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TRENDZ BEAUTY LA, INC.; TRENDZ BEAUTY SFO, INC.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

AZADEH ROHANI, MARIBEL RESENDIZ, as
individuals, on behalf of themselves, all others
similarly situated, and the general public

Plaintiffs,

vs.

TRENDZ BEAUTY CA, INC., a corporation;
TRENDZ BEAUTY LA, INC., a corporation; and
TRENDZ BEAUTY SFO, INC., a corporation; and
DOES 1-100,

Defendants

Case No: BC543838

CLASS SETTLEMENT AGREEMENT

(Assigned for all purposes to the Hon. Stuart
M. Rice)

Trial Date: None Set

Complaint Filed: 4/25/14

1 Plaintiffs Azadeh Rohani and Maribel Resendiz (“Plaintiffs”), individually and on behalf
2 of all others similarly situated, and Defendants Trendz Beauty CA, Inc.; Trendz Beauty LA, Inc.;
3 Trendz Beauty SFO, Inc. , by and through their respective counsel of record, agree to resolve the
4 above-captioned case through this Class Settlement Agreement (“Agreement”).

5
6 **I.**

7 **DEFINITIONS**

- 8 1. “Action” means the dispute between Azadeh Rohani and Maribel
9 Resendiz, on the one hand, and Defendants Trendz Beauty CA, Inc.; Trendz Beauty LA, Inc.;
10 Trendz Beauty SFO, Inc. , on the other, Los Angeles Superior Court Case No. BC543838
11 (“Action”).
- 12 2. “Parties” shall mean the Plaintiffs/Class Representatives and Defendant.
- 13 3. “Defendant” shall mean Defendants Trendz Beauty CA, Inc.; Trendz
14 Beauty LA, Inc.; Trendz Beauty SFO, Inc. (collectively also referred to as “Trendz”)
- 15 4. “Class Representatives” or “Plaintiffs” shall mean Azadeh Rohani and
16 Maribel Resendiz.
- 17 5. “Class Counsel” shall mean Michael Morrison from ALEXANDER
18 MORRISON + FEHR LLP, and Hiran D. Dadgostar and Azadeh Gilbert from DADGOSTAR
19 LAW LLP.
- 20 6. “Class” or “Class Members” and “Class Period” shall mean and include
21 “all individuals who (1) were employed by Defendant as non-exempt employees and (2)
22 performed eye threading or related services to Defendant from March 10, 2010 until April 12,
23 2019.”
- 24 7. “Aggrieved Employee” or “Aggrieved Employees” shall mean and
25 include all individuals who (1) were employed by Defendant as non-exempt employees and (2)
26 performed eye threading or related services to Defendant from May 6, 2015 until April 12,
27 2019.
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1 8. “Class Member List” shall be the list of Class Members Defendant
2 contends are eligible to participate in the Settlement consistent with its personnel and business
3 records.

4 9. “Eligible Class Member” shall mean a Class Member who receives
5 Notice of Class Action Settlement and has not timely and validly opted out of participation in
6 the Settlement. An Eligible Class Member does not, and may not, opt out of the Settlement’s
7 release of claims under the Private Attorneys General Act (Cal. Lab. Code § 2699 et seq.).

8 10. “Claims Administrator” shall mean Simpluris Class Action Settlement
9 Administration (“Simpluris”), or as approved by the Court, who will perform all settlement
10 administration procedures and functions expressly required in this Agreement including, but not
11 limited to, (i) issuing and mailing the Notice and Request for Exclusion Form (“Exclusion
12 Form”) and any related correspondence to Class Members and Aggrieved Employees;
13 (ii) tracking and addressing returned Notices and Exclusion Forms; (iii) sending out cure or
14 follow up letters to Class Members and Aggrieved Employees as necessary; (iv) notifying the
15 Parties of any objections to the Settlement; (v) calculating, processing, reviewing and paying all
16 amounts due to each Eligible Class Member and Aggrieved Employee; (vi) calculating tax
17 withholdings and payroll taxes and preparing all appropriate tax documents and making related
18 payments to federal and/or tax authorities and issuing tax forms related to all applicable
19 payments made pursuant to the Settlement; (vii) notifying the Parties of and resolving any
20 questions or disputes regarding claims submitted by Class Members and Aggrieved Employees;
21 (viii) processing and paying any other costs, fees or expenses incurred and/or charged in
22 connection with the execution of its duties consistent with this Agreement; (ix) depositing
23 unclaimed funds from the Settlement to California’s Unclaimed Property Fund.

24 11. “Gross Settlement Fund” shall mean that Maximum Payment of
25 \$190,000.

26 12. “Notice” shall mean the Notice of Class Action Settlement and
27 Settlement Hearing approved by the Parties and the Court which the Claims Administrator will
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1 mail to each Class Member and Aggrieved Employees explaining the terms of the Settlement
2 and the related claims process.

3 13. "Exclusion Form" shall mean the Request for Exclusion Form approved
4 by the Parties and the Court which each Class Member must timely submit to exclude himself/
5 herself from the class portion of the Settlement and avoid the release of claims described in
6 paragraph 66 of this Agreement.

7 14. "Compensable Work Week" means each week a Class Member (1)
8 worked for Defendant as non-exempt employees and (2) performed eye threading or related
9 services for Defendants from Mach 10, 2010 until April 12, 2019, no matter the number of days
10 worked in such workweek. Thus, partial workweeks worked will be rounded up and counted as
11 a week worked.

12 15. "Maximum Payment" shall mean the \$190,000 Gross Settlement Fund
13 and excludes the employer's share of any payroll taxes described in paragraph 39 of this
14 Agreement, to be paid by Defendants pursuant to this Agreement. In no event shall Defendant
15 pay more than \$190,000 plus their share of payroll taxes.

16 16. "Net Settlement Amount" shall mean the total settlement amount paid to
17 all Eligible Class Members and Aggrieved Employees which is the Maximum Payment plus
18 minus claims administration costs; Court-approved class representative enhancement award;
19 Court-approved attorneys' fees and costs to Class Counsel; and payment to the Labor and
20 Workforce Development Agency ("LWDA") pursuant to Labor Code Section 2698 et seq.

21 17. "PAGA Period" shall mean the period of time from May 5, 2015 to April
22 12, 2019.

23 18. "QSF" shall mean the Qualified Settlement Fund established by the
24 Claims Administrator for the benefit of all Eligible Class Members and from which the Net
25 Settlement Amount. The QSF shall be at all times a "Qualified Settlement Fund" for federal
26 income tax purposes pursuant to Treasury Regulation § 1.468B-1 and the QSF administrator
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1 within the meaning of Treasury Regulation § 1.468B-2(k), shall be the administrator who shall
2 comply with all applicable QSF requirements.

3 19. “Settlement” shall mean the settlement of this Action as embodied in this
4 Agreement between Plaintiffs and Defendant.

5 20. “Released Claims” shall mean those claims Eligible Class Members
6 agree to release and waive as described in paragraph 66 this Agreement, as well as the PAGA
7 claims Class Members and Aggrieved Employees will release by operation of law.

8 21. “Settlement Class” or “Settlement Class Member” shall mean all Class
9 Members who have not timely opted out of the Settlement after receiving Notice and an
10 Exclusion Form has been mailed to them and who are, therefore, bound by the Order Granting
11 Final Approval of Class Action Settlement and Judgment entered by the Court. A Settlement
12 Class Member who is also an Aggrieved Employee does not, and may not, opt out of the
13 Settlement’s release of claims under the Private Attorneys General Act (Cal. Lab. Code § 2699
14 et seq.).

