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STEPHANIE BOHRER, CLERK

By 
DEPUTY

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13 Attorneys for Plaintiff and the Putative Class

14 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

15 **FOR THE COUNTY OF SAN JOAQUIN**

16 PATRICK FAIAIPAU, on behalf of himself
17 and all others similarly situated,

18 Plaintiff,

19 v.

20 RUGS USA LLC, a Delaware Limited
21 Liability Company; and DOES 1-50, inclusive.

22 Defendants.

CASE NO.: STK-CV-UOE-2022-0003707

Assigned to the Hon. Robert T. Waters


[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT

DEC 01 2023

ORIGINAL

1 On a date and time determined by the court, the Court considered Plaintiff Patrick Faiaipau's
2 ("Plaintiff") Motion for Preliminary Approval of Class Action Settlement ("Plaintiff's Motion"), the
3 Declarations of Mehrdad Bokhour, Joshua Falakassa, and Patrick Faiaipau in Support of Plaintiff's
4 Motion, the Class Action and PAGA Settlement Agreement ("Settlement Agreement" and/or
5 "Settlement"), and the Notice of Proposed Class Action and PAGA Settlement ("Notice Packet") and
6 any other documents submitted in support of Plaintiff's Motion. Having considered Plaintiff's
7 Motion, the accompanying declarations in support thereof, and all supporting legal authorities and
8 documents, the Court ordered as follows:

9 **IT IS HEREBY ORDERED THAT:**

10 1. This Order incorporates by reference the definitions in the Settlement Agreement,
11 attached as Exhibit "A" to the Declaration of Mehrdad Bokhour, and all terms defined therein shall
12 have the same meaning in this Order as set forth in the Settlement Agreement.

13 2. For settlement purposes only, the Court conditionally certifies the following
14 Settlement Class: all current and former individuals who are or previously were employed by
15 Defendant in California who were classified as non-exempt employees under California law during
16 the Class Period (*i.e.*, May 12, 2018 through October 1, 2023).

17 3. The Court preliminarily appoints the named Plaintiff, Patrick Faiaipau, as the Class
18 Representative, and Mehrdad Bokhour, Esq. of Bokhour Law Group, P.C. and Joshua S. Falakassa,
19 Esq. of Falakassa Law, P.C. as Class Counsel.

20 4. The Court hereby preliminarily approves the proposed Settlement upon the terms and
21 conditions set forth in the Settlement Agreement. The Court finds that on a preliminary basis that the
22 Settlement appears to be within the range of reasonableness of a settlement that could ultimately be
23 given final approval by the Court. It appears to the Court on a preliminary basis that the Maximum
24 Settlement Amount is fair, adequate, and reasonable as to all potential Class Members, when balanced
25 against the probable outcome of further litigation relating to liability and damages issues. It further
26 appears that extensive and costly investigation and research has been conducted such that counsel for
27 the parties at this time are reasonably able to evaluate their respective positions. It further appears to
28 the Court that the Settlement at this time will avoid substantial additional costs by all parties, as well

1 as the delay and risks that would be presented by the further prosecution of the Action. It further
2 appears that the Settlement has been reached as the result of intensive, non-collusive, arms-length
3 negotiations utilizing an experienced mediator.

4 5. The Court approves, as to form and content, the proposed Notice Packet attached as
5 Exhibit "A" to the Settlement Agreement.

6 6. The Court directs the mailing of the Notice Packet by first-class mail to the Class
7 Members pursuant to the terms of the Settlement Agreement. The Court finds that the dissemination
8 of the Notice Packet set forth in the Settlement Agreement complies with the requirements of due
9 process of law and appears to be the best notice practicable under the circumstances.

10 7. The Court hereby preliminarily approves the definition and disposition of the not-to-
11 exceed Gross Settlement Amount of \$375,000, which is inclusive of the payment of attorneys' fees
12 not to exceed \$125,000, costs not to exceed \$15,000, a Service Award not to exceed \$10,000 to the
13 named Plaintiff, a PAGA Payment of \$20,000 (of which 75% or \$15,000 will be paid to the California
14 Labor and Workforce Development Agency ("LWDA") and 25% or \$5,000 will be paid to Settlement
15 Class Members); Settlement Administration Costs not to exceed \$6,000. Defendant shall separately
16 pay its share of payroll taxes on the portion of the Individual Settlement Amounts to Participating
17 Class Members that are allocated as wages subject to withholdings.

