks, and how to opt-out from the Agreement. The Notice of Settlement
12 will also inform Class Members and Aggrieved Employees of the Gross Settlement Amount, Net
13 Settlement Amount, proposed attorneys' fees and costs allocations, any proposed Enhancement Payments,
14 proposed Claims Administrator Cost allocations, proposed PAGA Payment allocations, the scope of the
15 class, the nature and extent of the released claims, dates set for a fairness hearing and hearing on Class
16 Counsels' motion for attorneys' fees and costs. The Notice of Settlement shall include information
17 regarding Class Member's and Aggrieved Employee's estimated Claim Amount. The Notice of
18 Settlement will provide information on how to access electronic copies online of the Notice of Settlement,
19 any motions for approval of the Agreement, any motions for approval of attorneys' fees and costs, and
20 any other documents as the Court directs.

21 7.3 Class Member Data and Mailing: No later than fourteen (14) calendar days after the
22 Preliminary Approval Date, Defendants shall provide the Claims Administrator with the name, last known
23 mailing address, last known telephone number, Social Security Number, start and end date of employment
24 (if any) of each Class Member and Aggrieved Employee, and any other information the Claims
25 Administrator needs to effectuate notice to Class Members and Aggrieved Employees as outlined herein.
26 The Claims Administrator shall review the data to determine the number of Qualifying Workweeks for
27 each Class Member and Aggrieved Employee. No later than fourteen (14) calendar days after receipt of
28 such address information, the Claims Administrator will perform a national change of address ("NCOA")

1 search, update the addresses per the results of the NCOA search, and then mail the Notice of Settlement,
2 substantially in the form attached as Exhibit 1, to each Class Member and Aggrieved Employee by first-
3 class mail, postage prepaid. The Claims Administrator shall maintain all information received from
4 Defendants confidential to itself, and Defendants' Counsel. However, Class Counsel shall be able to
5 review the breakdown of Qualified Workweeks and estimated Claim Amounts for Class Members and
6 Aggrieved Employees prior to mailing for quality assurance provided the personal identifying information
7 is redacted and/or omitted.

8 7.4 Returned and/or Re-mailed Notice of Settlements: In the event that a Notice of Settlement
9 is returned to the Claims Administrator as undeliverable on or before the conclusion of the Notice Period,
10 the Notice of Settlement shall be sent to the forwarding address affixed thereto within five (5) calendar
11 days. If no forwarding address is provided, then the Claims Administrator shall promptly attempt to
12 determine a correct address using a skip-trace, computer or other search using the name, address and/or
13 Social Security number of the individual involved, and shall then perform a single re-mailing within five
14 (5) calendar days to any more recent address found as a result of the search. Following each search that
15 does not result in a corrected address, for those Class Members who appear to be current employees of
16 Defendants at the time of the Preliminary Approval Date, the Claims Administrator shall contact
17 Defendants' Counsel for assistance and Defendants shall cooperate in good faith with the Claims
18 Administrator's reasonable efforts to obtain valid mailing addresses for Class Members to the extent they
19 are active employees of Defendants. In the event the Notice of Settlement is forwarded to a new address
20 and/or re-mailed to a Class Member, the deadline for the Class Member to submit any request to opt-out,
21 a dispute, or an objection shall be the end of the Notice Period or 10 days from the date of the re-
22 mailing/forwarding to a new address, whichever is later. In the event the procedures in this Section are
23 followed and the Class Member does not timely and properly request to opt-out, the Class Member shall
24 be bound by all terms of the Agreement, including the releases contained in Section 6.

25 7.5 Responses to Notice of Settlement:

26 7.5.1 *Opt-Outs:* The Notice of Settlement shall provide that Class Members who wish
27 to exclude themselves from the Agreement must submit a request to opt-out as provided in this Section.
28 The request to opt-out must (a) state the Class Member's full name and date of birth; (b) a statement that

he or she does not want to be a Class Member, does not want to participate in the settlement, and/or wants to be excluded from the settlement; (c) identify the case name and number (i.e. Blair v. Clark Wagaman Designs, 34-2021-00313156); (d) be signed; and (e) be post-marked no later than the conclusion of the Notice Period or the re-mailing timeline stated in Section 7.4. The Class Member must personally sign the request to opt-out. No request to opt-out may be made on behalf of a group of Class Members. The date of the postmark on the return-mailing envelope shall be the exclusive means used to determine whether a request to opt-out has been timely submitted. Any Class Member who requests to opt-out of the Agreement will not be entitled to any benefit of the Agreement or any portion of the Net Settlement Amount, will not be bound by the Agreement, nor will they have any right to object, appeal or comment thereon. Class Members who fail to submit a valid and timely request to opt-out shall be bound by all terms of the Agreement and any order or final judgment thereon, regardless of whether they otherwise have requested to opt-out of the Agreement. Aggrieved Employees cannot opt out of this Agreement as it relates to the PAGA Payment or Released PAGA Claims regardless of whether they opt out of being a Class Member.

7.5.2 Objection Procedures: Any Class Member who does not opt-out but who wishes to object to this Agreement or otherwise to be heard concerning this Agreement shall send their written objections to the Claims Administrator and also serve copies of the objections on Class Counsel and Defendants' Counsel. The Notice of Settlement shall make clear that the Court can only approve or deny the Agreement, not change the terms of the Agreement. The objection must (a) state the Class Member's full name and date of birth; (b) provide evidence that the individual is, in fact, a Class Member; (c) state the reasons for the objection(s), including any legal analysis and/or supporting documentation; (d) identify the case name and number (i.e. Blair v. Clark Wagaman Designs, 34-2021-00313156) (e) be signed; and (f) be post-marked no later than the conclusion of the Notice Period or the re-mailing timeline stated in Section 7.4. The objecting Class Member must also file a notice of intent to appear with the Court and serve the notice on Class Counsel and Defendants' Counsel, if they intend to appear at the final approval hearing.