15 22. “Settlement Effective Date” shall mean the first day following the
16 Court’s Order Granting Final Approval of Class Action Settlement and Judgment thereon
17 become final. For purposes of this paragraph, “final” means:

18 (a) no objections to the Settlement have been filed and/or were filed and
19 withdrawn prior to the Court entering its Order Granting Final Approval of Class Action
20 Settlement and Judgment;

21 (b) if objections to the Settlement were filed and not withdrawn and no appeal,
22 including, but not limited to, Plaintiff’s appeal of any reduction in the amount of attorneys’ fees
23 requested by Class Counsel awarded by the Court as described in paragraph 40 of this Agreement
24 or a review or writ is sought from the Judgment;

25 (c) thirty-five (35) calendar days after entry of the Judgment; and

26 (d) if rehearing, reconsideration and/or appellate review of the Judgment is
27 sought, the day after any and all avenues of rehearing, reconsideration and appellate review have
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1 been exhausted and no further review, reconsideration or appellate review is permitted and the
2 time for seeking such relief has expired and Judgment has not been modified, amended or
3 reversed in any way.

4 23. "Final Judgment" shall mean the Order Granting Final Approval of
5 Class Action Settlement and Judgment entered by the Court.

6 **RECITALS**

7 24. On April 25, 2014, Plaintiff Azadeh Rohani filed a class action complaint
8 in the Superior Court for the State of California, County of Los Angeles against Defendant.
9 The original complaint contained the following causes of action: (1) Failure To Provide Meal
10 And Rest Period Compensation (Cal. Lab. Code §§ 226.7, 512); (2) Failure to Pay Overtime
11 Wages (Cal. Lab. Code §§ 510, 1194); (3) Waiting Time Penalties (Cal. Lab. Code § 203);
12 (4) Illegal Deduction Of Wages (Cal. Lab. Code §§ 221-23); (5) Failure to Reimburse All
13 Business Expenses (Cal. Lab. Code § 2802); and (6) Unfair Business Practices (Cal. Bus. &
14 Prof. Code §§ 17200, et seq.)

15 25. On May 5, 2016, Plaintiff Mary Resendiz sent Defendant and LWDA a
16 notice of PAGA claim which outlined the various violations of the Labor Code and other
17 statutes that Plaintiffs alleged were occurring at Defendant's California locations with respect to
18 non-exempt workers performing eye threading and related services. A true and correct copy of
19 Resendiz's notice of PAGA claim is attached to this Agreement as Exhibit D and hereby
20 incorporated by reference. The LWDA did not respond to the notice. On June 14, 2016,
21 Plaintiffs filed a first amended complaint (the "Complaint") against Defendant. The Complaint
22 alleges the following causes of action: (1) Failure To Provide Meal And Rest Period
23 Compensation (Cal. Lab. Code §§ 226.7, 512); (2) Failure to Pay Overtime Wages (Cal. Lab.
24 Code §§ 510, 1194); (3) Failure to Pay Compensation for All Hours Worked and Minimum
25 Wage Violations (Cal. Lab. Code §§ 216, 1194, 1194.2, 1197, 1197.1); (4) Waiting Time
26 Penalties (Cal. Lab. Code § 203); (5) Failure to Provide Accurate Itemized Statements (Cal.
27 Lab. Code § 226); (6) Illegal Deduction Of Wages (Cal. Lab. Code §§ 221-23); (7) Failure to
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1 Reimburse All Business Expenses (Cal. Lab. Code § 2802); (8) Private Attorneys General Act
2 (Cal. Lab. Code §§ 2698, et seq.); and (9) Unfair Business Practices (Cal. Bus. & Prof. Code
3 §§ 17200, et seq.) (“Action”).

4 26. The Parties have extensively investigated the legal and factual issues
5 involved in this lawsuit and conducted discovery relevant to class certification, merits, and
6 damages issues. The Parties exchanged written discovery requests and Defendant produced
7 voluminous documents and records which included Defendant’s policies and procedures
8 relevant to the claims in this lawsuit, time and payroll records for the putative class, and
9 documents related to Defendant’s solicitation of arbitration agreements during the pendency of
10 the case. Plaintiffs took multiple days of deposition of Defendant’s Person(s) Most Qualified.
11 Moreover, Defendant produced documents showing the financial viability of the corporate
12 entities (e.g. tax returns and profit and loss statements) as well as well as documentation
13 showing that each of the corporate entities had dissolved.

14 27. On August 15, 2016, the Court granted in part and denied Plaintiffs’
15 Motion to (1) Enjoin Defendants from Further Pre-Certification Communications with The
16 Putative Class about This Lawsuit and (2) Strike Arbitration Clauses. The Court ordered the
17 issuance of curative notices and invalidated any opt-outs obtained by Defendant during the
18 *Belaire-West* process. However, it denied Plaintiffs’ request to enjoin further communications
19 with the putative class or strike the arbitration clauses.

20 28. Plaintiffs believe the Action is meritorious based on alleged violations of
21 California’s wage and hour laws and the Action is appropriate for class action treatment.
22 Defendant denies any liability or wrong doing of any kind associated with the claims alleged
23 and contends that, for any purpose other than settlement, this Action is not appropriate for class
24 action treatment.

25 29. Defendant further denies all allegations asserted in the Complaint and
26 that it has no liability for any of Plaintiffs’ or the Class Members’ claims under any statute,
27 wage order, rule, regulation, common law or equitable theory because Defendant’s policies and
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1 practices have, at all times, fully complied with all applicable California and federal law.
2 Defendant also contends that, if the Action was to be further litigated, it would have meritorious
3 defenses thereto as to the merits, damages and class certification.

4 30. In July 2021, after extensive, good-faith negotiations and the exchanging
5 of several offers and demands, the Parties tentatively reached an agreement to settle the Action
6 pursuant to the terms and conditions set forth below.

7 31. Class Counsel has conducted an in-depth investigation and analysis
8 regarding the suitability of the named Plaintiff's claims for class treatment; the adequacy of the
9 named Plaintiffs to represent the proposed Class; other Class Certification requirements; the
10 merits of the liability issues; and the amount of damages allegedly owed to Class Members.
11 Class Counsel's investigation consisted of: (1) reviewing a statistically significant sample of
12 payroll and time records; (2) hiring an expert statistician to determine the violation rate and
13 potential total damages and penalties allegedly owed to the Class; (3) interviewing members of
14 the Class about their work experiences; (4) reviewing Defendant's policies and procedures
15 relevant to Plaintiff's claims; (5) researching the applicable law; and (6) investigating the
16 financial viability of Defendant and its ability to pay a judgment or settlement. Based on their
17 own independent investigation and evaluation, Class Counsel are of the opinion, based upon
18 their investigation, analysis and discovery, after performing a thorough study of the law and
19 facts relating to the claims asserted in the Complaint, taking into account the sharply disputed
20 factual and legal issues involved, the various risks attending further prosecution to trial and
21 judgment, the uncertainties of complex litigation, the strong likelihood of further appeals as
22 litigation continues, the expense and time necessary to litigate the Action through trial and the
23 substantial benefits to be received by the Class pursuant to the compromise and settlement of
24 the Action, that the Settlement is fair, reasonable and adequate and is in the best interest of
25 Plaintiffs and the Class Members.

26 32. Defendant has denied and continues to deny each and every material
27 factual allegation, asserted claim as to liability, damages, penalties, interest, fees, costs and all
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1 other forms of relief including all allegations and claims asserted in the Action. Nothing herein
2 shall constitute an admission by Defendant of any wrongdoing or liability or of the truth of any
3 factual allegations in the Action. Nothing herein shall constitute an admission by Defendant
4 that the Action is properly brought on a class or representative basis other than for settlement
5 purposes. This Agreement and the Settlement contained therein are a compromise of disputed
6 claims as Defendant has concluded that further litigation to be protracted and expensive and
7 would also divert management and employee time. Defendant has taken into account the
8 uncertainty and risks inherent in litigation and has, therefore, concluded it is desirable the
9 Action be fully and finally settled in the manner and upon the terms and conditions agreed upon
10 set forth in this Agreement.

11 33. Nothing contained in this Agreement shall be construed or deemed an
12 admission of liability, culpability, negligence or wrongdoing on the part of Defendant. Each of
13 the Parties has entered into this Agreement with the intention to avoid further disputes and
14 litigation with the attendant inconvenience and expenses. This Agreement is a settlement
15 document and shall be inadmissible in evidence in any proceeding except an action or
16 proceeding to approve, interpret, or enforce its terms.

17 34. The Parties agree that the Court shall certify a Class solely for the
18 purpose of implementing the terms of this Settlement.