18 8. The Court confirms ILYM Group, Inc. as the Settlement Administrator, and payment
19 of Settlement Administration Costs, not to exceed \$6,000 out of the Settlement Amount for services
20 to be rendered by on behalf of the Class Members. The Settlement Administrator shall prepare and
21 submit to Class Counsel and Defendant's Counsel a declaration attesting to the completion of the
22 notice process as set forth in the Settlement Agreement, including an explanation of efforts to resend
23 any Notice Packet returned as undeliverable and the total number of opt-outs and objections received
24 before and after the deadline.

25 9. The Court directs Defendant to work diligently and in good faith to compile from its
26 records and provide the Settlement Administrator with the "Class Data" – as defined in paragraph 6
27 of the Settlement Agreement – for Settlement Class Members, in a format to be provided by the
28 Settlement Administrator, which will consist of the following information: (1) the Class Members'

1 full names; (2) last known addresses; (3) Social Security Numbers; (4) telephone numbers; and (5)
2 dates of employment and/or number of Workweeks Worked as non-exempt employees of Defendant
3 in California during the Class Period and the PAGA Period for each Settlement Class Member.
4 Defendant shall provide the "Class Data" as referenced herein to the Settlement Administrator within
5 twenty (20) days after entry of the Preliminary Approval Order.

6 10. The Settlement Administrator shall use the National Change of Address database (U.S.
7 Postal Service) to check for updated addresses for Class Members and shall then mail, via first class
8 U.S. mail, the Notice Packet to Settlement Class Members as approved in paragraph 5 herein.

9 11. The deadline by which Class Members may dispute the number of Workweeks
10 Worked, opt-out or object shall be forty-five (45) calendar days from the date of mailing of the Notice
11 Packet. Any Class Member who desires to be excluded from the Settlement must timely mail or fax
12 his or her written Request for Exclusion in accordance with the Notice Packet. Requests for
13 Exclusion must include the full name, address, telephone number, last four digits of the social security
14 number or date of birth, and signature of the Settlement Class Member requesting exclusion. The
15 Request for Exclusion should state: "I WISH TO BE EXCLUDED FROM THE SETTLEMENT
16 CLASS IN THE RUGSUSA LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED
17 FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE
18 SETTLEMENT OF THE CLASS CLAIMS IN THIS LAWSUIT." All such persons who properly
19 and timely exclude themselves from the Settlement shall not be Settlement Class Members and shall
20 have no rights with respect to the Settlement, no interest in the Settlement proceeds, and no standing
21 to object to the proposed Settlement.

22 12. The deadline for filing objections to any of the terms of the Settlement shall be forty-
23 five (45) calendar days from the date of mailing of the Notice Packet. Any Class Member who wishes
24 to object to the Settlement must serve a timely written objection on the Settlement Administrator,
25 who will email a copy of the objection to Class Counsel and counsel for Defendant. Class Counsel
26 will submit a copy of the objection to the Court. Any such objection shall include the full name,
27 address, telephone number, last four digits of the social security number or date of birth, signature of
28 the Objecting Settlement Class Member, and the basis for the objection, including any legal support

1 and each specific reason in support of the objection, as well as any documentation or evidence in
2 support thereof, and, if the Objecting Settlement Class Member is represented by counsel, the name
3 and address of his or her counsel. Any Class Member who fails to make his or her objection in the
4 manner provided for in this Order shall be deemed to have waived such objection and shall forever
5 be foreclosed from making any objection to or appeal of the fairness, reasonableness or adequacy of
6 the Settlement as incorporated in the Settlement Agreement, or to the award of Attorneys' Fees and
7 Costs, or Service Award to the Class Representative.

8 13. Any Settlement Class Member who does not submit a timely and valid Request for
9 Exclusion will be deemed a Participating Class Member and will be entitled to receive an Individual
10 Settlement Amount based upon the allocation formula described in the Settlement Agreement.
11 However, Settlement Class Members may not object to or opt-out of the Settlement with respect to
12 the Release of the PAGA Claims and Settlement Class Members who opt out of the Release of Class
13 Claims will still be paid their allocation of the PAGA Payment and will be bound by the Release of
14 PAGA Claims regardless of whether they submit a timely and valid Request for exclusion from the
15 Release of Class Claims.

16 14. The Court approves the handling of unclaimed funds set forth in the Settlement
17 Agreement, specifically that any unclaimed funds in the Settlement Administrator's account as a
18 result of a Participating Class Member's failure to timely cash a settlement check shall be handled by
19 the Settlement Administrator and be issued to the State of California Unclaimed Property Fund, as
20 set forth in the Settlement Agreement.