7.5.3 Dispute Procedures: Any Class Member who disputes the number of Qualifying Workweeks on the Notice of Settlement shall contact the Claims Administrator. The dispute must (a)

1 identify the nature of the dispute; (b) provide any information or documentation supporting the dispute;
2 (c) be signed; and (d) be post-marked no later than the conclusion of the Notice Period or the re-mailing
3 timeline stated in Section 7.4. The Claims Administrator shall promptly (in no event more than two
4 business days) forward all such disputes to Defendants' Counsel and request that Defendants review the
5 dispute. Defendants' records shall presumptively control unless the Class Member can produce
6 documentation evidencing other periods of employment worked. If Defendants do agree with submitted
7 information, the Class Member shall be credited or subtracted Qualifying Workweeks in accordance with
8 their submitted dispute and that final number of Qualified Workweeks shall govern the calculation of that
9 Class Member's Claim Amount. If Defendants do not agree with the submitted information, Defendants'
10 Counsel will promptly advise Class Counsel of the dispute, which includes turning over any
11 documentation submitted by the Class Member as part of the dispute. Defendants' Counsel and Class
12 Counsel shall attempt in good faith to resolve any such dispute within five (5) calendar days of Class
13 Counsel being advised of the dispute. Each dispute that Defendants' Counsel and Class Counsel cannot
14 timely resolve shall be resolved by the Claims Administrator or Court.

15 7.5.4 *Deficient Opt-Outs, Objections, or Disputes:* In the event that a deficient opt-out,
16 objection, or dispute is received on or before the conclusion of the Notice Period, the Claims Administrator
17 shall mail a letter to the Class Member within five (5) calendar days informing them of the deficiency. If
18 a deficiency letter is mailed to a Class Member, the deadline for the Class Member to cure the deficiency
19 shall be the end of the Notice Period or 10 calendar days from the date of the deficiency letter, whichever
20 is later.

21 7.6 Due Process Acknowledgement: Compliance with the procedures set forth in Sections 7.1
22 to 7.5.4 shall constitute due and sufficient notice to Class Members of the Action and the Agreement and
23 shall satisfy Class Members' due process rights. Nothing else shall be required of the Parties, Class
24 Counsel or Defendants' Counsel to provide notice of the proposed Agreement.

25 7.7 Claims Administrator Declaration Regarding Notice Period: Within fourteen (14) calendar
26 days after the conclusion of the Notice Period, the Claims Administrator shall provide Class Counsel and
27 Defendants' Counsel with a signed declaration under penalty of perjury providing a complete and detailed
28

report regarding the statistics and responses of settlement administration to date and all the Claims Administrators' obligations under Sections 5.8 to 5.9.3 and 7.1 to 7.5.4.

7.8 Claims Administrator Payments to Qualified Claimants, Class Counsel and Plaintiff:

Within seven (7) calendar days after the Effective Date and the Court's determination of the amount of attorneys' fees and costs payable to Class Counsel, the Enhancement Payment payable to Plaintiff, the PAGA Payment, and Claims Administrator Costs, the Claims Administrator shall calculate the final Net Settlement Amount, the final Claim Amounts for Qualified Claimants and/or Aggrieved Employees, any applicable taxes thereon, and report the results of these calculations Class Counsel and Defendants' Counsel. Defendants shall wire the Gross Settlement Amount to fund the Settlement as described in Section 5.1. Within seven (7) calendar days after Defendants fully fund the settlement, the Claims Administrator shall deliver payment of Class Counsels' attorney's fees and costs, the Enhancement Payment payable to Plaintiff, the 75% portion of the PAGA Payment payable to the LWDA, Claims Administrator Costs, and payment to Qualified Claimants and/or Aggrieved Employees as required under this Agreement and approved by Court.

7.8.1 The Claims Administrator shall wire the Court-approved attorneys' fees and costs to Class Counsel unless another method is requested by Class Counsel. Class Counsel shall provide the Claims Administrator with the pertinent taxpayer identification number and payment instructions after the Final Approval Date.

//

7.8.2 The Claims Administrator shall send a check by mail for the Court-approved Enhancement Payment to the Class Representative, care of Class Counsel unless another method is requested by Class Counsel.

7.8.3 Only Qualified Claimants and Aggrieved Employees will receive their Claim Amount.

7.8.4 The Claims Administrator shall remit and report the applicable portions of the payroll tax payment to the appropriate taxing authorities on a timely basis pursuant to its duties under this Agreement. Defendants agree to reasonably cooperate with the Claims Administrator to the extent necessary to determine the amount of the payroll tax payment required.

7.9 Settlement Check Expiration and Uncashed Checks: The Claims Administrator shall issue Claim Amounts to Qualified Claimants and Aggrieved Employees in the form of a check, which shall become null and void if not deposited within one hundred twenty (120) calendar days of issuance. After one hundred twenty (120) calendar days of issuance, the checks shall be voided and funds from all uncashed checks shall be transmitted in accordance with Section 5.6. The Claims Administrator shall deliver these funds within fourteen (14) calendar days after the check cashing deadline.