19 II.

20 **DUTIES OF THE PARTIES PRIOR TO COURT PRELIMINARY APPROVAL OF THIS** 21 **SETTLEMENT AND AGREEMENT**

22 35. The Parties shall submit this Agreement to the Court in support of a
23 Motion for Preliminary Approval of the Settlement for a determination by the Court as to its
24 fairness, adequacy and reasonableness. Promptly upon execution of this Agreement, the Parties
25 shall apply to the Court for the entry of an Order Granting Preliminary Approval of the
26 Settlement, Notice and Exclusion Form substantially in the following forms:
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1 (a) Scheduling a preliminary fairness hearing on the question of
2 whether the proposed Settlement should be conditionally approved as fair, reasonable and
3 adequate for settlement purposes as to the Class and Aggrieved Employees;

4 (b) Approving as to form and content the proposed Notice and
5 Exclusion Form attached hereto as Exhibits “A” and “B” respectively;

6 (c) Directing the mailing of the Notice and Exclusion Form by
7 first-class mail and email to all Class Members;

8 (d) Preliminarily approving the proposed settlement;

9 (e) Preliminarily certifying the Class for purposes of Settlement;

10 (f) Approving Michael Morrison from ALEXANDER
11 MORRISON + FEHR LLP, and Hiran D. Dadgostar and Azadeh Gilbert from
12 DADGOSTAR LAW LLP, as Class Counsel, Plaintiffs as Class Representative and
13 Simpluris Class Action Settlement Administration as the Claims Administrator;

14 (g) Entering an Order stating that pending final approval of the
15 Settlement and Agreement, all Settlement Class Members who do not timely submit a valid
16 Exclusion Form are barred from instituting, prosecuting and participating in any other
17 proceedings or actions which fall within the definition of the Released Claims against any of
18 the Released Parties and that any pending actions asserting such Released Claims against the
19 Released Parties, whether administrative, in court or arbitration, are stayed on an interim
20 basis until the Court later determines whether to grant Final Approval of the Settlement and
21 this Agreement; and

22 (h) Setting a date for a Final Approval Settlement Fairness
23 Hearing.

24 III.

25 **CONDITIONS PRECEDENT TO SETTLEMENT TAKING EFFECT**

26 36. The Parties enter into this Agreement and the Settlement contained
27 therein on a conditional basis. The Agreement and Settlement is contingent upon, and will
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become final and effective, only upon the occurrence of all of the following events: (1) the Court entering an Order granting preliminary approval of the Settlement and conditional certification of a Class for settlement purposes only consistent with the terms described in this Agreement (or as otherwise agreed upon in writing by the Parties); (2) the Claims Administrator mailing the Notice and Exclusion Form to Class Members in accordance with the Court's Order granting preliminary approval of the Settlement; (3) the Court setting and later conducting a fairness hearing; (4) the Court later entering an Order granting final approval of the Settlement and a Judgment thereon consistent with the terms described in this Agreement (or as otherwise agreed upon in writing by the Parties); and (5) the Settlement Effective Date occurring and any challenge to the Settlement, whether by objection or appeal, is definitively resolved in favor or enforcement of the Settlement.

37. Unless the Court orders otherwise or as otherwise agreed upon in writing by the Parties, this Agreement shall be deemed null and void unless each of the above conditions occurs.

IV.

CONSEQUENCES OF SETTLEMENT NOT BECOMING EFFECTIVE

38. This Agreement is contingent upon each of the conditions precedent in Paragraph 36 occurring and is entered into voluntarily by the Parties for settlement purposes only. If the Court does not grant preliminary or final approval of this Settlement or, if appealed, the Settlement is not affirmed, or if the Settlement does not become effective for any other reason, the Parties agree that conditional Class Certification for settlement purposes only will automatically be deemed revoked as of that date. In the event that the conditional Class Certification for settlement purposes is deemed revoked, the class certification for settlement purposes only shall have no precedential value and it shall not be introduced into evidence or used for any other purpose. To the extent this Agreement is deemed void, the conditional certification of the Class shall be void and of no further effect and all matters covered by this Agreement and the releases contained herein shall be null and void. In such event, nothing in

1 this Agreement or any draft thereof, or of the discussion, negotiation, documentation, other part
2 or aspect of the Parties' settlement discussions leading to the execution of this Agreement or
3 any document submitted to the Court in support of this Agreement or Court approval thereof,
4 shall have any effect, nor shall any such matter be admissible in evidence for any purpose in the
5 Action or in any other proceeding or forum, nor shall any such matter be used or construed by
6 or against any Party as a determination, admission or concession of any issue of law or fact in
7 this, or any other litigation or proceeding, the Parties do not waive, and instead expressly
8 reserve, their respective rights with respect to the prosecution and defense of the Action as if
9 this Agreement never existed and it shall have no precedential or *res judicata* value or effect in
10 this Action or in any other case, shall be of no force or effect whatsoever, shall not be referred
11 to or utilized for any purpose whatsoever and shall not be introduced into evidence for any
12 purpose at any time.

13 **V.**

14 **TERMS OF SETTLEMENT**

15 39. **Maximum Payment:**

16 (a) The Maximum Payment by Defendant under the Settlement is
17 One Hundred Ninety Thousand Dollars (\$190,000) from which payments will be made as
18 follows: (1) up to \$63,333.33 for Class Counsels' attorneys' fees subject to Court approval;
19 (2) up to \$27,000 for Class Counsels' litigation costs subject to Court approval; (3) up to
20 \$20,000 in service payment to the Class Representatives (i.e., \$10,000 each) subject to Court
21 approval; (4) up to \$9,000 for the Claims Administrator to administer the Settlement;
22 (5) \$15,000 as payment for the claim for the Private Attorneys General Act of 2004; and (6)
23 the "Remainder" to pay Eligible Class Members. The order of the payments is set forth in
24 paragraph 46 *infra*.

25 (b) The Remainder of the Maximum Payment available to pay
26 Class Members pursuant to the formula described in Paragraph 45 of this Agreement will
27 result in a complete distribution of that portion of the settlement.
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1 (c) In no event shall Defendant be responsible for paying more
2 than One Hundred Ninety Thousand Dollars (\$190,000), exclusive of its portion of the
3 appropriate employer payroll taxes owed on the "Remainder," which will be paid out of the
4 QSF and handled by the Claims Administrator.

5 40. Attorneys' Fees: Plaintiffs request, and Defendant does not oppose, an
6 award of attorneys' fees of thirty-three percent (33.33%) of the Gross Settlement Fund (or
7 \$63,333.33) to compensate Class Counsel for all of the work already performed in this case and
8 all work remaining to be performed in documenting the Settlement, securing Court approval of
9 the Settlement, administering the Settlement, ensuring the Settlement is fairly administered and
10 implemented and obtaining dismissal of the Action. Any amount of attorneys' fees awarded by
11 the Court to Class Counsel will constitute complete consideration to Class Counsel for all work
12 they perform to date and to be performed and incurred in the future through the termination of
13 the Action and consummation of the Settlement. In the event that the Court awards attorneys'
14 fees or costs less than requested by Class Counsel, any portion of the requested amounts not
15 awarded to Class Counsel shall become part of the Remainder and not revert back to Defendant.
16 The Parties agree that a reduction by the Court in the attorneys' fees awarded Class Counsel is
17 not a basis for rendering the entire Settlement voidable or unenforceable.

18 41. Class Counsel Costs: Plaintiffs requests, and Defendant does not oppose,
19 payment to Class Counsel of their reasonable litigation costs from the Maximum Payment for
20 the costs and expenses incurred by Class Counsel in prosecuting the Action and implementing
21 the terms of this Settlement. The Parties agree that a reduction by the Court in the requested
22 litigation costs awarded Class Counsel is not a basis for rendering the Settlement voidable or
23 unenforceable and shall become part of the Remainder. The Claims Administrator will issue
24 Class Counsel an IRS Form 1099 for their attorneys' fees and costs. The amount paid for
25 Plaintiffs' counsel costs shall not exceed \$27,000 and shall be reimbursed in addition to and
26 separate from their attorneys' fees.
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1 42. Claims Administration Costs. All Claims Administration Costs awarded
2 by the Court shall be paid from the Maximum Payment and not exceed \$9,000, which the
3 Parties presently estimate to be the Claims Administration costs based upon the number of
4 Class Members being approximately 295.

