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Attorneys for Plaintiff JIE XU

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN BERNARDINO

JIE XU, individually and on behalf of all
persons similarly situated,

PLAINTIFFS,

vs.

HT MULTINATIONAL, INC., a California
Corporation; CHTC (USA), INC., a California
Corporation; HT INDUSTRIES, INC., a
Corporation; and Does 1 through 50, Inclusive,

DEFENDANTS.

Case No. CIVDS 2015679

**[PROPOSED] ORDER GRANTING
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
AND PAGA ACTION SETTLEMENT**

Date: July 15, 2022

Time: 9:00 a.m.

Judge: Hon. David Cohn

Dept.: S-26

1 This matter having come before the Honorable Judge David Cohn of the Superior Court of the
2 State of California, in and for the County of San Bernardino, at 9:00 a.m. on July 15, 2022, with Jean-
3 Claude Lapuyade, Esq., of the JCL Law Firm, APC and Shani O. Zakay, Esq. of the ZLG Law Group,
4 APLC as counsel for plaintiff JIE XU ("Plaintiff"), and Lizbeth Ochoa, Sean Kingston, and Albert Lin
5 of Fisher Phillips, LLP appearing for defendants HT MULTINATIONAL, INC. dba HT INDUSTRIES,
6 INC., and Defendant CHTC (USA), INC. (hereinafter collectively "Defendants"). The Court, having
7 carefully considered the briefs, argument of counsel and all the matters presented to the Court, and
8 good cause appearing, hereby GRANTS Plaintiff's Motion for Preliminary Approval of Class and
9 PAGA Action Settlement.

10 **IT IS HEREBY ORDERED:**

11 1. The Court preliminarily approves the Stipulation of Settlement of Class and PAGA
12 Action Claims and Release of Claims ("Settlement Agreement" or "Agreement"), a true and correct
13 copy of which is attached hereto as **Exhibit "1"**. This is based on the Court's determination that the
14 Settlement Agreement is within the range of possible final approval, pursuant to the provisions of
15 Section 382 of the California Code of Civil Procedure and California Rules of Court, rule 3.769.

16 2. This Order incorporates by reference the definitions in the Agreement, and all terms
17 defined therein shall have the same meaning in this Order as set forth in the Agreement.

18 3. Subject to the terms of the Settlement Agreement, the Gross Settlement Amount that
19 Defendants shall pay is One Hundred Fifty Thousand Dollars (\$150,000.00). It appears to the Court
20 on a preliminary basis that the settlement amount and terms are fair, adequate, and reasonable as to all
21 Class Members when balanced against the probable outcome of further litigation relating to
22 certification, liability, and damages issues. It further appears that investigation and research have been
23 conducted such that counsel for the Parties are able to reasonably evaluate their respective positions. It
24 further appears to the Court that settlement at this time will avoid substantial additional costs by all
25 Parties, as well as avoid the delay and risks that would be presented by the further prosecution of the
26 litigation. It further appears that the Settlement has been reached as the result of intensive, serious, and
27 non-collusive arms-length negotiations.

4. The Court preliminarily finds that the Settlement appears to be within the range of reasonableness of a settlement that could ultimately be given final approval by this Court. The Court has reviewed the monetary recovery that is being granted as part of the Settlement and preliminarily finds that the monetary settlement awards made available to the Class Members are fair, adequate, and reasonable when balanced against the probable outcome of further litigation relating to certification, liability, and damages issues.

5. Plaintiff seeks Class Counsel Award not to exceed one-third of the Gross Settlement Amount, currently estimated to be \$50,000.00, plus costs and expenses not to exceed Fifteen Thousand Dollars (\$15,000), and proposed Class Representative Service Award to the Class Representative, Jie Xu, in an amount not to exceed Ten Thousand Dollars (\$10,000). While these awards appear to be within the range of reasonableness, the Court will not approve the Class Counsel Award or Class Representative Service Award until the Final Approval Hearing.

6. The Court recognizes that Plaintiff and Defendants stipulate and agree to certification of a class for settlement purposes only. This stipulation will not be deemed admissible in this, or any other proceeding should this Settlement not become final. For settlement purposes only, the Court conditionally certifies the following Class:

“All of Defendants’ current and former employees, classified as exempt but were not paid a monthly salary of at least two times the applicable minimum wage, employed in California from April 6, 2016 through April 23, 2022.”

7. The Court concludes that, for settlement purposes only, the Class meets the requirements for certification under section 382 of the California Code of Civil Procedure in that: (a) the Class is ascertainable and so numerous that joinder of all members of the Class Members is impracticable; (b) common questions of law and fact predominate, and there is a well-defined community of interest amongst the Class Members with respect to the subject matter of the litigation; (c) the claims of the Class Representative are typical of the claims of the Class Members; (d) the Class Representative will fairly and adequately protect the interests of the Class Members; (e) a class action is superior to other available methods for the efficient adjudication of this controversy; and (f) Class Counsel are qualified

1 to act as counsel for the Class Representative in her individual capacity and as the representative of the
2 Class Members.

3 8. The Court provisionally appoints plaintiff JIE XU as the representative of the Class.

4 9. The Court provisionally appoints Jean-Claude Lapuyade, Esq., of the JCL Law Firm,
5 APC, and Shani Zakay, Esq., of the Zakay Law Group, APLC, as Class Counsel for the Class Members.

6 10. The Court hereby approves, as to form and content, the Proposed Notice of Class Action
7 Settlement (“Class Notice”) attached to the Agreement as Exhibit “A”. The Court finds that both
8 notices appear to fully and accurately inform the Class Members and Aggrieved Employees of all
9 material elements of the proposed Settlement, including the right of any Class Member to be excluded
10 from the Class by submitting a written request for exclusion, and of each Class Member’s right and
11 opportunity to object to the Settlement. The Court further finds that the distribution of the notices
12 substantially in the manner and form set forth in the Agreement and this Order meets the requirements
13 of due process, is the most reasonable notice under the circumstances, and shall constitute due and
14 sufficient notice to all persons entitled thereto. The Court orders the mailing of the notices by first class
15 mail, pursuant to the terms set forth in the Agreement.

16 11. The Court hereby appoints ILYM Group, Inc. as Settlement Administrator. Within ten
17 (10) court days after the Preliminary Approval Date, Defendants shall provide to the Settlement
18 Administrator the Class Data, including information regarding Class Members that Defendants will in
19 good faith compile from its records, including each Class Member’s full name; last known address;
20 Social Security Number; and all dates on which the Class Member performed work for Defendants.
21 Within fourteen (14) calendar days after receiving the Class Data from Defendants, the Settlement
22 Administrator shall mail the Class Notice to all Class Members via first class U.S. Mail and electronic
23 mail using the most current mailing address information available.

24 12. The Court hereby preliminarily approves the proposed procedure for exclusion from the
25 Settlement. Any Class Member may individually choose to opt out of and be excluded from the
26 Settlement as provided in the Notice by following the instructions for requesting exclusion from the
27 Settlement of the Released Claims that are set forth in the Notice. All requests for exclusion must be
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1 postmarked or received by the Response Deadline which is forty-five (45) calendar days after the date
2 the Class Notice is mailed to the Class Members or, in the case of a re-mailed Notice, not more than
3 fifteen (15) days from the original Response Deadline. Any such person who chooses to opt out of and
4 be excluded from the Settlement will not be entitled to an Individual Settlement Payment under the
5 Settlement and will not be bound by the Settlement, or have any right to object, appeal or comment
6 thereon. Class Members who have not requested exclusion shall be bound by all determinations of the
7 Court, the Agreement, and Judgment. A request for exclusion may only opt out that particular
8 individual, and any attempt to affect an opt-out of a group, class, or subclass of individuals is not
9 permitted and will be deemed invalid.

10 13. Any Class Member who has not opted out may appear at the final approval hearing and
11 may object or express the Class Member's views regarding the Settlement and may present evidence
12 and file briefs or other papers that may be proper and relevant to the issues to be heard and determined
13 by the Court as provided in the Notice. Class Members will have forty-five (45) calendar days from the
14 date the Settlement Administrator mails the Class Notice to postmark their written objections to the
15 Settlement Administrator.

16 14. A final approval hearing shall be held before this Court on _____ at
17 _____ AM in Department S-26 of the San Bernardino County Superior Court to determine all
18 necessary matters concerning the Settlement, including: whether the proposed settlement of the Action
19 on the terms and conditions provided for in the Agreement is fair, adequate and reasonable and should
20 be finally approved by the Court; whether an Order Granting Final Approval should be entered herein;
21 whether the plan of allocation contained in the Agreement should be approved as fair, adequate and
22 reasonable to the Class; and to finally approve the Class Counsel Award, Class Representative Service
23 Award, and the Settlement Administration Costs. All papers in support of the motion for final approval
24 and the motion for Attorneys' Fee and Costs and Class Representative Service Award shall be filed
25 with the Court and served on all counsel no later than sixteen (16) court days before the hearing.

26 15. Neither the Settlement nor any exhibit, document, or instrument delivered thereunder
27 shall be construed as a concession or admission by Defendants in any way, and shall not be used as
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evidence of, or used against Defendants as an admission or indication in any way, including with respect to any claim of any liability, wrongdoing, fault, or omission by Defendants or with respect to the truth of any allegation asserted by any person. Whether or not the Settlement is finally approved, neither the Settlement, nor any exhibit, document, statement, proceeding or conduct related to the Settlement, nor any reports or accounts thereof, shall in any event be construed as, offered or admitted in evidence as received as or deemed to be evidence for any purpose adverse to the Defendants, including, but not limited to, evidence of a presumption, concession, indication or admission by Defendants of any liability, fault, wrongdoing, omission, concession or damage.

16. In the event the Settlement does not become effective in accordance with the terms of the Agreement, or the Settlement is not finally approved, or is terminated, canceled, or fails to become effective for any reason, this Order shall be rendered null and void and shall be vacated, and the Parties shall revert to their respective positions as of before entering into the Agreement. In such an event, the Court's orders regarding the Settlement, including this Preliminary Approval Order, shall not be used or referred to in litigation for any purpose. Nothing in this paragraph is intended to alter the terms of the Settlement Agreement with respect to the effect of the Settlement Agreement if it is not approved.