7.10 Claims Administrator Declaration Regarding Compliance and Settlement Administration: Within twenty-one (21) days after the last day for Qualified Claimants and Aggrieved Employees to cash their settlement checks, the Claims Administrator shall provide Class Counsel and Defendants' Counsel with a signed declaration under penalty of perjury providing a complete and detailed report regarding the settlement administration documenting that all payments under the Agreement have been made, that the Court's final approval order has been complied with, and that all the obligations of the Claims Administrator have been completed.

8. PRELIMINARY SETTLEMENT ADMINISTRATION SCHEDULE

8.1 The schedule may be modified depending on whether and when the Court grants necessary approvals, orders notice to Class Members and Aggrieved Employees, and sets further hearings. The schedule may also be modified to correct clerical errors and to reflect the provisions in the Agreement as described above. In the event of such modification, the Parties shall cooperate to complete the settlement procedures as expeditiously as reasonably practicable. The preliminary schedule for notice, approval, and payment procedures carrying out the Agreement is as follows:

Last day for Defendants to provide Claims Administrator with Class Member and Aggrieved Employee information	Within 14 calendar days after the Preliminary Approval Date
Last day for Claims Administrator to complete NCOA search, update Class Member and Aggrieved Employee mailing information, and mail Notice of Settlement	Within 14 calendar days after the Claims Administrators' receipt of Class Members' information from Defendants

Last day for Class Members to opt-out, submit disputes, submit objections, and submit data requests	45 calendar days after mailing of Notice of Settlement or within 10 days after Notice of Settlement is re-mailed, whichever is later
Last day for Claims Administrator to provide Parties with signed declaration reporting on settlement administration statistics	Within 14 calendar days after end of the Notice Period
Last day for Claims Administrator to calculate the final Net Settlement Amount, the final Claim Amounts for Qualified Claimants and/or Aggrieved Employees, any applicable taxes thereon, and report the results of these calculations to Class Counsel and Defendants' Counsel	Within 7 calendar days after the Effective Date
Last day for Defendants to fund settlement	As described in Section 5.1
Last day for Claims Administrator to deliver payment of Class Counsel's attorney's fees and costs, Enhancement Payments, PAGA Payment, Claims Administrator Costs, payment to Qualified Claimants, and payment to Aggrieved Employees	Within 7 calendar days after Defendants fully fund the settlement
Last day for Qualified Members and Aggrieved Employees to cash settlement checks	120 calendar days after issuance of checks to Qualified Members and Aggrieved Employees
Last day for Claims Administrator to deliver value of uncashed settlement checks to <i>cy pres</i> beneficiaries	Within 14 calendar days after settlement check cashing deadline
Last day for Claims Administrator to provide Parties with compliance declaration	Within 21 calendar days after settlement check cashing deadline

9. DUTIES OF THE PARTIES

9.1 Preliminary Approval: The Parties will cooperate in obtaining, through an unopposed motion to be filed as soon as reasonably practicable, an order from the Court preliminarily approving this Agreement at the earliest possible date concurrently with the Court's certification of the Action as a class

1 action for settlement purposes. The Parties further agree to fully cooperate in the drafting and/or filing of
2 any further documents or filings reasonably necessary to be prepared or filed, shall take all steps that may
3 be requested by the Court relating to, or that are otherwise necessary to the approval and implementation
4 of this Agreement and shall otherwise use their respective best efforts to obtain certification for settlement
5 purposes, approval of, and implementation of this Agreement. The Parties will submit this Agreement to
6 the Court for preliminary approval of its terms and for approval of the steps to be taken to obtain its final
7 approval. Within one week of signing this Agreement Class Counsel shall provide a draft of the
8 Preliminary Approval Motion to Defendants' Counsel. Defendants' Counsel will provide comments
9 and/or proposed revisions within one week after receipt of the draft Preliminary Approval Motion from
10 Class Counsel. With regard to the final approval documents, a similar one-week maximum review and
11 response time shall be observed by the Parties. The Parties will request that the Court's preliminary
12 approval of this Agreement be embodied in an Order Granting Preliminary Approval of Class Action and
13 PAGA Settlement.

14 9.1.1 Plaintiff's motion shall seek an order: 1) Preliminarily approving the Agreement; 2)
15 Approving as to form and content the proposed Notice of Settlement; 3) Directing the mailing of the
16 Notice of Settlement by first class mail to Class Members and Aggrieved Employees; 4) Preliminarily
17 appointing Plaintiff and Class Counsel as representatives of Class Members; 5) Preliminarily approving
18 settlement administration services to be provided by the Claims Administrator; 6) Preliminarily approving
19 the proposed Enhancement Payment to Plaintiff; 7) Preliminarily approving the application for payment
20 of reasonable attorneys' fees and reimbursement of litigation-related expenses to Class Counsel; and 8)
21 Scheduling a fairness hearing on the question of whether the proposed Agreement should be finally
22 approved as fair, reasonable and adequate as to the Class Members.

23 9.1.2 Defendants shall not oppose Plaintiff's motion for approval of the proposed
24 Agreement.

25 9.1.3 The Parties shall cooperate with each other and the Claims Administrator during
26 the process of giving Class Members notice and opportunity to object to the Agreement, as necessary and
27 appropriate to assure effective communication to individual Class Members of information about their
28 rights and obligations under this Agreement.

1 9.2 Final Approval and Fairness Hearing: On a date approved by the Court and set forth in the
2 Notice of Settlement, the Court shall hold the Final Approval and Fairness Hearing where objections, if
3 any, may be heard. Class Counsel shall provide the Court as part of the motion for final approval of the
4 Agreement, a declaration by the Claims Administrator of due diligence and proof of mailing of the Notice
5 of Settlement required to be mailed to Class Members by this Agreement, and of the delivery results of
6 the Claim Administrator's mailings including tracing and re-mailing efforts.