21 15. The following dates shall govern for purposes of this settlement:

22 DATE TBD	Preliminary Approval (PA) hearing
23 <i>(within 20 days after notice of entry of</i>	Deadline for Defendant to send Class Data to
24 <i>Order Granting Preliminary</i>	Settlement Administrator
25 <i>Approval)</i>	
26 <i>(within 7 days after receipt of Class</i>	Deadline for Settlement Administrator to complete
27 <i>Data)</i>	first mailing of the Notice Packet to all Class
28 <i>(45 calendar days after mailing Notice</i>	Members.
<i>Packet)</i>	Deadline for Class Members to submit Requests
	for Exclusion and Objections to the Settlement.

16 court days before Final Approval hearing	Deadline for Plaintiff to file and serve Motion for Final Approval of Settlement and application for award of attorneys' fees, costs and Service Payment.
9 court days before Final Approval hearing	Deadline for filing of any written opposition to Plaintiff's Motion for Final Approval of Settlement or filing any response to an objection to the Settlement.
5 court days before final approval hearing	Deadline for filing of any written reply to opposition to Motion for Final Approval of Settlement.
TBD	Final Approval Hearing
Within 30 calendar days after final approval	Defendant to deliver court approved funds to Settlement Administrator
No later than 7 calendar days after the deposit of funds from Defendant	Settlement Administrator to issue checks

16. A final approval hearing shall be held in this Court on June 13, 2024 at 9:00 ^{09:00} ~~am~~ ^{pm} to determine (1) whether the proposed settlement is fair, reasonable, and adequate and should be finally approved by the Court; (2) the amount of attorneys' fees and costs to award to Class Counsel; and (3) the amount of service award to the Class Representative. The Court may continue or adjourn the final approval hearing without further notice to the Class Notice.

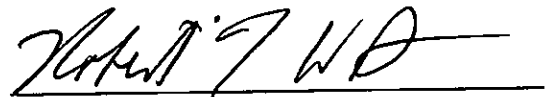
17. The Court may, for good cause shown, extend any of the deadlines set forth in this Order without further notice to Class Members. In the event that the Settlement does not receive final approval, or the Effective Date of the Settlement does not occur, for any reason, this Order, the Settlement, and the Settlement Agreement shall be rendered null and void and shall be vacated. Further, the fact that the parties were willing to stipulate to certification Class for settlement purposes shall have no bearing on, nor be admissible in connection with, the issue of whether a class should be certified in a non-settlement context, and the parties to the Settlement shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of the Agreement.

18. If the Court grants Final Approval, each Participating Class Member and their successors shall conclusively be deemed to have released the Class Claims, and each Class Member shall conclusively be deemed to have released the PAGA Claims, set forth in the Settlement

1 Agreement and Class Notice against the Released Parties (as defined in the Agreement). Further, all
2 Participating Class Members and their successors shall be permanently enjoined and forever barred
3 from asserting any released Class Claims, and all Class Members shall be permanently enjoined and
4 forever barred from asserting any released PAGA Claims, against the Released Parties.

5
6 **IT IS SO ORDERED.**

7
8 DATED: January 17, 2024


JUDGE OF THE SUPERIOR COURT

ROBERT T. WATERS

1 **PROOF OF SERVICE**

2 **STATE OF CALIFORNIA, COUNTY OF LOS ANGELES**

3 I am employed in the County of Los Angeles, State of California. I am over the age of eighteen
4 years and not a party to the within action; my business address is 1901 Avenue of the Stars, Suite 450,
Los Angeles, California 90067.

5 On December 1, 2023, I served the following document(s) described as [PROPOSED]
6 **ORDER GRANTING PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT**
7 on the interested parties in this action by placing true copies thereof enclosed in sealed envelopes
addressed as follows:

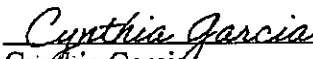
8 Marissa Alguire, Esq.
9 Marissa.alguire@akerman.com
10 Mojan Anari, Esq.
11 Mojan.anari@akerman.com
12 AKERMAN, LLP
601 West Fifth Street, Suite 300
Los Angeles, California 90071

13 **Counsel for defendant RUGSUSA, LLC**

14 **BY ELECTRONIC SERVICE:** I transmitted the above-referenced document(s) via
15 electronic service provider First Legal to the person(s) identified above at the email address(es)
16 indicated and did not, within a reasonable time after transmission, receive any message or
communication indicating that delivery failed or that any other error had occurred which would delay
or caused failure in transmission and delivery of the document and/or any attachments thereto.

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

19 Executed on December 1, 2023, at Los Angeles, California.

20 
21 Cynthia Garcia