5 43. Enhancement to Class Representative: Plaintiffs request, and Defendant
6 does not oppose, a service payment for the Class Representatives in the amount of \$20,000 total
7 (\$10,000 each) from the Maximum Payment. Subject to Court approval and their execution of
8 a general release in favor of Defendant (as specified in Paragraphs 67 and 68, of this
9 Agreement), Defendant agrees to pay the Class Representatives a total service payment of
10 \$20,000 from the Maximum Payment as an enhancement for their service as Class
11 Representatives in the Action in addition to any payment they may otherwise receive as a
12 Eligible Class Member. The Parties agree that a reduction by the Court in the Class
13 Representative's enhancement is not a basis for rendering the Settlement voidable or
14 unenforceable. In the event the Court awards a Class Representative Enhancement less than the
15 amount requested, the portion of the requested amount not awarded shall become a part of the
16 Remainder and not revert back to Defendant. The Claims Administrator on behalf of Defendant
17 will issue an IRS Form 1099 for any Class Representative Enhancement awarded. The Class
18 Representatives will be responsible for correctly characterizing this compensation for tax
19 purposes and paying any taxes owing on the Enhancement.

20 44. Payment to Labor Workforce and Development Agency: The Parties
21 agree to designate \$15,000 of the Maximum Payout as payment to the LWDA with respect to
22 the Labor Code Private Attorneys General Act (the "PAGA Act" or "PAGA"), Cal. Lab. Code
23 § 2699 *et seq.* Seventy-five percent (75%) of the \$15,000, or \$11,250 shall be paid to the
24 LWDA and 25%, or \$3,750 shall be paid to the Class as part of the Remainder.

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1 portion of the Settlement to Eligible Class Members shall be designated as interest and that
2 an additional fifty five percent (55%) of all payments shall be designated as statutory
3 penalties, both of which will be reported as 1099 income. Payments from the PAGA portion
4 of the Settlement to Aggrieved Employees will be treated as 1099 income. Class Members
5 and Aggrieved Employees will be solely responsible for all tax obligations related to the
6 Remainder of the payments distributed to them under this Agreement. Prior to mailing any
7 Settlement Payments to Eligible Class Members , the Claims Administrator shall calculate
8 and deduct required withholdings and payroll taxes from each Eligible Class Member's
9 Individual Claim Amount attributable to wages. The back of each settlement check tendered
10 to each Eligible Class Member above the endorsement line shall state: "By cashing this
11 check and/or future payments, I reiterate my agreement to the release set forth in the
12 Agreement, including release of wage and hour claims under the Fair Labor Standards Act
13 based on the same factual predicate as the Complaint." The Claims Administrator shall
14 provide, as appropriate, an IRS Form W-2 and Form 1099 to each Eligible Class Member,
15 Class Representative and Class Counsel. Any taxes due as a result of income earned by the
16 QSF will be imposed upon and paid from the QSF.

17 (d) Settlement Payment Date:

18 46. Defendants shall fund the Maximum Payment in three installments. The
19 installment payments shall be in the following amounts and on the following dates: first
20 payment of \$90,000 no later than ten (10) days after the issuance of a final approval order by
21 the court (the "Approval Date") assuming no appeals by any objector to the settlement; second
22 payment of \$50,000 no later than (55) days after the Approval Date; and third payment of
23 \$50,000 (plus the amount determined necessary to satisfy the employer's portion of payroll
24 taxes with respect to those amounts to be treated as wages) no later than (100) days after the
25 Approval Date. Defendants shall make each installment of the Maximum Payment as a deposit
26 into a Qualified Settlement Fund ("QSF") to be established by the Claims Administrator. The
27 QSF shall be an interest-bearing account at a federally-insured bank that is mutually acceptable
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1 to the Parties and the Claims Administrator. The funds in the QSF shall be invested either in
2 short-term U.S. Treasury securities with maturity dates of less than 90 days at the time of
3 deposit, or in an SEC-registered money market fund investing exclusively in U.S. Treasury
4 securities with average maturities of less than 90 days and rated AAA by Standard & Poor's.
5 The Parties agree that the QSF is intended to be a "Qualified Settlement Fund" under Section
6 468B of the Internal Revenue Code and Treas. Reg. § 1.468B-1, 26 C.F.R. § 1.468B-1, et seq.,
7 and will be administered by the Claims Administrator as such. With respect to the QSF, the
8 Claims Administrator shall: (1) open and administer the Settlement Account in such a manner
9 as to qualify and maintain the qualification of the QSF as a "Qualified Settlement Fund" under
10 Section 468B of the Internal Revenue Code and Treas. Reg. § 1.468B-1; (2) satisfy all federal,
11 state and local and income and other tax reporting, return, and filing requirements with respect
12 to the QSF and any interest or other income earned by the QSF, and (3) satisfy out of the QSF
13 all (i) taxes (including any estimated taxes, interest, or penalties) with respect to the interest or
14 other interest earned by the QSF, and (ii) fees, expenses and costs incurred in connection with
15 the opening and administration of the QSF and the performance of its duties and functions as
16 described in this Agreement. The aforementioned taxes, fees, costs and expenses shall be
17 treated as and included in the costs of administering the QSF and as Claims Administration
18 Expenses. The Parties and the Claims Administrator shall treat the QSF as coming into
19 existence as a Qualified Settlement Fund on the earliest date permitted as set forth in 26 C.F.R.
20 § 1.468B-1(j)(2)(i), and such election statement shall be attached to the appropriate returns as
21 required by 26 C.F.R. § 1.468B-1(j)(e)(ii). The Parties agree to cooperate with the Claims
22 Administrator and one another to the extent reasonably necessary to carry out the provisions of
23 this Section.

24 Distribution Timing of Individual Settlement Payments: Within ten (10) business
25 days of Defendant's funding of each payment of the Maximum Payment, the Claims
26 Administrator shall issue payments to in the following order:
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1 (i) The Labor and Workforce Development Agency (“LWDA”)
2 shall be paid first;

3 (ii) Then, payment shall be issued to Eligible Class Members
4 and Aggrieved Employees. Payments to Eligible Class Members and Aggrieved Employees shall
5 be issued in accordance to the formula set forth in Paragraph 45.

6 (iii) Then, upon full payment to Eligible Class Members,
7 payment shall be made to Class Counsel and the Class Representatives;

8 (iv) The Claims Administrator shall also issue a payment to
9 itself for services performed in connection with the Settlement upon receipt of the final
10 installment payment.

11 (b) No Reversion: There will be no reversion of unclaimed
12 Remainder amounts to Defendant.

13 (c) The Claims Administrator shall provide to Class Counsel and
14 Defendant’s Counsel a verification/declaration signed under penalty of perjury that it has
15 mailed the settlement checks to each Eligible Class Member consistent with this Agreement
16 within seven (7) calendar days of issuing all payments.

17 (d) The expiration date of the Eligible Class Members’ and
18 Aggrieved Employees’ settlement checks will be one-hundred and eighty (180) calendar
19 days from the date the settlement checks are mailed. The Claims Administrator shall mail a
20 reminder letter regarding the check cashing deadline to all Eligible Class Members and
21 Aggrieved Employees who have not cashed their settlement checks within sixty (60)
22 calendar days of the date of mailing of the last Settlement checks. The amounts of any
23 Settlement checks that are not cashed by Eligible Class Members and Aggrieved Employees
24 within one-hundred and eighty (180) days of the date of mailing of the last settlement
25 checks shall escheat to the State of California under the Unclaimed Property Law in the
26 name of each Class Member that failed to cash their issued check(s). In the event a
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1 settlement check is required to be reissued, the date for expiration of the check shall be 180
2 days from the date of re-mailing.

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4 **VI.**

5 **CLASS MEMBER LIST**

6 47. Within 5 business days prior to Plaintiffs filing his motion for
7 preliminary approval of the Settlement and this Agreement with the Court, Defendant shall
8 provide to Plaintiff's counsel the total number of Class Members it has deemed eligible to
9 participate in the Settlement.

