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HOOKER FURNISHINGS CORPORATION

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

JENNEFER JEAN WELCH, an individual
and on behalf of all others similarly
situated,

Plaintiff,

vs.

HOOKER FURNISHINGS
CORPORATION., a Virginia corporation;
WES STEWART, as an individual; and
DOES 1 through 100, inclusive,

Defendants.

CASE NO. 37-2023-00007633-CU-OE-CTL

[Assigned for all purposes to Hon. Loren G.
Freestone, Dept. C-64]

CLASS AND PAGA ACTION

**JOINT STIPULATION RE: CLASS
ACTION AND REPRESENTATIVE
ACTION SETTLEMENT**

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1 This Joint Stipulation re: Class Action and Representative Action Settlement (“Settlement”
2 or “Agreement” or “Settlement Agreement”) is made by and between plaintiff Jennefer Jean Welch
3 (“Welch”) and proposed plaintiff Sandra Yessenia Gonzalez-Nuno (“Gonzalez-Nuno”) (collectively,
4 “Plaintiffs”) individually and on behalf of the Settlement Class, on the one hand; and defendant
5 Hooker Furnishings Corporation (“Hooker”), on the other hand, in the current lawsuit entitled
6 *Jennefer Jean Welch, an individual and on behalf of all others similarly situated v. Hooker*
7 *Furnishings Corporation, et al.*, filed in San Diego County Superior Court, Case No. 37-2023-
8 00007633-CU-OE-CTL (the “Action”), which also names defendant WES STEWART (“Stewart”)
9 who shall be dismissed by separate joint stipulation on the terms set forth below (Hooker and Stewart
10 are collectively referred to as “Defendants”). Plaintiffs and Hooker shall be, at times, collectively
11 referred to as the “Parties.” This Agreement is intended by the Parties to fully, finally, and forever
12 resolve the claims pled in the Action and as otherwise set forth herein, based upon and subject to the
13 terms and conditions of this Agreement.

14 **1. DEFINITIONS**

15 **A. “Action”** means *Jennefer Jean Welch, an individual and on behalf of all others*
16 *similarly situated v. Hooker Furnishings Corporation, et al.*, filed in San Diego County Superior
17 Court, bearing Case No. 37-2023-00007633-CU-OE-CTL.

18 **B. “Aggrieved Employees”** means all current and former Sunset West employees of
19 Hooker and/or Sunset HWM, LLC who were employed in a non-exempt, hourly-paid position in
20 California and who received wages for hours worked at any time during the PAGA Period (as defined
21 herein).

22 **C. “Aggrieved Employees PAGA Payment”** is the twenty-five percent (25%) share of
23 the PAGA Payment, equivalent to Twelve Thousand Five Hundred Dollars and Zero Cents
24 (\$12,500.00), that will be distributed to Aggrieved Employees on a *pro rata* basis based on the
25 Qualifying Pay Periods in which an Aggrieved Employee was paid wages for hours worked as a
26 Sunset West non-exempt, hourly-paid employee while working for Hooker and/or Sunset HWM,
27 LLC in California during the PAGA Period. Any Aggrieved Employee PAGA Payment to an
28 Aggrieved Employee shall be in addition to his or her Individual Settlement Payment if he or she is

1 also a Participating Class Member.

2 **D. “Class Counsel”** means: David D. Bibiyan and Vedang J. Patel of Bibiyan Law
3 Group, P.C. The term “Class Counsel” shall be used synonymously with the term “Plaintiffs’
4 Counsel.”

5 **E. “Class Period”** means the period from February 22, 2019 through July 16, 2024.

6 **F. “Class Notice”** means and refers to the notice sent to Class Members after preliminary
7 approval of the Settlement in the manner described in Paragraph 9 of this Agreement.

8 **G. “Court”** means the Superior Court of the State of California for the County of San
9 Diego.

10 **H. “Final Approval Date”** means the later of: (1) the date the Court signs an Order
11 granting final approval of this Settlement (“Final Approval”) and Judgment; (2) if there is an objector,
12 60 days from the date the Final Approval and Judgment; or (3) to the extent any appeals have been
13 filed, the date on which they have been resolved or exhausted.

14 **I. “Defendants”** means, collectively, Hooker Furnishings Corporation and Wes Stewart.

