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SUPERIOR COURT FOR THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

ISRAEL LUNA GARCIA individually,
and on behalf of all others similarly
situated,

Plaintiff,

vs.

DELUXE SMALL BUSINESS SALES,
INC., a Minnesota Corporation; and DOES
1 through 10, inclusive,

Defendants.

Case No.: 22STCV31201

[Hon. Maren E. Nelson, Depart. 17]

**AMENDED JOINT STIPULATION
OF CLASS ACTION AND PRIVATE
ATTORNEY GENERAL ACT
SETTLEMENT AND RELEASE**

Subject to the approval of the Court, this Joint Stipulation of Class Action and Private Attorney General Act (“PAGA”) Settlement and Release (“Settlement”) is made and entered into by and between Plaintiff Israel Luna Garcia (“Plaintiff”), individually and as the representative of the Participating Class Members, as defined below, on the one hand, and Defendant Deluxe Small

Business Sales, Inc. (“Defendant”), on the other hand. The Class (as defined below) and Defendant are jointly referred to herein as the “Settling Parties” and individually referred to herein as a “Settling Party.”

DEFINITIONS

In addition to the other terms defined elsewhere in this Settlement, the terms below have the following meanings in this Settlement:

I. DEFINITIONS

A. “Action” means the civil action entitled *Israel Luna Garcia v. Deluxe Small Business Sales, Inc.* Los Angeles Superior Court Case No. 22STCV31201, as well as the PAGA exhaustion letter Plaintiff’s counsel submitted to the Labor Workforce Development Agency on September 16, 2022, LWDA-CM-908417-22.

B. “Class Counsel” means Kane Moon, Allen Feghali, and Hyunjin Kim of MOON LAW GROUP, PC .

C. “Class Counsel Fees and Expenses” means the total amount of attorneys’ fees, litigation costs, and expenses awarded to Class Counsel by the Court to compensate Class Counsel for their representation of the Class in the Action, including pre-filing investigation, filing of the Action, all related litigation activities including discovery, mediation, the motion for class certification, this Settlement, and all post-Settlement compliance procedures, including, but not limited to, any counsel costs and fees association with any objections or appeals regarding the Settlement.

D. “Class” or “Class Member(s)” means all current and former non-exempt employees of Defendant during the Class Period.

E. “Class Period” means from October 5, 2019 through March 31, 2024.

F. “Class Representative Service Award” means the amount awarded by the Court to the Class Representative pursuant to Section III (D).

G. “Class Representative” or “Plaintiff” mean Israel Luna Garcia.

H. “Court” means the Superior Court of California for the County of Los Angeles.

I. “Defendant’s Counsel” means Jody A. Landry and Charles Urena of Littler Mendelson, PC.

1 **J.** “Effective Date” means the date by which all of the following have occurred: the
2 Court has finally approved the Settlement and entered Judgment thereon pursuant to California Rules
3 of Court 3.769(h); and the Judgment has become Final, as defined herein below.

4 **K.** “Final” means that the Settlement has been finally approved by the Court without
5 material modification and either: (i) if there are no objections, the day the Court enters Judgment; or
6 (ii) if an objection(s) is made and overruled, 61 days from the date the order for final approval is
7 issued; or (ii) if objections are made, and an appeal is filed, the day after the Judgment is affirmed or
8 the appeal, review or writ is dismissed or denied, and the Judgment is no longer subject to further
9 judicial review.

10 **L.** “Final Approval Hearing” means the hearing to be conducted by the Court to
11 determine whether to finally approve and implement the terms of this Settlement.

12 **M.** “Judgment” means the judgment entered by the Court after it grants final approval of
13 this Settlement.

14 **N.** “Maximum Settlement Amount” means the maximum potential value of the
15 settlement is Seven Hundred and Fifty Thousand Dollars (\$750,000.00) (“Maximum Settlement
16 Amount”). The Maximum Settlement Amount is the maximum amount Defendant can be required to
17 pay under this Settlement, including: (1) Payments to the Class Employees for their share of the Net
18 Settlement Amount (defined below); (2) Payments to the PAGA Employees of their share of the Net
19 Settlement Amount; (3) Counsels’ Attorneys’ Fees; (4) Counsels’ Litigation Costs and Expenses; (5)
20 Settlement Administration Costs; (6) payment of a Service Award to Plaintiff; (7) the payment to the
21 LWDA of its share of Net Settlement Amount; and (8) employee side payroll taxes. Defendant will
22 pay the employer side of the payroll taxes separately.

23 **O.** “Net Settlement Amount” means the Maximum Settlement Amount *minus* the sum
24 of: (1) Counsels’ Fees; (2) Counsels’ Expenses (3) the Settlement Administration Costs; and (4)
25 Plaintiff’s Service Award for being the Class Representative. Out of the Net Settlement Amount,
26 \$60,000 is designated as the PAGA Payment, the LWDA will be paid 75% of the PAGA Payment and
27 the remaining 25% of the PAGA Payment (“PAGA Employee Fund”) will be paid to PAGA
28 Employees as set forth below. The remainder of the Net Settlement Amount (“Class Employee

Fund”), will be paid to the Class Employees as outlined below.

P. “Participating Class Member(s)” means Class Members who do not submit a timely and valid request to opt-out of the Settlement.

Q. “Parties” means the Plaintiff and Defendant.

R. “PAGA Employees” means all current and former non-exempt employees of Defendant in California who worked during the PAGA Period.

S. “PAGA Period” is the time period September 16, 2021 through March 31, 2024 or the date of preliminary approval, whichever is sooner, unless amended as provided in Section III(P)(3).

T. “Pay Periods” means for the Class Period, the total number of pay periods actually worked by a Class Member for Defendant during the Class Period in California. For the PAGA Period, it means the total number of pay periods actually worked by the PAGA Employee during the PAGA Period in California.

U. “Pay Period Value” is established by dividing the Net Settlement Amount by all Pay Periods for the Settlement Class Members and PAGA Employees as explained in Section III(F).

V. “Preliminary Approval” means the Court’s order granting preliminary approval of the Settlement.

W. “Released Parties” means Defendant, as well as its parent, subsidiaries, assigns and other related organizations, and all managerial employees thereof.

X. “Settlement Administrator” means the third-party administrator appointed by the Court to administer the settlement of this Action under the terms of this Settlement. Simpluris, Inc. shall serve as the Settlement Administrator, subject to the Court’s approval.

Y. “Settlement Administration Costs” means all fees and costs owed to the Settlement Administrator in connection with administering the settlement in this Action under the terms of this Settlement.

Z. “Settlement Share” means each Class Member’s pro rata share of the Net Settlement Amount which is determined by the process described in Section III(F).

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1 **II. RECITALS**

2 **A.** On September 26, 2022 Plaintiff filed his class complaint commencing the Action in
3 the Court. On September 16, 2022 Plaintiff's counsel sent a letter to the LWDA to exhaust his
4 remedies under PAGA. On November 22, 2022 Plaintiff filed a First Amended Complaint adding a
5 PAGA claim. Plaintiff contends, by way of the Action, that Defendant violated California's wage and
6 hour laws with respect to Plaintiff and Class Members by, *inter alia*, failure to pay the required
7 minimum wage and overtime for all time worked, failing to properly provide meal periods or pay a
8 premium in lieu thereof, failing to properly authorize and permit rest breaks or pay a premium in lieu
9 thereof, failure to timely pay wages at termination, failing to provide compliant wage statements,
10 failure to reimburse expenses, thereby also violated California Business & Professions Code section
11 17200, et seq. and seeks penalties under PAGA.

12 **B.** On January 29, 2024 the Settling Parties attended mediation with Steve Serratore, an
13 experienced wage and hour class action and PAGA mediator. After lengthy negotiations that occurred
14 during the mediation, during which the Settling Parties, through their counsel, recognized the burdens
15 and risk of continuing with the litigation, the Settling Parties reached an agreement to settle and resolve
16 the Action and Released Claims.

17 **C.** The Settlement represents a compromise and settlement of highly disputed claims.
18 Nothing in the Settlement is intended, or may be construed, as an admission by Defendant that any of
19 the claims alleged in the Action have merit, or that Defendant bears any liability to the Class Members
20 on those claims, nor as an admission by the Class Members that Defendant's defenses in the Action
21 have merit.