10 48. Within ten (10) calendar days after the filing of an order by the Court
11 granting Preliminary Approval of the Settlement, Defendant shall provide to the Claims
12 Administrator a list of all Class Members and Aggrieved Employees in electronic form. The
13 list will identify each Class Member's and Aggrieved Employee's name, last known email
14 address, last known mailing address, Social Security Number, the number of Compensable
15 Work Weeks worked by each Class Member during the Class Period and the total number of
16 Compensable Work Weeks worked by all Class Members during the Class Period based on
17 Defendant's payroll and of the business records. It will also contain the number of pay periods
18 worked during the PAGA Period¹ by each Aggrieved Employee. Defendant agrees to consult
19 with the Claims Administrator prior to the production date to facilitate use of the database
20 information. This List shall be confidential to the Claims Administrator, used only by the
21 Claims Administrator, and shall be used for purposes of administering this Settlement.

22 49. Defendant's records will be presumed determinative with respect to
23 whether an individual is a Class Member and the number of Compensable Work Weeks worked
24 by the Class Member as well as the number of PAGA pay periods worked by Aggrieved
25 Employees. If for any reason a Class Member and/or Aggrieved Employee disagrees with
26 Defendant's calculation of his/her number of Compensable Work Weeks or pay periods, the
27 Class Member or Aggrieved Employee shall be provided the opportunity to raise his/her

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¹ Paragraph 43 *supra*.

1 disagreement and present any supporting documentation to the Claims Administrator within
2 thirty (30) days from the date of the Claims Administrator's mailing of the Notice Packet. The
3 Claims Administrator, in consultation with the Parties, shall try and resolve the dispute based
4 upon information received from Defendant and any information provided by the Class Member
5 or Aggrieved Employee and will thereafter issue a decision with regard to the number of
6 Compensable Work Weeks or PAGA pay periods worked by the Class Member or Aggrieved
7 Employee. All disputes regarding the number of Compensable Work Weeks or PAGA periods
8 worked by a Class Member/Aggrieved Employee or the calculation of a Class Member's
9 Individual Claim Amount from the Remainder in the event the Parties cannot reach an
10 agreement will be resolved by the Claims Administrator and not be subject to appeal.

11 50. The Class List and any other data provided by Defendant to the Claims
12 Administrator, shall be treated as confidential and not subject to disclosure by the Claims
13 Administrator to Class Counsel (except that relevant information may be provided to Class
14 Counsel to the extent necessary to address a disputed claim or to respond to a specific inquiry
15 from a Class Member, subject to prior approval by Defendant's Counsel) or to any third party
16 (except to the extent necessary for the Claims Administrator to perform its obligations
17 described in this Agreement and subject to prior approval by Defendant's Counsel) and shall
18 not be used by the Claims Administrator for any purpose other than as permitted by this
19 Agreement. Further, the Claims Administrator shall use commercially reasonable efforts to
20 secure the data provided by Defendant at all times so as to avoid inadvertent or unauthorized
21 disclosure or use of such data other than as permitted by this Agreement and shall destroy the
22 data (and all copies of it) in a complete and secure manner when such data is no longer required
23 for purposes of this Agreement. At no time during the settlement process will any Class
24 Member's address, telephone number or Social Security Number be filed with the Court, except
25 under seal as may be ordered by the Court. The Claims Administrator shall ensure the Notice,
26 Exclusion Form and any other communications to Class Members and Aggrieved employees
27 shall not include the Class Members' and Aggrieved Employees' Social Security Number
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1 except for the last four digits. Class Members may, however, be required to submit a form W-2
2 or W-9 as required by the Claims Administrator for tax reporting purposes.

3 51. Defendant or Class Counsel may communicate with the Claims
4 Administrator. In the event that either Defendant or Class Counsel take the position the Claims
5 Administrator is not acting in accordance with the terms of this Agreement, the Parties' counsel
6 shall meet and confer and then, if necessary, with the Claims Administrator and/or the Court in
7 an effort to resolve the issue or dispute.

8 VII.

9 NOTICE TO THE CLASS

10 52. Upon receipt of the Class List, the Claims Administrator will perform a
11 search using the United States Postal Service National Change of Address List in an effort to
12 update each Class Member's and Aggrieved Employee's last known address.

13 53. A Notice to be approved by the Court shall be sent by the Claims
14 Administrator to all Class Members and Aggrieved Employees, by email and first-class
15 postage-prepaid mail, within twenty-one (21) calendar days of the Court's entry of an Order
16 Granting Preliminary Approval of the Settlement, Notice and Exclusion Form (collectively,
17 "Notice Packet") proposed copies of which are collectively attached hereto as Exhibits "A" and
18 "B". The Notice Packet will also include a pre-addressed, postage-paid envelope. Upon receipt
19 of any returned, undelivered Notice Packets without a forwarding address, the Claims
20 Administrator shall do an additional search using the Class Member's or Aggrieved Employees
21 Social Security Number – *i.e.* a "skip-trace." With respect to all returned Notice Packets, the
22 Claims Administrator will use reasonable diligence to obtain a current address and re-mail the
23 Notice Packets to the Class Member and Aggrieved Employees at a new address within seven
24 (7) calendar days of its receipt of the Class Member's new address information. Following each
25 search that results in a corrected address, the Claims Administrator shall promptly re-send the
26 Notice Packet via first class postage-prepaid United States mail, all to take place no later than
27 thirty (30) calendar days following the initial mailing date of the Notice Packet unless agreed to
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1 by the Parties in writing. Class Members and Aggrieved Employees who receive a re-mailed
2 Notice Packet shall be provided an extended opportunity to:

- 3 • submit her/her dispute as to workweeks within fifteen (15) days from the date of the
4 Claims Administrator's re-mailing of the Notice Packet;
- 5 • request exclusion within fifteen (15) days from the date of the Claims Administrator's
6 re-mailing of the Notice Packet; and
- 7 • submit written objections within fifteen (15) days from the date of the Claims
8 Administrator's re-mailing of the Notice.

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10 54. Each Notice will list the Compensable Work Week and estimated
11 Individual Claim Amount to be paid to each Class Member and Aggrieved Employee. This
12 amount may later increase depending on the Compensable Work Weeks and Individual Claim
13 Amounts of those total Class Members who do not timely receive the Notice. To the extent a
14 Class Member or Aggrieved Employees disputes the information listed on the Notice, he/she
15 may produce evidence to the Claims Administrator in support of the deemed error. Defendant's
16 records will be presumed determinative but the Claims Administrator will evaluate the evidence
17 submitted by the Class Member and Defendant and make the final decision as to the claimed
18 error. If an individual not on the Class List claims to be a Class Member or Aggrieved
19 Employees, the Claims Administrator will notify counsel for Defendant and Defendant shall
20 respond within seven (7) calendar days thereafter and confirm whether the individual should or
21 should not be added to the Class List.

22 55. The Claims Administrator will timely notify claimants by mail whose
23 claims are deemed untimely or denied for other reasons, *e.g.*, the individual is not a member of
24 the Class, by the Claims Administrator.

25 56. The entitlement of an Eligible Class Member to receive a portion of the
26 Remainder is contingent upon the Eligible Class Member receiving the Notice and having a
27 valid Social Security Number or taxpayer identification number.
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1 57. An Exclusion Request must be sent to the Claims Administrator and
2 received no later than sixty (60) calendar days from initial mailing of the Notice Packet. No
3 Exclusion Request will be honored on behalf of a group of Class Members. Any Class Member
4 who submits a valid and timely request for exclusion will not be entitled to any monetary
5 recovery aside any PAGA penalties for which he/she is eligible, will not be bound by this
6 Agreement and will not have any right to object to or appeal from a Court order granting final
7 approval of the Settlement and this Agreement. Class Members who fail to submit a valid and
8 timely Exclusion Form shall be bound by all terms of the Agreement and the final Court Order
9 Granting Final Approval of the Settlement and Judgment thereon regardless of whether they
10 otherwise have requested exclusion from the Settlement in some other form or fashion.

