

PAGA SETTLEMENT AGREEMENTⁱ

This PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Chad Anthony Whelan (“Plaintiff”) and defendant Madison Reed, Inc. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. **DEFINITIONS.**

- 1.1 “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant captioned *Whelan v. Madison Reed, Inc.*, Case No. 23STCV01873, Los Angeles County Superior Court, initiated as a class action on January 27, 2023, amended to add a tenth cause of action for violation of the Private Attorneys General Act (“PAGA”) on May 8, 2023, and amended to strike the class claims on June 29, 2023.
- 1.2 “Administrator” means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of this Settlement.
- 1.4 “Aggrieved Employee” means all non-exempt employees employed by Defendant in California hair color bars or as color crew at any time during the PAGA Period.
- 1.5 “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendant’s possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.
- 1.6 “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.
- 1.7 “Court” means the Superior Court of California, County of Los Angeles.
- 1.8 “Defense Counsel” means Gregory Iskander, Evelina Shpolyansky, and Jennifer W. Maguire of Littler Mendelson, P.C.
- 1.9 “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) the day the Court enters Judgment if there are no objections or (b) if there is an objection, the day following the final determination of any Court or Court of Appeals and no further objection or appeal may be made.

- 1.10 “Gross Settlement Amount” means \$200,000.00 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator’s Expenses Payment.
- 1.11 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.12 “Judgment” means the judgment entered by the Court based upon the approval of the settlement.
- 1.13 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.14 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.15 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.
- 1.16 “PAGA Counsel” means Kashif Haque, Jessica L. Campbell, and Jamie M. Loos of Aegis Law Firm, PC, the attorneys representing the Plaintiff in the Action.
- 1.17 “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.18 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.19 “PAGA Period” means the period from March 4, 2022 to March 16, 2024.
- 1.20 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.21 “PAGA Notice” means Plaintiff’s January 27, 2023 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a), and any amended notice.

- 1.22 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount after deductions of fees and costs, allocating 25% to the Aggrieved Employees and 75% to the LWDA in settlement of PAGA claims
- 1.23 “Plaintiff” means Chad Anthony Whelan, the named plaintiff in the Action.
- 1.24 “Approval Order” means the proposed Court Order Granting approval of PAGA Settlement.
- 1.25 “Released PAGA Claims” means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5 below.
- 1.26 “Released Parties” means: Defendant, its affiliated or related companies or divisions, all past and former employees, and all persons acting by, through, under, or in concert with Defendant and each of its former and present directors, officers, shareholders, owners, attorneys, insurers, predecessors, successors, and assigns.
- 1.27 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.28 “Defendant” means named Defendant Madison Reed, Inc.

2. RECITALS.

- 2.1 On January 27, 2023, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for failure to pay minimum wages, failure to pay overtime wages, failure to provide meal periods, failure to permit rest breaks, failure to reimburse necessary business expenses, failure to provide accurate itemized wage statements, failure to pay timely wages during employment, failure to pay timely wages upon separation of employment, and violation of Business and Professions Code §§ 17200 et seq. On May 8, 2023, Plaintiff filed a First Amended Complaint to add a cause of action under PAGA. On June 29, 2023, Plaintiff requested to dismiss the class claims before the Court, and the Court granted dismissal of the class claims. The First Amended Complaint, with class claims stricken, is the operative complaint in the Action (the “Operative Complaint.”). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.
- 2.2 Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.3 On February 15, 2024, the Parties participated in an all-day mediation presided over by the Honorable Lisa Cole, Ret., which led to this Agreement to settle the Action.
- 2.4 Prior to mediation, Plaintiff obtained, through informal discovery, data pertaining to the Aggrieved Employees, policy documents, Plaintiff’s personnel file, and time and pay records.

- 2.5 The Parties, PAGA Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. **MONETARY TERMS.**

3.1 Gross Settlement Amount. Defendant promises to pay \$200,000.00 and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court pursuant to the Court's approval:

3.2.1 To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third of the Gross Settlement Amount which is currently estimated to be \$66,666.67 and PAGA Counsel Litigation Expenses Payment of not more than \$25,000.00. Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2 To the Administrator: An Administrator Expenses Payment not to exceed \$4,500.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$4,500.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.3 To the LWDA and Aggrieved Employees: PAGA Penalties will be paid from the Gross Settlement Amount, after deductions of the above fees and costs, with 75% allocated to the LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments.

3.2.3.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.3.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4 SETTLEMENT FUNDING AND PAYMENTS.

4.1 Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 329 Aggrieved Employees who worked a total of 7,417 PAGA Pay Periods.