15 **J. “Effective Date”** is the date on which this Settlement Agreement shall become
16 effective, and when the settlement is considered to be Final. For purposes of this Settlement
17 Agreement, “Effective Date” and “Final” mean: (i) in the event that the Settlement has received Final
18 Approval by the Court, and regardless of whether any timely objections thereto have been filed or
19 withdrawn, then sixty-five (65) calendar days after the Court’s issuance of the Final Approval Order
20 without a timely appeal being filed; or, (ii) in the event that a timely appeal of the Court’s Final
21 Approval Order has been filed, then the Settlement Agreement shall be “Final” when the applicable
22 appellate court has rendered a final decision or opinion affirming the Court’s Final Approval Order
23 without material modification, and the applicable date for seeking further appellate review has passed
24 without further appellate review being sought. In the event that the Court fails to approve the
25 Settlement, or if the appropriate appellate court fails to approve the Settlement: (1) this Settlement
26 Agreement shall have no force and effect and the Parties shall be restored to their respective positions
27 prior to entering into it, and no Party shall be bound by any of the terms of the Settlement Agreement;
28 (2) Defendants shall have no obligation to make any payments to the LWDA, Class Members,

1 Plaintiffs or Plaintiffs' Counsel; and (3) any preliminary approval order and/or Final Approval Order
2 shall be vacated.

3 **K. "Employer Taxes"** means employer-funded taxes and contributions imposed on the
4 wage portions of the Individual Settlement Payments under the Federal Insurance Contributions Act,
5 the Federal Unemployment Tax Act, and any similar state and federal taxes and contributions
6 required to be paid to federal and state tax authorities as a result of this Settlement.

7 **L. "General Release"** means the broader release of claims by Plaintiffs, which is in
8 addition to Plaintiffs' limited release of claims as Participating Class Member.

9 **M. "Gross Settlement Amount"** means a non-reversionary fund in the sum of Five
10 Hundred Eighty Thousand Dollars and Zero Cents (\$580,000.00),¹ which shall be paid by Hooker
11 and from which all payments for the Individual Settlement Payments to Participating Class Members,
12 the Court-approved amounts for attorneys' fees and reimbursement of litigation costs and expenses
13 to Class Counsel, Settlement Administration Costs, the Service Award, the PAGA Payment, and the
14 LWDA Payment shall be paid. It expressly excludes Employer Taxes, which shall be paid by Hooker
15 separate, apart, and in addition to the Gross Settlement Amount. Defendants shall not be obligated
16 to pay any other sums in conjunction with this Settlement except as set forth herein.

17 **N. "Individual PAGA Payment"** means a payment made to an Aggrieved Employee for
18 his or her share of the Aggrieved Employee PAGA Payment, which may be in addition to his or her
19 Individual Settlement Share if he or she is also a Participating Class Member.

20 **O. "Individual Settlement Payment"** means a payment made to a Participating Class
21 Member of his or her net share of the Net Settlement Amount.

22 **P. "Individual Settlement Share"** means the gross amount of the Net Settlement
23 Amount that a Participating Class Member is projected to receive based on the number of Qualifying
24 Workweeks that he or she worked as a Settlement Class Member during the Class Period, which shall
25 be reflected in his or her Class Notice.

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28 ¹ As the same may be increased in accordance with Paragraph 17, below.

1 **Q. “LWDA Payment”** means the payment to the State of California Labor and
2 Workforce Development Agency (“LWDA”) for its seventy-five percent (75%) share of the PAGA
3 Payment, equivalent to Thirty Seven Thousand Five Hundred Dollars and Zero Cents (\$37,500.00)

4 **R. “Net Settlement Amount”** means the portion of the Gross Settlement Amount that
5 is available for distribution to the Participating Class Members after deductions for the Court-
6 approved allocations for Settlement Administration Costs, Service Awards to each Plaintiff, an award
7 of attorneys’ fees, reimbursement of litigation costs and expenses to Class Counsel, and the PAGA
8 Payment.

9 **S. “Operative Complaint” or “Complaint”** means the First Amended Complaint to be
10 filed with the Court in *Jennefer Jean Welch, an individual and on behalf of all others similarly*
11 *situated v. Hooker Furnishings Corporation, a Virginia corporation, et al.*, filed in San Diego
12 County Superior Court, Case No. 37-2023-00007633-CU-OE-CTL, pursuant to the terms of the
13 Parties’ Agreement.