11 58. Prior to or in conjunction with the filing of the motion seeking final
12 Court approval of the preliminary approved settlement, the Claims Administrator will certify
13 the total number of timely and valid Exclusion Requests and any other pertinent data received
14 consistent with this Agreement.

15 59. The Claims Administrator shall provide the Court and the Parties'
16 Counsel at least fourteen (14) calendar days prior to the final fairness hearing a declaration
17 specifying the due diligence it has undertaken with regard to its obligations and responsibilities
18 consistent with this Agreement.

19 60. Defendant only shall retain the right, in the exercise of its sole discretion,
20 to nullify this Settlement and Agreement if Class Members who have not previously settled
21 their claims with Defendant representing more than an aggregate of 10% of the Compensable
22 Work Weeks submit timely and valid Exclusion Forms requesting to be excluded from the
23 Settlement. Such a nullification must be submitted in writing at least ten calendar days before
24 the final approval hearing or it will be considered invalid. If the Agreement is voided by
25 Defendant, neither Plaintiff, the Class Representative nor Class Counsel shall be liable for any
26 costs of administration incurred by the Claims Administrator prior thereto.
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1 61. The Parties agree that they will not encourage Class Members to submit
2 Exclusion Forms.

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4 **VIII.**

5 **OBJECTIONS TO SETTLEMENT**

6 62. The Notice shall advise Class Members and Aggrieved Employees of
7 their right to object to the proposed Settlement. An objection to the Settlement may be made in
8 writing and mailed to the Claims Administrator no later than sixty (60) calendar days after the
9 date of the initial mailing of the Notice Packets to Class Members and Aggrieved Employees.
10 The Claims Administrator will be responsible for filing the objection with the Court and serving
11 counsel for the Parties. Irrespective of whether he/she has submitted a written objection, any
12 Class Member who has not excluded him or herself from the Settlement may appear in Court
13 when the Court considers whether to grant Final Approval of the Settlement and enter a
14 Judgment thereon. The Parties may file with the Court written responses to any valid objections
15 no later than five (5) court days prior to the Final Approval Hearing. Any member of the Class
16 who does not object in writing or at the hearing shall have waived any objection to the
17 Settlement, whether by appeal or otherwise.

18 **IX.**

19 **FINAL APPROVAL HEARING AND ORDER**

20 63. Upon expiration of the above deadlines to timely submit disputes
21 Requests for Exclusion or objections to the Settlement and/or this Agreement, and with the
22 Court's permission, a Final Approval/Settlement Fairness Hearing will be conducted to
23 determine the Final Approval of the Settlement and Agreement and determine the amounts of
24 the Settlement to be properly payable for (a) Individual Claim Amounts; (b) the Labor and
25 Workforce Development Agency Payment; (c) Class Counsels' Attorneys' Fees and Costs;
26 (d) the Class Representatives' Enhancement Payment; and (e) all Claims Administration Costs.
27 Class Counsel will be primarily responsible for drafting all documents necessary to obtain final
28 approval and the Parties shall attempt to submit those documents jointly. However, Defendant

1 may submit a separate brief in support of final approval of the Settlement and Agreement.
2 Class Counsel will also be responsible for drafting their attorneys' fees and costs application to
3 be heard at the final approval hearing as well.

4 64. At least fourteen (14) calendar days prior to the Final Approval Hearing,
5 Plaintiffs shall file and serve their Motion for Final Approval of Class Action Settlement
6 requesting an Order from the Court granting final approval of the Settlement as just, fair,
7 equitable, reasonable, adequate and in the best interests of the Class Members and Aggrieved
8 Employees, approving all payments set forth under this Agreement and directing the Parties and
9 Claims Administrator to carry out the remaining provisions of this Agreement.

10 65. At or in connection with the Final Approval Hearing, the Parties shall
11 request the Court enter an Order of Final Approval of Settlement and Judgment thereon which
12 shall state all Class Members who have not submitted a valid and timely Exclusion Request are
13 bound by the Release of Claims set forth in this Agreement. The proposed Order for Final
14 Approval is attached as Exhibit "C". If Final Approval of Settlement and Judgment thereon is
15 granted, notice of the final judgment will be provided to Class Members by the Claims
16 Administrator on its website.

17 X.

18 **RELEASE OF CLAIMS**

19 Released Claims by Class Members.

20 66. Upon the final approval by the Court of this Settlement and Agreement,
21 and except as to such rights or claims as may be created by this Settlement and Agreement, the
22 Class Members (other than those who timely filed valid Exclusion Forms) release and discharge
23 Trendz and its former and present parents, subsidiaries, affiliated and related corporations and
24 entities, each of their respective officers, directors, employees, partners, shareholders, attorneys,
25 contractors, owners, and agents, and any other successors, assigns or legal representatives, from
26 any and all wage-and-hour claims of every nature or description that arise from those asserted
27 or could have been asserted in the Complaint during the Class Period based on the same factual
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1 predicate (“Released Claims”). These Released Claims include claims of or related to unpaid
2 wages, including failure to pay for all hours worked, overtime and minimum wage, alleged
3 meal and rest period violations, unreimbursed business expenses, and any and all related
4 penalties which are based on the same facts or legal theories alleged in the operative Complaint,
5 including, but not limited to, record-keeping penalties, pay stub penalties, failure to pay on time
6 penalties, minimum wage penalties, meal and rest period penalties and premium payments,
7 waiting time penalties, interest and other claims or penalties under applicable state or federal
8 wage and hour laws, attorneys’ fees or injunctive relief and whether sounding in contract or
9 tort, up to and including the date of the preliminary court approval of this Settlement
10 (collectively “Class Members’ Released Claims”).

11 (a) Each Class Member who also is an Aggrieved Employee, also
12 releases and discharges Trendz and its former and present parents, subsidiaries, affiliated and
13 related corporations and entities, each of their respective officers, directors, employees,
14 partners, shareholders, attorneys, contractors, owners, and agents, and any other successors,
15 assigns or legal representatives, from any and all PAGA penalties of every nature or
16 description that arise from those asserted in Resendiz’s notice of PAGA claim and the
17 operative Complaint based on the same factual predicate (the “PAGA Released Claims”)
18 regardless of whether he/she/they timely filed a valid Exclusion Form or whether he/she/they
19 timely and validly opted out of participation in the Settlement. An Aggrieved Employee is
20 releasing PAGA Released Claims only for the PAGA Period.

21 (b) A Class Member who is not an Aggrieved Employee is not
22 releasing any PAGA claims.

23 (c) The release of the Class Members’ Released Claims and the
24 PAGA Released Claims shall be effective upon Trendz’s tender of the Maximum Payment in
25 full to the Claims Administrator (the “Claims Release Date”).

26 67. Released Claims by the Class Representative. The Class Representatives
27 hereby fully and finally release and discharge Trendz and their former and present parents,
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1 subsidiaries, successors, related and affiliated corporations and entities, each of their respective
2 officers, directors, employees, partners, shareholders, attorneys, contractors, owners, and
3 agents, and any other successors, assigns or legal representatives (collectively “Class
4 Representative’s Released Parties”), from any and all claims, whether known or unknown,
5 arising at any time, up to and including the date of preliminary court approval of this
6 Settlement, whether under federal, state and/or local law, statute, ordinance, regulation,
7 common law or other source of law; whether or not such claims are in the nature of claims for
8 damages, unpaid wages including, but not limited to, failure to pay for all hours worked,
9 overtime and minimum wages, and payments for alleged meal and rest period violations,
10 improper deductions, unreimbursed business expenses and any and all available penalties
11 including, but not limited to, record-keeping penalties, pay stub penalties, failure to pay on time
12 penalties, minimum wage penalties, meal and rest period penalties and premium payments,
13 waiting time penalties, PAGA penalties, interest and other claims or penalties and other alleged
14 state or federal law wage-and-hour violations, attorneys’ fees or injunctive relief; and whether
15 sounding in contract or tort. The claims released by the Class Representative include, but are
16 not limited to, claims arising from or dependent on the California Labor Code; the Wage Orders
17 of the California Industrial Welfare Commission; the Fair Labor Standard Act; California
18 Business and Professions Code section 17200 *et seq.*; the California Fair Employment and
19 Housing Act, Cal. Gov’t Code § 12900 *et seq.*; California common law of contract and tort;
20 Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e *et seq.*; the Americans with
21 Disabilities Act, 42 U.S.C. § 12101 *et seq.*; the Employee Retirement Income Security Act of
22 1974, 29 U.S.C. § 1001 *et seq.* and any other laws related to his employment with or work for
23 the Defendant or any other Released Party (“Class Representatives’ Released Claims”).