22 Based on these Recitals, the Settling Parties hereby agree as follows.

23 **III. SETTLEMENT TERMS AND CONDITIONS**

24 **A. Maximum Settlement Amount.** In order to settle the Action and Released Claims,
25 Defendant agrees to pay the Maximum Settlement Amount of \$750,000.00. This Maximum
26 Settlement Amount is inclusive of all payments described in Section I(N). Under no circumstances
27 shall Defendant be required to pay more than the Maximum Settlement Amount, other than the amount
28 of employer-side payroll taxes owed on the wage portion of the Settlement Shares ("Employer

1 Taxes”), unless the provisions of section III(P)(3) are triggered. If that occurs then it will be
2 Defendant’s choice to increase the Maximum Settlement amount as outlined, or shorten the Class
3 Period and Release period. Defendant shall pay the Employer Taxes separately and in addition to the
4 Maximum Settlement Amount.

5 **B. Class Counsel Fees And Expenses.** Defendant and its counsel shall not oppose the
6 application to the Court for an attorney’s fees award of up to \$250,000.00, which is one-third of the
7 Maximum Settlement Amount and reimbursement of litigation costs and expenses of up to Thirty
8 Thousand Dollars and No Cents (\$30,000). The Settlement Administrator shall issue an IRS Form
9 1099 to Class Counsel with respect to the attorneys’ fees and costs awarded to them. Defendant’s
10 agreement not to oppose a motion for attorneys’ fees or a bill of costs for the aforementioned amounts
11 should not be construed as approval or endorsement by Defendant of the amount sought. Whatever
12 amount of Class Counsel Fees and Expenses that the Court approves shall be paid from the Maximum
13 Settlement Amount. Should the Court approve and award less than the amount provided for herein,
14 the difference shall be included in the Net Settlement Amount.

15 **C. LWDA Payment.** Settling Parties agree that the amount of \$60,000 of the Maximum
16 Settlement Amount is deemed payment for penalties under PAGA (“PAGA Penalties”), of which 75%
17 shall be paid to the Labor and Workforce Development Agency (“LWDA Payment”) and the
18 remaining 25% shall be distributed to the PAGA Employees pursuant to the formula in Section
19 III(F)(3).

20 **D. Class Representatives Service Award.**

21 1. Plaintiff shall request, and Defendant shall not oppose, an incentive payment
22 not to exceed \$7,500 for the Class Representative. The Class Representative’s Service Award is
23 intended as reasonable compensation for the time and effort expended by him as Class Representative
24 and in connection with the initiation and maintenance of this Action. The Class Representative’s
25 Service Award shall be paid from the Maximum Settlement Amount, and shall be paid in addition to
26 whatever payment Plaintiff is otherwise entitled to as a Participating Class Member. The Class
27 Representative’s Service Award shall be reported to the taxing authorities by means of an IRS Form
28 1099. The amount of the Class Representative’s Service Award is left to and within the Court’s sole

1 discretion. Should the Court approve and award less than the amount provided for herein, or not at
2 all, the difference shall be included in the Net Settlement Amount. The Settling Parties agree that the
3 approval, and amount, of any Class Representative's Incentive Award in this Action shall be in the
4 Court's sole discretion and not subject to any appeal by Plaintiff who is the sole recipient of any
5 approved Class Representative's Service Award. The Class Representative will provide a full release,
6 with a 1542 waiver, in exchange for this payment as further discussed below. This Settlement is not
7 contingent on Plaintiff's receipt of any Service Award out of the Maximum Settlement Amount.

8 2. Plaintiff acknowledges and agrees that Defendant and its attorneys have made
9 no representations or warranties regarding the tax consequences of payment of the Class
10 Representative's Service Award, and Plaintiff has not relied on any such representations or warranties.
11 Plaintiff further agrees to pay and bear sole responsibility for all taxes, liens, levies, encumbrances,
12 interest, and penalties that may be due or payable to any taxing authority as a result of payment of any
13 Class Representative Service Award. Furthermore, Plaintiff agrees to defend and indemnify
14 Defendant and the other Released Parties in connection with any taxes, fines, interest or penalties
15 incurred as a result of any failure by Plaintiff to pay taxes due, if any, on the Class Representative's
16 Service Award paid pursuant to this Agreement.

17 **E. Settlement Administration Costs.** Settling Parties selected Simpluris, Inc. to act as
18 the Settlement Administrator and it is estimated that the fees, expenses, and costs for administration
19 of the terms of this Settlement shall not exceed \$12,000. All of the Settlement Administration Costs
20 shall be paid from the Maximum Settlement Amount upon completion of all duties required to be
21 performed by the Claims Administrator under the terms of this Settlement, or as otherwise required
22 by the Court, subject to the "not to exceed" quote from the agreed upon Settlement Administrator.
23 Should the Court approve and award less than the amount provided for herein, or not at all, the
24 difference shall be included in the Net Settlement Amount.

25 **F. Settlement Shares to Class Members.**

26 1. Under the Settlement, each Participating Class Member shall be entitled to
27 payment of a pro rata portion of the Net Settlement Amount (i.e., his or her Settlement Share). The
28 amount that each Class Member shall be eligible to receive under the Settlement shall be determined

1 by converting the Class Employee Fund into a Work Week Value. The Work Week Value will be
2 established by dividing the Class Employee Fund by all Work Weeks for the Participating Class
3 Members during the Class Period based on Defendant's pay records, and excluding any full work week
4 during with a Participating Class Member was on a leave of absence. Defendant will provide this
5 information with the Class Data List. The Individual Settlement Share for each Participating Class
6 Member will be determined by multiplying the Work Week Value by each Participating Class
7 Member's individual Work Weeks.

8 2. Each Settlement Share of the Class Employee Fund shall be apportioned as
9 follows: 20% as wages (the "Wage Component") and 80% for interest, penalties, and other non-wage
10 damages (the "Non-Wage Component"). Each Settlement Share shall be subject to reduction for all
11 employee's share of taxes and withholdings on the Wage Component and shall be reported on IRS W-
12 2 forms, and the net payment will be referred to as "Individual Settlement Payment(s)." No reductions
13 will be made to Settlement Shares for any taxes or withholding in connection with the Non-Wage
14 Component, and the Non-Wage Component shall be reported on IRS 1099 forms. All Class Members
15 covered by this Settlement agree that they are not relying on any representations regarding the tax
16 allocation or treatment of any amounts paid to them under the terms of this Settlement and agree to
17 hold Defendant and the other Released Parties harmless for any and all tax consequences relating to
18 the allocation of the payments made under this Settlement.

19 3. Each PAGA Employees' pro rata share of the PAGA Employee Fund
20 ("Individual PAGA Settlement Share") will be determined by converting the portion of the PAGA
21 Employee Fund payable to the PAGA Employees into a Pay Period Value. The pay periods actually
22 worked by PAGA Employees as established by Defendant's records, excluding Pay Periods when a
23 PAGA Employee was on a leave, during the PAGA Period will be used to make this calculation.
24 Defendant will provide this information with the Class Data List. The Individual PAGA Settlement
25 Share for each PAGA Employee will be determined by multiplying the Pay Period Value by each
26 PAGA Employee's individual pay periods. All payments are for penalties and will be reported to the
27 PAGA Employees on IRS Form 1099.

1 **G. Distributions.**

2 1. Within ten business days of the Effective Date, the Settlement Administrator
3 shall provide Class Counsel and Defendant's Counsel with the account information so that Defendant
4 can wire the Maximum Settlement Amount and the Employer Taxes, and Defendant shall wire said
5 amounts within fifteen (15) business days of the Effective Date.

6 2. The Settlement Administrator shall distribute Individual Settlement Payments
7 to Participating Class Members, the payment to the Labor and Workforce Development Agency, the
8 Court-approved Class Representative's Service Award to Plaintiff and Court-approved Class Counsel
9 Fees and Expenses to Class Counsel, within ten (10) business days of receipt of payment from
10 Defendant pursuant to this Section.

11 3. Individual Settlement Payment checks issued to Participating Class Members
12 shall remain valid for a period of 180 calendar days after they issue, and shall be cancelled thereafter.
13 Uncashed checks will be sent to the Controller of the State of California to be held pursuant to the
14 Unclaimed Property Law, California Code of Civil Procedure Section 1500 et seq. in the name of the
15 individual to whom the uncashed check was addressed, for the benefit of those individuals who did
16 not cash their checks until such time as they claim their property.

