

CONFIDENTIAL SETTLEMENT AGREEMENT AND RELEASE

It is hereby stipulated and agreed by and among the undersigned Parties, subject to the approval of the Court, that the Action and PAGA Released Claims (as defined herein) shall be settled and finally resolved subject to the following terms and conditions set forth in this California Private Attorneys General Act of 2004, Cal. Lab. Code § 2698, *et seq.* ("PAGA") Settlement Agreement ("Settlement Agreement"), entered into by and between Jaime Calderon Limon and Edwin Herrera (collectively, "Plaintiffs"), for themselves and on behalf of the State of California and other allegedly Aggrieved Employees pursuant to PAGA, and Herline Goutama and FC Heavenly Enterprises, Inc. d.b.a. Let's Stage It! (collectively, "Defendants") ("the Parties").

This Settlement Agreement shall be effective upon the date the Court enters an order approving it (the "Effective Date").

I. DEFINITIONS

Unless otherwise defined herein, the following terms, when used in this Settlement Agreement, shall have the following meanings:

1. "Action" means the matter entitled *Jaime Calderon Limon and Edwin Herrera v. Herline Goutama, et. al.*, San Mateo County Superior Court Case No. 22-CIV-01527 filed on April 11, 2022.

2. "Aggrieved Employees" means all current and former individuals who are not independently licensed home stylists and who performed driving, moving and manual labor services for Defendants similar to the services that Plaintiffs performed in the State of California during the statute of limitations applicable to Plaintiffs' PAGA claims from February 5, 2021 through July 11, 2022 ("PAGA Period"), which consists of Plaintiffs and one other individual.

3. “Complaint” means the claims and allegations set forth in Plaintiffs counsel’s correspondence to the California Labor and Workforce Development Agency dated February 4, 2022 (“LWDA Letter”) and the Complaint filed in the Action on April 11, 2022.

4. “Court” or “San Mateo Superior Court” means the Superior Court of California for the County of San Mateo.

5. “Defendants” means Herline Goutama and FC Heavenly Enterprises, Inc. d.b.a. Let’s Stage It!

6. “Defense Counsel” or “Counsel for Defendants” are: Robert I. Lockwood, Esq. and Na Rae Kim, Esq., of Lewis Brisbois Bisgaard & Smith LLP, 45 Fremont Street, Suite 3000, San Francisco, CA 94105.

7. “Employee PAGA Portion” is the amount to be distributed to the Aggrieved Employees, which shall consist of twenty-five percent (25%) of the PAGA Penalties Amount, as provided in Section III(3) herein.

8. “Employee Payments” refers to the PAGA Penalty Payments that will be distributed to Aggrieved Employees, as provided in Section III(3) herein.

9. “Gross Settlement Amount” is the sum of one hundred and five thousand dollars and zero cents (\$105,000.00), which represents the total amount payable under this Settlement Agreement by Defendants and includes:

- a. Employee PAGA Portion payable to Aggrieved Employees;
- b. LWDA Payment payable to the LWDA;
- c. Court-awarded Attorneys’ Fees (not to exceed \$42,000.00) to Plaintiffs’ Counsel;
- d. Court-awarded Litigation Costs (not to exceed \$557.00) to Plaintiffs’ Counsel; and
- e. Individual settlement payment (not to exceed \$55,000.00) to Plaintiffs.

10. "LWDA" means the California Labor and Workforce Development Agency.
11. "LWDA Payment" means the amount to be paid to the LWDA, which is seventy-five percent (75%) of the Net Settlement Amount as set forth in Section III(3) herein.
12. "Net Settlement Amount" is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts are subtracted from the Gross Settlement Amount:
- a. Attorneys' Fees to Plaintiff's Counsel; and
 - b. Litigation Costs to Plaintiff's Counsel.
13. "PAGA" means the California Labor Code Private Attorneys General Act, California Labor Code § 2698, *et seq.*
14. "PAGA Period" means the time period from February 5, 2021 through July 11, 2022.
15. "PAGA Released Claims" means all claims for civil penalties under PAGA that were actually alleged or that could have been alleged in the Action by Plaintiffs, on behalf of the State of California, themselves and the Similarly Aggrieved, based on the facts alleged in the PAGA Notice Letter, including (a) penalties pursuant to PAGA for violation of Labor Code sections 201, 202, 203, 226, 226.7, 510, 1194; Business and Professions Code sections 17200, *et seq.* and (b) any claim that Defendants are liable for the attorney's fees and costs incurred in the prosecution of this Action on behalf of the Aggrieved Employees. The release of the PAGA Released Claims shall be effective as to the PAGA Period.
16. "Plaintiffs' Counsel" means Thomas P. Skinner of Skinner Law Group APC, 28 N. First Street, Suite 590, San Jose, CA 95113-1216 and Huy Tran of Justice at Work Law Group LLP, 1550 The Alameda, Suite 302, San Jose, CA 95126.