7 9.2.1 Class Counsel will submit a proposed order and judgment for final approval, which
8 shall include findings and orders: 1) Approving the Agreement, adjudging the terms thereof to be fair,
9 reasonable and adequate, and directing that its terms and provisions be carried out; 2) Approving the
10 payment of an Enhancement Payment to the Class Representative; 3) Approving Class Counsel's
11 application for an award of attorneys' fees and reimbursement of out-of-pocket litigation expenses; 4)
12 Approving the Claims Administrator Costs; and 5) Providing that the Court will retain jurisdiction to
13 oversee administration and enforcement of the terms of the Agreement and the Court's orders.

14 9.2.2 Following entry of the Court's Order granting final approval of the Agreement, the
15 Parties will each act to ensure the fulfillment of all its provisions, including but not limited to the
16 following: 1) Should an appeal be taken from the final approval of the Agreement or motion to set aside
17 the judgement be filed, all parties will support the final approval order on appeal or otherwise; 2) Class
18 Counsel will assist the Claims Administrator as needed or requested in the process of identifying and
19 locating Qualified Claimants and Aggrieved Employees entitled to payments under the Agreement and
20 assuring delivery of such payments; 3) Class Counsel and Defendants' Counsel will cooperate with each
21 other and assist the Claims Administrator as needed or requested in completing the distribution of any
22 residual amounts, as specified above, to the *cy pres* beneficiaries; 4) Class Counsel, in conjunction with
23 the Claims Administrator, will certify to the Court completion of all payments required to be made by this
24 Agreement.

25 9.3 Final Judgment: If the Court approves this Agreement at the final approval and fairness
26 hearing, the Parties will request that the Court enter an Order Granting Final Approval of Class Action
27 and PAGA Settlement and Final Judgment.
28

1 9.4 Notice to LWDA: Plaintiff will provide notice to the Labor and Workforce Development
2 Agency (“LWDA”) of this settlement in accordance with Labor Code § 2699(1)(2).

3 **10. MISCELLANEOUS TERMS**

4 10.1 Defendants’ Right to Withdraw Based on Opt-Outs: If, prior to the Final Approval Date,
5 15% or more of the Class Members have submitted proper and timely requests to opt-out in accordance
6 with the provisions of the Agreement, Defendants may rescind the Agreement and all actions taken in its
7 furtherance will be thereby null and void. Defendants must exercise this right of rescission, in writing, to
8 Class Counsel, within seven (7) calendar days after the Claims Administrator notifies the Parties of the
9 total number of opt-outs. If the option to rescind is exercised, then any Claims Administrator Costs shall
10 be paid by Defendants. Defendants have represented that there are no more than 4,305 workweeks
11 during the Class Period. In the event the number of workweeks during the Class Period is more than
12 5,166 (*i.e.*, greater than 20% more than 4,305), then the Gross Settlement Amount shall be increased
13 proportionally by the workweeks in excess of 4,305, multiplied by the pay period value. For example,
14 if there were 11,900 workweeks represented to exist during the Class Period, but there are actually
15 15,000 workweeks in the Class Period, and the actual workweek value is \$5.00 per workweek,
16 Defendants would have to increase the Gross Settlement Amount by \$15,500.00 (15,000 workweeks –
17 11,900 workweeks = 3,100 workweeks x \$5.00/workweek).

18 10.2 Circular 230 Disclaimer: EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF
19 THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS AGREEMENT
20 OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND
21 AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN
22 COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR
23 ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH
24 COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON
25 AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT
26 CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS
27 RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX
28 COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS

1 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
2 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY
3 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR
4 DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY
5 TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
6 ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT
7 PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX
8 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON
9 DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX
10 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED
11 BY THIS AGREEMENT.

12 10.3 No Prior Assignments: The Parties represent, covenant, and warrant that they have not
13 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to
14 any person or entity any portion of any liability, claim, demand, action, cause of action or right released
15 and discharged in this Agreement.

16 10.4 Waiver of Appeal and Ability to Opt Out: To the extent permitted by applicable law, by
17 signing this Agreement Defendants are waiving any rights to appeal from the Court's approval of the
18 settlement unless the Court materially modifies the settlement. Furthermore, by signing this Agreement
19 Plaintiff is waiving any right or ability to opt out of this Agreement during the Notice Period or otherwise.

20 10.5 Exhibits Incorporated by Reference: The terms of this Agreement include the terms set
21 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth in this
22 Agreement. Any Exhibits to this Agreement are an integral part of the Settlement.

23 10.6 Judgment and Retention of Jurisdiction to Enforce: Upon the Effective Date, judgment
24 will be entered according to this Agreement. The Parties stipulate and agree that the Sacramento County
25 Superior Court shall have continuing jurisdiction to enforce the terms of the Agreement pursuant to Civil
26 Procedure Code section 664.6 and that the prevailing party any action necessary to enforce the terms of
27 the Agreement after default by the other party may recover reasonable attorney's fees and costs related
28 thereto.

1 10.7 Mutual Cooperation: The Parties agree to cooperate fully with one another to accomplish
2 and implement the terms of this Agreement. Such cooperation shall include, but not be limited to,
3 execution of such other documents and the taking of such other action as may reasonably be necessary to
4 fulfill the terms of this Agreement. The Parties to this Agreement shall use their best efforts, including
5 all efforts contemplated by this Agreement and any other efforts that may become necessary by Court
6 order, or otherwise, to effectuate this Agreement and the terms set forth herein.