17 **H. Payments To Class Do Not Trigger Additional or Derivative Payments.** It is
18 expressly understood and agreed that the receipt of payments under the Settlement shall not entitle
19 Plaintiff or any Participating Class Member to additional or derivative compensation or benefits under
20 any of Defendant's compensation or benefit plans or agreement in place during the period covered by
21 the Settlement, nor shall it entitle Plaintiff or any Class Member to any increased retirement, 401k
22 benefits or matching benefits, or deferred compensation benefits. It is the intent of this Settlement that
23 the payments provided for in this Agreement are the sole payments to be made by Defendant to
24 Plaintiff and Participating Class Members, and that Plaintiff and Participating Class Members are not
25 entitled to any additional or derivative compensation or benefits as a result of having received said
26 payments (notwithstanding any contrary language or agreement in any benefit or compensation plan
27 document that might have been in effect during the period covered by this Settlement).
28

I. Release of Claims.

1. Release of Class Claims By Participating Class Members. Upon the date Defendant fully funds the entire Maximum Settlement Amount, Defendant and the other Released Parties shall be entitled to a release from the Plaintiff and the Class Members who do not opt out, for all of the Released Claims which occurred during the Class Period. “Released Claims” means all claims for violations of the following wage and hour claims that were actually alleged or that could have been alleged in the Action by Plaintiff, on behalf of the Class Employees for the entire Class Period and the entire PAGA Period, as well as any and all wage and hour claims and that were asserted or could have been asserted based on the factual or legal allegations contained in Plaintiff’s November 22, 2022 First Amended Complaint, arising at any time during the Class Period, including but not limited to: (a) failure to pay all wages owed, whether due to alleged off the clock work, failure to correctly calculate the regular rate or any other theory of liability for the underpayment of the minimum wage or overtime; (b) failure to provide duty-free meal periods or pay premiums at the regular rate of pay in lieu thereof; (c) failure to provide duty-free rest breaks or failure to pay premiums at the regular rate of pay in lieu thereof; (d) failure to reimburse expenses; (e) waiting time penalties; (f) failure to provide accurate wage statements; (g) unfair business practices; (h) claims for violation of the provisions of the applicable Wage Orders regarding minimum wage, overtime, meal periods and rest periods, as well as allegations regarding the late payment of final wages, inaccurate wage statements; (i) claims for the attorney’s fees and costs incurred in the prosecution of this Action on behalf of the Class; (j) any other claims, remedies, penalties, or interest that could have been plead based on the facts alleged in the Action; and (k) all claims that Plaintiff, the Class may have against the Released Parties relating to: (i) the payment, taxation, and allocation of attorney’s fees and costs to Plaintiff’s Counsel pursuant to this Settlement Agreement; and (ii) the payment, taxation, and allocation of Plaintiff’s Class Representative Service Award pursuant to this Settlement Agreement. The release of the Released Claims shall be effective as to the entire Class Period defined above and expressly excludes all other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, as well as any other claims outside of the Class Period. Participating Class Members

1 may discover facts in addition to those they now know or believe to be true with respect to the subject
2 matter of the Released Claims, but upon the date the Defendant fully funds the Maximum Settlement
3 Amount, Participating Class Members shall be deemed to have, and by operation of the Judgment shall
4 have, fully, finally, and forever settled and released any and all of the Released Claims, without regard
5 to the subsequent discovery or existence of such different or additional facts. Participating Class
6 Members agree not to sue or otherwise make a claim against any of the Released Parties and seek
7 recovery for any of the Released Claims. It is the intent of the Parties that the Judgment entered by
8 the Court shall have full *res judicata* effect and be final and binding upon Participating Class Members
9 regarding the Released Claims.

10 2. Complete And General Release By Class Representative. Plaintiff understands
11 that he may hereafter discover facts in addition to or different from those Plaintiff now knows or
12 believes to be true with respect to the subject matter of the Released Claims, but upon the date
13 Defendant fully funds the Maximum Settlement Amount, shall be deemed to have, and by operation
14 of the contemplated final judgment shall have, fully, finally, and forever settled and released any and
15 all of the Released Claims, as well as any other known or unknown, suspected or unsuspected,
16 contingent or non-contingent claims, which now exist, or heretofore have existed, upon any theory of
17 law or equity now existing, including, but not limited to, conduct that is negligent, intentional, with or
18 without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or
19 existence of such different or additional facts. In exchange for the consideration provided to Plaintiff
20 under the Settlement, he shall waive any and all rights Plaintiff may have under Civil Code section
21 1542. Section 1542 reads as follows: “A general release does not extend to claims that the creditor
22 or releasing party does not know or suspect to exist in his or her favor at the time of executing the
23 release and that, if known by him or her, would have materially affected his or her settlement with the
24 debtor or released party.” Plaintiff understands that he is providing a general release of known and
25 unknown claims to Defendant and the Released Parties that is effective when the Court grants final
26 approval of the Settlement and Defendant funds the Settlement.

27 3. Release of PAGA Claims By State of California and PAGA Employees. Upon
28 the date Defendant fully funds the Maximum Settlement Amount, Defendant and the other Released

1 Parties shall be entitled to a release from the Plaintiff, the State of California, and all PAGA Employees
2 with respect to the PAGA Released Claims which occurred during the PAGA Period. “PAGA
3 Released Claims” means all such claims that are alleged, or reasonably could have been alleged, based
4 on the PAGA Period facts stated in the operative complaint and Plaintiff’s PAGA notice letter,
5 including but not limited to (a) any claim for PAGA penalties for alleged violations of Labor Code
6 sections 201–203, 204, 226, 226.7, 227.3, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1198,
7 2699 et. seq., 2802, claims for violation of the provisions of the applicable Wage Orders regarding
8 minimum wage, overtime, meal periods and rest periods, as well as allegations regarding the late
9 payment of final wages, inaccurate wage statements; (b) claims for the attorney’s fees and costs
10 incurred in the prosecution of this Action on behalf of the PAGA Employees; (c) any other claims for
11 PAGA penalties that could have been plead based on the facts alleged in the Action; and (d) all claims
12 that Plaintiff, and/or the PAGA Employees may have against the Released Parties relating to: (i) the
13 payment, taxation, and allocation of attorney’s fees and costs to Plaintiff’s Counsel pursuant to this
14 Settlement Agreement; and (ii) the payment, taxation, and allocation of PAGA Payments pursuant to
15 this Settlement Agreement. The release of the PAGA Released Claims shall be effective as to the
16 entire PAGA Period defined above. It is the intent of the Parties that the Judgment entered by the
17 Court shall have full *res judicata* effect and be final and binding upon Plaintiff, the state of California
18 and the PAGA Employees regarding the PAGA Released Claims.

19 **J. Motion For Preliminary Approval.**

20 1. Class Counsel will file an unopposed motion with the Court (the “Preliminary
21 Approval Motion”) seeking an order approving the Settlement; setting a date for the Final Approval
22 Hearing; approving the distribution of the Notice of Class Action Settlement (the “Class Notice”) in
23 substantively the form attached hereto as “**Exhibit A**”; and approving the procedures and deadlines
24 for disputing Pay Periods, opting-out of the Settlement, and objecting to the Settlement. Defendant’s
25 Counsel will either not respond or will file a notice of non-opposition to the motion.

26 2. Should the Court, after a reasonable opportunity to cure and remedy any stated
27 deficiencies, ultimately decline to grant preliminarily approval of the Settlement as proposed by the
28 Settling Parties, then the Settlement is void for lack of a condition precedent of the Settlement and the

1 Settling Parties will revert to their respective positions.

2 **K. Mailing Of Class Notice To Class Members.**

3 After the Court enters its order granting preliminary approval of the Settlement, all Class
4 Members will be provided with the Class Notice by the Settlement Administrator as follows:

5 1. Within ten (10) business days after the Court grants preliminary approval of the
6 Settlement, Defendant shall provide to the Settlement Administrator the last-known contact
7 information that it has for the Class Members, including their full name, mailing addresses, telephone
8 numbers, Social Security numbers, start and end dates of employment, and the number of Work Weeks
9 during the Class Period and the Number of Pay Periods during the PAGA Period (“Class Data List”).
10 All data and information provided to the Settlement Administrator by way of the Class Data List shall
11 be treated as confidential and shall not be disclosed to anyone, except as may be required to applicable
12 tax authorities, pursuant to Defendant’s express written consent, by order of the Court, or to carry out
13 the reasonable steps described in this Settlement to locate missing Class Members.