17. “Released Parties” means Herline Goutama and FC Heavenly Enterprises, Inc. d.b.a. Let’s Stage It!, and its past, present, and future officers, directors, employees, board members, shareholders, attorneys, insurers, reinsurers, customers, partners, investors, members, representatives, predecessors, parent companies, subsidiaries, affiliates, divisions, successors, agents and principals, and its and their members, heirs, estates, executors, administrators, servants, insurers, attorneys, and assigns.

18. “Settlement Administrator” means the third-party administrator agreed upon by Parties to administer this Gross Settlement Amount, Phoenix Class Action Administration Solutions.

II. RECITALS

1. On February 4, 2022, Plaintiffs provided written notice to the LWDA asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of California Labor Code.

2. On April 11, 2022, Plaintiffs filed the Action against Defendants asserting the following PAGA causes of action on behalf of themselves and other alleged similarly aggrieved employees under PAGA for: (1) Failure to Pay Overtime Wages Due in Violation of Labor Code §§ 510 and 1194; (2) Failure to Provide Itemized Wage Statements in Violation of Labor Code §§ 226; (3) Failure to Provide All Wages Due Upon Termination of Employment – Waiting Time Penalties – in Violation of Labor Code §§ 201, 202 & 203 ; (4) Failure to Provide Adequate Rest Breaks in Violation of Labor Code § 226.7 and Applicable Wage Order; (5) Failure to Provide Adequate Meal Breaks in Violation of Labor Code § 226.7 and Applicable Wage Order; (6) Failure to Reimburse Business Expenses in Violation of Labor Code § 226.7 and Applicable

Wage Order; (7) Violation of Cal. Business and Professions Code §§ 17200 *et seq.*; and (8) Civil Penalties under Private Attorney General Act.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Non-Admission.** Nothing in this Settlement Agreement nor action taken in implementation thereof shall be construed to be an admission or concession by Plaintiffs that their claims do not have merit or by Defendants of any liability or wrongdoing as to Plaintiffs, Aggrieved Employees, or any other person, and Defendants specifically disclaims any such liability or wrongdoing. Nor will any of the foregoing be used in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this Settlement Agreement may be used in any court proceeding that has as its purpose the interpretation, implementation, or enforcement of the settlement or any orders or judgments of the Court entered into in connection therewith. The Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and risks. This Settlement Agreement and any related Court documents or orders are not and may not be cited or admitted as evidence of liability.

2. **Deposit of Gross Settlement Amount with Settlement Administrator.**

Defendants shall pay One Hundred and Five Thousand Dollars and Zero Cents (\$105,000) as the Gross Settlement Amount directly to the Settlement Administrator. The Settlement Administrator will be solely responsible for disbursing the funds and all tax reporting of all settlement payments. Defendants will not pay more or less than the Gross Settlement Amount.

3. **Net Settlement Amount.** The Parties agree that the Net Settlement Amount shall be distributed to the LWDA and Aggrieved Employees as follows: Seventy-five percent (75%) of the Net Settlement Amount shall be distributed to the LWDA ("LWDA Payment") and twenty-five percent (25%) of the Net Settlement Amount shall be distributed to the Aggrieved Employees on a pro rata basis, based on their respective number of pay periods worked for Defendants during the PAGA Period ("Employee Payments"). Each Aggrieved Employee will be paid a non-wage check for their PAGA Penalty Payment, and will receive an IRS Form 1099 for said payment if required by law as determined by the Settlement Administrator.

