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DEPUTY

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN JOAQUIN**

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

Plaintiff,

v.

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

Defendants.

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

Assigned to the Hon. Robert T. Waters

**[PROPOSED] ORDER GRANTING
FINAL APPROVAL OF SETTLEMENT;
AND ENTRY OF JUDGMENT**

Hearing:

Date: June 13, 2024
Time: 9:00 a.m.
Dept.: 11B

MAY 20 2024

[PROPOSED] ORDER GRANTING FINAL APPROVAL OF SETTLEMENT; ENTRY OF JUDGMENT

ORIGINAL



1 The Motion for Final Approval of the Settlement (the "Final Approval Motion") as set
2 forth in the Class Action and PAGA Settlement Agreement ("Settlement Agreement") came for
3 a hearing in Department 11B of the above-entitled court. The Final Approval Motion was
4 unopposed by Defendant RugsUSA LLC.

5 Having considered the Final Approval Motion, the Settlement Agreement, the
6 Declarations, and all other materials properly before the Court and having conducted an inquiry
7 pursuant to California Rules of Court, rule 3.769(g), the Court finds that the Settlement
8 Agreement was entered by all parties in good faith, and the Settlement Agreement is approved.
9 Due and adequate notice having been given to the Class, and the Court having considered the
10 Settlement Agreement, all papers filed and proceedings had herein and all oral and written
11 comments received regarding the proposed settlement, and having reviewed the record in this
12 Action, and good cause appearing,

13 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED AS FOLLOWS:

14 1. The Court, for purposes of this Judgment and Order ("Judgment"), refers to all
15 defined terms (i.e., terms with initial capitalization) as set forth in the Settlement Agreement.

16 2. The Court has jurisdiction over the subject matter over this Action, the Class
17 Representative, the Class Members, and Defendant.

18 3. For purposes of effectuating this Order and Judgment, the Court, for settlement
19 purposes only, finds that the proposed Class is ascertainable and that there is a sufficiently
20 defined community of interest among the Class Members in questions of law and fact. The
21 Court, therefore, certifies the following Class, for settlement purposes only:

22 "All current and former nonexempt employees employed by RugsUSA, LLC in
23 California at any time during the Class Period of May 12, 2018, through October
24 1, 2023."

25 4. The Court deems this definition sufficient for purposes of California Rules of
26 Court, rule 3.765(a).

27 5. With respect to the Class, and for purposes of approving this Settlement, this
28 Court finds and concludes as follows: (a) the Class Members are ascertainable and so numerous

1 that joinder of all members is impracticable; (b) there are questions of law or fact common to
2 the Class Members, and there is a well-defined community of interest among the Class
3 Members with respect to the subject matter of the Action; (c) the claims of the Class
4 Representative are typical of the claims of the Class Members; (d) the Class Representative has
5 fairly and adequately protected the interests of the Class Members; (e) a class action is superior
6 to other available methods for an efficient adjudication of this controversy; and (f) the counsel
7 of record for the Class Representative, i.e., Class Counsel, are qualified to serve as counsel for
8 the Plaintiff in her individual and representative capacity and for the Settlement Class.

9 6. The Court finds that the distribution of the Class Notice, as provided for in the
10 Order Granting Preliminary Approval for the Settlement, constituted the best notice practicable
11 under the circumstances to all Class Members and fully met the requirements of California law
12 and due process under the California and United States Constitution. Based on evidence and
13 other material submitted, the actual notice to the class was adequate.

14 7. The Court finds that the instant Action presented a good faith dispute of the
15 claims alleged, and the Court finds in favor of settlement approval.

16 8. The Released Class Claims on behalf of the Participating Class Members
17 included:

- 18 a. all claims and causes of action that were pled or could have been pled in the
19 operative Complaint, based on the facts alleged therein, except for the claim
20 under the PAGA, including claims for failure to pay overtime wages, failure
21 to pay sick time, meal and rest break violations, failure to pay meal and rest
22 break premium pay and/or failure to pay such premium pay at the correct
23 rate(s) of pay, failure to provide accurate itemized wage statements, failure to
24 timely pay all wages upon separation of employment, and unfair and
25 unlawful business practices pursuant to Business and Professions Code
26 §17200 *et seq.* This also includes, but is not limited to, any and all claims
27 alleged or that could have been alleged based on the facts of the Complaint or
28 any amended complaint for unpaid wages, and all other associated damages