14 2. Within fourteen (14) calendar days after receiving the Class Data List from
15 Defendant, the Settlement Administrator shall mail the Class Notice to all identified Class Members
16 via first-class U.S. Mail, using the last known address information provided by Defendant, unless such
17 address is modified by any updated address information that the Settlement Administrator obtains in
18 the course of administration of the Settlement. Prior to completing this mailing, the Settlement
19 Administrator shall perform a National Change of Address (“NCOA”) search to confirm the validity
20 of and update Class Members’ mailing addresses.

21 3. If any Class Notice is returned as undeliverable with a forwarding address
22 within sixty (60) calendar days of the mailing of the Class Notice, the Settlement Administrator shall
23 have five (5) calendar days to re-mail the Class Notice to the forwarding address. If any Class Notice
24 is returned as undeliverable without a forwarding address within sixty (60) calendar days of the
25 mailing of the Class Notice, the Settlement Administrator shall have five (5) calendar days from receipt
26 of the returned Class Notice to search for a more current address for the Class Member and to re-mail
27 the Class Notice to the Class Member. This inquiry shall include a skip-trace search. The Settlement
28 Administrator shall be responsible for taking all reasonable steps, consistent with its agreed upon job

parameters, Court orders and fee, according to the deadlines set forth in this Settlement, to administer the Settlement, including, *inter alia*, to tracking all undelivered mail, performing an address search for all mail returned without a forwarding address, and promptly re-mailing the Class Notice to Class Members as set forth herein. If the Class Notice is re-mailed, the Claims Administrator shall note for its own records the date and address of each such re-mailing and so notify Class Counsel and Defendants' counsel. The obligation to trace and resend returned Class Notices shall cease sixty (60) day after the initial mailing. The Response Deadline shall be either the original Response Deadline or fifteen (15) calendar days after the remailing of a Class Notice in accordance with the Agreement, whichever is later.

4. The Settlement Administrator shall provide weekly status reports to counsel for the Settling Parties, including: (a) the number of Class Notices that it has mailed; (b) the number of objections, if any are received; (c) the number of disputes of pay periods, if any are received; and (c) the number of requests to opt-out of the Settlement, if any are received.

5. No later than ten (10) business days after the Response Deadline, the Settlement Administrator shall provide Class Counsel and Defendant' counsel, a declaration for filing with the Court in support of Plaintiff's motion for final approval of the Settlement, setting forth its due diligence and compliance with its obligations under this Settlement.

L. Opt-Outs and Objections To Settlement.

Class Members are not required to sign a claim form to participate in the Settlement. Class Members may opt out of the Settlement or submit objections to the Settlement pursuant to the following procedures:

1. The Class Notice shall provide that Class Members who do not want to participate in the Settlement may exclude themselves by submitting a written request seeking to opt-out of the Settlement ("Opt-Out Notice") to the Settlement Administrator not later than sixty (60) calendar days after the date that the Settlement Administrator first mails the Class Notice ("Response Deadline"). An Opt-Out Notice should: (a) contain the full name, address, and last four digits of the Social Security number of the person requesting to opt-out; (b) be signed by the person requesting to opt-out; (c) reference the Action by its name; and (d) contain a statement clearly indicating that the

1 person submitting the request seeks to be excluded from the Settlement. If the Opt-Out Notice does
2 not contain the information listed in (a)-(d) or is not returned to the Settlement Administrator
3 postmarked by the Response Deadline, it shall not be deemed timely and valid. The Settlement
4 Administrator shall, within 5 business days of receipt of an insufficient Request for Exclusion, attempt
5 to contact the Class Member to remedy any deficiency. The date of the postmark on the return mailing
6 envelope shall be the exclusive means used to determine whether the Opt-Out Notice has been timely
7 submitted. Any Class Member who submits a timely and valid Opt-Out Notice shall not be entitled
8 to any recovery under the Net Settlement Amount and shall not be bound by the terms of the
9 Settlement, and shall not have any right to object, appeal, or comment thereon. The submission of an
10 Opt-Out Notice shall not impact a PAGA Employee's entitlement to their Individual PAGA Settlement
11 Share. Class Members who fail to submit a timely and valid Opt-Out Notice shall be Class Members
12 bound by all terms of the Settlement and the contemplated Judgment if the Settlement is granted final
13 approval by the Court. No later than ten (10) business days after the Response Deadline, the
14 Settlement Administrator shall provide Class Counsel and Defendant's Counsel with a complete list
15 of all Class Members who have submitted timely and valid Opt-Out Notices, including their full
16 names.

17 2. The Class Notice shall provide that Participating Class Members (i.e., Class
18 Members who are not seeking to opt out of the Settlement) who wish to object to the Settlement must
19 submit to the Settlement Administrator a written statement explaining their objection to the Settlement
20 no later than the Response Deadline. Alternatively, or in addition to a written objection, Class
21 Members may appear at the Final Approval Hearing to make an oral objection. If a Class Member
22 opts out of the Settlement, they cannot object to the Settlement.

23 3. A Class Member who does not make an oral objection at the Final Approval
24 Hearing or does not submit a written objection in the manner and by the Response Deadline specified
25 above shall be deemed to have waived all objections and shall be foreclosed from making any
26 objections to the Settlement, whether by appeal or otherwise.

27 4. If a Class Member who has timely filed an objection to the Settlement files a
28 Notice of Appeal of the contemplated Judgment within the time period prescribed by law, Defendant

1 shall not be required to fund any portion of the Maximum Settlement Amount, and the Settlement
2 Administrator shall not distribute or pay any monies until the appeal(s) are finally resolved in favor of
3 the Settlement or dismissed with prejudice.

4 5. The Parties agree that there is no statutory right for any PAGA Employee to
5 object, opt out or otherwise exclude himself or herself from the PAGA part of the Settlement. If a
6 Class Member opts out, and is also a PAGA Employee, s/he is still covered by the PAGA portion of
7 the Settlement. Except as otherwise stated, Plaintiff shall vigorously defend against any attempt by
8 any PAGA Employee or by any entity or agency to intervene in this matter or object to/opt-out of this
9 settlement. Further, there is no right or opportunity for any PAGA Employee to appeal the approval
10 of the Settlement by the Court. The Parties shall jointly defend against any appeal filed with respect
11 to the Final Order as it pertains to the PAGA part of the Settlement.

12 **M. Resolution of Class Member Disputes Over Work Weeks or Pay Periods.**

13 1. If a Class Member disputes the number of Work Weeks or Pay Periods credited
14 to him or her, which will be stated in the Class Notice, the Class Member must submit a written dispute
15 to the Settlement Administrator, postmarked no later than the Response Deadline. The dispute should:
16 (a) contain the full name, address, and last four digits of the Social Security number of the Class
17 Member; (b) be signed by the Class Member; (c) reference the Action by its name and case number;
18 (d) contain a statement clearly indicating that the Class Member disputes the number of Work Weeks
19 and/or Pay Periods that are credited to him or her and the number of Work Weeks and/or Pay Periods
20 that the Class Member claims should be credited to him or her; and (e) attach supporting
21 documentation, if any, that they may have. If such a dispute arises with respect to a Class Member,
22 the Settlement Administrator shall inform Class Counsel and Defendant's Counsel. Defendant shall
23 manually review its payroll and personnel records to verify the correct number of Pay Periods or Work
24 Weeks for the disputing Class Member. Defendant's records shall have a rebuttable presumption of
25 correctness, and Defendant's Counsel and Class Counsel shall jointly determine how the dispute
26 should be resolved. If they are unable to jointly resolve the dispute, the Settlement Administrator shall
27 present the dispute for resolution by the Court, by way of declaration to be filed in advance of the
28 Final Approval Hearing. The decision on the dispute shall be non-appealable.

1 **N. No Solicitation of Objections or Opt-Outs.** Neither the Settling Parties nor their
2 respective counsel or management shall solicit or otherwise encourage any Class Member, directly or
3 indirectly, to seek to opt-out from the Settlement, object to the Settlement, and/or appeal from the
4 Judgment.