4. **Attorneys' Fees Payment and Litigation Costs Payment to Plaintiff's Counsel.**

Defendants will not oppose Plaintiffs' request for an award of attorneys' fees in the amount up to \$42,000 ("Attorneys' Fees") and litigation costs and expenses in the amount up to \$557.00 incurred in prosecuting this Action ("Litigation Costs"), to Plaintiffs' Counsel. In the event the Court approves a payment of less than \$42,000 for Attorneys' Fees and/or less than \$557.00 for Litigation Costs to Plaintiffs' Counsel, the difference will be a part of the Net Settlement Amount. The Attorneys' Fees and Litigation Costs payments will be reported on an IRS Form 1099 issued to Plaintiff's Counsel.

5. **PAGA Released Claims.** Upon the Effective Date, and subject to Defendants' full payment of the Gross Settlement Amount, Plaintiffs, Aggrieved Employees, and the State of California will be forever barred from pursuing any and all PAGA Released Claims as defined in Section I herein. Separate and apart from this Agreement, Plaintiffs have entered into a full general release of claims through which they are releasing the Released Parties from any and all claims.

Separate and apart from this Agreement, Plaintiffs have entered into a full general release of claims through which they are releasing the Released Parties from any and all claims.

6. **Covenants and Representations by Plaintiffs.** Plaintiffs represent and warrant that they have not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Settlement Agreement.

Plaintiffs acknowledge that they have read this Settlement Agreement, whether personally or with the assistance of a translator, as necessary, that they fully understand their rights, privileges, and duties under the Settlement Agreement, and enter into this Settlement Agreement freely and voluntarily. Plaintiffs further acknowledge that they have had the opportunity to consult with their attorneys to explain the terms of this Settlement Agreement and the consequences of signing this Settlement Agreement.

7. **Limited Disclosure and No Publicity.** Except as provided below, to the extent necessary to effectuate the settlement or as required by the PAGA statute, a court of law, or legal process, neither Defendants, Defense Counsel, Plaintiffs, nor Plaintiffs' Counsel will publicize the terms of this Settlement Agreement or issue a press release, hold a press conference, publish information about the settlement on any website or through any social media, or otherwise publicize the settlement or communicate its terms in public, unless ordered by the Court.

8. **Filing of Joint Stipulation of Settlement by Plaintiff's Counsel.** Plaintiffs' Counsel shall be responsible for preparing the Joint Stipulation for Approval of the Settlement ("Stipulation") and providing Defense Counsel with an opportunity to propose revisions to the Stipulation prior to filing. Plaintiffs' Counsel will file the Stipulation as soon as practicable. Plaintiffs' Counsel will serve the Stipulation on Defendants' Counsel and submit it on the Court

and the LWDA together with this Agreement. Pursuant to the California Labor Code section 2698, et seq., Plaintiffs' Counsel shall undertake all required submissions and disclosures to the LWDA and the Court to obtain approval of the Settlement Agreement.

9. Termination of Settlement Agreement. If the Court does not approve the settlement, if the Court does not dismiss the Action with prejudice, as provided for in this Settlement Agreement, or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or if one or more of the terms of the Settlement Agreement is not approved or is materially modified or reversed or found to be invalid, or the settlement does not become final for any other reason, then any of the Parties shall have the right within thirty (30) calendar days of written notice thereof to elect to terminate the Settlement Agreement, in which case it shall have no force or effect, and the Parties shall be deemed to have reverted to their original, respective status as of the date and time immediately prior to the execution of this Settlement Agreement.

10. Dismissal of Action with Prejudice. The Stipulation shall provide that the Court dismiss the Action with prejudice, with a retention of jurisdiction to enforce this Settlement Agreement pursuant to Code of Civil Procedure section 664.6. This Settlement Agreement is expressly conditioned upon the Court entering the dismissal of the Action in its entirety. The dismissal will not release or bar any claims other than those set forth in this Agreement.

IV. ADMINISTRATION OF SETTLEMENT

1. Third-Party Administrator. The Parties have mutually selected Phoenix Class Action Administration Solutions to handle the administration of this settlement. All of the Settlement Administrator costs in administering this settlement will be paid by Defendants.

2. **Payments to Plaintiffs.** The Settlement Administrator will issue three checks to the Aggrieved Employees in the following amounts:

- a. One thousand seven hundred seventy-six dollars and ninety three cents (\$1,776.93) to Plaintiff Jaime Calderon Limon;
- b. Sixty-seven dollars and five cents (\$67.06) to Plaintiff Edwin Herrera; and
- c. Sixteen dollars and seventy-six cents (\$16.76) to the remaining allegedly aggrieved employee.

