

MEMORANDUM OF UNDERSTANDING

Subject to approval by the Superior Court of California, County of Los Angeles (the "Court"), and with the acknowledgment that this Memorandum of Understanding ("MOU") will be further memorialized in a more-detailed, long-form Settlement Agreement, Plaintiff Ivanie Murphy ("Plaintiff"), as proxy for the State of California on behalf of himself and the PAGA Employees (defined below), on one hand, and Defendant Nordstrom, Inc. ("Defendant"), on the other hand, hereby agree to the following binding settlement (the "Settlement") of the Private Attorneys General Act ("PAGA") representative action entitled *Ivanie Murphy v. Nordstrom, Inc.*, Superior Court of California, County of Los Angeles, Case No. 22STCV25014 (the "Action"). Plaintiff and Defendant are collectively referred to herein as the "Parties."

1. No Admission of Liability: By entering into this MOU, Defendant does not admit to any wrongdoing or liability as it relates to the seating claim asserted in the Action.

2. Type of Settlement: This is an all-in settlement with none of the proceeds reverting to Defendant.

3. Definition of the PAGA Employees: The "PAGA Employees" shall consist of Plaintiff and all individuals who worked in a Service Experience, Customer Service, Selling & Service, Merchandise & Inventory, Sales (Apparel, Accessories, Shoes, Women's, Men's, Kid's), Store Management, Support, Stock, Web Fulfillment, Logistics, or Inventory department at a Nordstrom Rack store in California during the PAGA Period.

4. Definition of the PAGA Period: "PAGA Period" is defined as the period from May 31, 2021, through the earlier of: (a) October 21, 2023; or (b) the date on which the Total PAGA Pay Periods (defined below) reaches 153,669.

5. Gross Settlement Amount: The "Gross Settlement Amount" means the total amount that Defendant will be obligated to pay in connection with the Settlement and is \$500,000.00 (Five Hundred Thousand Dollars and Zero Cents). Defendant agrees to pay the Gross Settlement Amount to resolve Plaintiff's claims for civil penalties under PAGA for failure to provide suitable seating as alleged in Plaintiff's First Amended Complaint in the Action. The Gross Settlement Amount shall encompass payments for: (a) the PAGA Counsel Fees Payment; (b) the PAGA Counsel Litigation Expenses Payment; (c) the Administration Expenses Payment; (d) the portion of the Net Settlement Amount paid to the California Labor Workforce Development Agency ("LWDA"); and (e) the portion of the Net Settlement Amount paid to PAGA Employees as settlement benefits.

6. PAGA Counsel Fees Payment: Plaintiff agrees that he has been represented in the Action only by the following law firms: Koul Law Firm, Majarian Law Group, APC, and Karasik Law Firm. Defendant will not oppose Plaintiff's application to the Court for attorneys' fees to be paid out of the Gross Settlement Amount and not to exceed the total of \$166,666.67 (One Hundred Sixty-Six Thousand Six Hundred Sixty-Six Dollars and Sixty-Seven Cents) (the "PAGA Counsel Fees Payment").

The Court shall have sole discretion to determine the total amount of the PAGA Counsel Fees Payment to be awarded and the allocation of the PAGA Counsel Fees Payment among the firms listed above. If the Court awards less than the full amount of the PAGA Counsel Fees Payment requested by Plaintiff, the unawarded amount will become part of the Net Settlement Fund (defined below). The payment of the PAGA Counsel Fees Payment awarded by the Court shall be subject to IRS Form 1099 reporting to Plaintiff's counsel and as otherwise required by law.

7. PAGA Counsel Litigation Expenses Payment: Plaintiff agrees that all costs associated with the prosecution of the Action have been incurred only by the following law firms: Koul Law Firm, Majarian Law Group, APC, and Karasik Law Firm. Defendant will not oppose Plaintiff's application to the Court for litigation costs to be paid out of the Gross Settlement Amount and not to exceed the total of \$11,500 (Eleven Thousand Five Hundred Dollars and Zero Cents). The amount of litigation costs awarded to Plaintiff shall be allocated between his counsel in accordance with (or, if the full amount requested is not awarded, in proportion to) their actual litigation expenses.