24 68. The Class Representatives each waives all rights and benefits afforded by
25 Section 1542 of the Civil Code of the State of California and does so understanding the
26 significance of that waiver. Section 1542 provides: “A general release does not extend to
27 claims that the creditor or releasing party does not know or suspect to exist in his or her favor at
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1 the time of executing the release and that, if known by him or her, would have materially
2 affected his or her settlement with the debtor or released party.”

3 69. Plaintiffs and all Eligible Class Members agree that all of the claims for
4 wage and hour and payroll practice violations in the Action are disputed and the Individual
5 Claim Amounts they each receive constitutes payment in full of any and all amounts allegedly
6 due to them for each alleged disputed violation. In light of the foregoing, Plaintiffs and each
7 and every Eligible Class Member shall be deemed to have expressly acknowledged and agreed
8 that California Labor Code section 206.5 is not applicable herein to them. That section
9 provides in pertinent part as follows:

10 **An employer shall not require the execution of a release of a**
11 **claim or right on account of wages due, or to become due, or**
12 **made as an advance on wages to be earned, unless payment of**
13 **those wages has been made.**

14 **XI.**

15 **VOIDING THE AGREEMENT**

16 70. If this Settlement and Agreement are not approved by the Court, neither
17 the Settlement nor Agreement shall be used be admissible in any subsequent proceedings either
18 in this Court or in any other Court or forum.

19 **XII.**

20 **CIRCULAR 230 DISCLAIMER**

21 71. Each Party acknowledges and agrees that (1) no provision of this
22 Agreement, and no written communication or disclosure between or among the Parties or their
23 Counsel and other advisers is or was intended to be, nor shall any such communication or
24 disclosure constitute or be construed or be relied upon as, tax advice within the meaning of
25 United States Treasury Circular 230 (31 CFR part 10, as amended); (2) each Party (a) has relied
26 exclusively upon his/her/its own, independent legal and tax advisors for advice (including tax
27 advice) in connection with this Agreement, (b) has not entered into this Agreement based upon
28 the recommendation of any other Party, Counsel or advisor to any other Party and (c) is not

entitled to rely upon any communication or disclosure by any other Counsel or advisor to any other Party to avoid any tax penalty that may be imposed on that Party; and (3) no attorney or advisor to any other Party has imposed any limitation that protects the confidentiality of any such attorney's or advisor's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

XIII.

CONFIDENTIALITY OF SETTLEMENT

72. The Parties shall keep the terms and conditions of this Settlement confidential until the Motion for Preliminary Approval is filed with the Court, provided that nothing in this confidentiality provision shall restrict Class Counsel from communicating the pending settlement or the case status in general terms to Class Members who inquire about the case status.

XIV.

NO EFFECT ON EMPLOYEE BENEFITS

73. The Individual Claim Amounts paid to Settlement Class Members and Aggrieved Employees shall be deemed not to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any employee benefits (*e.g.*, vacations, holiday pay, retirement plans, etc.) of the Class Members. The Parties agree that Individual Claim Amounts paid to Settlement Class Members under the terms of this Agreement do not represent any modification of Class Members' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendant. Any amounts paid to former employees of Defendant pursuant to this Agreement shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored by Defendant.

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XV.

DUTIES OF THE PARTIES FOLLOWING FINAL COURT APPROVAL

74. Following final approval by the Court of the Settlement and this Agreement, the Parties will jointly submit within seven (7) calendar days thereafter a proposed Final Judgment:

(a) Approving the Settlement and this Agreement, adjudging the terms thereof to be fair, reasonable and adequate and directing consummation of its terms and provisions;

(b) Approving Class Counsels' application for an award of attorneys' fees and reimbursement of costs;

(c) Approving the Class Representatives' service payments;

(d) Permanently barring the Class Representatives from prosecuting against the Class Representatives' Released Parties any and all of Class Representatives' Released Claims; and

(e) Permanently barring all Eligible Members Class from prosecuting against the Class Members' Released Parties any of the Class Members' Released Claims and permanently barring all Aggrieved Employees from prosecuting any of the PAGA claims.

XVI.

PARTIES' AUTHORITY

75. The respective signatories to this Agreement represent that they are fully authorized to enter into this Settlement and Agreement and bind the respective Parties to all of its terms and conditions.

XVII.

MUTUAL FULL COOPERATION

76. The Parties agree to cooperate fully with each other to accomplish the terms of this Settlement and Agreement including, but not limited to, execution and submission

1 of such documents to the Court and taking such other action as may reasonably be necessary to
2 implement the terms of this Agreement including, but not limited to, the drafting and/or filing
3 of any further documents consistent with the terms of this Agreement that may be requested by
4 the Court relating, or that are otherwise necessary, to the preliminary and final approval and
5 implementation of this Settlement and Agreement and shall otherwise use their respective best
6 efforts to obtain the Court's preliminary and final approval of and implementation of this
7 Agreement. The Parties shall timely cooperate and present to the Court for its consideration in
8 connection with the preliminary and final approval of this Settlement and Agreement any and
9 all evidence as may be requested by the Court. The Parties shall use their best efforts, including
10 all efforts contemplated by this Agreement and any other efforts that may become necessary by
11 order of the Court, or otherwise, to effectuate the terms of this Settlement.

12 77. Any dispute concerning the interpretation or implementation of this
13 Agreement will be resolved by the Court. Prior to any such resort to the Court, counsel for the
14 Parties will confer in good faith in an effort to resolve the dispute.

15 XVIII.

16 **NO PRIOR ASSIGNMENTS**

17 78. The Parties represent, covenant and warrant that they have not directly or
18 indirectly assigned, transferred, encumbered or purported to assign, transfer or encumber to any
19 person or entity any portion of any liability, claim, demand, action, cause of action or right
20 released and discharged in this Agreement.

21 XIX.

22 **ENFORCEMENT ACTIONS**

23 79. In the event that one (1) or more of the Parties institutes any legal action,
24 arbitration or other proceeding against the other Party to enforce any provisions of this
25 Agreement or to declare rights and/or obligations under this Agreement, the successful Party
26 shall be entitled to recover from the unsuccessful Party his/its reasonable attorneys' fees and
27 costs including expert witness fees incurred in connection with any enforcement actions.
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XX.

NOTICES

80. Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and be deemed to have been duly given as of the third business day after mailing by United States first-class mail, return receipt requested, addressed as follows:

(a) To Plaintiffs or the Class:

ALEXANDER MORRISON + FEHR LLP
Michael M. Morrison (SBN 205320)
1900 Avenue of the Stars, Suite 900
Los Angeles, CA 90067

(b) To Defendant:

HILL LAW FIRM
Benjamin Hill (SBN 212078)
15260 Ventura Blvd., Ste. 1200
Sherman Oaks, CA 91403

XXI.

CONSTRUCTION

81. The Parties agree that the terms and conditions of this Agreement are the result of lengthy, intensive arms-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 his or its counsel participated in the drafting of this Agreement.

XXII.

CAPTIONS AND INTERPRETATIONS

82. Paragraph titles or captions contained in this Agreement are a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this

1 Settlement or any provision of this Agreement. Each term of this Agreement is contractual and
2 not merely a recital.

3 **XXIII.**

4 **MODIFICATION**

5 83. This Agreement may not be changed, altered, or modified, except in
6 writing and signed by the Parties, and approved by the Court. This Agreement may not be
7 discharged except by performance in accordance with its terms or by a writing signed by the
8 Parties.