7 10.8 No Admission of Liability: Neither the acceptance nor the performance by Defendants of
8 the terms of this Agreement, nor any of the related negotiations or proceedings, is or shall be claimed to
9 be, construed as, or deemed to be, an admission by Defendants of the truth of any of the allegations in the
10 Complaint, the representative character of the Action, the validity of any of the claims that were or could
11 have been asserted by Plaintiff and/or Class Members in the Action, or of any liability or guilt of
12 Defendants in the Action. Nothing in this Agreement shall be construed to be or deemed an admission by
13 Defendants of any liability, culpability, negligence, or wrongdoing toward Plaintiff, the Class Members,
14 or any other person, and Defendants specifically disclaim any liability, culpability, negligence, or
15 wrongdoing toward Plaintiff, the Class Members, or any other person. Each of the Parties has entered
16 into this Stipulation with the intention to avoid further disputes and litigation.

17 10.9 Notices: Unless otherwise specifically provided herein, all notices, demands, or other
18 communications given hereunder shall be in writing and shall be deemed to have been duly given as of
19 the third business day after mailing by United States certified mail, return receipt requested, addressed as
20 follows:

21 To Plaintiff and the Class:

22 Galen T. Shimoda
23 Justin P. Rodriguez
24 Brittany V. Berzin
25 Shimoda & Rodriguez Law, PC
26 9401 East Stockton Blvd., Suite 120
27 Elk Grove, CA 95624

28 To Defendants:

 Laura C. McHugh
 Ryan LaRocca
 Duggan McHugh Law Corporation
 641 Fulton Avenue Suite 100

Sacramento, CA 95825
Telephone: (916) 550-5309
Facsimile: (916) 404-5900

10.10 Mutual Drafting of Agreement: The Parties hereto agree that the terms and conditions of this Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that this Agreement shall not be construed in favor of or against any party by reason of the extent to which any party or its counsel participated in the drafting of this Agreement.

10.11 Attorneys' Fees and Costs Limitations: Neither Class Counsel nor any other attorneys acting for, or purporting to act for, the Class, Class Members, or Plaintiff, may recover or seek to recover any amounts for fees, costs, or disbursements from the Releasees or the Gross Settlement Amount except as expressly provided in this Agreement.

10.12 No Modifications: This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest. This Agreement may not be discharged except by performance in accordance with its terms.

10.13 Authorization to Enter Into Settlement Agreement: Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement and 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 required to effectuate the terms of this Agreement.

10.14 Class Member Signatories: Because the Action has not yet been certified, and the Class Members are so numerous, the Parties agree that it is impossible or impractical to have each Class Member sign this Agreement. It is agreed that, for purposes of seeking approval of the Agreement, this Agreement may be executed on behalf of all Class Members by the Class Representative.

10.15 Counterparts: This Agreement shall become effective upon its execution by all of the undersigned. Plaintiff, Class Counsel, Defendants and Defendants' Counsel may execute this Agreement in counterparts, and execution of counterparts shall have the same force and effect as if each had signed the same instrument. Facsimile, electronic, and/or scanned copies of signatures shall have the same force and effect of originals.

1 10.16 Choice of Law: The Agreement and any exhibits hereto shall be considered to have been
2 negotiated, executed, and delivered, and to have been wholly performed, in the State of California, and
3 the rights and obligations of the Parties to the Agreement shall be construed and enforced in accordance
4 with, and governed by, the substantive laws of the State of California without giving effect to that State's
5 choice of law principles.

6 10.17 Headings and Captions: Section titles or captions contained in the Agreement are inserted
7 as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of
8 this Agreement, or any provision thereof.

9 10.18 No Retaliation or Discouragement: The Parties agree they will take no action that could
10 be construed as retaliation against any Class Members for participating or seeking to participate in this
11 class action settlement. The Parties will not discourage any class member from participating or seeking
12 to participate in this class action settlement. This is a material term of the Agreement and non-breaching
13 Parties will seek court intervention if this provision is breached. Should non-breaching Party prevail, they
14 shall be entitled to further attorneys' fees and costs.

15 10.19 Integrated Agreement: This Agreement sets forth the entire understanding between the
16 Parties and supersedes any and all prior agreements, oral or written, pertaining to the subject matter hereof.
17 Each party acknowledges that there is no representation, inducement, promise or agreement which has
18 been made, orally or otherwise, by the other party, concerning the terms or conditions of this Agreement,
19 which is not expressly embodied in this Agreement. In entering into this Agreement, the Parties represent
20 that the terms of this Agreement are fully understood and voluntarily accepted by the Parties.

21 10.20 Binding on Successors and Assigns: This Agreement will be binding upon, and inure to
22 the benefit of, the successors or assigns of the Parties to this Agreement, as previously defined.

23 10.21 Invalidity of Any Provision: Before declaring any provision of this Agreement invalid, the
24 Court will first attempt to construe the provision as valid to the fullest extent possible consistent with
25 applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.

26 10.22 Waiver of Compliance: No waiver of any condition or covenant contained in this
27 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply
28 or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

10.23 Disputes: Any post-mediation disputes shall be submitted to the mediator, David Perrault, Esq., for resolution, with any payment being split by Plaintiff and Defendants 50/50.

IN WITNESS WHEREOF, this Agreement is executed by the Parties and their duly authorized attorneys, as of the day and year herein set forth.