17. Pending final determination of whether the Settlement should be approved, Class Representative and all Class Members are barred and enjoined from filing, commencing, prosecuting, intervening in, instigating or in any way participating in the commencement or prosecution of any lawsuit, action or administrative, regulatory, arbitration or other proceeding, in any forum, asserting any claims that are, or relate in any way to, the Released Claims, unless and until they submit a timely request for exclusion pursuant to the Agreement.

18. The Court reserves the right to adjourn or continue the date of the final approval hearing and all dates provided for in the Agreement without further notice to Class Members and retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement.

Dated: _____

JUDGE OF THE SUPERIOR COURT

EXHIBIT 1

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Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN BERNARDINO

JIE XU, individually and on behalf of all
persons similarly situated,

Plaintiffs,

vs.

HT MULTINATIONAL, INC., a California
Corporation; CHTC (USA), INC., a California
Corporation; HT INDUSTRIES, INC., a
Corporation; and Does 1 through 50, Inclusive,

Defendants.

Case No.: CIVDS 2015679

[Action Filed 07/27/2020]

**STIPULATION OF SETTLEMENT OF
CLASS AND PAGA ACTION CLAIMS
AND RELEASE OF CLAIMS**

Judge: Honorable David Cohn
Dept.: S-26

1 This Stipulation of Settlement of Class and PAGA Action and Release of Claims is entered
2 into by and between plaintiff JIE XU (hereinafter “Plaintiff”), an individual, on behalf of the
3 Settlement Class, and in her representative capacity on behalf of the State of California and the
4 Aggrieved Employees, and Defendants HT MULTINATIONAL, INC. dba HT INDUSTRIES, INC.,
5 and CHTC (USA), INC. (hereinafter collectively “Defendants”):

6 **I. DEFINITIONS**

- 7 A. “Action” shall mean the putative class and PAGA action lawsuit *Xu v. HT*
8 *Multinational, Inc., et al.*, San Bernardino County Superior Court, Case No. CIVDS
9 2015679, filed July 27, 2020.
- 10 B. “Aggrieved Employees” shall mean all of Defendants’ current and former employees,
11 classified at some point within the PAGA period as exempt but not paid two times the
12 minimum wage who were employed in California during any portion of the PAGA
13 Period.
- 14 C. “Agreement” or “Settlement Agreement” means this Stipulation of Settlement of
15 Class and PAGA Action and Release of Claims.
- 16 D. “Class Counsel” shall mean Jean-Claude Lapuyade, Esq. of JCL Law Firm, APC, and
17 Shani Zakay of Zakay Law Group, APLC.
- 18 E. “Class Counsel Award” means the award of fees and expenses that the Court
19 authorizes to be paid to Class Counsel for the services they have rendered to Plaintiff
20 and the Settlement Class in the Action, consisting of attorneys’ fees not to exceed
21 one-third of the Gross Settlement Amount currently estimated to be \$50,000.00 out
22 of \$150,000.00 plus costs of up to \$15,000.00. Attorneys’ fees will be divided
23 equally between Class Counsel (50% to JCL Law Firm, APC and 50% to Zakay Law
24 Group, APLC).
- 25 F. “Class Data” means information regarding Class Members that Defendants will in
26 good faith compile from its records and provide to the Settlement Administrator. It
27 shall be formatted as a Microsoft Excel spreadsheet and shall include: each Class
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Member's full name; last known address; Social Security Number; and all dates on which the Class Member performed work for Defendants.

G. "Class Members" or the "Class" means all of Defendants' current and former employees, classified at some point within the Class Period as exempt but not paid two times the minimum wage, employed in California during the Class Period.

H. "Class Period" means the period from April 6, 2016 through April 23, 2022.

I. "Class Representative Service Award" means the amount that the Court authorizes to be paid to the Class Representative, in addition to her Individual Settlement Payment and her pro-rata share of the PAGA Settlement, in recognition of her efforts and risks in assisting with the prosecution of the Action and in exchange for executing a General Release of claims including a Civil Code 1542 waiver releasing the Released Parties (defined below).

J. "Class Representative" shall mean plaintiff JIE XU.

K. "Court" means the Superior Court for the State of California, County of San Bernardino currently presiding over the Action.

L. "Defendants" shall mean HT Multinational, Inc. dba HT Industries, Inc. and CHTC (USA), Inc.

M. "Effective Date" means the earliest date, following entry by the Court of an order and judgment finally approving this Settlement, upon which one of the following have occurred: (i) if no objection is filed to the settlement and no objector appears at the hearing on final approval, the date of the Court's entry of the order granting final approval, (ii) if an objection is filed to the settlement, or an objector appears at the hearing on final approval, then the later of the following: (a) the expiration of all potential appeal periods without a filing of a notice of appeal of the final approval order or judgment; (b) final affirmance of the final approval order and judgment by an appellate court as a result of any appeal(s), or (c) final dismissal or denial of all such appeals (including any petition for review, rehearing, certiorari, etc.) such that the final approval order and judgment is no longer subject to further judicial review.

- 1 N. "Funding Date" shall mean twenty (20) calendar days after the Effective Date and is
2 the date Defendants transfer the Gross Settlement Amount into the QSF in accord
3 with the terms of this Agreement.
- 4 O. "Gross Settlement Amount" means the total sum of One Hundred Fifty Thousand
5 Dollars (\$150,000.00) that Defendants must collectively pay into the QSF in
6 connection with this Settlement, inclusive of the sum of the Individual Settlement
7 Payments, the Class Representative Service Award, the employee side taxes, the
8 Class Counsel Award, PAGA Settlement and the Settlement Administration Costs
9 and *exclusive* of the employer's share of payroll tax, if any, triggered by any payment
10 under this Settlement.
- 11 P. "Individual Settlement Payment" means the amount payable from the Net Settlement
12 Amount to each Settlement Class Member and excludes any amounts distributed to
13 Aggrieved Employees pursuant to PAGA.
- 14 Q. "Net Settlement Amount" or "NSA" means the Gross Settlement Amount, less Class
15 Counsel Award, Class Representative Service Award, PAGA Settlement, and
16 Settlement Administration Costs.
- 17 R. "Notice Packet" means the Class Notice to be provided to the Class Members by the
18 Settlement Administrator in the form set forth as Exhibit A to this Agreement (other
19 than formatting changes to facilitate printing by the Settlement Administrator).
- 20 S. "PAGA" means the California Labor Code Private Attorneys General Act of 2004,
21 Labor Code § 2698 *et seq.*
- 22 T. "PAGA Payment Ratio" means the respective pay periods during the PAGA Period
23 for each Aggrieved Employee divided by the sum total of the pay periods for all
24 Aggrieved Employees during the PAGA Period.
- 25 U. "PAGA Pay Periods", for purposes of calculating the distribution of the Aggrieved
26 Employee Payment, as defined herein, means the number of pay periods of
27 employment during the PAGA Period that each Aggrieved Employee worked in
28 California.

- 1 V. "PAGA Period" means the period from April 6, 2019 through April 23, 2022.
- 2 W. "PAGA Settlement" shall mean Five Thousand Dollars (\$5,000) to be allocated from
- 3 the Gross Settlement Amount.
- 4 X. "Parties" means Plaintiff and Defendants, collectively, and "Party" shall mean either
- 5 Plaintiff or Defendants, individually.
- 6 Y. "Payment Ratio" means the respective Workweeks for each Class Member divided
- 7 by the sum total Workweeks for all Class Members.
- 8 Z. "Plaintiff" shall mean JIE XU.
- 9 AA. "QSF" means the Qualified Settlement Fund established, designated and maintained
- 10 by the Settlement Administrator to fund the Gross Settlement Amount.
- 11 BB. "Released Class Claims" means all class claims alleged in the operative complaint or
- 12 that could have been stated based on the facts alleged in the Action, including but not
- 13 limited to federal and state wage and hour claims (including all claims under the
- 14 California Labor Code and/or Fair Labor Standards Act) for unpaid wages, minimum
- 15 wage, overtime, wages for off-the-clock work, meal periods, rest periods, wage
- 16 statement violations, waiting time penalties, failure to maintain records, interest,
- 17 penalties, and attorneys' fees, unfair competition and the related provisions of the
- 18 Business & Professions Code including sections 17200 and 17203, Labor Code
- 19 sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 515, 558,
- 20 1118.12, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 1198.5, 1199 and all claims
- 21 under the governing Wage Order(s), which occurred during the Class Period, and
- 22 expressly excluding all other claims, including claims for vested benefits, wrongful
- 23 termination, unemployment insurance, disability, social security, workers'
- 24 compensation, and class claims outside of the Class Period.
- 25 CC. "Released PAGA Claims" means all PAGA claims for penalties and any other
- 26 available relief pursuant to the PAGA alleged in the operative complaint and/or
- 27 Plaintiff's PAGA notice to the LWDA which occurred during the PAGA Period
- 28 including for violations of California Labor Code sections 201, 201.3, 202, 203, 204,

210, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 515, 558, 1118.12, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 1198.5, 1199, 2698, 2699, 2699.3 and 2699.5 and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and PAGA claims outside of the PAGA Period.

DD. "Released Parties" shall mean Defendants and their respective present and former officers, owners, directors, employees, shareholders, agents, trustees, representatives, attorneys, insurers, reinsurers, parent companies, subsidiaries, divisions, affiliates, predecessors, successors, fiduciaries, employee benefits plans, assigns and any entity claimed to be a joint employer with any of the Defendants.

EE. "Response Deadline" means the date forty-five (45) days after the Settlement Administrator mails Notice Packets to Class Members and the last date on which Class Members may submit requests for exclusion or objections to the Settlement.

FF. "Settlement" means the disposition of the Action pursuant to this Agreement.

GG. "Settlement Administrator" means ILYM Group Inc., 14771 Plaza Drive, Ste. L, Tustin, CA 92780; Tel: 1-888-250-6810; Fax: 1-888-845-6185. The Settlement Administrator establishes, designates and maintains, as a QSF under Internal Revenue Code section 468B and Treasury Regulation section 1.468B-1, into which the amount of the Gross Settlement Amount is deposited for the purpose of resolving the claims of Settlement Class Members. The Settlement Administrator shall maintain the funds until distribution in an account(s) segregated from the assets of Defendants and any person related to Defendants. All accrued interest, if any, shall be paid and distributed to the Settlement Class Members as part of their respective Individual Settlement Payment.