The Court shall have sole discretion to determine the total amount of the PAGA Counsel Litigation Expenses Payment to be awarded and the allocation of the PAGA Counsel Litigation Expenses Payment among the firms listed above. If the Court awards less than the full amount of the PAGA Counsel Litigation Expenses Payment requested by Plaintiff, the unawarded amounts will become part of the Net Settlement Fund. The payment of the PAGA Counsel Litigation Expenses Payment awarded by the Court shall be subject to IRS Form 1099 reporting to Plaintiff's counsel and as otherwise required by law.

8. Administration Expenses Payment: The Parties agree to retain a mutually agreeable third-party administrator (the "Administrator") to administer the Settlement for a mutually agreed-upon and court-approved amount, which shall be paid from the Gross Settlement Amount.

9. Distribution of the Net Settlement Amount: The Parties agree that the Net Settlement Amount will be the Gross Settlement Amount less the amounts awarded by the Court for the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The Net Settlement Amount will be distributed as follows: 75% of the Net Settlement Amount will be paid to the California Labor and Workforce Development Agency, and the remaining 25% will be paid to the PAGA Employees. The 25% to be paid to the PAGA Employees shall be distributed on a *pro rata* basis according to the number of pay periods that each PAGA Employee worked for Defendant in a Service Experience, Customer Service, Selling & Service, Merchandise & Inventory, Sales (Apparel, Accessories, Shoes, Men's, Kid's), Store Management, Support, Stock, Logistics, or Inventory department at a Nordstrom Rack store in California during the PAGA Period.

a. "Total PAGA Pay Periods" means the total number of pay periods worked in a Service Experience, Customer Service, Selling & Service, Merchandise & Inventory, Sales (Apparel, Accessories, Shoes, Men's, Kid's), Store Management, Support, Stock, Logistics, or Inventory department at a Nordstrom Rack store in California during the PAGA Period according to Defendant's business records. "Individual PAGA Pay Periods" means the total number of pay periods worked in a Service Experience, Customer Service, Selling & Service, Merchandise &

Inventory, Sales (Apparel, Accessories, Shoes, Men's, Kid's), Store Management, Support, Stock, Logistics, or Inventory department at a Nordstrom Rack store in California by an individual PAGA Employee during the PAGA Period according to Defendant's business records.

b. Each PAGA Employee's "Individual PAGA Payment" will be calculated by dividing the PAGA Employee's Individual PAGA Pay Period(s) by the Total PAGA Pay Periods worked by all PAGA Employees and multiplying this result by the 25% portion of the Net Settlement Amount allocated to PAGA Employees.

c. Each Individual PAGA Payment will be allocated 100% as penalties. The Administrator shall make no payroll tax deductions from the Individual PAGA Payments. The payment of Individual PAGA Payments shall be subject to IRS Form 1099 reporting only to the extent required by law.

10. Un-Cashed Checks: Checks for Individual PAGA Payments will remain valid for 180 days from the date of issuance. Any uncashed checks shall be voided and the value of those checks shall be sent to United Way.

11. Process for Court Approval:

a. Promptly following the execution of this MOU, Defendant and Plaintiff will jointly file a Notice of Settlement with the Court and request to stay the Action while the Parties finalize the long-form Settlement Agreement and pursue approval of the Settlement.

b. The Parties will finalize the long-form Settlement Agreement no later than July 31, 2023.

c. As soon as practicable after the execution of the long-form settlement agreement, Plaintiff will move the Court for approval of the Settlement and will provide the LWDA with notice of the Settlement pursuant to California Labor Code section 2699(f)(2).

d. If this Settlement is not approved for any reason, then the litigation will be returned to its status quo ante. However, if the Court awards Plaintiff less than the amount of the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and/or the Administration Expenses Payment, that ruling will not constitute a failure to grant approval of the Settlement.

e. The Parties will work together expeditiously to obtain approval of this Settlement from the Court.

f. This Agreement will become binding 61 days after Plaintiff serves Defendant with and gives the LWDA notice of the order approving this Settlement and entering judgment thereon, and no appeal is timely filed or if an appeal is timely filed, then when the appeal is finally resolved and the Settlement is affirmed (the "Effective Date").