For Plaintiff:

Date: 7/27/2022

DocuSigned by:

35B59BCD207B48B...
Travis Blair

For Defendants:

Date: _____

By: _____
For Clark Wagaman Designs

Date: _____

Clark Wagaman

APPROVED AS TO FORM

Shimoda & Rodriguez Law, PC

Dated: 7/28/2022

By: 
Galen T. Shimoda
Justin P. Rodriguez
Brittany V. Berzin
Attorney for Plaintiff and Aggrieved
Employees

1 APPROVED AS TO FORM

DUGGAN MCHUGH LAW
CORPORATION

2
3 Dated: _____

4 By: _____

5 Laura C. McHugh
6 Ryan LaRocca
7 Attorney for Defendants
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

10.23 Disputes: Any post-mediation disputes shall be submitted to the mediator, David Perrault, Esq., for resolution, with any payment being split by Plaintiff and Defendants 50/50.

IN WITNESS WHEREOF, this Agreement is executed by the Parties and their duly authorized attorneys, as of the day and year herein set forth.

For Plaintiff:

Date: _____

Travis Blair

For Defendants:

Date: 7/20/22

By:
For Clark Wagaman Designs

Date: 7/20/22

Clark Wagaman

APPROVED AS TO FORM

Shimoda & Rodriguez Law, PC

Dated: _____

By: _____
Galen T. Shimoda
Justin P. Rodriguez
Brittany V. Berzin
Attorney for Plaintiff and Aggrieved
Employees

1 APPROVED AS TO FORM

DUGGAN MCHUGH LAW
CORPORATION

2
3 Dated: July 22, 2022

4 By: 

Laura C. McHugh
Ryan LaRocca
Attorney for Defendants

EXHIBIT 1

CALIFORNIA SUPERIOR COURT
FOR THE COUNTY OF SACRAMENTO

TRAVIS BLAIR, individually and on behalf of all other
similarly situated employees,

Plaintiff,

vs.

CLARK WAGAMAN DESIGNS, a California
Corporation; and DOES 1 to 100, inclusive,

Defendants.

Case No. **34-2021-00313156**

CLASS ACTION

**NOTICE OF PROPOSED CLASS ACTION AND
PAGA SETTLEMENT, AND HEARING DATE FOR
FINAL COURT APPROVAL OF SETTLEMENT**

ATTENTION: All non-exempt, hourly employees who have, or continue to, work for Defendants in California from December 22, 2017 up to [REDACTED] (the "Class Members").

PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF CLASS ACTION LITIGATION AND POTENTIAL DISBURSEMENT OF SETTLEMENT FUNDS TO YOU. IF YOU ARE A CLASS MEMBER, IT CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHT TO PARTICIPATE OR TO OPT OUT OF THE SETTLEMENT ACCORDING TO THE PROCEDURES DESCRIBED BELOW.

Pursuant to an order from the Sacramento County Superior Court ("Court") granting preliminary approval of this class action settlement, entered on [REDACTED], you are receiving notice of a proposed class action and Private Attorneys General Act ("PAGA") settlement between Plaintiff Travis Blair ("Plaintiff" or "Class Representative") and Defendants Clark Wagaman Designs and Clark Wagaman, individually ("Defendants") on behalf of Class Members as defined above. You are receiving this notice because Defendants' records indicate you fall within the definition of "Class Member." Defendants' records also indicate that you worked [REDACTED] weeks during the applicable Class Period (as defined below), which means your share of the settlement proceeds is estimated to be [REDACTED]. Your actual share of the settlement proceeds will vary depending on the total number of Class Members that choose to participate, and the resolution of any workweek disputes as described in this notice.

The terms of the Agreement and a description of the case are identified in this notice. Pursuant to the Court's order, YOU ARE HEREBY NOTIFIED AS FOLLOWS:

I. BACKGROUND OF THE CASE

On December 22, 2021, Plaintiff filed a Complaint against Defendants in the Sacramento County Superior Court of California on behalf of himself and Class Members. The term "Action" means this putative class action pending in Sacramento County Superior Court, Case No. 34-2021-00313156. The Class Period is December 22, 2017 up to [REDACTED] (the "Class Period").

In the Action, Plaintiff sought to obtain unpaid wages, interest, statutory penalties, civil penalties, fees, and costs on behalf of himself, Class Members, and Aggrieved Employees. Plaintiff alleged that Defendants 1) failed to pay overtime wages; 2) failed to provide meal periods or pay premiums in lieu thereof; 3) failed to provide rest periods or pay premiums in lieu thereof; 4) failed to provide accurate wage statements; 5) failed to timely pay final wages; 6) failed to reimburse expenses; 7) engaged in unfair competition; 8) failed to maintain accurate records; 9) failed to provide all paid sick leave; and 10) violated Labor Code section 558 and 558.1. Defendants have denied all of Plaintiff's allegations. The Action has been actively litigated. There have been on-going investigations, and there has been an exchange of extensive documentation and information. Furthermore, the Parties have participated in a full day mediation facilitated by a neutral third party. Based upon the negotiations, and all known facts and circumstances, including the various risks and uncertainties related to legal actions, the Parties reached a class-wide settlement. By settling, the Parties will avoid the risks associated with a lengthy litigation process. Defendants deny all alleged violations and deny that they owe Class Members and Aggrieved Employees any remedies. Defendants have entered into this Settlement to fully, finally, and forever resolve this Action, based on the terms set forth in the Agreement, in order to avoid the burden and expense associated with ongoing litigation. The Court has not made a ruling on the merits of the case.

The Parties have entered into a Joint Stipulation of Regarding Class Action PAGA Settlement and Release ("Agreement" or

“Settlement”), which has been preliminarily approved by the Court. The Agreement applies to any and all Class Members as defined above. “Class Member” does not include persons who submit valid request to opt out (as explained below). If you are a Class Member, you have the opportunity to participate in the Settlement, or to exclude yourself (“opt out”) from the settlement. This notice is to advise you of how you can either participate in the Settlement or be excluded from the Settlement.