1 and/or penalties, including but not limited to claims under Labor Code
2 sections 201, 202, 203, 204, 210, 226, 226.7, 227.3, 246, 510, 512, 516, 558,
3 1174, 1174.4, 1174.5, 1194, 1194.2 1197, 1197.1, 1198, 1199, 2699 *et*
4 *seq.* all applicable IWC Wage Orders, and Business and Professions Code
5 section 17200 *et seq.*

6 9. The Released PAGA Claims on behalf of the Aggrieved Employees included:

7 a. all claims and causes of action pursuant to the PAGA based on the
8 allegations stated in the PAGA Notice and that were or could have been pled
9 in the operative Complaint, based on the facts alleged therein, including
10 claims for failure to pay overtime wages, failure to pay sick time, meal and
11 rest break violations, failure to pay meal and rest break premium pay and/or
12 failure to pay such premium pay at the correct rate(s) of pay, failure to
13 provide accurate itemized wage statements, failure to timely pay all wages
14 upon separation of employment, and unfair and unlawful business practices
15 pursuant to Business and Professions Code §17200 *et seq.* This also includes
16 but is not limited to claims for civil penalties under Labor Code section
17 2698, *et seq.*, Labor Code sections 201, 202, 203, 204, 210, 226, 226.7,
18 227.3, 246, 510, 512, 516, 558, 1174, 1174.4, 1174.5, 1194, 1194.2 1197,
19 1197.1, 1198, 1199, and all applicable IWC Wage Orders.

20 10. There were no Objections and zero Request for Exclusion to the Settlement. All
21 Class Members are Participating Class Members, who are entitled to an Individual Class
22 Payment pursuant to the Settlement and this Judgment. Likewise, all Aggrieved Employees are
23 entitled to an Individual PAGA Payment, constituting a pro rata share of PAGA Penalties.

24 11. The Court approves the Settlement, as set forth in the Settlement Agreement and
25 each of the releases and other terms, as fair, just, reasonable, and adequate as to the Parties. The
26 Parties are directed to perform in accordance with the terms set forth in the Settlement
27 Agreement.
28

1 12. The Parties are to bear their own costs, except as otherwise provided in the
2 Settlement Agreement.

3 13. By this Judgment, the Class Representative shall release, relinquish, and
4 discharge, and each of the Class Members shall be deemed to have, and by operation of the
5 Judgment shall have, fully, finally, and forever released, relinquished, and discharged all
6 Released Class Claims, as defined in the Settlement Agreement.

7 14. Neither the Settlement Agreement nor the Settlement contained therein, nor any
8 act performed or document executed pursuant to or in furtherance of the Settlement Agreement
9 or the Settlement (i) is or may be deemed to be or may be used by the Class Representative or
10 Participating Class Members as an admission of, or evidence of, the validity of any of the
11 Released Class Claims, or of any wrongdoing or liability of Defendant or any of the other
12 Released Parties; or (ii) is or may be deemed to be or may be used by any of the Class
13 Representative or Participating Class Members as an admission of, or evidence of, any fault or
14 omission of Defendant or any of the other Released Parties in any civil, criminal, or
15 administrative proceeding in any court, administrative agency, or other tribunal. Defendant or
16 any of the other Released Parties may file the Settlement Agreement and/or the Judgment from
17 this Action in any other action that may be brought against it or them in order to support a
18 defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good
19 faith settlement, judgment bar or reduction, or any theory of claim preclusion or issue
20 preclusion or similar defense or counterclaim.

21 15. The Gross Settlement Amount to be paid under the Settlement Agreement is
22 \$375,000.00. From this amount, Class Counsel sought a Class Counsel Fee Payment of
23 \$125,000.00, Class Counsel Litigation Expenses of \$13,000.79, a Service Payment for Class
24 Representative Patrick Faiaipau of \$10,000, an Administrator Expenses Payment of \$5,000.00
25 to ILYM Group, Inc., and \$15,000 to the LWDA for PAGA penalties and \$5,000 to the
26 Aggrieved Employees for PAGA Penalties. Defendant does not oppose these requests. In
27 addition, and concurrently with paying the Settlement Amount, Defendant shall separately pay
28 all employer payroll taxes owed on the Wage Portions of the Individual Class Payments, which

1 shall be reported through the Settlement Administrator. The Court finds that the Settlement
2 Amount is fair, reasonable and adequate, and awards the payments set forth below from the
3 Settlement Amount:

- 4 A) \$125,000 to Class Counsel for Class Counsel Fee Payment in light of the
5 benefit obtained on behalf of the Class, which shall be divided equally
6 between Falakassa Law, P.C. and Bokhour Law Group, P.C.;
- 7 B) \$13,000.79 to Class Counsel for the Class Counsel Litigation Expenses,
8 which shall allocated to Bokhour Law Group, P.C.;
- 9 C) \$10,000 to Class Representative Patrick Faiaipau as a Service Payment;
- 10 D) \$5,000.00 to the Settlement Administrator, ILYM Group, Inc.;
- 11 E) \$15,000 to the LWDA;
- 12 F) \$5,000 to the Aggrieved Employees on a pro rata basis;
- 13 G) After deducting the foregoing payments from the Settlement Amount,
14 the remainder shall form the Net Settlement Amount payable to the
15 Participating Class Members as set forth in the Settlement Agreement
16 and as calculated by the Settlement Administrator.

17 16. The Settlement Administrator is directed to calculate the Participating Class
18 Member's Individual Class Payments and the Aggrieved Employees' Individual PAGA
19 Payments and issue all payments within in accordance with the Settlement Agreement and this
20 Order/Judgment.

21 17. Concurrently with mailing the settlement checks to the Participating Class
22 Members and Aggrieved Employees, the Settlement Administrator shall include a Notice of
23 Entry of Judgment to all Class Members either on a postcard or as a detachable portion of the
24 check for the Participating Class Members, noting the following: "Please be advised that on
25 [insert date], 2024, the Superior Court of California for the County of San Joaquin entered
26 Judgment in the case entitled *Faiaipau v. RugsUSA, LLC*, Case No. STK-CV-UOE-2022-
27 00003707, on behalf of "All current and former nonexempt employees employed by RugsUSA,
28

1 LLC, in California at any time during the Class Period May 12, 2018, through October 1,
2 2023.”

3 18. Participating Class Members and Aggrieved Employees shall have 180 days to
4 negotiate the settlement check from the date of issuance by the Settlement Administrator. In the
5 event that a Class Member does not negotiate his/her check within this time period, the check
6 will be canceled. The value of the unclaimed funds in the Settlement Administrator’s account
7 as a result of a failure to timely cash a settlement check shall be paid to the California State
8 Controller’s Unclaimed Property Fund in the name of the Settlement Class Member.

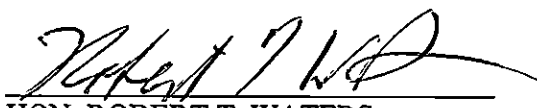
9 19. The following dates shall govern for purposes of this implementing this
10 Order/Judgment, assuming that no notice of appeal of the Judgment in this matter is filed:

11 Date Final Order is Entered	The Effective Date occurs.
12 Within 30 days after Effective Date	Defendant shall issue payment to the 13 Settlement Administrator.
14 Within 7 days after receipt of the final 15 payment	Settlement Administrator to issue all 16 Individual Class Payments to the 17 Participating Class Members, Individual 18 PAGA Payments to the Aggrieved 19 Employees, payment to Class Counsel for 20 the Class Counsel Fee Payment and 21 Litigation Expenses, the Service Payment to 22 the Class Representative, the payment to the 23 LWDA for PAGA Penalties, and pay itself 24 the Administrator Expenses Payment.
25 180 days after payment is issued	Deadline for Class Members to cash checks.
26 June 13, 2025	Counsel to file a declaration from the 27 Settlement Administrator setting forth the 28 disbursements that were actually made, including any uncashed checks and status of process of forwarding unclaimed funds to the State Controller.
29 Date: <u>May 13, 2025</u>	OSC re: Compliance with the Order and status of disbursements.
30 Time: <u>9:00; Dept 11B</u> <u>AM</u> /p.m.	

1 20. This document shall constitute a Judgment for purposes of California Rule of
2 Court 3.769(h). The Court reserves exclusive and continuing jurisdiction over the Action, the
3 Class Representative, the Class Members, and Defendant for the purposes of supervising the
4 implementation, enforcement, construction, administration, and interpretation of the Settlement
5 Agreement and this Judgment.

6
7 IT IS SO ORDERED.

8
9 Dated: 6/13/2014


HON. ROBERT T. WATERS
JUDGE OF THE SUPERIOR COURT