5 **O. Additional Briefing and Final Approval.**

6 1. As soon as practicable following the Response Deadline, Plaintiff shall move
7 the Court for final approval of the Settlement. Defendant agrees it shall not oppose so long as the
8 motion is in all respects consistent with the terms of this Settlement. Not later than five (5) court days
9 before the Final Approval Hearing, the Settling Parties may file, jointly or separately, a reply in support
10 of the motion or such other papers as may be necessary or helpful to the Court regarding the subject
11 matter of the motion.

12 2. Upon final approval of the Settlement by the Court at or after the Final Approval
13 Hearing, the Settling Parties shall present a Judgment for the Court's approval and entry, which shall
14 provide that the Court shall have continuing jurisdiction over the Action and the Settlement solely for
15 purposes of: (i) enforcing this Settlement, (ii) addressing any claims administration matters that may
16 arise; and (iii) addressing such post-Judgment matters as may be appropriate under court rules or
17 applicable law.

18 3. If the Court grants final approval of the settlement, the Final Judgment will be
19 posted on the website of the Administrator. The Administrator's website will be included in the Notice.

20 **P. Options to Terminate Settlement/Revision to Maximum Settlement Amount or**
21 **Class Period and PAGA Period.**

22 1. Any reduction in the Class Counsel Fees and Expenses, and/or any reduction to
23 the requested Class Representative's Service Award, does not constitute grounds to terminate or void
24 the Settlement.

25 2. Defendant has the right to cancel the Settlement if more than ten percent (10%)
26 of the Class Members submit timely and valid Opt-Out Notices from the Settlement. This option to
27 cancel the Settlement must be exercised by Defendant by providing written notice to Class Counsel
28 within ten (10) business days of Defendant's Counsel receiving notification from the Settlement

1 Administrator that more than ten percent (10%) of the Class Members have submitted timely and valid
2 Opt-Out Notices from the Settlement. If Defendant exercises the option to terminate the Settlement,
3 then Defendant shall be responsible for paying all Settlement Administration Costs.

4 3. The actual Work Weeks during the Class Period are 33,639. As such, no
5 escalator was required as anticipated in the original signed Settlement Agreement.

6 4. Either Settling Party may terminate this Settlement by giving written notice to
7 the other Settling Party (through its counsel) no later than twenty (20) calendar days after receiving
8 notice that one of the following has occurred: (i) the Court declines to enter the Preliminary Approval
9 Order or the Final Approval Order in substantially the form submitted by the Parties; (ii) the Settlement
10 does not become final because of any appellate court action; or (iii) the Court's final approval of the
11 Settlement is reversed or materially modified on appellate review.

12 5. In the event of termination of this Settlement as provided above, this Settlement
13 shall become and be considered null and void, and it shall have the following effects: (i) the Settling
14 Parties shall have no further obligations under the Settlement; (ii) Defendant shall have no obligation
15 to make any payments to any person, party, Class Member or attorney that otherwise would have been
16 owed under this Settlement, except that in case of termination under Section III (P)(2), Defendant shall
17 pay the Settlement Administrator's reasonable fees and expenses incurred as of the date that the
18 Settlement is terminated; (iii) in case of termination under Section III (P)(4), the Parties shall split the
19 Settlement Administrator's reasonable fees and expenses incurred as of the date that the Settlement is
20 terminated; (iv) the Settlement and all negotiations, statements and proceedings relating thereto shall
21 be without prejudice to the rights of any of the Settling Parties, all of whom shall be restored to their
22 respective positions in the Action prior to the Settlement; and (v) neither this Settlement nor any
23 ancillary documents, actions, statements or filings in furtherance of settlement (including all matters
24 associated with the mediation) shall be admissible or offered into evidence in the Action or any other
25 case or proceeding for any purpose whatsoever.

26 6. Notice of the termination of the Settlement by a Settling Party must be provided
27 to counsel for the other Settling Party in writing.

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1 **Q. Dispute Resolution.** Any disputes not resolved by the Settlement Administrator or the
2 Settling Parties shall be resolved by the Court. Before any such resort to the Court, counsel for the
3 Settling Parties shall confer in good faith in an attempt to resolve the dispute.

4 **R. Waiver of Right To Appeal.** Plaintiff and Class Counsel waive all appeals from the
5 Court's Final Approval of this Settlement.

6 **S. Publicity.** Neither Plaintiff nor Class Counsel will publicize this Settlement by
7 Defendant's name or location, through a press release, posting on the website of Class Counsel, in
8 social media or by any other public means, other than in necessary Court filings and proceedings
9 associated with the Settlement. Nothing in this provision is intended to prohibit (i) Plaintiff from
10 discussing this Settlement with his spouse or partner, attorneys or tax advisor; or (ii) Class Counsel
11 from communicating with putative class members in this case or with the Court in which the Action
12 is pending or the LWDA.

13 **T. Fair, Adequate, And Reasonable Settlement.** This Settlement was reached after
14 extensive negotiations. The Settling Parties believe and agree that this Settlement is a fair, adequate,
15 and reasonable resolution of the Action and have arrived at this Settlement in arms-length negotiations,
16 considering all relevant factors, present and potential, and shall so represent it to the Court.

17 **U. No Admission Of Liability.** Defendant and the Released Parties deny any and all
18 alleged wrongdoing or the violation of any rights of the Plaintiff and/or Class Members. By entering
19 into this Settlement, Defendant does not admit, and in fact specifically disclaims, the violation of any
20 law or regulation. This Settlement is entered into solely for the purpose of compromising highly
21 disputed claims. Nothing in this Settlement is intended or shall be construed as an admission of any
22 liability or wrongdoing by Defendant, or as an admission by the Class Members that any of their claims
23 were non-meritorious or that any defense asserted by Defendant was meritorious. This Settlement and
24 the fact that the Settling Parties are willing to settle the Action and have entered into this Settlement
25 shall have no bearing on, and shall not be admissible in connection with, any litigation, other than as
26 is necessary to enforce the terms of this Settlement.

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1 **V. Miscellaneous Terms.**

2 1. Integrated Agreement. After it is signed and delivered by all Settling Parties
3 and their counsel, this Settlement and its exhibits shall constitute the entire agreement between the
4 Settling Parties relating to the terms of Settlement, and shall supersede any prior or contemporaneous
5 oral representations, warranties, covenants, or inducements made to any Settling Party concerning this
6 Settlement or its exhibits, including the Settlement Terms.

7 2. Execution in Counterparts. This Settlement may be executed in one or more
8 counterparts and by facsimile or PDF version. The Settlement may be signed electronically by means
9 that are verifiable, for example through DocuSign. All executed counterparts, and each of them, shall
10 be deemed to be one and the same instrument, provided that counsel for the Settling Parties shall
11 exchange between themselves original signed counterparts. Any executed counterpart shall be
12 admissible in evidence to prove the existence and contents of this Settlement.

13 3. Modification of Settlement. This Settlement, and any and all parts of it, may
14 be amended, modified, changed, or waived only by an express written instrument signed by all Settling
15 Parties or their successors-in-interest, subject to approval by the Court.

16 4. Settlement Binding on Successors. This Settlement shall be binding upon, and
17 inure to the benefit of, the successors of each of the Settling Parties and Participating Class Members.

18 5. Applicable Law. All terms and conditions of this Settlement and its exhibits
19 shall be governed by and interpreted according to the laws of the State of California, without giving
20 effect to any conflict of law or choice of law principles.

21 6. Interim Stay of Proceedings. The Parties shall stay all proceedings in the
22 Action, subject to necessary compliance with the Court's orders, except such proceedings necessary
23 to implement and complete the Settlement, pending the Final Approval Hearing to be conducted by
24 the Court.

25 7. Authorization to Enter Into Settlement Agreement. Counsel for all Settling
26 Parties warrant and represent they are expressly authorized by the Settling Parties whom they represent
27 to negotiate this Agreement and to take all appropriate actions required or permitted to be taken by
28 such Settling Parties pursuant to this Agreement to effectuate its terms, and to execute any other

documents required to effectuate the terms of this Agreement. The Settling Parties and their counsel shall cooperate with each other and use their best effort to effectuate the implementation of the Settlement. In the event the Settling Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Settling Parties may seek the assistance of the Court to resolve such disagreement. The persons signing this Agreement on behalf of Defendant represents and warrants that they are authorized to sign this Agreement on behalf of Defendant. The Class Representatives represent and warrant that they are authorized to sign this Agreement and that they have not assigned any claim, or part of a claim, covered by this Settlement to a third-party.