12. Release of Claims:

a. As of the Effective Date, Plaintiff – on behalf of the State of California and the PAGA Employees – agrees to release and discharge the Released Parties from any and all claims, rights, demands, and liabilities for civil penalties under PAGA based on the failure to provide suitable seats at Nordstrom Rack stores in California during the PAGA Period that were asserted in the First Amended Complaint in the Action or that are reasonably related to the facts alleged First Amended Complaint in the in the Action.

b. In consideration for the awarded PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, Plaintiff's attorneys waive any and all claims to any further attorneys' fees, costs, and expenses in connection with the Action.

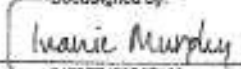
13. No Publicity: The Parties and their counsel agree not to publicize the fact of, amount, or terms of the Settlement in any way, including by way of press releases, initiating contact with the press, responding to any press inquiries, or communicating with the press. Plaintiff and his counsel also agree not to reference this Settlement in any communication, including on social media, in any advertisement or on any website. The Parties and their counsel shall keep this Settlement and its terms confidential except as necessary to obtain approval of and to implement the Settlement. This provision shall not preclude Plaintiff's counsel from responding to any inquiries from PAGA Employees about the effect of the Settlement on their legal rights.

14. Binding Agreement: The Parties intend that this MOU, if approved by the Court, shall be fully enforceable and binding upon all of the Parties, and that it shall be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding the mediation confidentiality provisions that otherwise might apply under state law. The Parties expressly agree and request that the Los Angeles County Superior Court retain jurisdiction to enforce this MOU pursuant to Code of Civil Procedure § 664.6. In the event that an action is brought to enforce this MOU and later the parties' long-form settlement agreement, the prevailing party shall be entitled to his/its reasonable attorneys' fees and costs.

15. This MOU may be executed by wet signature, by a scanned or faxed signature, and/or by DocuSign in any number of counterparts, and any Party and/or their respective counsel hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. A scanned, faxed, or DocuSigned signature shall be valid as an original signature.

Dated: July 7, 2023

PLAINTIFF IVANIE MURPHY:

DocuSigned by:

9179FF158087489

KOUL LAW FIRM

DocuSigned by:

Nazo Koulloukian

Nazo Koulloukian

Attorney for Plaintiff Ivanie Murphy

MAJARIAN LAW GROUP, APC

DocuSigned by:

Sahag Majarian, II

Garen Majarian

Sahag Majarian

Attorney for Plaintiff Ivanie Murphy

KARASIK LAW FIRM

DocuSigned by:

G.N. Karasik

Gregory N. Karasik

Attorney for Plaintiff Ivanie Murphy

DEFENDANT NORDSTROM, INC.:

By:

Title:

KOUL LAW FIRM

Nazo Koulloukian
Attorney for Plaintiff Ivanie Murphy

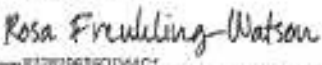
MAJARIAN LAW GROUP, APC

Garen Majarian
Sahag Majarian
Attorney for Plaintiff Ivanie Murphy

KARASIK LAW FIRM

Gregory N. Karasik
Attorney for Plaintiff Ivanie Murphy

DEFENDANT NORDSTROM, INC.:

DocuSigned by:

By: Rosa Freuhling-watson
Title: Senior Director, Associate General Counsel