HH. "Settlement Class Members" or "Settlement Class" means all Class Members who have not submitted a timely and valid Request for Exclusion by the Response Deadline as provided in this Agreement.

1 II. "Workweeks," for purposes of calculating the distribution of the Net Settlement
2 Amount, means the number of weeks of employment during the Class Period that
3 each Class Member was employed by Defendants in California, excluding weeks
4 during which the Class Member did not perform any work for Defendants.

5 **II. RECITALS**

6 A. On May 18, 2020, Plaintiff filed a Notice of Violations with the Labor and Workforce
7 Development Agency (LWDA) and served the same on Defendants. Plaintiff
8 asserted violations of Labor Code sections 201, 201.3, 202, 203, 204, 210, 218.5,
9 218.6, 226, 226.3, 226.7, 510, 512, 515, 558, 1118.12, 1174(d), 1174.5, 1194, 1197,
10 1197.1, 1198, 1198.5, 1199, 2698, 2699, 2699.3 and 2699.5.

11 B. On July 27, 2020, Plaintiff filed the class action lawsuit alleging various violations of
12 the Labor Code and Business and Professions Code, including, but not limited to the
13 following:

- 14 1. Unfair Competition in Violation of Bus. And Prof. Code sections 17200 *et*
15 *seq*;
- 16 2. Failure to provide required meal periods in violation of California Labor Code
17 sections 226.7 and 512 and the applicable IWC wage order;
- 18 3. Failure to provide required rest periods in violation of California Labor Code
19 sections 226.7 and 512 and the applicable IWC wage order;
- 20 4. Failure to pay minimum wages in violation of California Labor Code sections
21 1194, 1197 and 1197.1;
- 22 5. Failure to pay overtime wages in violation of California Labor Code sections
23 510 *et seq*;
- 24 6. Failure to provide accurate itemized wage statements in violation of California
25 Labor Code section 226;
- 26 7. Failure to provide wages when due in violation of California Labor Code
27 sections 201, 202 and 203; and
28

1 8. Violation of the Private Attorneys General Act [Labor Code section 2698],
2 asserting various alleged violations of the Labor Code.

3 C. The Class Representative believes she has meritorious claims based on alleged
4 violations of the California Labor Code, and the Industrial Wage Commission
5 Orders, and that class certification is appropriate because the prerequisites for class
6 certification can be satisfied in the Action, and this action is manageable as a PAGA
7 representative action.

8 D. Defendants deny any liability or wrongdoing of any kind associated with the claims
9 alleged in the Action, dispute that they owe any wages, damages, premiums and/or
10 penalties to the Class Representative, the putative class and/or aggrieved employees
11 and further contend that, for any purpose other than settlement, the Action is not
12 appropriate for class or representative action treatment. Defendants contend, among
13 other things, that at all times they complied with the California Labor Code and the
14 Industrial Wage Commission Orders.

15 E. The Class Representative is represented by Class Counsel. Class Counsel conducted
16 an investigation into the facts relevant to the Action, including conducting an
17 independent investigation as to the allegations, reviewing documents and
18 information exchanged through formal and informal discovery, and reviewing
19 documents and information provided by Defendants pursuant to informal requests
20 for information to prepare for mediation. Based on their own independent
21 investigation and evaluation, Class Counsel are of the opinion that the Settlement
22 with Defendants is fair, reasonable and adequate, and is in the best interest of the
23 Settlement Class in light of all known facts and circumstances, including the risks of
24 significant delay, defenses asserted by Defendants, uncertainties regarding class
25 certification, and numerous potential appellate issues. Although they deny any
26 liability, Defendants are agreeing to this Settlement solely to avoid the
27 inconveniences and cost of further litigation. The Parties and their counsel have
28 agreed to settle the claims on the terms set forth in this Agreement.

- 1 F. On June 22, 2021, the Parties participated in mediation presided over by an
2 experienced class action mediator, Phyllis Cheng, Esq. The mediation concluded
3 without settlement. However, following the mediation, each side, represented by its
4 respective counsel, continued settlement negotiations for several months, until they
5 agreed to settle the Action.
- 6 G. This Agreement replaces and supersedes any other agreements, understandings, or
7 representations between the Parties. This Agreement represents a compromise and
8 settlement of highly disputed claims. Nothing in this Agreement is intended or will
9 be construed as an admission by Defendants that the claims in the Action of Plaintiff
10 or the Class Members have merit or that Defendants bear any liability to Plaintiff,
11 the Class or Aggrieved Employees on those claims or any other claims, or as an
12 admission by Plaintiff that Defendants' defenses in the Action have merit.
- 13 H. The Parties believe that the Settlement is fair, reasonable and adequate. The
14 Settlement was arrived at through arm's-length negotiations, taking into account all
15 relevant factors. The Parties recognize the uncertainty, risk, expense and delay
16 attendant to continuing the Action through trial and any appeal. Accordingly, the
17 Parties desire to fully, finally, and forever settle, compromise and discharge all
18 disputes and claims arising from or relating to the Action.
- 19 I. The Parties agree to certification of the Class for purposes of this Settlement only.
20 If for any reason the settlement does not become effective, Defendants reserve the
21 right to contest certification of any class for any reason and reserve all available
22 defenses to the claims in the Action.

23 Based on these Recitals that are a part of this Agreement, the Parties agree as follows:

24 **III. TERMS OF AGREEMENT**

25 A. Settlement Consideration and Settlement Payments by Defendants.

- 26 1. Settlement Consideration. In full and complete settlement of the Action, and
27 in exchange for the releases set forth below, Defendants will pay the total
28 collective sum of the Individual Settlement Payment, the Class Representative

1 Service Award, the Class Counsel Award, PAGA Settlement, and the
2 Settlement Administration Costs, as specified in this Agreement, equal to the
3 Gross Settlement Amount of One Hundred Fifty Thousand Dollars
4 (\$150,000.00). The Parties agree that this is a non-reversionary Settlement and
5 that no portion of the Gross Settlement Amount shall revert to Defendants.
6 Other than the Defendants' share of employer payroll taxes and as provided
7 for in Section III(A)(2) below, Defendants shall not be required to pay more
8 than the Gross Settlement Amount.

9 2. Class Size. Defendants represent that the Class is comprised of 30 individuals
10 as of April 22, 2022 and the number of Workweeks is 2,963 through that date
11 ("Final Workweeks"). In regard hereto, Defendant will provide the Class Data
12 to the Settlement Administrator within thirty (30) calendar days of
13 Defendants' execution of this Agreement. The Settlement Administrator will
14 use the Class Data to calculate the number of Class Members and Workweeks.
15 The Settlement Administrator shall prepare a declaration under penalty of
16 perjury confirming the number of Class Members and Workweeks prior to the
17 hearing date of the motion for preliminary approval. If, at the time of the
18 Settlement Administrator's declaration, either the number of Class Members
19 or Workweeks are more than 10% of either estimated provided herein,
20 Plaintiff's Counsel may elect to rescind this Agreement in its entirety, and will
21 be void *ab initio*.

22 3. Settlement Payment. Defendants and each of them, are jointly and severally
23 liable for payment of the Gross Settlement Amount. Defendants shall pay the
24 Gross Settlement Amount to the Settlement Administrator by the Funding
25 Date.

26 4. Defendants' Share of Payroll Taxes. Defendants' share of employer side
27 payroll taxes is in addition to the Gross Settlement Amount and shall be paid
28 together with the Gross Settlement Amount.

- 1 B. Release by Settlement Class Members. As of the Funding Date, in exchange for the
2 consideration set forth in this Agreement, Plaintiff and the Settlement Class Members
3 release the Released Parties from the Released Class Claims for the Class Period.
- 4 C. Release by the Aggrieved Employees. As of the Funding Date, in exchange for the
5 consideration set forth in this Agreement, the Plaintiff, the LWDA and the State of
6 California release the Released Parties from the PAGA Released Claims for the PAGA
7 Period. As a result of this release, the Aggrieved Employees shall be precluded from
8 bringing claims against Released Parties for the PAGA Release Claims.
- 9 D. General Release by Plaintiff. As of the Funding Date, for the consideration set forth
10 in this Agreement, Plaintiff waives, releases, acquits and forever discharges the
11 Released Parties from any and all claims, whether known or unknown, which exist or
12 may exist on her behalf as of the date of this Agreement, including but not limited to
13 any and all tort claims, contract claims, wage claims, wrongful termination claims,
14 disability claims, benefit claims, public policy claims, retaliation claims, statutory
15 claims, personal injury claims, emotional distress claims, invasion of privacy claims,
16 defamation claims, fraud claims, quantum meruit claims, and any and all claims
17 arising under any federal, state or other governmental statute, law, regulation or
18 ordinance, including, but not limited to claims for violation of the Fair Labor
19 Standards Act, the California Labor Code, the Wage Orders of California's Industrial
20 Welfare Commission, other state wage and hour laws, the Americans with
21 Disabilities Act, the Age Discrimination in Employment Act (ADEA), the Employee
22 Retirement Income Security Act, Title VII of the Civil Rights Act of 1964, the
23 California Fair Employment and Housing Act, the California Family Rights Act, the
24 Family Medical Leave Act, California's Whistleblower Protection Act, California
25 Business & Professions Code Section 17200 et seq., and any and all claims arising
26 under any federal, state or other governmental statute, law, regulation or ordinance.
27 Plaintiff also waives and relinquishes any and all claims, rights or benefits that she
28 may have under California Civil Code § 1542, which provides as follows:

1
2 ***A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE***
3 ***CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO***
4 ***EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE***
5 ***RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE***
6 ***MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE***
7 ***DEBTOR OR RELEASED PARTY.***
8

9 Thus, notwithstanding the provisions of section 1542, and to implement a full and
10 complete release and discharge of the Released Parties, Plaintiff expressly
11 acknowledges this Settlement Agreement is intended to include in its effect, without
12 limitation, all claims Plaintiff does not know or suspect to exist in Plaintiff's favor at
13 the time of signing this Settlement Agreement, and that this Settlement Agreement
14 contemplates the extinguishment of any such claims. Plaintiff warrants that Plaintiff
15 has read this Settlement Agreement, including this waiver of California Civil Code
16 section 1542, and that Plaintiff has consulted with or had the opportunity to consult
17 with counsel of Plaintiff's choosing about this Settlement Agreement and specifically
18 about the waiver of section 1542, and that Plaintiff understands this Settlement
19 Agreement and the section 1542 waiver, and so Plaintiff freely and knowingly enters
20 into this Settlement Agreement. Plaintiff further acknowledges that Plaintiff later may
21 discover facts different from or in addition to those Plaintiff now knows or believes to
22 be true regarding the matters released or described in this Settlement Agreement, and
23 even so Plaintiff agrees that the releases and agreements contained in this Settlement
24 Agreement shall remain effective in all respects notwithstanding any later discovery
25 of any different or additional facts. Plaintiff expressly assumes any and all risk of any
26 mistake in connection with the true facts involved in the matters, disputes, or
27 controversies released or described in this Settlement Agreement or with regard to any
28 facts now unknown to Plaintiff relating thereto.