II. SUMMARY OF THE PROPOSED SETTLEMENT

A. The Amount of the Settlement

Under the terms of the Agreement, Defendants have agreed to pay a total sum of Two Hundred Twenty Thousand Dollars (\$220,000) (“Gross Settlement Amount”). Deducted from this Gross Settlement Amount will be sums approved by the Court for attorneys’ fees not to exceed 35% of the Gross Settlement Amount which equals \$77,000, attorneys’ costs not to exceed \$10,000, Claims Administrator Costs not to exceed \$10,000, Class Representative’s Enhancement Payment of \$15,000, employer taxes attributable to payments allocated as wages, and \$10,000 for alleged PAGA penalties (the “PAGA Payment”), which will result in a “Net Settlement Amount” for distribution to all Class Members. As explained further below, the amount of each Class Member’s share of the Net Settlement Amount will depend on the number of weeks worked by participating Class Members during the Class Period. Of the \$10,000 allocated to resolving the PAGA claims, 75% of the PAGA Payment will be paid to the State of California Labor and Workforce Development Agency and 25% of the PAGA Payment will be divided among Aggrieved Employees, which are defined as all non-exempt, hourly employees who have, or continue to, work for Defendants in California during the PAGA Claim Period, *i.e.*, from December 22, 2020 up to [REDACTED].

The number of weeks you worked during the Class Period and your estimated share of the Net Settlement Amount and PAGA Payment (“Claim Amount”) is stated on the first page of this notice. The actual amount received may be more or less than the amount stated depending on the actual number of weeks worked by participating Class Members, the resolution of any disputes regarding workweeks, and on the distributions finally approved and allocated by the Court. However, whether Class Members opt out will have no effect on Aggrieved Employees’ allocations for the PAGA claims.

B. Claim Amounts and Allocation Between Class Members and Aggrieved Employees

Defendants will pay Claim Amounts through the Claims Administrator, as described below, to each Class Member who does not opt out of the settlement and to Aggrieved Employees. All Claim Amounts will be subject to taxation as specified in this notice. Defendants do not make any representations regarding the taxability of payments made pursuant to this settlement. The Parties have agreed, based on the allegations in the Action that all Claim Amounts payable to eligible Class Members will be allocated from the Net Settlement Amount and paid as two-thirds (2/3) for disputed interest, statutory penalties, and other non-wage damages for which IRS Forms 1099-MISC and 1099-INT will issue and one-third (1/3) for disputed wages for which IRS Forms W-2 will issue. The PAGA Payment to Aggrieved employees will be paid as 100% for civil penalties.

Payment to Class Members who do not opt out and Aggrieved Employees will not require the submission of a claim form. Each Class Member’s share will be determined by dividing their total weeks worked within the Class Period by the total weeks worked by all Class Members within the Class Period. That fraction will then be multiplied by the Net Settlement Amount to arrive at the Class Member’s individual share of the Net Settlement Amount. Each Aggrieved Employee’s share of the 25% portion of the PAGA Payment will be determined by dividing their total weeks worked within the PAGA Claim Period by the total weeks worked by all Aggrieved Employees within the PAGA Claim Period. That fraction will then be multiplied by the 25% portion of the PAGA Payment to arrive at the Aggrieved Employee’s individual share. Receipt of the Claim Amounts will not entitle any Class Member or Aggrieved Employee to additional compensation or benefits under any compensation, retirement or benefit plan or agreement in place during the period covered by the Settlement.

C. Calculations to Be Based on Defendants’ Records and Resolution of Workweek Disputes

For each Class Member, the amount payable will be calculated by the Claims Administrator from Defendants’ records. Defendants’ records will be presumed correct unless evidence to the contrary is provided to the Claims Administrator. Defendants’ records and any additional evidence will be reviewed by the Claims Administrator in the event of a dispute about the number of workweeks worked by an individual Class Member. If a Class Member disputes the accuracy of Defendants’ records, all supporting documents evidencing additional workweeks must be submitted by the Class Member. The dispute must (a) identify the nature of the dispute; (b) provide any information or documentation supporting the dispute; (c) be signed; and (d) be post-marked no later than [REDACTED]. The dispute will be resolved by the Claims Administrator based on the records and evidence provided. The Claims

Administrator's decision on all disputes will be final and binding.

D. Release of Claims

For those Class Members who do not opt out and Aggrieved Employees, the Agreement contains the following releases:

Class Members who do not opt out will be deemed to have released any and all claims contained in the operative Complaint, and any additional wage and hour claims that could have been brought based on the facts alleged in the operative Complaint, through the Class Period. This release excludes the release of claims not permitted by law. This release excludes claims for workers' compensation or unemployment insurance benefits. This release will cover all Class Members who do not opt out.

Aggrieved Employees will be deemed to have released any and all claims that were brought under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.*, contained in the operative Complaint and any additional wage and hour PAGA claims that could have been brought based on the facts alleged in the operative Complaint during the PAGA Claim Period. Aggrieved Employees cannot opt out of this waiver of claims.

The individuals released ("Released Parties") include Defendants, as well as Defendants' past and present owners, parents, affiliated or related companies, officers, shareholders, directors, agents, employees, attorneys, insurers, successors and assigns, and any individual that could have been jointly or severally liable with Defendants.

Class Members can talk to one of the lawyers appointed as Class Counsel (listed below) for free or talk to their own lawyer if Class Members have questions about the released claims and what they mean.