9 **XXIV.**

10 **INTEGRATION CLAUSE**

11 84. This Agreement, including the exhibits referenced herein and attached
12 hereto, contains the entire agreement between the Parties relating to the settlement of the Action
13 and all prior or contemporaneous agreements, understandings, representations and statements,
14 whether by a Party or such Party's legal counsel, are merged into this Agreement with respect
15 to the subject matter contained herein. No rights under this Agreement may be waived except
16 in writing.

17 85. Except as expressly provided herein, this Agreement has not been
18 executed in reliance upon any other oral or written representations or terms and no such
19 extrinsic oral or written representations or terms shall modify, vary or contradict the
20 Agreement's terms. In entering into this Agreement, the Parties agree this Agreement is to be
21 construed according to its terms and may not be varied or contradicted by extrinsic evidence.
22 This Agreement shall be construed as a whole according to its fair meaning and intent and not
23 strictly for or against any party, regardless of who drafted or who was principally responsible
24 for drafting this Agreement and/or any specific term or condition contained herein.

25 86. Plaintiffs and Defendant participated in the negotiation and drafting of
26 this Agreement and each had available the advice and assistance of their respective independent
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1 counsel. As such, neither Plaintiffs nor Defendant may claim that any ambiguity in this
2 Agreement should be construed against the other.

3 87. This Agreement shall be subject to, governed by, construed, enforced and
4 administered in accordance with the laws of the State of California in its substantive aspects
5 without regard for the principle of conflict of laws or shall be interpreted and enforced, as
6 applicable, in accordance with the laws of the United States.

7 88. Any failure of any Party, Defendant's Counsel and/or Plaintiff's or Class
8 Counsel to comply with any obligation, covenant, agreement or condition of this Agreement
9 may be expressly waived in writing, to the extent permitted under applicable law, by the Party
10 or Parties and their respective Counsel entitled to the benefit of such obligation, covenant,
11 agreement or condition. A waiver or failure to insist upon strict compliance with any
12 representation, warranty, covenant, agreement or condition shall not operate as a waiver of or
13 estoppel with respect to, any subsequent or other failure.

14 89. None of the rights, commitments or obligations recognized under this
15 Agreement may be assigned by any Party, Settlement Class Member, Class Counsel or Defense
16 Counsel without the express written consent of each other Party and their respective Counsel
17 hereto. The representations, warranties, covenants and agreements contained in this Agreement
18 are for the sole benefit of the Parties under this Agreement, and shall not be construed to confer
19 any right or to avail any remedy to any other person.

20 90. This Agreement, any amendments or modifications to it, and any other
21 documents required or contemplated to be executed in order to consummate this Agreement,
22 may be executed in one (1) or more counterparts and exchanged by facsimile, pdf, email or
23 photocopy, each of which shall be deemed an original of this Agreement.

24 XXV.

25 MISCELLANEOUS PROVISIONS

26 91. This Agreement shall be binding upon and inure to the benefit of the
27 Parties and their respective heirs, trustees, executors, administrators, successors and assigns and
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1 upon all Class Members who do not timely submit a valid Exclusion Form to the Class
2 Administrator.

3 92. Plaintiffs agree to sign this Agreement and by signing this Agreement are
4 bound by the terms stated herein. Plaintiffs agree not to timely submit an Exclusion Form to the
5 Class Administrator and further agree that they have no objection to any of the terms of the
6 Settlement or this Agreement.

7 93. The Parties acknowledge they have been represented by counsel
8 throughout all negotiations that preceded the execution of this Agreement and that this
9 Agreement has been executed with the consent and advice of their respective Counsel.

10 94. Counsel for Plaintiff, identified above, warrant and represent that they are
11 expressly authorized by Plaintiffs to take all appropriate action required or permitted to be taken
12 pursuant to this Agreement in order to effectuate its terms. Counsel for Defendant warrants and
13 represents that they are authorized to take all appropriate action required or permitted to be
14 taken by Defendant pursuant to this Agreement in order to effectuate its terms.

15 XXVI.

16 CLASS COUNSEL SIGNATORIES

17 95. It is agreed that because the members of the Class are so numerous, it is
18 impossible or impractical to have each Class Member execute this Agreement. The Notice will
19 advise all Class Members of the binding nature of the release. Excepting only the Class
20 Members who timely and validly submit an Exclusion Form, the Agreement shall have the
21 same force and effect as if it was executed by each Class Member.

22 XXVII.

23 COUNTERPARTS

24 96. This Agreement may be executed in counterparts and when each Party
25 has signed and delivered at least one (1) such counterpart to the other Party, each counterpart
26 shall be deemed an original and, when taken together with other signed counterparts, constitute
27 one (1) Agreement which shall be binding upon and effective as to all Parties.
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XXVIII.

RIGHT OF APPEAL

97. The Parties agree to waive all appeals from the Court's final approval of this Agreement unless the Court materially modifies it; provided, however, that Class Counsel may appeal any reduction in their requested attorneys' fee award ordered by the Court.

XXIX.

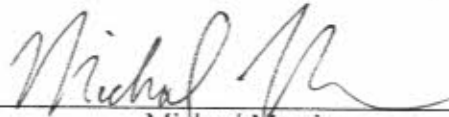
CLASS CERTIFICATION

98. The Parties agree that the stipulation of Class Certification is for settlement purposes only and if for any reason the settlement is not approved, the stipulation and the releases contemplated herein will be of no force or effect. The Parties agree that certification for settlement purposes is in no way an admission Class Certification is proper and evidence of this stipulation for settlement purposes only will not be deemed admissible in this or any other proceeding at any time or for any purpose.

99. The Parties agree that upon the occurrence of the Settlement Effective Date, this Agreement shall be enforceable by the Court and the Court shall retain jurisdiction over the Parties and the Class Members to enforce the terms, conditions and obligations of the Agreement.

DATED: 7/18, 2022

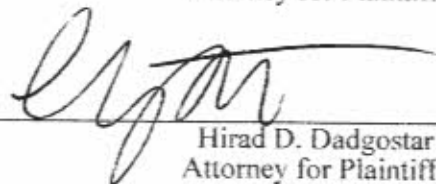
By:



Michael Morrison
Attorney for Plaintiffs

DATED: July 12, 2022

By:



Hiram D. Dadgostar
Attorney for Plaintiffs

DATED: _____, 2022

By:

Benjamin Hill
Attorneys for Defendant

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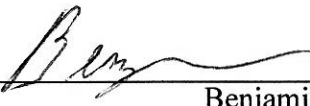
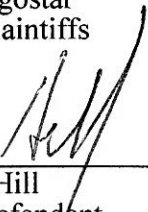
DATED: _____, 2022

By: _____
Michael Morrison
Attorney for Plaintiffs

DATED: _____, 2022

By: _____
Hirad D. Dadgostar
Attorney for Plaintiffs

DATED: June 14, 2022

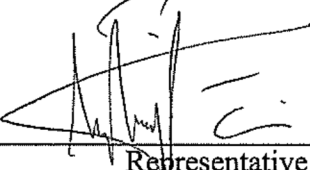
By:  
Benjamin Hill
Attorneys for Defendant

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DATED: July 12, 2022

By: 
Duly Authorized Representative for
Trendz Beauty LA Inc.; Trendz Beauty LA Inc.; &
Trendz Beauty SFO Inc.

DATED: July 12, 2022

By: 
Representative Plaintiff
Azadeh Rohani

DATED: _____, 2022

By: _____
Representative Plaintiff
Maribel Resendiz

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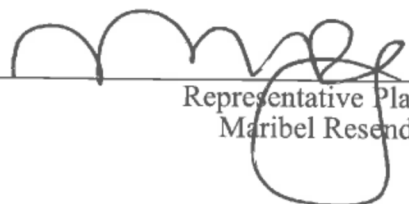
DATED: Jul 12th, 2022

By: 
Duly Authorized Representative for
Trendz Beauty LA Inc.; Trendz Beauty LA Inc.; &
Trendz Beauty SFO Inc.

DATED: _____, 2022

By: _____
Representative Plaintiff
Azadeh Rohani

DATED: 7/11, 2022

By: 
Representative Plaintiff
Maribel Resendiz