1 E. Conditions Precedent: This Settlement will become final and effective only upon the
2 occurrence of all of the following events:

- 3 1. The Court enters an order granting preliminary approval of the Settlement;
- 4 2. The Court enters an order granting final approval of the Settlement and a Final
5 Judgment;
- 6 3. If an objector appears at the final approval hearing, the time for appeal of the
7 Final Judgment and Order Granting Final Approval of Class Action
8 Settlement expires; or, if an appeal is timely filed, there is a final resolution of
9 any appeal from the Judgment and Order Granting Final Approval of Class
10 Action Settlement; and
- 11 4. Defendants fully fund the Gross Settlement Amount.

12 F. Nullification of Settlement Agreement. If this Settlement Agreement is not
13 preliminarily or finally approved by the Court, fails to become effective, or is reversed,
14 withdrawn or modified by the Court, or in any way prevents or prohibits Defendants
15 from obtaining a complete resolution of the Released Claims, or if Defendants fail to
16 fully fund the Gross Settlement Amount, or if the number of Class Members and/or
17 Workweeks at the time of preliminary approval is more than ten percent (10%) greater
18 than the estimates provided in Section III(A)(2):

- 19 1. This Settlement Agreement shall be void *ab initio* and of no force or effect,
20 and shall not be admissible in any judicial, administrative or arbitral
21 proceeding for any purpose or with respect to any issue, substantive or
22 procedural;
- 23 2. The conditional class certification (obtained for any purpose) shall be void *ab*
24 *initio* and of no force or effect, and shall not be admissible in any judicial,
25 administrative or arbitral proceeding for any purpose or with respect to any
26 issue, substantive or procedural; and

1 3. None of the Parties to this Settlement will be deemed to have waived any
2 claims, objections, defenses or arguments in the Action, including with respect
3 to the issue of class certification.

4 4. If Defendants fail to fully fund the Gross Settlement Amount, Defendants
5 shall bear the sole responsibility for any cost to issue or reissue any curative
6 notice to the Settlement Class Members and all Settlement Administration
7 Costs incurred to the date of nullification.

8 G. Certification of the Settlement Class. The Parties stipulate to conditional class
9 certification of the Class for the Class Period for purposes of settlement only. In the
10 event that this Settlement is not approved by the Court, fails to become effective, or is
11 reversed, withdrawn or modified by the Court, or in any way prevents or prohibits
12 Defendants from obtaining a complete resolution of the Released Claims, the Action,
13 the conditional class certification (obtained for any purpose) shall be void *ab initio* and
14 of no force or effect, and shall not be admissible in any judicial, administrative or
15 arbitral proceeding for any purpose or with respect to any issue, substantive or
16 procedural.

17 H. Tax Liability. The Parties make no representations as to the tax treatment or legal
18 effect of the payments called for, and Class Members and/or Aggrieved Employees are
19 not relying on any statement or representation by the Parties in this regard. Class
20 Members and/or Aggrieved Employees understand and agree that they will be
21 responsible for the payment of any taxes and penalties assessed on the Individual
22 Settlement Payments and/or Aggrieved Employees' individual shares of the PAGA
23 Settlement described and will be solely responsible for any penalties or other
24 obligations resulting from their personal tax reporting of Individual Settlement
25 Payments and/or Aggrieved Employees' individual shares of the PAGA Settlement.

26 I. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section,
27 the "acknowledging party" and each Party to this Agreement other than the
28 acknowledging party, an "other party") acknowledges and agrees that: (1) no provision

1 of this Agreement, and no written communication or disclosure between or among the
2 Parties or their attorneys and other advisers, is or was intended to be, nor shall any
3 such communication or disclosure constitute or be construed or be relied upon as, tax
4 advice within the meaning of United States Treasury Department circular 230 (31 CFR
5 part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his,
6 her or its own, independent legal and tax counsel for advice (including tax advice) in
7 connection with this Agreement, (b) has not entered into this Agreement based upon
8 the recommendation of any other Party or any attorney or advisor to any other Party,
9 and (c) is not entitled to rely upon any communication or disclosure by any attorney
10 or adviser to any other party to avoid any tax penalty that may be imposed on the
11 acknowledging party, and (3) no attorney or adviser to any other Party has imposed
12 any limitation that protects the confidentiality of any such attorney's or adviser's tax
13 strategies (regardless of whether such limitation is legally binding) upon disclosure by
14 the acknowledging party of the tax treatment or tax structure of any transaction,
15 including any transaction contemplated by this Agreement.

16 J. Preliminary Approval Motion. At the earliest practicable time, Plaintiff shall file with
17 the Court a Motion for Order Granting Preliminary Approval and supporting papers,
18 which shall include this Settlement Agreement. Plaintiff will provide Defendants with
19 a draft of the Motion at least 3 business days prior to the filing of the Motion to give
20 Defendants an opportunity to propose changes or additions to the Motion.

21 K. Settlement Administrator. The Settlement Administrator shall be responsible for:
22 establishing and administering the QSF; calculating each Class Member and
23 Aggrieved Employee's settlement payment; processing and mailing payments to the
24 Class Representative, Class Counsel, LWDA, Aggrieved Employees and Class
25 Members; printing and mailing the Notice Packets to the Class Members and
26 Aggrieved Employees as directed by the Court; receiving and reporting the objections
27 and requests for exclusion; calculating, deducting and remitting all legally required
28 taxes from Individual Settlement Payments and distributing tax forms for the Wage

1 Portion and Non-Wage Portion of the Individual Settlement Payments and/or
2 Aggrieved Employees' individual shares of the PAGA Settlement; processing and
3 mailing tax payments to the appropriate state and federal taxing authorities; providing
4 declaration(s) as necessary in support of preliminary and/or final approval of this
5 Settlement; and other tasks as the Parties mutually agree or the Court orders the
6 Settlement Administrator to perform. The Settlement Administrator shall keep the
7 Parties timely apprised of the performance of all Settlement Administrator
8 responsibilities by among other things, sending a weekly status report to the Parties'
9 counsel stating the date of the mailing, the of number of Elections Not to Participate
10 in Settlement it receives (including the numbers of valid and deficient), and number of
11 objections received. Additionally, at Defendants' counsel's request the Settlement
12 Administrator shall provide Defendants' Counsel the following: (1) a report that
13 contains the names and amounts received by each Class Member and/or Aggrieved
14 Employees pursuant to the Settlement; (2) a copy of the Settlement Payment checks
15 issued by the Settlement Administrator pursuant to the terms of the Settlement; (3) a
16 duplicate copy of the Notices issued to each individual Class Member and/or
17 Aggrieved Employee, as well as any Opt-Outs; (3) copies of the IRS Forms W-2 and
18 IRS Forms 1099 issued pursuant to the Settlement; (4) proof of tax payments having
19 been made by the Settlement Administrator pursuant to the terms of the Agreement
20 and (5) any other documents that Defendants may need to establish the Settlement
21 Administrator has performed all of its duties pursuant to this Settlement. Finally, in
22 order for the Settlement Administrator to perform its duties under this Agreement,
23 Defendants shall be providing the Settlement Administrator confidential information
24 protected by the right of privacy, including but not limited to, social security numbers.
25 Consequently, the Settlement Administrator must take all steps necessary to protect
26 the information and protect against any unauthorized access, use or disclosure of that
27 information. The Settlement Administrator (or anyone acting on its behalf) is strictly
28 prohibited from selling, profiting, transferring or using any of the information provided

1 by Defendants or on Defendants' behalf other than for fulfilment of its obligations
2 under this Agreement.

3 L. Notice Procedure.

4 1. Class Data. No later than thirty (30) calendar days after from Defendant's
5 execution of this Agreement, Defendants shall provide the Settlement
6 Administrator with the Class Data for purposes of calculating the number of
7 Class Members, Aggrieved Employees, Workweeks and Pay Periods and,
8 preparing and mailing Notice Packets to the Class Members and Aggrieved
9 Employees.

10 2. Notice Packets.

11 a) The Notice Packet shall contain the Notice of Class and PAGA Action
12 Settlement in a form substantially similar to the form attached as
13 Exhibit A and a Request for Exclusion in a form substantially similar
14 to attachment Exhibit B hereto. The Notice of Class and PAGA
15 Action Settlement shall inform Class Members and Aggrieved
16 Employees that they need not do anything in order to receive an
17 Individual Settlement Payment and/or Aggrieved Employees'
18 individual shares of the PAGA Settlement and to keep the Settlement
19 Administrator apprised of their current mailing address, to which the
20 Individual Settlement Payments and/or Aggrieved Employees'
21 individual shares of the PAGA Settlement will be mailed following
22 the Funding Date. In exchange for an Individual Settlement Payment
23 and/or Aggrieved Employees' individual shares of the PAGA
24 Settlement, the Notice of Class and PAGA Action Settlement shall set
25 forth: (1) the release to be given by all members of the Class who do
26 not timely request to be excluded from the Settlement Class and the
27 release to be given by Aggrieved Employees; (2) the number of
28 Workweeks worked by each Class Member during the Class Period;

(3) the number of pay periods within the PAGA Period worked by the Aggrieved Employee, (4) the estimated amount of their Individual Settlement Payment if they do not request to be excluded from the Settlement and (5) each Aggrieved Employee's share of the PAGA Settlement, if any. The Settlement Administrator shall use the Class Data to determine Class Members' Workweeks and PAGA pay periods. The Notice will also advise the Aggrieved Employees that they will release the Released PAGA Claims and will receive their share of the PAGA Settlement regardless of whether they request to be excluded from the Class Settlement.

b) The Notice Packet's mailing envelope shall include the following language: "IMPORTANT LEGAL DOCUMENT- YOU MAY BE ENTITLED TO PARTICIPATE IN A CLASS AND PAGA ACTION SETTLEMENT; A PROMPT REPLY TO CORRECT YOUR ADDRESS IS REQUIRED AS EXPLAINED IN THE ENCLOSED NOTICE."