14 **T. “PAGA Payment”** is the gross amount of Fifty Thousand Dollars and Zero Cents
15 (\$50,000) that is allocated toward PAGA penalties under this Agreement, all of which is payable
16 from the Gross Settlement Amount. Out of the PAGA Payment, seventy-five percent (75%),
17 equivalent to Thirty Seven Thousand Five Hundred Dollars and Zero Cents (\$37,500.00), will be paid
18 to the LWDA (*i.e.*, the LWDA Payment), and twenty-five percent (25%), equivalent to Twelve
19 Thousand Five Hundred Dollars and Zero Cents (\$12,500.00), will be paid to Aggrieved Employees
20 on a *pro rata* basis based on the number of Qualifying Pay Periods worked for Hooker in the PAGA
21 Period (*i.e.* the Aggrieved Employee PAGA Payment).

22 **U. “PAGA Period”** means the period from June 18, 2022 through the end of the Class
23 Period.

24 **V. “Participating Class Members”** means all Settlement Class Members who do not
25 submit a timely and valid Request for Exclusion. Settlement Class Members who are not
26 Participating Class Members will still be eligible to receive an Individual PAGA Payment if such
27 individual(s) qualify as an “Aggrieved Employee” within the meaning of this Settlement Agreement.

1 **W. “Participating Individual Settlement Share”** means the gross amount of the Net
2 Settlement Amount that a Participating Class Member is eligible to receive based on the number of
3 Qualifying Workweeks in which he or she received wages for hours worked as a Settlement Class
4 Member during the Class Period once all opt-outs have been factored in. A Participating Class
5 Member’s Participating Individual Settlement Share excludes any Individual PAGA Payment to
6 which he or she may be entitled if he or she is also an Aggrieved Employee.

7 **X. “Plaintiffs,” “Named Plaintiffs,” or “Class Representatives”** shall refer to plaintiff
8 Welch and proposed plaintiff Gonzalez-Nuno.

9 **Y. “Preliminary Approval Date”** means the date on which the Court enters an Order
10 granting preliminary approval of the Settlement.

11 **Z. “Qualifying Workweek”** means a workweek worked by a Settlement Class Member
12 or Aggrieved Employee (as applicable) during which he or she was employed by Hooker and/or
13 Sunset HWM, LLC and was paid wages for hours worked in a non-exempt, hourly position during
14 the Class Period or PAGA Period (as applicable).

15 **AA. “Qualifying Pay Period”** is any pay period during the Class Period or PAGA Period
16 in which a Settlement Class Member or Aggrieved Employee (as applicable) had a Qualifying
17 Workweek.

18 **BB. “Released Parties”** shall mean Hooker (including without limitation, Wes Stewart
19 and Sunset HWM, LLC) and each of their past, present, and future respective subsidiaries, dba’s,
20 affiliates, parents, insurers and reinsurers, and company-sponsored employee benefit plans of any
21 nature and their successors and predecessors in interest, including all of their officers, directors,
22 shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants,
23 attorneys, administrators, fiduciaries, trustees, and agents.

24 **CC. “Response Deadline”** means the deadline for Settlement Class Members to mail any
25 Requests for Exclusion, Objections, or Qualifying Workweek Disputes to the Settlement
26 Administrator, which is forty-five (45) calendar days from the date that the Class Notice is first mailed
27 by the Settlement Administrator, unless a Class Member’s notice is re-mailed. In such an instance,
28 the Response Deadline shall be fifteen (15) calendar days from the re-mailing, or forty-five (45)

1 calendar days from the date of the initial mailing, whichever is later, in which to postmark a Request
2 for Exclusion, Qualifying Workweek Dispute or Objection. The date of the postmark shall be the
3 exclusive means for determining whether a Request for Exclusion, Objection, or Qualifying
4 Workweek Dispute was submitted by the Response Deadline.

5 **DD. “Request for Exclusion”** means a written request to be excluded from the Settlement
6 Class pursuant to Paragraph 9.c below.

7 **EE. “Service Award”** means a monetary amounts to be paid to each Plaintiff of up to
8 Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) per Plaintiff for a total of Fifteen
9 Thousand Dollars and Zero Cents (\$15,000.00), which, subject to Court approval, will be paid out of
10 the Gross Settlement Amount.