4.2 Aggrieved Employee Data. Within 15 days of the Approval Order, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 60 days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Expenses Payment. Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.4.1 The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all

checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2 The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

4.4.3 For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

4.4.4 The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5 **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount Plaintiff and PAGA Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. Plaintiff and his or her respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the PAGA Period and that reasonably could have been alleged, based on the facts contained in the Operative Complaint and the PAGA Notice ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiff's Release does not extend to any claims or causes of action alleged in his separately filed pending civil case, captioned *Whelan v. Madison Reed*, Case No. 23STCV19331, Los Angeles County Superior Court.

5.2 Release by Aggrieved Employees: All Aggrieved Employees, the State of California, and the LWDA are deemed to release, discharge, compromise, and relinquish on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from the all PAGA claims that were alleged, or reasonably could have been alleged, based on the facts in the Operative Complaint and the PAGA Notices, which occurred during the PAGA Period,

including any and all claims for PAGA penalties involving any allegations that Defendant failed to pay all wages due (including minimum wages, regular wages, sick pay, and overtime wages); failed to provide legally-compliant meal and rest breaks and failed to pay premium pay for missed, late, interrupted or short meal and rest breaks; failed to timely pay all earned wages and compensation; failed to provide timely final pay; failed to provide accurate itemized wage statements; failed to reimburse employees for required expenses; and failed to pay sick leave, at any time during the PAGA Period. The Aggrieved Employees shall release their PAGA claims, to the extent they have any interest, in their entirety and may not opt out of the PAGA release.

6 MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT. Plaintiff's Counsel shall prepare and file an application or motion for approval of this Settlement, which Defendant shall not oppose.

6.1 Plaintiff's Responsibilities. Plaintiff will prepare all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator; and (iii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents. Responsibilities of PAGA Counsel. PAGA Counsel is responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than 30 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's approval to the Administrator.

6.2 Duty to Cooperate. PAGA Counsel shall provide drafts of all filings to counsel for Defendant in order for Defendant to review and make any proposed revisions, upon Defendant's written request. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting by telephone or email, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

6.3 PAGA Counsel shall also submit the required notices of the Settlement to the LWDA.

7 SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators to serve as the Administrator and verified that, as a condition of appointment, Phoenix Settlement Administrators agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and

their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.

7.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8 **CONTINUING JURISDICTION OF THE COURT**. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

8.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties’ obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

9 **ADDITIONAL PROVISIONS.**

9.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant’s defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant’s defenses. The Settlement, this Agreement and Parties’ willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this

Agreement).

- 9.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 9.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, 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 reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 9.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 9.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 9.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 9.7 Attorneys' Fees and Costs. Except as expressly provided herein, Defendant and Plaintiffs shall each bear their own attorneys' fees and costs.
- 9.8 No Public Comment. Neither the Parties nor their counsel shall make or issue any public statements to the press or any third party, nor post any information on websites or other public forums, concerning the Litigation in any way. Nothing herein shall prevent Plaintiff's counsel from disclosing this settlement for purposes of describing their qualifications as counsel in other cases or as required by a court, nor shall any terms herein preclude Class Counsel from communicating with and fulfilling its obligations to Aggrieved Employees.
- 9.9 Notice to the LWDA. At the same time as they submit this Agreement to the Court for approval, Plaintiffs' Counsel shall submit a copy of this Agreement to the

LWDA, as required by California Labor Code § 2699(1)(2). Within ten (10) days following the Effective Date, Plaintiffs' Counsel shall submit a copy of the Order entered by the Court to the LWDA, as required by California Labor Code § 2699(1)(3).

- 9.10 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 9.11 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 9.12 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 9.13 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 9.14 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 9.15 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 9.16 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Aegis Law Firm, PC

Kashif Haque
Samuel Wong
Jessica L. Campbell
Jamie M Loos
9811 Irvine Center Drive, Suite 100
Irvine, California 92618
jloos@aegislawfirm.com
(949) 379-6250

To Defendant:

Little Mendelson, P.C.

Gregory Iskander
Jennifer W. Maguire
Evelina Shpolyansky
1255 Treat Boulevard, Suite 600
Walnut Creek, California 94597
(925) 932-2468

9.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

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9.18 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Date: 04/17/24

PLAINTIFF CHAD ANTHONY WHELAN


Chad Anthony Whelan (Apr 17, 2024 18:05 PDT)

Plaintiff

Date: 04/23/24

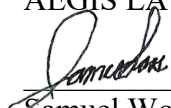
DEFENDANT MADISON REED, INC.



By: Maureen Watson, Chief Product Officer

Date: 4/17/24

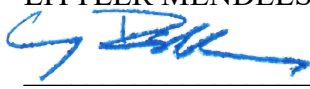
AEGIS LAW FIRM, PC



Samuel Wong
Kashif Haque
Jessica Campbell
Jamie M. Loos
Attorneys for Plaintiff

Date: 04/24/24

LITTLER MENDELSON, P.C.