3. Notice by First Class U.S. Mail and Email. Upon receipt of the Class Data, the Settlement Administrator will perform a search based on the National Change of Address Database to update and correct any known or identifiable address changes. No later than fourteen (14) calendar days after receiving the Class Data from Defendants, the Settlement Administrator shall mail and email (if personal email address is known to Defendants), copies of the Notice Packet to all Class Members via regular First-Class U.S. Mail and electronic mail. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Class Member. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Class Member.

- 1 4. Undeliverable Notices. Any Notice Packets returned to the Settlement
2 Administrator as non-delivered on or before the Response Deadline shall be
3 re-mailed to any forwarding address provided. If no forwarding address is
4 provided, the Settlement Administrator shall promptly attempt to determine a
5 correct address by lawful use of skip-tracing, or other search using the name,
6 address and/or Social Security number of the Class Member involved, and
7 shall then perform a re-mailing, if another mailing address is identified by the
8 Settlement Administrator. In addition, if any Notice Packets, which are
9 addressed to Class Members who are currently employed by Defendants, are
10 returned to the Settlement Administrator as non-delivered and no forwarding
11 address is provided, the Settlement Administrator shall notify Defendants.
12 Defendants will request that the currently employed Class Member provide a
13 corrected address, and transmit to the Administrator any corrected address
14 provided by the Class Member. Class Members who received a re-mailed
15 Notice Packet shall have their Response Deadline extended fifteen (15) days
16 from the original Response Deadline.
- 17 5. Disputes Regarding Individual Settlement Payments. Class Members will
18 have the opportunity, should they disagree with Defendants' records regarding
19 the start and end dates of employment to provide documentation and/or an
20 explanation to show contrary dates. If there is a dispute, the Settlement
21 Administrator will consult with the Parties to determine whether an
22 adjustment is warranted. The Settlement Administrator shall determine the
23 eligibility for, and the amounts of, any Individual Settlement Payments under
24 the terms of this Agreement. The Settlement Administrator's determination
25 of the eligibility for and amount of any Individual Settlement Payment shall
26 be binding upon the Class Member and the Parties, except as provided herein
27 below in Paragraph 6.
- 28

1 6. Disputes Regarding Administration of Settlement. Any disputes not resolved
2 by the Settlement Administrator concerning the administration of the
3 Settlement will be resolved by the Court under the laws of the State of
4 California. Before any such involvement of the Court, counsel for the Parties
5 will confer in good faith to resolve the disputes without the necessity of
6 involving the Court.

7 7. Exclusions. The Notice of Class and PAGA Action Settlement contained in
8 the Notice Packet shall state that Class Members who wish to exclude
9 themselves from the Settlement must submit a signed copy of the Request for
10 Exclusion form to the Settlement Administrator by the Response Deadline. A
11 Request for Exclusion form will be mailed together with the Notice Packet to
12 all Class Members. The Request for Exclusion will not be valid if it is not
13 timely submitted, if it is not signed by the Class Member, or if it does not
14 contain the name and address and last four digits of the Social Security number
15 of the Class Member. The date of the postmark on the mailing envelope or
16 fax stamp on the Request for Exclusion shall be the exclusive means used to
17 determine whether the request for exclusion was timely submitted. Any Class
18 Member who submits a timely Request for Exclusion shall be excluded from
19 the Settlement Class and will not be entitled to an Individual Settlement
20 Payment and will not be otherwise bound by the terms of the Settlement or
21 have any right to object, appeal or comment thereon. However, any Class
22 Member that submits a timely Request for Exclusion that is also a member of
23 the Aggrieved Employees will still receive his/her pro rata share of the PAGA
24 Settlement, as specified below, and in consideration, will be bound by the
25 Release by the Aggrieved Employees as set forth herein. Settlement Class
26 Members who fail to submit a valid and timely Request for Exclusion on or
27 before the Response Deadline shall be bound by all terms of the Settlement
28 and any final judgment entered in this Action if the Settlement is approved by

1 the Court. No later than fourteen (14) calendar days after the Response
2 Deadline, the Settlement Administrator shall provide counsel for the Parties
3 with a final list of the Class Members who have timely submitted Requests
4 for Exclusion. At no time shall any of the Parties or their counsel seek to
5 solicit or otherwise encourage members of the Class to submit Requests for
6 Exclusion from the Settlement.

- 7 8. Objections. The Notice of Class and PAGA Action Settlement contained in
8 the Notice Packet shall state that Class Members who wish to object to the
9 Settlement may submit to the Settlement Administrator a written statement of
10 objection (“Notice of Objection”) by the Response Deadline. The postmark
11 date of mailing shall be deemed the exclusive means for determining that a
12 Notice of Objection was served timely. The Notice of Objection, if in writing,
13 must be signed by the Settlement Class Member and state: (1) the case name
14 and number; (2) the name of the Settlement Class Member; (3) the address of
15 the Settlement Class Member; (4) the last four digits of the Settlement Class
16 Member’s Social Security number; (5) the basis for the objection; and (6) if
17 the Settlement Class Member intends to appear at the Final
18 Approval/Settlement Fairness Hearing. Class Members who fail to make
19 objections in writing in the manner specified above may still make their
20 objections orally at the Final Approval/Settlement Fairness Hearing with the
21 Court’s permission. Settlement Class Members will have a right to appear at
22 the Final Approval/Settlement Fairness Hearing to have their objections heard
23 by the Court regardless of whether they submitted a written objection. At no
24 time shall any of the Parties or their counsel seek to solicit or otherwise
25 encourage Class Members to file or serve written objections to the Settlement
26 or appeal from the Order and Final Judgment. Class Members who submit a
27 written request for exclusion may not object to the Settlement. Class Members
28 may not object to the PAGA Settlement.

1 M. Funding and Allocation of the Gross Settlement Amount. Defendants are required to
2 pay the Gross Settlement Amount on or before the Funding Date, plus any employer's
3 share of payroll taxes, if any, as mandated by law within the time specified herein.

4 1. Calculation of Individual Settlement Payments. Individual Settlement
5 Payments shall be paid from the Net Settlement Amount and shall be paid
6 pursuant to the formula set forth herein. Using the Class Data, the Settlement
7 Administrator shall add up the total number of Workweeks for all Class
8 Members. The respective Workweeks for each Class Member will be divided
9 by the total Workweeks for all Class Members, resulting in the Payment Ratio
10 for each Class Member. Each Class Member's Payment Ratio will then be
11 multiplied by the Net Settlement Amount to calculate each Class Member's
12 estimated Individual Settlement Payments. Each Individual Settlement
13 Payment will be reduced by any legally mandated employee tax withholdings
14 (e.g., employee payroll taxes, etc.). Individual Settlement Payments for Class
15 Members who submit valid and timely requests for exclusion will be
16 redistributed to Settlement Class Members who do not submit valid and timely
17 requests for exclusion on a pro rata basis based on their respective Payment
18 Ratios.

19 2. Calculation of Individual Payments to the Aggrieved Employees. Using the
20 Class Data, the Settlement Administrator shall add up the total number of
21 PAGA Pay Periods for all Aggrieved Employees during the PAGA Period.
22 The respective PAGA pay periods for each Aggrieved Employee will be
23 divided by the total PAGA pay periods for all Aggrieved Employees, resulting
24 in the "PAGA Payment Ratio" for each Aggrieved Employee. Each
25 Aggrieved Employee's PAGA Payment Ratio will then be multiplied by the
26 Aggrieved Employee Payment to calculate each Aggrieved Employee's
27 estimated share of the PAGA Settlement.
28

- 1 3. Allocation of Individual Settlement Payments. For tax purposes, Individual
2 Settlement Payments shall be allocated and treated as 15% wages (“Wage
3 Portion”) and 85% interest and penalties (“Non-Wage Portion”). The Wage
4 Portion of the Individual Settlement Payments shall be reported on IRS Form
5 W-2 and the Non-wage Portion of the Individual Settlement Payments shall
6 be reported on IRS Form 1099 issued by the Settlement Administrator.
- 7 4. Allocation of Aggrieved Employee Payments. For tax purposes, Aggrieved
8 Employee Settlement Payments shall be allocated and treated as 100%
9 penalties and shall be reported on IRS Form 1099.
- 10 5. No Credit Toward Benefit Plans. The Individual Settlement Payments and
11 individual shares of the PAGA Settlement made to Settlement Class Members
12 and/or Aggrieved Employees under this Settlement Agreement, as well as any
13 other payments made pursuant to this Settlement Agreement, will not be
14 utilized to calculate any additional benefits under any benefit plans to which
15 any Class Members may be eligible, including, but not limited to profit-
16 sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans,
17 sick leave plans, PTO plans, and any other benefit plan. Rather, it is the
18 Parties’ intention that this Settlement Agreement will not affect any rights,
19 contributions, or amounts to which any Class Members may be entitled under
20 any benefit plans.
- 21 6. All monies received by Settlement Class Members under the Settlement which
22 are attributable to wages shall constitute income to such Settlement Class
23 Members solely in the year in which such monies actually are received by the
24 Settlement Class Members. It is the intent of the Parties that Individual
25 Settlement Payments and individual shares of the PAGA Settlement provided
26 for in this Settlement Agreement are the sole payments to be made by
27 Defendants to Settlement Class Members and/or Aggrieved Employees in
28 connection with this Settlement Agreement, with the exception of Plaintiff, and

1 that the Settlement Class Members and/or Aggrieved Employees are not entitled
2 to any new or additional compensation or benefits as a result of having received
3 the Individual Settlement Payments and/or their shares of the PAGA Settlement.