3. **Notice to Allegedly Aggrieved Employees.** The Settlement Administrator will mail the Employee Payments under cover letter, substantially in the form attached hereto as “**Exhibit A**” (“Cover Letter”), to each of the Aggrieved Employees. The Settlement Administrator will send Plaintiffs’ notices to Plaintiffs’ counsel via e-mail. Should any of the mailings to the Aggrieved Employees of their Cover Letter and Employee Payments be returned as undeliverable within thirty (30) calendar days of mailing, the Defendants will have ten (10) calendar days after it receives the returned undeliverable mail to search for a more current address for the allegedly Aggrieved Employee (via a skip trace or other reasonable method) and re-mail the Cover Letter and Employee Payments to any alternative or updated address obtained by Defendants.

4. **Tax Treatment of Settlement Sum.** The Settlement Administrator shall be responsible for preparation and issuing all necessary IRS forms W2s and 1099s, including to Plaintiffs’ Counsel, who shall assume full responsibility and liability for the payment of taxes due on the payments to Plaintiffs’ Counsel. Plaintiffs and Aggrieved Employees are solely responsible for all appropriate taxes due and any penalties assessed on any and all amounts paid to them under this Settlement Agreement. Aggrieved Employees shall hold the Parties free and harmless from

any claims resulting from treatment of such payments, including the treatment of such payment as not subject to withholding or deduction for payroll and employment taxes. Aggrieved Employees assume full responsibility and liability for the payment of taxes due on their individual shares of the Settlement Sum. Nothing in this Settlement Agreement is intended to constitute legal or tax advice regarding local, state, or federal tax obligations and the parties make no representations or warranties with respect to the tax consequences of any payment under this Settlement Agreement.

V. MISCELLANEOUS PROVISIONS

1. **No Impact on Employee Benefit Plans.** Neither the Settlement Agreement nor any amounts paid to Plaintiffs, any Aggrieved Employee, or the LWDA under the settlement will modify any previously credited hours or service under any employee benefit plan, policy, or bonus program sponsored by Defendants. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Defendants' sponsored benefit plans, policies, or bonus programs. The payments made under the terms of this Settlement Agreement shall not be applied retroactively, currently, or on a going-forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of any Defendants benefit plan, policy, or bonus program. Defendants retain the rights, if necessary, to modify the language of its benefit plans, policies, and bonus programs to effect this intent, and to make clear that any amounts paid pursuant to this Settlement Agreement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies, and bonus programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Settlement Agreement.

2. **Tax Consequences.** Plaintiffs and Aggrieved Employees will be solely responsible for correctly characterizing any compensation received under the settlement on their

personal income tax returns for tax purposes, and paying all appropriate taxes due for any and all amounts paid to them under the settlement. Plaintiffs, Defendants, Plaintiffs' Counsel, and Defendants' Counsel make no representations or warranties with respect to tax consequences of any payment under this Settlement Agreement, do not intend anything contained in this Settlement Agreement to constitute advice regarding taxes or liability, nor shall anything in this Settlement Agreement be relied upon as such.

3. **Governing Law.** This Settlement Agreement shall be construed under and governed by the laws of the State of California. This Settlement Agreement shall be deemed to have been entered into in California, and all questions of validity, interpretation, or performance of any of its terms or of any rights or obligations of the Parties to this Settlement Agreement shall be governed by California law. If any legal or equitable action or arbitration is necessary to enforce the terms of this Settlement Agreement, it shall be brought in the State of California, County of San Mateo.

4. **Entire Agreement.** This Settlement Agreement is one of two Agreements that constitute the entirety of the Parties' settlement terms. This Agreement is focused on Plaintiffs' PAGA claims, while the other is focused on Plaintiffs' individual claims. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties each acknowledge and represent that this Settlement Agreement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of Plaintiffs' individual claims.

5. **Judgment and Continued Jurisdiction.** The Parties agree that this Settlement Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6, and the Court, to the fullest extent of the law, shall retain exclusive and continuing

jurisdiction over this Action, over all Parties, and the Aggrieved Employees to interpret and enforce the terms, conditions, and obligations of the Settlement Agreement.