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

To Class Counsel:

Kane Moon
Allen Feghali
Hyunjin Kim)
MOON LAW GROUP
1055 W. Seventh St., Suite 1880
Los Angeles, California 90017
E-mail: kmoon@moonlawgroup.com
E-mail: afeghali@moonlawgroup.com
E-mail: hkim@moonlawgroup.com

To Defendant:

Jody A. Landry, Esq.
Charles Urena
jlandry@littler.com
LITTLER MENDELSON, P.C.
501 West Broadway, Suite 900
San Diego, California 92101

9. Cooperation in Drafting. The Settling Parties have cooperated in the drafting and preparation of this Settlement. This Settlement shall not be construed against any Settling Party

on the basis that the Settling Party was the drafter or participated in the drafting.

IT IS SO AGREED.

Dated: 7/9/2024

DocuSigned by:

Israel Garcia

41CD3B883047472...
Israel Luna Garcia
Plaintiff

Deluxe Small Business Sales, Inc.

Dated: _____

Jeff Cotter, General Counsel

Approved as to form:

Dated: July 9, 2024

Allen Feghali
Attorneys for Plaintiff and the Settlement Class

Dated: _____

Jody A. Landry
Attorney for Defendant

on the basis that the Settling Party was the drafter or participated in the drafting.

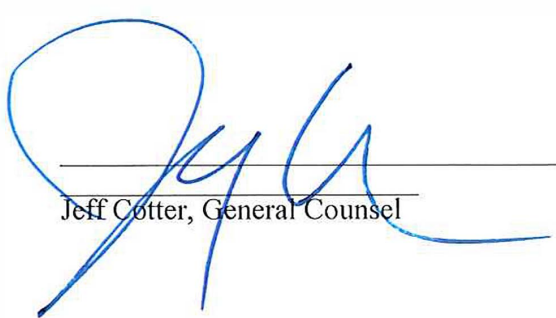
IT IS SO AGREED.

Dated: _____

Israel Luna Garcia
Plaintiff

Deluxe Small Business Sales, Inc.

Dated: 9 July 2024


Jeff Cotter, General Counsel

Approved as to form:

Dated: _____

Allen Feghali
Attorneys for Plaintiff and the Settlement Class

Dated: July 10, 2024


Jody A. Landry
Attorney for Defendant

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YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

Get a Payment

If you are a Class Member, you will automatically receive a payment, unless you exclude yourself from the Settlement as described below. If you are a PAGA Employee, you will also automatically receive your PAGA Employee Portion, regardless of whether you exclude yourself from the Settlement. 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.

Exclude Yourself

If you are a Class Member and want to exclude yourself from the Class portion of the Settlement, you must submit a written request seeking to opt-out of the Settlement to the Settlement Administrator no later than [REDACTED] (60 calendar days after the date that the Settlement Administrator first mails the Class Notice). The opt-out request must: (a) contain your full name, address, and last four digits of your Social Security number; (b) be signed by you; (c) reference the Action by its name; and (d) contain a statement clearly indicating that you seek to be excluded from the Settlement. This is the only option that allows you to bring your own claims against Defendant regarding the legal claims in the Action. You will not be bound by the terms of the Settlement if you opt out, nor will you receive a payment. You cannot exclude yourself from the PAGA portion of the settlement.

Object

If you are a Class Member, and do not opt-out of the Class portion of the settlement, you can object to the Class portion of the Settlement, if you so wish. This allows you to object to the terms of the Settlement but still participate in the Settlement that is finally approved and receive a settlement payment. If you wish to object to the Class portion of the Settlement, you must submit to the Settlement Administrator a written statement explaining your objection to the Settlement no later than [REDACTED] (60 calendar days after the date that the Settlement Administrator first mails the Class Notice). Alternatively, or in addition to a written objection, Class Members may appear at the Final Approval Hearing to make an oral objection.

WHY DID YOU RECEIVE THIS NOTICE?

This notice explains the proposed Settlement of the lawsuit and informs you of your legal rights under that proposed Settlement. You are receiving this notice because you may be a member of the Class or are a PAGA Employee on whose behalf this lawsuit has been brought.

WHAT IS THIS LAWSUIT ABOUT?

On September 26, 2022 Plaintiff filed a class action complaint entitled *Israel Luna Garcia v. Deluxe Small Business Sales, Inc.*. On September 16, 2022 Plaintiff's counsel sent a letter

1 to the California Labor & Workforce Development Agency to assert penalties under the Private
2 Attorneys General Act of 2004 (PAGA). On November 22, 2022 Plaintiff filed a First Amended
3 Complaint adding his PAGA claim (the “Action”). Plaintiff contends, by way of the Action, that
4 Defendant violated California’s wage and hour laws with respect to Plaintiff and Class Members by,
5 inter alia, failing to pay the required minimum wage and overtime for all time worked, failing to
6 properly provide meal periods or pay a premium in lieu thereof, failing to properly authorize and
7 permit rest breaks or pay a premium in lieu thereof, failing to timely pay wages at termination, failing
8 to provide compliant wage statements, and failing to reimburse expenses, thereby also violating
9 California Business & Professions Code section 17200, et seq. and owing penalties under PAGA. The
10 Action alleges Defendant violated the following provisions of the Labor Code: sections 201–203, 204,
11 226, 226.7, 227.3, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1198, 2699 *et. seq.*, 2802, and
12 claims deriving from the applicable Wage Orders promulgated by the Industrial Welfare Commission.
13 The lawsuit seeks recovery of wages, restitution, statutory and civil penalties, interest, attorneys’ fees,
14 and costs.

15 Defendant denies any liability or wrongdoing of any kind associated with the claims alleged
16 in the Action and further denies that, for any purpose other than that of settling this lawsuit, the Action
17 is appropriate for class or representative treatment. Defendant contends, among other things, that it
18 complied at all times with the California Labor Code, the California Business and Professions Code,
19 and all other applicable laws. The Court has made no ruling and will make no ruling on the merits of
20 the Actions.

21 **SUMMARY OF THE SETTLEMENT**

22 **A. Why is there a Settlement?**

23 The Court did **not** decide in favor of Plaintiff or Defendant. There was no trial. Instead,
24 both sides agreed to a settlement. That way, they avoid the costs, risks, and uncertainty of a trial, and
25 the Class Members and PAGA Employees will get compensation. Plaintiff and Plaintiff’s attorneys
26 believe the Settlement is fair, reasonable, adequate and in the best interests of all Class Members and
27 PAGA Employees. Thus far, the Court has determined only that there is sufficient evidence to suggest
28 that the proposed Settlement might be fair, adequate, and reasonable. The Court will make a final
determination of whether the proposed Settlement is fair, adequate, and reasonable at the Final
Approval Hearing.

29 **C. What is the Class Period and the PAGA Period?**

30 The term “Class Period” means the period from October 5, 2019 through March 31, 2024. The
31 “PAGA Period” means the period from September 16, 2021 through March 31, 2024.

32 **D. What does the Settlement provide?**

33 **1. Gross Settlement Amount.**

34 Defendant will pay a total of Seven Hundred Fifty Thousand Dollars and Zero Cents
35 (\$750,000.00) (the “Maximum Settlement Amount”) to settle the Action. This amount includes
36

1 \$690,000 to settle the class claims and \$60,000 to settle the PAGA claims. It is proposed that the
2 following payments will be made from the Gross Settlement Amount.