4 7. Mailing. Individual Settlement Payments and Aggrieved Employee Payments
5 shall be mailed by regular First-Class U.S. Mail to Settlement Class Members'
6 and/or Aggrieved Employees' last known mailing address no later than fifteen
7 (15) calendar days after the Funding Date.

8 8. Expiration. Any checks issued to Settlement Class Members and Aggrieved
9 Employees shall remain valid and negotiable for one hundred and eighty (180)
10 days from the date of their issuance. If a Settlement Class Member and/or
11 Aggrieved Employee does not cash his or her settlement check within 90 days,
12 the Settlement Administrator will send a letter to such persons, advising that
13 the check will expire after the 180th day, and invite that Settlement Class
14 Member and/or Aggrieved Employee to request reissuance in the event the
15 check was destroyed, lost or misplaced. In the event an Individual Settlement
16 Payment and/or Aggrieved Employee's individual share of the PAGA
17 Settlement check has not been cashed within one hundred and eighty (180)
18 days, all funds represented by such uncashed checks, plus any interest accrued
19 thereon, shall be transmitted to the Controller of the State of California to be
20 held pursuant to the Unclaimed Property Law, California Civil Code § 1500
21 *et seq.*, in the names and corresponding amounts associated with each Class
22 Member and/or Aggrieved Employee whose check(s) are cancelled.

23 9. Class Representative Service Award. In addition to the Individual Settlement
24 Payment and her individual share of the PAGA Settlement to be paid to
25 Plaintiff, Plaintiff will apply to the Court for an award of not more than
26 \$10,000, as the Class Representative Service Award. Defendants do not
27 presently intend to oppose a Class Representative Service Award of not more
28 than \$10,000 for Plaintiff. The Settlement Administrator shall pay the Class

Representative Service Award, either in the amount stated herein if approved by the Court or some other amount as approved by the Court, to Plaintiff from the Gross Settlement Amount no later than fifteen (15) calendar days after the Funding Date. Any portion of the requested Class Representative Service Award that is not awarded to the Class Representative shall be part of the Net Settlement Amount and shall be distributed to Settlement Class Members as provided in this Agreement. The Settlement Administrator shall issue an IRS Form 1099 — MISC to Plaintiff for her Class Representative Service Award. Plaintiff shall be solely and legally responsible to pay any and all applicable taxes on her Class Representative Service Award and shall hold harmless the Released Parties from any claim or liability for taxes, penalties, or interest arising as a result of the Class Representative Service Award. The Class Representative Service Award shall be in addition to Plaintiff's Individual Settlement Payment as a Settlement Class Member. Approval of this Settlement shall not be conditioned on Court approval of the requested amount of the Class Representative Service Award. If the Court reduces or does not approve the requested Class Representative Service Award, Plaintiff shall not have the right to revoke the Settlement, and it will remain binding.

10. Class Counsel Award. Defendants understand a motion by Class Counsel for attorneys' fees not to exceed one-third of the Gross Settlement Amount currently estimated to be \$50,000.00 plus costs and expenses supported by declaration not to exceed Fifteen Thousand Dollars (\$15,000), from the Gross Settlement Amount will be filed. Any portion of the requested Class Counsel Award that is not awarded to Class Counsel shall be part of the Net Settlement Amount and shall be distributed to Settlement Class Members as provided in this Agreement. The Settlement Administrator shall allocate and pay the Class Counsel Award to Class Counsel from the Gross Settlement Amount no later than fifteen (15) calendar days after the Funding Date. Class Counsel

1 shall be solely and legally responsible to pay all applicable taxes on the
2 payment made pursuant to this paragraph. The Settlement Administrator shall
3 issue an IRS Form 1099 — MISC to Class Counsel for the payments made
4 pursuant to this paragraph. In the event that the Court reduces or does not
5 approve the requested Class Counsel Award, Plaintiff and Class Counsel shall
6 not have the right to revoke the Settlement, or to appeal such order, and the
7 Settlement will remain binding.

8 11. PAGA Settlement. Five Thousand Dollars (\$5,000.00) shall be allocated from
9 the Gross Settlement Amount for settlement of claims for civil penalties under
10 the Private Attorneys General Act of 2004 (“PAGA Settlement”). The
11 Settlement Administrator shall pay seventy-five percent (75%) of the PAGA
12 Settlement (\$3,750.00) to the California Labor and Workforce Development
13 Agency no later than fifteen (15) calendar days after the Funding Date
14 (hereinafter “LWDA Payment”). Twenty-five percent (25%) of the PAGA
15 Settlement (\$1,250.00) will be distributed to the Aggrieved Employees as
16 described in this Agreement (hereinafter “Aggrieved Employee Payment”).
17 For purposes of distributing the PAGA Settlement to the Aggrieved
18 Employees, each Aggrieved Employee shall receive their pro-rata share of the
19 Aggrieved Employee Payment using the PAGA Payment Ratio as defined
20 above.

21 12. Settlement Administration Costs. The Settlement Administrator shall be paid
22 for the costs of administration of the Settlement from the Gross Settlement
23 Amount. The estimate of the Settlement Administration Costs is \$5,000. The
24 Settlement Administrator shall be paid the Settlement Administration Costs
25 no later than fifteen (15) calendar days after the Funding Date.

26 N. Defendants’ Option to Revoke Settlement. Defendants have the right to revoke the
27 Settlement and Defendants shall have the option to terminate this Settlement if, after
28 the Responsive Deadline, the number of Settlement Class Members who submitted

1 timely and valid written requests for exclusion from the Settlement is at least ten
2 percent (10%) of all Settlement Class Members. If Defendants exercise the option to
3 terminate this Settlement, Defendants shall: (a) provide written notice to Class
4 Counsel within five (5) calendar days after (i) providing the Class Data to the
5 Settlement Administrator or (ii) the Settlement Administrator provides information
6 regarding opt outs (which can occur no later than fourteen (14) calendar days after
7 the Response Deadline), and (b) pay all Settlement Administration Costs incurred up
8 to the date or as result of the termination; and the Parties shall proceed in all respects
9 as if this Agreement had not been executed.

10 O. Final Approval Motion. Class Counsel and Plaintiff shall use best efforts to file with
11 the Court a Motion for Order Granting Final Approval and Entering Judgment, within
12 twenty-eight (28) days following the expiration of the Response Deadline, which
13 motion shall request final approval of the Settlement and a determination of the
14 amounts payable for the Class Representative Service Award, the Class Counsel
15 Award, the PAGA Settlement, and the Settlement Administration Costs. Plaintiff will
16 provide Defendants with a draft of the Motion at least 3 business days prior to the
17 filing of the Motion to give Defendants an opportunity to propose changes or
18 additions to the Motion.

19 1. Declaration by Settlement Administrator. No later than fourteen (14) days
20 after the Response Deadline, the Settlement Administrator shall submit a
21 declaration in support of Plaintiff's motion for final approval of this
22 Settlement detailing the number of Notice Packets mailed and re-mailed to
23 Class Members, the number of undeliverable Notice Packets, the number of
24 timely requests for exclusion, the number of objections received, the amount
25 of the average Individual Settlement Payment and highest Individual
26 Settlement Payment, the Settlement Administration Costs, and any other
27 information as the Parties mutually agree or the Court orders the Settlement
28 Administrator to provide.

2. Final Approval Order and Judgment. Class Counsel shall present an Order Granting Final Approval of Class Action Settlement to the Court for its approval, and Judgment thereon, at the time Class Counsel files the Motion for Final Approval.

N. Review of Motions for Preliminary and Final Approval. Class Counsel will provide an opportunity for Counsel for Defendants to review the Motions for Preliminary and Final Approval, including the Order Granting Final Approval of Class Action Settlement, and Judgment before filing with the Court. The Parties and their counsel will cooperate with each other and use their best efforts to affect the Court's approval of the Motions for Preliminary and Final Approval of the Settlement, and entry of Judgment.

O. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts to implement the Settlement.

P. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval/Settlement Fairness Hearing to be conducted by the Court.

Q. Amendment or Modification. This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.

R. Entire Agreement. This Agreement and any attached Exhibit constitute the entire Agreement among these Parties, and no oral or written representations, warranties or inducements have been made to any Party concerning this Agreement or its Exhibits other than the representations, warranties and covenants contained and memorialized in this Agreement and its Exhibits.

S. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement and to take all appropriate Action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The persons signing

1 this Agreement on behalf of Defendants represent and warrant that he/she is authorized
2 to sign this Agreement on behalf of Defendants. Plaintiff represents and warrants that
3 she is authorized to sign this Agreement and that she has not assigned any claim, or
4 part of a claim, covered by this Settlement to a third-party.

5 T. No Public Comment: The Parties and their counsel agree that they will not issue any
6 press releases, initiate any contact with the press, respond to any press inquiry, or have
7 any communication with the press about the fact, amount or terms of the Settlement
8 Agreement. Class Counsel further agrees not to use the Settlement Agreement or any
9 of its terms for any marketing or promotional purposes. Nothing herein will restrict
10 Class Counsel from including publicly available information regarding this settlement
11 in future judicial submissions regarding Class Counsel's qualifications and experience.
12 Further, Class Counsel will not include, reference or use the Settlement Agreement for
13 any marketing or promotional purposes, either before or after the Motion for
14 Preliminary Approval is filed.

15 U. Binding on Successors and Assigns. This Agreement shall be binding upon, and inure
16 to the benefit of, the successors or assigns of the Parties, as previously defined.

17 V. California Law Governs. All terms of this Agreement and the Exhibit and any disputes
18 shall be governed by and interpreted according to the laws of the State of California.

19 W. Counterparts. This Agreement may be executed in one or more counterparts. All
20 executed counterparts and each of them shall be deemed to be one and the same
21 instrument provided that counsel for the Parties to this Agreement shall exchange
22 among themselves copies or originals of the signed counterparts.

23 X. This Settlement Is Fair, Adequate and Reasonable. The Parties believe this Settlement
24 is a fair, adequate and reasonable settlement of this Action and have arrived at this
25 Settlement after extensive arms-length negotiations, taking into account all relevant
26 factors, present and potential.

27 Y. Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction with
28 respect to the interpretation, implementation and enforcement of the terms of this

1 Agreement and all orders and judgments entered in connection therewith, and the
2 Parties and their counsel submit to the jurisdiction of the Court for purposes of
3 interpreting, implementing and enforcing the settlement and all orders and judgments
4 entered in connection with this Agreement.