Gregory Iskander
Jennifer W. Maguire
Evelina Shpolyanksy
Attorneys for Defendant

NOTICE OF COURT-APPROVED SETTLEMENT

Chad Anthony Whelan v. Madison Reed, Inc.

Los Angeles County Superior Court, Case No. 23STCV01873

<<Mailing Date>>

To: <<First Name>><<Last Name>>
<<Address>>
<<City>> <<State>> <<Zip>>

Re: Individual PAGA Payment from Court-Approved Settlement in *Whelan v. Madison Reed, Inc. et al.*
Los Angeles County Superior Court, Case No. 23STCV01873

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of <<amount of payment>> (“Individual PAGA Payment”). This check is your payment from the court-approved settlement of a lawsuit entitled *Whelan v. Madison Reed, Inc.*, Case No. 23STCV01873 (“Action”), which was filed in the Superior Court of California for the County of Los Angeles (“Court”).

The settlement involves the lawsuit that was filed by Chad Anthony Whelan (“Plaintiff”), a former employee of Madison Reed, Inc. (“Defendant”), on behalf of the State of California with respect to himself and other alleged aggrieved employees, to seek recovery of civil penalties pursuant to the California Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* (“PAGA”). In the case of this matter, Plaintiff alleged that Defendant violated the California Labor Code and Industrial Welfare Commission Wage Orders by failing to properly pay all wages, provide lawful meal periods or compensation in lieu thereof, authorize or permit lawful rest breaks or provide compensation in lieu thereof, provide accurate itemized wage statements, timely pay all wages during employment and upon separation of employment, and by violating Business and Professions Code Sections 17200 *et seq.*

Defendant heartily denies these allegations and denies any wrongdoing of any kind associated with these claims and allegations. Defendant further asserts that it has fully complied with the law.

Nevertheless, in order to avoid extended litigation and avoid continuing to incur significant legal costs and time defending against the lawsuit, a settlement was reached between Plaintiff and Defendant, on behalf of Plaintiff, the State of California, and the following aggrieved employees: all non-exempt employees employed by Defendant in California hair color bars or as color crew at any time between March 4, 2022 through March 16, 2024 (“PAGA Employees”). The settlement resolves and releases all PAGA claims alleged in the lawsuit as to Defendant and the Released Parties.

On [DATE] the settlement was approved by the Court, with a portion to be paid to the State of California, a portion to be paid to the PAGA Employees, up to \$66,666.67 (or one third of the settlement amount) to Plaintiff’s attorneys, approximately \$25,000.00 for costs incurred by Plaintiff’s attorneys, up to \$2,500.00 to Plaintiff for bringing the lawsuit, and up to \$4,500.00 to the Settlement Administrator. You are receiving a portion of the settlement (the enclosed Individual PAGA Payment) because you have been identified, through Defendant’s business records, as a PAGA Employee. You are therefore covered by this settlement and entitled to a share of the settlement proceeds based upon the Court-approved allocation. Your Individual PAGA Payment is based on the total number of pay periods that you worked for Defendant as a PAGA Employee during the period between March 4, 2022 through March 16, 2024 (“PAGA Period”). The enclosed settlement check shall remain valid for 180 days after mailing.

Because this calculation was approved by the Court, the¹³ amount of your payment is final and cannot change.

This means that you are not able to pursue a PAGA lawsuit against Defendant and the Released Parties based on claims covered by the Court-approved settlement. Un-cashed checks will be delivered to the State of California's unclaimed property fund in your name.

Please Note: The Individual PAGA Payment is considered to be 100% penalties, which will be reported on an IRS Form 1099. No taxes were withheld from your payment, so it will be your responsibility to pay any taxes that may be due. Thus, you are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

By way of the settlement, you are deemed to fully release and forever discharge the Released Parties from the Released Claims. The "Released Parties" means Defendant and each of its former and present directors, officers, shareholders, owners, attorneys, insurers, predecessors, successors, and assigns. The "Released Claims" means and refers to all PAGA claims alleged or which could have reasonably been alleged based on the facts alleged in the stated in the Operative Complaint and the PAGA Notice. The release as to the State of California and Aggrieved Employees only covers claims that arise under PAGA, and does not cover an Aggrieved Employee's individual Labor Code claims. The release by all PAGA Members excludes claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, worker's compensation, class claims, and PAGA claims outside of the PAGA Period.

Please do not call or write the Court or Office of the Clerk of the Court to ask questions about the settlement or your individual settlement payment. If you have any questions concerning the settlement, you may contact the Settlement Administrator at <<INSERT CONTACT INFORMATION>>.