- 3 a. Distribution to Participating Class Members. Approximately \$390,500
4 (“Class Distribution”) will be distributed to Class Members who do not opt
5 out of the Class portion of the Settlement based upon the number of weeks
6 that they worked during the Class Period.
- 7 b. Distribution to PAGA Members. Approximately \$15,000 will be distributed
8 pro rata to PAGA Members based upon the number of pay periods that they
9 worked during the PAGA Period.
- 10 c. Attorneys’ Fees and Expenses. Class Counsel has worked on this lawsuit
11 without compensation and has advanced funds to pay for expenses
12 necessary to prosecute the action. Under the Settlement, Class Counsel will
13 request an award of fees of no more than \$250,000, which is one-third of
14 the Gross Settlement Amount, and an award of expenses not to exceed
15 \$30,000.
- 16 d. Class Representative Service Award. Plaintiff is requesting a class
17 representative service award of \$7,500 to Plaintiff Israel Luna Garcia as
18 Class Representative, in addition to the amount that he will receive as a
19 Class Member and as a PAGA Employee, to compensate him for
20 undergoing the burden and expense of prosecuting the Action and for the
21 broader release of claims he is required to provide to Defendant.
- 22 e. Settlement Administration Costs. The Settlement Administrator, Simpluris,
23 Inc., has advised the parties that the settlement administration costs will not
24 exceed \$12,000.
- 25 f. Payment to State of California. Approximately \$45,000 of the Gross
26 Settlement Amount will be paid to the state of California in settlement of
27 allegations that Defendant owes civil penalties to the state for alleged Labor
28 Code violations.

21 The funds used for the Maximum Settlement Amount shall be paid to the Settlement
22 Administrator. The Settlement Administrator shall distribute the Court-approved Class Representative
23 Service Awards to the Plaintiff, the Court-approved attorneys’ fees and litigation costs to Class
24 Counsel, the settlement administration costs to the Settlement Administrator, and the payment to the
25 LWDA at the same time and manner as the settlement payments to the participating Class Members
26 and PAGA Members.

27 2. Your Individual Payment Amount

28 The Settlement Administrator will calculate the individual settlement payments to all PAGA
Members, and to all Class Members who do not submit valid opt-out requests.

1 Currently, it is estimated that you will receive approximately \$ [REDACTED]. This is based on
2 Defendant's records showing you:

- 3 • [Option 1] worked [REDACTED] pay periods during the Class Period;
- 4 • [Option 2] worked [REDACTED] pay periods during the PAGA Period.

5 [REDACTED] This/these amounts can change depending on how much the court awards in attorneys' fees,
6 litigation costs, the Class Representative Service Awards to the Plaintiff, and the number of Class
7 Members who ask to be excluded from the Class portion of the Settlement.

8 Settlement checks will expire 180 days from the date they are issued by the Settlement
9 Administrator. Uncashed checks will be sent to the Controller of the State of California to be held
10 pursuant to the Unclaimed Property Law in the name of the individual to whom the uncashed check
was addressed, for the benefit of those individuals who did not cash their checks until such time as
they claim their property.

11 3. Tax Matters

12 The Settlement Administrator will distribute IRS Forms W-2 and 1099 (and the equivalent
13 California forms) to participating Class Members reflecting the payments each Class Member and/or
14 PAGA Member receives under the Settlement. For tax purposes, payments to Class Members will be
15 allocated as follows: 20% as wages, 80% as interest and penalties. Payments to PAGA Members will
be apportioned as penalties only. Forms W-2 and/or Forms 1099 will be distributed at times and in the
manner required by the Internal Revenue Code.

16 Interest and penalties paid under this Settlement shall not be subject to federal, state, and local
17 payroll withholding taxes. The Settlement Administrator shall issue an IRS form 1099 for payments
18 of interest and penalties. The usual and customary deductions will be taken out of the amounts
19 attributable to unpaid wages. Class Members should consult with their tax advisors concerning the tax
consequences of the payment they receive under the Settlement.

20 E. What are you giving up to get a payment?

21 Upon entry of the Final Approval Order and Defendant's payment of the Maximum Settlement
22 Amount plus the Employer's withholding share of payroll taxes, Plaintiff and Class Members will be
23 deemed to have released the Released Parties of and from all of the Released Claims during the Class
24 Period. The Released Claims, further described below, include all claims that Plaintiff, the Class, any
Class Member, and/or any PAGA Employee had, or may claim to have, against any of the Released
Parties.

25 Release of Class Claims by the Participating Class Members. Upon the date Defendant fully
26 funds the entire Maximum Settlement Amount, Defendant and the other Released Parties shall be
27 entitled to a release from the Plaintiff and the Class Members who do not opt out, for all of the Released
28 Claims which occurred during the Class Period. "Released Claims" means all claims for violations
of the following wage and hour claims that were actually alleged or that could have been alleged in
the Action by Plaintiff, on behalf of the Class Employees for the entire Class Period and the entire

1 PAGA Period, as well as any and all wage and hour claims and that were asserted or could have been
2 asserted based on the factual or legal allegations contained in Plaintiff's November 22, 2022 First
3 Amended Complaint, arising at any time during the Class Period, including but not limited to: (a)
4 failure to pay all wages owed, whether due to alleged off the clock work, failure to correctly calculate
5 the regular rate or any other theory of liability for the underpayment of the minimum wage or overtime;
6 (b) failure to provide duty-free meal periods or pay premiums at the regular rate of pay in lieu thereof;
7 (c) failure to provide duty-free rest breaks or failure to pay premiums at the regular rate of pay in lieu
8 thereof; (d) failure to reimburse expenses; (e) waiting time penalties; (f) failure to provide accurate
9 wage statements; (g) unfair business practices; (h) claims for violation of the provisions of the
10 applicable Wage Orders regarding minimum wage, overtime, meal periods and rest periods, as well
11 as allegations regarding the late payment of final wages, inaccurate wage statements; (i) claims for the
12 attorney's fees and costs incurred in the prosecution of this Action on behalf of the Class; (j) any other
13 claims, remedies, penalties, or interest that could have been plead based on the facts alleged in the
14 Action; and (k) all claims that Plaintiff, the Class may have against the Released Parties relating to:
15 (i) the payment, taxation, and allocation of attorney's fees and costs to Plaintiff's Counsel pursuant to
16 this Settlement Agreement; and (ii) the payment, taxation, and allocation of Plaintiff's Class
17 Representative Service Award pursuant to this Settlement Agreement. The release of the Released
18 Claims shall be effective as to the entire Class Period defined above and expressly excludes all other
19 claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment
20 and Housing Act, unemployment insurance, disability, social security, workers' compensation, as well
21 as any other claims outside of the Class Period. Participating Class Members may discover facts in
22 addition to those they now know or believe to be true with respect to the subject matter of the Released
23 Claims, but upon the date the Defendant fully funds the Maximum Settlement Amount, Participating
24 Class Members shall be deemed to have, and by operation of the Judgment shall have, fully, finally,
25 and forever settled and released any and all of the Released Claims, without regard to the subsequent
26 discovery or existence of such different or additional facts. Participating Class Members agree not to
27 sue or otherwise make a claim against any of the Released Parties and seek recovery for any of the
28 Released Claims. It is the intent of the Parties that the Judgment entered by the Court shall have full
res judicata effect and be final and binding upon Participating Class Members regarding the Released
Claims.

19 Release of PAGA Claims By State of California and PAGA Employees. Upon the date
20 Defendant fully funds the Maximum Settlement Amount, Defendant and the other Released Parties
21 shall be entitled to a release from the Plaintiff, the State of California, and all PAGA Employees with
22 respect to the PAGA Released Claims which occurred during the PAGA Period. "PAGA Released
23 Claims" means all such claims that are alleged, or reasonably could have been alleged, based on the
24 PAGA Period facts stated in the operative complaint and Plaintiff's PAGA notice letter, including but
25 not limited to (a) any claim for PAGA penalties for alleged violations of Labor Code sections 201–
26 203, 204, 226, 226.7, 227.3, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1198, 2699 et. seq.,
27 2802, claims for violation of the provisions of the applicable Wage Orders regarding minimum wage,
28 overtime, meal periods and rest periods, as well as allegations regarding the late payment of final
wages, inaccurate wage statements; (b) claims for the attorney's fees and costs incurred in the
prosecution of this Action on behalf of the PAGA Employees; (c) any other claims for PAGA penalties
that could have been plead based on the facts alleged in the Action; and (d) all claims that Plaintiff,
and/or the PAGA Employees may have against the Released Parties relating to: (i) the payment,
taxation, and allocation of attorney's fees and costs to Plaintiff's Counsel pursuant to this Settlement
Agreement; and (ii) the payment, taxation, and allocation of PAGA Payments pursuant to this
Settlement Agreement. The release of the PAGA Released Claims shall be effective as to the entire

1 PAGA Period defined above. It is the intent of the Parties that the Judgment entered by the Court shall
2 have full *res judicata* effect and be final and binding upon Plaintiff, the state of California and the
3 PAGA Employees regarding the PAGA Released Claims.