5 Z. Invalidity of Any Provision. Before declaring any provision of this Agreement invalid,
6 the Court shall first attempt to construe the provisions valid to the fullest extent
7 possible consistent with applicable precedents so as to define all provisions of this
8 Agreement valid and enforceable.

9 AA. No Unalleged Claims. Plaintiff and Class Counsel represent that they do not currently
10 intend to pursue any claims against the Released Parties, including, but not limited to,
11 any and all claims relating to or arising from Plaintiff's employment with Defendants,
12 regardless of whether Class Counsel is currently aware of any facts or legal theories
13 upon which any claims or causes of action could be brought against Released Parties,
14 including those facts or legal theories alleged in the operative complaint in this Action.
15 The Parties further acknowledge, understand and agree that this representation is
16 essential to the Agreement and that this Agreement would not have been entered into
17 were it not for this representation.

18 BB. Stipulation to Class Certification. The Parties agree to stipulate to class certification
19 for purposes of this settlement only.
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1 CC. No Admissions by the Parties. Plaintiff has claimed and continues to claim that the
2 Released Claims have merit and give rise to liability on the part of Defendants.
3 Defendants claim that the Released Claims have no merit and do not give rise to
4 liability. This Agreement is a compromise of disputed claims. Nothing contained in
5 this Agreement and no documents referred to and no action taken to carry out this
6 Agreement may be construed or used as an admission by or against the Defendants or
7 Plaintiff or Class Counsel as to the merits or lack thereof of the claims asserted. Other
8 than as may be specifically set forth herein, each Party shall be responsible for and
9 shall bear its/his own attorney's fees and costs.

10 IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:

11
12 DATED: Jun 20, 2022

Jie Xu

Jie Xu (Jun 20, 2022 09:06 PDT)

JIE XU

14 IT IS SO AGREED, FORM AND CONTENT, BY DEFENDANTS:

15
16 DATED: 06/20/2022

[Signature]
HT MULTINATIONAL INC, INC. dba HT Industries,
Inc.

18
19 Calvin Wan
Printed Name

20
21 HR
Title

22
23 DATED: 06/20/2022

[Signature]
CHTC (USA), INC.

24
25 Pei Zheng
Printed Name

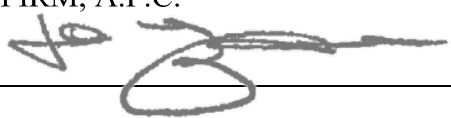
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Title

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IT IS SO AGREED AS TO FORM BY COUNSEL:

DATED: June 20, 2022

JCL LAW FIRM, A.P.C.

By: 

Attorneys for Plaintiff and the Settlement Class Members

DATED: June 20, 2022

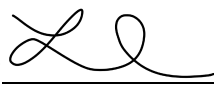
ZAKAY LAW GROUP, APLC

By: 

Attorneys for Plaintiff and the Settlement Class Members

DATED: June 20, 2022

FISHER & PHILLIPS, LLP

By: 

Lizbeth Ochoa

Attorneys for Defendants

EXHIBIT A

**NOTICE OF PENDENCY OF CLASS ACTION SETTLEMENT
AND FINAL HEARING DATE**

(Xu v. HT Multinational, Inc., San Bernardino County Superior Court Case No. CIVDS 2015679)

**YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT ACT. PLEASE
READ THIS NOTICE CAREFULLY.**

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	To receive a cash payment from the Settlement, you do not have to do anything. Your estimated Settlement Share is: \$<<[REDACTED]>>. See the explanation below. After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, please notify the Settlement Administrator as explained below. In exchange for the settlement payment, you will release claims against the Defendants as detailed below.
Exclude Yourself	If you wish to exclude yourself from the Settlement, you must send a written request for exclusion to the Settlement Administrator as provided below. If you request exclusion, you will receive no money from the Settlement. Instructions are set forth below.
Object	You may write to the Court about why you believe the settlement should not be approved. Directions are provided below.

1. Why did I get this Notice?

A proposed class action settlement (the “Settlement”) of this lawsuit pending in the Superior Court for the State of California, County of San Bernardino (the “Court”) has been reached between Plaintiff Jie Xu (“Plaintiff”) and Defendants HT Multinational, Inc. dba HT Industries, Inc. and CHTC (USA) Inc. (collectively “Defendants”). The Court has granted preliminary approval of the Settlement. **You may be entitled to receive money from this Settlement.**

You have received this Class Notice because you have been identified as a member of the Class, which is defined as:

All of Defendants’ current and former employees, classified at some point within the Class Period as exempt but not paid at least two times the minimum wage, employed in California during the Class Period.

The “Class Period” is the period of time running from April 6, 2016 to April 23, 2022.

The “PAGA Period” is the period of time running from April 6, 2019 to April 23, 2022.

The “PAGA Aggrieved Employees” are all of Defendants’ current and former employees, classified as exempt but not paid at least two times the minimum wage, employed in California during the PAGA Period.

The term “Released Parties” in this Notice means Defendants and their respective present and former officers, owners, directors, employees, shareholders, agents, trustees, representatives, attorneys, insurers, reinsurers, parent companies, subsidiaries, divisions, affiliates, predecessors, successors, fiduciaries, employee benefits plans, assigns and any entity claimed to be a joint employer with any of the Defendants

This Class Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

On January 27, 2020, Plaintiff filed a Complaint against Defendant in the Superior Court of the State of California, County of San Bernardino (the “Action”). Plaintiff asserted claims that Defendant: (a) Violated California Business and Professions Code § 17200 *et seq.*; (b) Failed to provide legally compliant meal periods in violation of California Labor Code §§ 226.7 & 512, and the applicable IWC Wage Order; (c) Failed to provide legally compliant rest periods in violation of California Labor Code §§ 226.7 & 512, and the applicable IWC Wage Order; (d) Failed to pay minimum wages in violation of California Labor Code §§ 1194, 1197, and 1197.1 and the applicable IWC Wage Order; (e) Failed to pay overtime wages in violation of California Labor Code §§ 510, *et seq.* and the applicable Wage Order; (f) Failed to provide accurate and complete itemized wage statements in violation of California Labor Code § 226; (g) Failed to provide wages when due in violation of California Labor Code §§ 201, 202, and 203; and (h) Various violations of the Private Attorney General Act (“PAGA”) at Labor Code Section 2698, *et seq.*

Defendants deny and dispute all claims asserted in the Action. Specifically, Defendants contend that the Action could not properly be maintained as a class action or collective action under PAGA; that Defendants properly classified the class members; that Defendants properly and timely paid members of the class all wages and overtime that was due; that Defendants provided members of the class with all legally required meal breaks and rest breaks where applicable; that Defendants paid any members of the class all wages due them at the time of their terminations; that Defendants provided accurate, itemized wage statements to members of the class; and Defendants did not violate California Business and Professions Code section 17200 *et seq.*; and that Defendants are not liable for any of the penalties claimed or that could be claimed in the Actions.

On June 22, 2021, the Parties participated in an all-day mediation with Phyllis Cheng, Esq. The mediation concluded without settlement. However, following the mediation, each side, represented by its respective counsel, continued settlement negotiations for several months, until they agreed to settle the Action. The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved the Plaintiff to serve as the Class Representative, and the law firms of JCL Law Firm, APC and Zakay Law Group, APC to serve as Class Counsel.

3. What are the terms of the Settlement?

Gross Settlement Amount. Defendants have agreed to pay an “all in” amount of One Hundred Fifty Thousand Dollars (\$150,000) (the “Gross Settlement Amount”) to fund the settlement. The Gross Settlement Amount includes the payment of all Settlement Shares to Participating Class Members, Class Counsel’s attorneys’ fees and costs, Settlement Administration Expenses, the LWDA Payment, PAGA Shares, Class Members’ side of taxes and the Class Representative Service Payment to the Plaintiff.

After the Judgment becomes Final, Defendants will pay the Gross Settlement Amount by depositing the money with the Settlement Administrator. “Final” means the date the Judgment is no longer subject to appeal, or if an appeal is filed, the date the appeal process is completed and the Judgment is affirmed.

Amounts to be Paid from the Gross Settlement Amount. The Settlement provides for certain payments to be made from the Gross Settlement Amount, which will be subject to final Court approval, and which will be deducted from the Gross Settlement Amount before settlement payments are made to Class Members, as follows:

- Settlement Administration Expenses. Payment to the Settlement Administrator, estimated not to exceed \$5,000.00 for expenses, including expenses of sending this Notice, processing opt outs, and distributing settlement payments.
- Attorneys’ Fees and Costs. Payment to Class Counsel of an award of a Class Counsel Fees Payment of no more than 1/3 of the Gross Settlement Amount (currently \$50,000) and a Class Counsel Litigation Expenses Payment of not more than \$15,000 for all expenses incurred as documented in Class Counsel’s billing records, both subject to Court approval. Class Counsel have been prosecuting the Actions on behalf of Plaintiff and the Class on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses.
- Class Representative Service Payment. Class Representative Service Payment of up to Ten Thousand Dollars (\$10,000) to Plaintiff, or such lesser amount as may be approved by the Court, to compensate her for services on behalf of the Class in initiating and prosecuting the Action, and for the risks she undertook.
- PAGA Payment. A payment of \$5,000 relating to Plaintiff’s claim under the Private Attorneys General Act (“PAGA”), \$3,750 of which will be paid to the State of California’s Labor and Workforce Development Agency (“LWDA”) and the remaining \$1,250 will be distributed to PAGA Aggrieved Employees as part of the Net PAGA Amount.
- Calculation of Payments to Participating Class Members. After all the above payments of the court-approved Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Class Representative Service Payments, the LWDA Payment, and the Settlement Administration Expenses are deducted from the Gross Settlement Amount, the remaining portion, called the “Net Settlement Amount,” shall be distributed to class members who do **not** request exclusion (“Settlement Class Members”). The Settlement Share for each Settlement Class Member will be calculated by dividing the Net Settlement Amount by the total number of workweeks for all Settlement Class Members that occurred during the Class Period and multiplying the result by each individual Settlement Class Member’s workweeks that occurred during the Class Period. A “workweek” is defined as a normal seven-day week of work during the Class Period in which, according to Defendants’ records, a member of the class worked at least one-day during any such workweek.
- Calculation of PAGA Penalties Payments to PAGA Aggrieved Employees. The Net PAGA Amount shall be distributed to PAGA Aggrieved Employees irrespective of whether they exclude themselves or opt-out as Settlement Class Members. The Net PAGA Amount will be divided by the total number of pay periods worked by all PAGA Aggrieved Employees during the PAGA Period, and then taking that number and multiplying it by the number of pay periods worked by each respective PAGA Aggrieved Employee during the PAGA Period.