E. Attorneys' Fees and Costs

Defendants have agreed to pay Class Counsel's attorneys' fees and costs to be approved by the Court, up to a maximum of 35% of the Gross Settlement Amount which equals \$77,000, and attorneys' costs not to exceed \$10,000. Class Counsel's attorneys' fees and costs will be paid and deducted from the Gross Settlement Amount.

F. Reasonableness of Settlement

The Parties and their counsel believe the amounts payable to Class Members, Aggrieved Employees, and amounts for attorneys' fees and costs requested are fair and reasonable. The Class Representative and Class Counsel support this Settlement. Among the reasons for support are the defenses to liability potentially available to Defendants, the inherent risk of trial on the merits, the risk of denial of class certification, and the delays associated with litigation.

III. WHAT ARE YOUR RIGHTS AS A CLASS MEMBER

A. Participating in the Settlement

If you wish to participate in the settlement and believe your workweek information is accurate, **you do not need to take any further action**. Payment will be automatically made to you consistent with the terms of the Agreement and Court Order. If you wish to dispute the workweek calculation, you may follow the procedures outlined in Section II.C above. California law protects Class Members from retaliation based on their decision to participate in the Settlement.

B. Excluding Yourself from the Settlement

If you do not wish to participate in the settlement, you may be excluded (*i.e.*, "opt out") by submitting a timely written request to the Claims Administrator. The request to opt-out must (a) state your full name and date of birth; (b) a statement that you do not want to be a Class Member, do not want to participate in the settlement, and/or wants to be excluded from this settlement; (c) identify the case name and number (*i.e.*, *Blair v. Clark Wagaman Designs*, 34-2021-00313156); (d) be signed; and (e) be post-marked no later than [REDACTED]. The request to opt out must be signed, dated and mailed by First Class U.S. Mail or the equivalent, to:

ILYM Group, Inc.
PO Box 2031
Tustin, CA 95781

The request to opt out must be postmarked no later than [REDACTED]. If you submit a request to opt out which is not postmarked by [REDACTED], your request to opt out will be rejected, and you will be bound by the release and all other terms of the Agreement. If the request to opt out is sent from within the United States it must be sent through the United States Postal Service by First Class Mail, or the equivalent. Do not use a postage meter as that may not result in a postmark appearing on the envelope containing your request to opt out. Any Class Member who submits a complete and timely request to opt out shall, upon receipt by the Claims Administrator, no longer be a Class Member and not received their share of the class settlement payment. Aggrieved Employees cannot opt out of this Agreement and will receive their share of the PAGA Payment regardless of whether they opt out of being a Class Member.

C. Objection to Settlement

If you do not opt out of the settlement, you can object to the terms of the Agreement. However, if the Court rejects your objection, you will still be bound by the terms of the Agreement. You can ask the Court to deny approval by filing an objection. You cannot ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. If that is what you want to happen, you must object. The objection must (a) state your full name and date of birth; (b) provide evidence that you are, in fact, a Class Member; (c) state the reasons for the objection(s), including any legal analysis and/or supporting documentation; (d) identify the case name and number (*i.e.*, *Blair v. Clark Wagaman Designs*, 34-2021-00313156) (e) be signed; and (f) be post-marked no later than [REDACTED]. The objection must be sent to the Claims Administrator at the address identified in section III.B and to counsel for Plaintiff and Defendants at the addresses identified in section VI of this notice.

If you have submitted a written objection as outlined above, you may also appear at the Final Approval Hearing, either in person or through your own attorney, to state your objection. However, you must file a notice of intent to appear with the Court and serve the notice on counsel for Plaintiff and Defendants. If you appear through your own attorney, you are responsible for paying that attorney.

IV. EFFECT OF THE SETTLEMENT: RELEASED RIGHTS AND CLAIMS

After final approval of the settlement has been granted by the Court, each and every Class Member who does not opt out of the settlement and Aggrieved Employee, will release Defendants and the Released Parties from the released claims described above. In other words, if you were employed as a Class Member by Defendants in California during the Class Period, and you do not exclude yourself from the settlement, you will be deemed to have entered into this release and to have released the above-described claims. In addition, you will be barred from ever suing Defendants and the Released Parties with respect to the claims covered by this settlement. If the settlement is not approved by the Court or does not become final for some other reason, the litigation will continue.

V. FINAL SETTLEMENT APPROVAL HEARING

The Court will hold a hearing in Department 28, 720 9th Street Sacramento, California, 95814 on [REDACTED] at [REDACTED] a.m./p.m. to determine whether the Agreement should be finally approved as fair, reasonable and adequate. The Court also will be asked to approve Class Counsel's request for attorneys' fees and costs. The hearing may be continued without further notice to Class Members. It is not necessary for you to appear at this hearing, unless you wish to object to the settlement.

VI. ADDITIONAL INFORMATION

If you want additional information about this lawsuit and its proceedings, you can contact Class Counsel or Defendants' Counsel as follows:

Justin P. Rodriguez
 Brittany V. Berzin
 Shimoda & Rodriguez Law, PC
 9401 East Stockton Blvd., Suite 120
 Elk Grove, CA 95624
 Telephone: (916) 525-0716
 Facsimile: (916) 760-3733
On behalf of Plaintiff

Laura C. McHugh
 Ryan LaRocca
 Duggan McHugh Law Corporation
 641 Fulton Avenue Suite 100
 Sacramento, CA 95825
 Telephone: (916) 550-5309
 Facsimile: (916) 404-5900
On behalf of Defendants

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS. IF YOU HAVE ANY QUESTIONS, CALL (888) 250-6810.

BY ORDER OF THE COURT