4 “**Effective Date**” means the date by which the Court’s order granting Final Approval of the
5 Settlement becomes final. Such order becomes final upon the following events: (i) upon the Court
6 issuing an order granting Final Approval of the Settlement (“Final Approval Order”) if no objections
7 to the Settlement are filed, or if an objection is filed but is withdrawn prior to the Court’s Final
8 Approval Hearing; or (ii) in the event there are written objections filed prior to the final approval
9 hearing which are not thereafter withdrawn prior to the hearing, the later of the following events: (a)
10 the day after the last day by which a notice of appeal of the order may be timely filed with the
11 California Court of Appeal, and none is filed; (b) if an appeal is filed and is finally disposed of by
12 ruling, dismissal, denial, or otherwise, the day after the last date for filing a request for further review
13 of the Court of Appeal’s decision passes and no further review is requested; (c) if an appeal is filed
14 and there is a final disposition by ruling, dismissal, denial, or otherwise by the Court of Appeal, and
15 further review of the Court of Appeal’s decision is requested, the day after the request for review is
16 denied with prejudice and/or no further review of the order can be requested; or (d) if review is
17 accepted, the day the Supreme Court of the State of California affirms the Settlement.

12 **THE FINAL APPROVAL HEARING**

13 Presently, the Court has determined only that there is sufficient evidence to suggest that
14 the proposed Settlement might be fair, reasonable and adequate. The Court will conduct a final
15 approval hearing regarding the proposed Settlement (the “Final Approval Hearing”) on **DATE** at
16 **TIME**, in Department 17 of the Los Angeles County Superior Court located at Spring Street
17 Courthouse, 312 North Spring Street. Los Angeles, CA 90012. The Court will determine: (i) whether
18 the Settlement should be given the Court’s final approval as fair, reasonable, adequate and in the best
19 interests of the participating Class Members; (ii) whether the participating Class Members should be
20 bound by the terms of the Settlement; (iii) the amount of the attorneys’ fees and litigation costs that
21 should be awarded to Plaintiff’s counsel; and (iv) the amount that should be awarded to the Plaintiff
22 as Class Representative Service Award.

23 At the Final Approval Hearing, the Court will hear all objections, as well as arguments for and
24 against the proposed Settlement. You have a right to attend this hearing but you are not required to do
25 so. You also have the right to hire an attorney to represent you or to enter an appearance and represent
26 yourself. If you decide to hire an attorney to represent you, you will be solely responsible for paying
27 any attorneys’ fees and/or costs associated with that representation.

28 The Settlement Administrator will give notice to any objecting party of any continuance of the
hearing on the Motion for Final Approval. Additionally, you may contact the Settlement Administrator,
listed at the end of this notice, to inquire into the date and time of the Final Approval hearing.

Condition of Settlement. This Settlement is conditioned upon the Court entering an order at or
following the Final Approval Hearing fully and finally approving the Settlement as fair, reasonable,
adequate and in the best interests of the participating Class Members.

Judgment. If the Court grants final approval of the settlement, the Final Judgment will be posted on the website of the Administrator, Simpluris and can be found here: [insert website].

WHAT ARE YOUR OPTIONS?

- **OPTION 1 – GET A PAYMENT**

IF YOU ARE A SETTLEMENT CLASS MEMBER AND WISH TO RECEIVE YOUR SHARE OF THE SETTLEMENT, THEN YOU DO NOT HAVE TO DO ANYTHING AND YOU WILL AUTOMATICALLY RECEIVE A SETTLEMENT PAYMENT. YOU ARE NOT REQUIRED TO GO TO COURT OR PAY ANYTHING TO THE LAWYERS IN THIS CASE.

The number of pay periods you worked during the Class Period and/or the PAGA Period and the estimated amount of your Settlement Payment is set forth above in this notice. If you believe that the number of pay periods are stated incorrectly, you may dispute it by timely submitting a written dispute to the Settlement Administrator, postmarked no later than [REDACTED]. The dispute must contain the following: (a) your full name, address, and last four digits of your Social Security number; (b) your signature; (c) reference to the Actions by name and case number; (d) a statement clearly indicating that you dispute the number of pay periods that are credited to you and the number of pay periods that you claim should be credited to you. The dispute should attach supporting documentation, if any, that you may have. If you believe that the information is correct, you do not have to do anything.

The Settlement Payment you will receive will be a full and final settlement of your Released Claims described above.

- **OPTION 2 – EXCLUDE YOURSELF FROM THE CLASS PORTION OF THE SETTLEMENT**

You have a right to exclude yourself (“Opt Out”) from the Class portion of the Settlement. However, if you choose to do so, you will not receive any payment from the proposed class settlement. You will **not** be bound by a judgment in this case as it pertains to the class settlement and will have the right to file your own lawsuit against Defendant, subject to time limits called Statutes of Limitations and other potential defenses that Defendant may assert, and to pursue your own claims in a separate suit. If you opt out and are a PAGA Member, you will be bound by the PAGA portion of the settlement and receive your PAGA payment.

You can opt out of the Class portion of the Settlement by submitting a written request that must: (a) contain your full name, address, and last four digits of your Social Security number; (b) be signed by you; (c) refer to the Actions by name; and (d) contain a statement clearly indicating that you seek to be excluded from the Settlement. Send it by first class U.S. mail to the Settlement Administrator at Simpluris, Inc., [REDACTED].

To be valid, your Opt-Out Form must be postmarked no later than 12/31/2024, 2024.

• **OPTION 3 – OBJECT TO THE SETTLEMENT**

1 If you wish to remain a Class Member, or if you are a PAGA Member, and you wish retain the
2 ability to participate in any Settlement that is approved and receive a settlement payment, but you wish
3 to object to the proposed Settlement (or any of its terms) and wish the Court to consider your objection
4 at the Final Approval Hearing, you may object to the proposed Settlement in writing by submitting a
5 statement explaining your objection by first class U.S. mail to the Settlement Administrator at
6 Simpluris, Inc., [REDACTED]. It must be postmarked no later than
7 [REDACTED], 2024. You, or an attorney representing you, may also appear at the Final Approval
8 Hearing to object to the Settlement. If you opt out of the Settlement you do not have the right to object.

6 **COUNSEL FOR THE PARTIES**

8 **COUNSEL FOR PLAINTIFF/CLASS** 9 **MEMBERS:**

10 Kane Moon (SBN 249834)
11 Allen Feghali (SBN 301080)
12 Hyunjin Kim (SBN 345518)
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San Diego, CA 92101-3577
Telephone: 619.232.0441
Fax No.: 619.232.4302

17 **CHANGE OF ADDRESS**

18 If you move after receiving this notice, if it was misaddressed, or if for any reason you want
19 your Settlement Payment or future correspondence concerning this Action to be sent to a different
20 address, you must supply your preferred address to the Settlement Administrator.

20 **ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?**

21 The above is a summary of the basic terms of the Settlement. For the precise terms and
22 conditions of the Settlement, you may review the detailed "Joint Stipulation of Class Action
23 Settlement," which was filed with the Court on May 20, 2024, as Exhibit 1 to the Declaration of Kane
24 Moon in Support of Plaintiff's Motion for Preliminary Approval, and is available for viewing online,
25 along with other court records regarding the Action, on the Court's website, <https://www.lacourt.org/>.
This document as well as the pleadings and other records in the Action may also be examined in person
at any time during regular business hours at the Office of the Clerk of the Los Angeles County Superior
Court, Spring Street Courthouse, 312 North Spring Street, Los Angeles, CA 90012.

26 **ALL INQUIRIES REGARDING THIS LITIGATION SHOULD BE MADE TO THE**
27 **SETTLEMENT ADMINISTRATOR OR CLASS COUNSEL.**

1 **PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK**
2 **FOR INFORMATION REGARDING THIS SETTLEMENT OR THE SETTLEMENT**
3 **ADMINISTRATION PROCESS.**

4 **QUESTIONS?**

5 If you have any questions, you may contact Class Counsel or the Settlement Administrator.

6 **SETTLEMENT ADMINISTRATOR**

7 **SIMPLURIS, INC.**

8 **[ADDRESS]**

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