6. **Amendment or Modification.** This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all Parties, subject to approval by the Court.

7. **Authorization to Enter into Binding Settlement Agreement.** Defendants represent and warrant that the undersigned has the authority to act on behalf of FC Heavenly Enterprises, Inc. d.b.a. Let's Stage It! to bind FC Heavenly Enterprises, Inc. d.b.a. Let's Stage It! to the terms of this Settlement Agreement. Plaintiffs represent and warrant that they have the capacity to act on their own behalf and on behalf of all who might claim through them. The Parties warrant and represent that they have expressly authorized their respective counsel to act on their behalf and to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement and to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have full authority to enter into this settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any settlement and/or mediation privileges and/or confidentiality provisions that otherwise might apply under federal or state law.

8. **Binding on Successors and Assigns.** This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

9. **Execution and Counterparts.** This Settlement Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

10. **Acknowledgement of Mutual Drafting and that the Settlement is Fair, Adequate, and Reasonable.** The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action, and have arrived at this settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this settlement. The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arm's-length negotiations and that neither Party shall be considered the "drafter" of this Settlement Agreement for purposes of having terms construed against that Party. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

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

12. **Severability.** If any term or provision of this Settlement Agreement is held to be invalid or unenforceable, the remaining portions of this Settlement Agreement will continue to be valid and will be performed, construed, and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Settlement Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

13. **No Waiver.** No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right, or remedy.

14. **Cooperation and Execution of Necessary Documents.** All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. The Parties will cooperate with each other and use their best efforts to implement the settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

IN WITNESS THEREOF, the Parties acknowledge that they have read the foregoing Settlement Agreement, accept and agree to the provisions contained in this Settlement Agreement, and hereby execute it voluntarily and with full understanding of its consequences.

THIS IS A RELEASE. READ BEFORE SIGNING.

SIGNATURES

DATE: 11-18-2022

By:

Jaime Calderon Limon
Plaintiff Jaime Calderon Limon

DATE: 11-17-2022

By:

Edwin Herrera
Plaintiff Edwin Herrera

DATE: _____

By:

Defendant Herline Goutama

DATE: _____

By:

Defendant FC Heavenly Enterprises, Inc.
d.b.a. Let's Stage It!

By: _____

Its: _____

Exhibit A

«Date»

NOTICE OF SETTLEMENT

San Mateo County Superior Court Case No. 22-CIV-01527

Case Name: *Jaime Calderon Limon and Edwin Herrera v. Herline Goutama and FC Heavenly Enterprises, Inc. d.b.a. Let's Stage It!*

«FirstName» «LastName»

«Address1» «Address2»

«City» «State» «Zip»

You are receiving the enclosed check in settlement of a lawsuit entitled *Jaime Calderon Limon and Edwin Herrera, "Plaintiffs," v. Herline Goutama and FC Heavenly Enterprises, Inc. d.b.a. Let's Stage It! ("Defendants")*, Superior Court of the State of California, County of San Mateo, Case Number 22-CIV-01527 (the "Lawsuit").

In the Lawsuit, Plaintiffs pursued various claims for penalties against Defendants on their own behalf for alleged violations of the California Labor Code and on behalf of other alleged similarly aggrieved employees under the California Private Attorneys General Act of 2004 ("PAGA"). Defendants deny Plaintiffs' claims in their entirety, and assert that they complied with the applicable law. However, the Parties believe that continued litigation would be protracted, expensive, uncertain, and contrary to their best interests and, therefore, agreed to settlement of this lawsuit. The Court has not ruled on the merits of this lawsuit, but it has approved the civil penalties settlement amount to be paid by Defendants. The settlement addresses claims for PAGA penalties on behalf of employees who worked or are working for Defendants in California at any time from February 5, 2021 through July 11, 2022.

According to Defendants' records, you are an Aggrieved Employee and are therefore entitled to a share of the settlement. Enclosed with this Notice is your settlement check. The

settlement check shall remain valid for one hundred eighty (180) calendar days. Checks remaining un-cashed for more than 180 days after issuance will become void and the outstanding balance will be tendered to the State Controller's Office, Unclaimed Property Division, to be held in your name. If you have additional questions, you may contact the undersigned.