If the Settlement is approved by the Court, you will automatically be mailed a check for your Settlement Share to the same address as this Class Notice. You do not have to do anything to receive a payment. If your address has changed, you must contact the Settlement Administrator to inform them of your correct address to insure you receive your payment.

Tax Matters. 15% of each Settlement Share is allocated to wages. Taxes are withheld from this amount, and each Participating Class Member will be issued an Internal Revenue Service Form W-2 for such payment. 85% of each Settlement Share is allocated to interest, penalties and other non-wage payments, and no taxes will be withheld, and each Participating Class Member will be issued an Internal Revenue Service Form 1099 for such payment. In addition, no taxes will be withheld from the PAGA Penalties paid to PAGA Aggrieved Employees, and each PAGA Aggrieved Employee will be issued an Internal Revenue Service Form 1099 for such payment. Neither Class Counsel nor Defendants' counsel intend anything contained in this Settlement to constitute advice regarding taxes or taxability. You may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering judgment.

4. What Do I Release Under the Settlement?

Released Class Claims. Upon entry of final judgment and funding in full of the Gross Settlement Amount by Defendants, Plaintiff and the Settlement Class Members will release all Released Parties from all Released Class Claims that occurred during the Class Period. Released Class Claims means all class claims alleged in the operative complaint or that could have been stated based on the facts alleged in the Action, including, but not limited to federal and state wage and hour claims (including all claims under the California Labor Code and/or Fair Labor Standards Act) for unpaid wages, minimum wage, overtime, wages for off-the-clock work, meal periods, rest periods, wage statement violations, waiting time penalties, failure to maintain records, interest, penalties, and attorneys' fees, unfair competition and the related provisions of the Business & Professions Code including sections 17200 and 17203, Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 515, 558, 1118.12, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 1198.5, 1199 which occurred during the Class Period ("Class Release"), and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and class claims outside of the Class Period. This means that, if you do not timely and formally exclude yourself from the settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants about the legal issues resolved by this Settlement. It also means that all of the Court's orders in this Action will apply to you and legally bind you.

Released PAGA Claims. Upon entry of final judgment and funding of the Gross Settlement Amount by Defendants, all PAGA Aggrieved Employees including Plaintiff will release all Released Parties from all Released PAGA Claims that occurred during the PAGA Period. Released PAGA Claims means all PAGA claims for penalties and any other available relief pursuant to the PAGA alleged in the operative complaint and/or Plaintiff's PAGA notice to the LWDA which occurred during the PAGA Period including for violations of California Labor Code sections 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 515, 558, 1118.12, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 1198.5, 1199, 2698, 2699, 2699.3 and 2699.5 ("PAGA Release") and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and PAGA claims outside of the PAGA Period. **You cannot opt-out of the PAGA portion of the Settlement. Class Members who timely opt out from the Class Settlement remain eligible for Individual PAGA Payments if they are a PAGA Aggrieved Employee and are required to give up their right to assert PAGA claims against Released Parties based on the Released PAGA Claims within the PAGA Period.**

5. How much will my payment be?

Defendants' records reflect that you have << _____ >> Workweeks worked during the Class Period (April 6, 2016 to April 23, 2022).

Based on this information, your estimated Individual Settlement Payment is <<_____>>.

Defendants' records reflect that you have <<_____>> pay periods worked during the PAGA Period (April 6, 2019 to April 23, 2022).

Based on this information, your estimated PAGA Payment Share is <<_____>>.

If you wish to challenge the information set forth above, then you must submit a written, signed dispute challenging the information along with supporting documents, to the Settlement Administrator at the address provided in this Notice no later than _____ [forty-five (45) days after the Notice or re-mailed Notice].

6. How can I get a payment?

To get money from the settlement, you do not have to do anything. A check for your settlement payment will be mailed automatically to the same address as this Notice. If your address is incorrect or has changed, you must notify the Settlement Administrator. The Settlement Administrator is: _____. (800) _____.

The Court will hold a hearing on _____ to decide whether to finally approve the Settlement. If the Court approves the Settlement and there are no objections or appeals, payments will be mailed within a few months after this hearing. If there are objections or appeals, resolving them can take time, perhaps more than a year. Please be patient. After entry of the Judgment, the Settlement Administrator will provide notice of the final judgment to the Class Members by posting a copy of the Judgment on the administrator's website at www._____.com

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or "opt out." **If you opt out, you will receive NO money from the Settlement, and you will not be bound by its terms, except as provided as follows.** Irrespective of whether you exclude yourself from the Settlement or "opt out," you will be bound by the PAGA Release if you fall within the definition of PAGA Aggrieved Employees, as defined above and you will be deemed to have released the Released PAGA Claims, and will receive a share of the Net PAGA Amount.

To opt out of the Class Settlement, you must submit to the Settlement Administrator, by First Class Mail, a written, signed and dated request for exclusion postmarked no later than _____. The address for the Settlement Administrator is _____. The request for exclusion must state in substance: "I wish to opt out of the settlement of the class action lawsuit **entitled *Xu v. HT Multinational, Inc., San Bernardino County Superior Court, Case No. CIVDS 2015679***. I understand that by requesting to be excluded from the settlement, I will receive no money from the Settlement described in this Notice." The request for exclusion must contain your name, address, signature and the last four digits of your Social Security Number for verification purposes. The request for exclusion must be signed by you. No other person may opt out for a member of the Class.

Written requests for exclusion that are postmarked after _____, or are incomplete or unsigned will be rejected, and those Class Members will remain bound by the Settlement and the release described above.

8. How do I tell the Court that I would like to challenge the Settlement?

Any Class Member who has not opted out and believes that the Settlement should not be finally approved by the Court for any reason, may object to the proposed Settlement. Objections may be in writing and state the Class Member's name, current address, telephone number, and describe why you believe the Settlement is unfair and whether you intend to appear at the final approval hearing. All written objections or other correspondence must

also state the name and number of the case, which is *Xu v. HT Multinational, Inc., San Bernardino County Superior Court, Case No. CIVDS 2015679*. You may also object without submitting a written objection by appearing at the final approval hearing scheduled as described in Section 9 below.

To object to the Settlement, you cannot opt out. If the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object. Any Class Member who does not object in the manner provided in this Class Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

Written objections must be delivered or mailed to the Settlement Administrator no later than [REDACTED]. The address for the Settlement Administrator is ILYM Group Inc., 14771 Plaza Drive, Ste. L, Tustin, CA 92780.

The addresses for the Parties' counsel are as follows:

Class Counsel:

Jean-Claude Lapuyade, Esq.
JCL Law Firm, APC
5440 Morehouse Drive , Suite
3600 San Diego, CA 92121
Tel.: (619) 599-8292
Fax: (619) 599-2891
E-Mail: jlapuyade@jcl-lawfirm.com

Class Counsel:

Shani O. Zakay, Esq.
Zakay Law Group, APLC
5440 Morehouse Drive, Suite
3600 San Diego, CA 92121
Tel: (619) 599-8292
Fax: (619) 599-8291
Email: shani@zakaylaw.com
[Website: www.zakaylaw.com](http://www.zakaylaw.com)

Counsel for Defendants:

Lizbeth Ochoa
Fisher & Phillips
2050 Main Street, Suite 1000
Irvine, CA 92614
Tel.: (949) 798-2174
Fax: (949) 851-0152
E-Mail: lochoa@fisherphillips.com

9. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at **00:00 AM/PM on [REDACTED]**, at the San Bernardino County Superior Court, Dept. S-26, located at 247 W. Third Street, CA 92415 before Judge David Cohn. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement. If there are objections, the Court will consider them. The Court will listen to people who have made a timely written request to speak at the hearing or who appear at the hearing to object. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

10. How do I get more information about the Settlement?

You may call the Settlement Administrator at **1-888-250-6810** or write to *Xu v. HT Multinational, Inc., San Bernardino County Superior Court, Case No. CIVDS 2015679*, Settlement Administrator, c/o [REDACTED]. This notice summarizes the proposed settlement. More details are in the Settlement Agreement. You may receive a copy of the Settlement Agreement, the Final Judgment or other Settlement documents by writing to JCL Law firm, APC, 5440 Morehouse Drive, Suite 3600, San Diego, CA 92121.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.

- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall pay all funds from such uncashed checks to the State Controller's Office. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

EXHIBIT B

Superior Court of California, County of San Bernardino
Xu v. HT Multinational, Inc., et al
San Bernardino County Superior Court Case No. CIVDS 2015679

REQUEST FOR EXCLUSION

Instructions: Please complete this Form ONLY IF YOU **DO NOT** WANT TO PARTICIPATE IN THE SETTLEMENT that is described in the Notice of Class and PAGA Action Settlement that accompanies this Form. If you choose to complete this Form, the deadline for mailing it to the Settlement Administrator is [**** INSERT DATE****].

I. **PERSONAL INFORMATION**

Name (first, middle and last): _____

Home Street Address: _____

City, State, Zip Code: _____

Home Telephone Number: (____) _____

Last 4 Digits of Social Security Number: _____

II. **REQUEST FOR EXCLUSION**

By signing and returning this Form, I certify that I wish to opt out of the settlement of the class action lawsuit entitled *Jie Xu v. HT Multinational, Inc., et al.*, Case No. CIVDS 2015679, filed in the Superior Court of California, County of San Bernardino. I understand that by requesting to be excluded from the settlement, I will receive no money from the Settlement described in this Notice.”

III. **MAILING INSTRUCTIONS**

If you choose to return this Form, you must return it to the Settlement Administrator postmarked on or before [****INSERT DATE****] AT THE ADDRESS LISTED BELOW:

ILYM Group, Inc.
[INSERT ADDRESS]

IV. **PLEASE SIGN BELOW**

I declare that the foregoing is true and correct.

Dated: _____

(Signature)

(Print Name)