11 **FF. “Settlement Administration Costs”** means all costs incurred by the Settlement
12 Administrator in administration of the Settlement, including, but not limited to, translating the Class
13 Notice to Spanish, the distribution of the Settlement Class Notice in English and Spanish, calculating
14 Individual Settlement Shares, Individual Settlement Payments, Individual PAGA Payments, and
15 Participating Individual Settlement Shares, as well as processing associated taxes and withholdings,
16 providing declarations, generating Individual Settlement Payment checks and related tax reporting
17 forms, doing administrative work related to unclaimed checks, transmitting payment to Class Counsel
18 for the Court-approved amounts for attorneys’ fees and reimbursement of litigation costs and
19 expenses, to Plaintiffs for their respective Service Awards, and to the LWDA for the LWDA Payment,
20 providing weekly reports of opt-outs, objections and related information, and any other actions of the
21 Settlement Administrator as set forth in this Agreement, all pursuant to the terms of this Agreement.
22 The Settlement Administration Costs are estimated not to exceed \$5,000.00. If the actual amount of
23 the Settlement Administration Costs is less than \$5,000.00, the difference between \$5,000.00 and the
24 actual Settlement Administration Costs shall be a part of the Net Settlement Amount. If the Settlement
25 Administration Costs exceed \$5,000.00 then such excess will be paid solely from the Gross
26 Settlement Amount and Defendants will not be responsible for paying any additional funds in order
27 to pay these additional costs.

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1 **GG. “Settlement Administrator”** means the Third-Party Administrator mutually agreed
2 upon by the Parties that will be responsible for the administration of the Settlement including, without
3 limitation, translating the Class Notice to Spanish, the distribution of the Individual Settlement
4 Payments to be made by Hooker from the Gross Settlement Amount and related matters under this
5 Agreement.

6 **HH. “Settlement Class” or “Settlement Class Members”** means all current and former
7 Sunset West employees of Hooker and/or Sunset HWM, LLC who were employed in a non-exempt,
8 hourly-paid position and who received wages for hours worked in California at any time during the
9 Class Period.

10 **2. BACKGROUND**

11 **A.** On February 22, 2023, Welch filed this Action, styled as a putative wage-and-hour
12 class action and alleging that, during the Class Period, Defendants, as it pertains to Class Members:
13 (1) failed to pay overtime wages; (2) failed to pay minimum wages; (3) failed to provide meal periods
14 or compensation in lieu thereof; (4) failed to provide rest periods or compensation in lieu thereof;
15 (5) failed to all wages due upon termination; (6) failed to provide accurate wage statements; (7) failed
16 to timely pay wages during employment; (8) failed to reimburse for business expenses; (9) failed to
17 pay vested and unused vacation pay at the employee’s final rate of pay; and (10) engaged in unfair
18 competition (the “Action”).

19 **B.** On February 23, 2023, Welch filed with the LWDA and served on Hooker a notice
20 under Labor Code section 2699.3 stating Welch intended to serve as a proxy of the LWDA to recover
21 civil penalties on behalf of the Aggrieved Employees for various Labor Code violations including,
22 but not limited to, the Labor Code violations pled in the Action (the “PAGA Notice”).

23 **C.** On August 22, 2023, Welch filed a separate PAGA action against Hooker and Wes
24 Stewart in San Diego Superior Court by which she sought civil penalties for violations of the
25 California Labor Code based on the same alleged claims set forth in the Class Action (the “Welch
26 PAGA Action”).

27 **D.** On October 23, 2023, Class Counsel advised Defendant’s counsel that they were
28 representing Gonzalez-Nuno as a potential additional plaintiff and class representative in this action.

1 **E.** Shortly thereafter, the Parties agreed to exchange informal discovery and attend a
2 mediation, in advance of which Class Counsel was provided with, among other things: (1) 30% of
3 time and payroll records for the Class Members and Aggrieved Employees; (2) data points including
4 the number of Class Members and PAGA Aggrieved Employees, number of currently employed and
5 separated Class Members, the number of shifts and pay periods worked, the number of wage
6 statements issued to the Class Members, and the average rate of pay for Class Members; (3) relevant
7 policy and other documents pertaining to Hooker’s operations and wage and hour practices; and
8 (4) all personnel records, time records, payroll records and wage statements relating to Welch and
9 Gonzalez-Nuno.

10 **F.** On April 17, 2024, the Parties participated in a full-day mediation before Nikki Tolt
11 Esquire, a well-regarded mediator experienced in mediating complex labor and employment matters.
12 Although the Parties were unable to reach an agreement at the mediation, the Parties subsequently
13 agreed to resolve the Action on the terms set forth in this Agreement. As part and parcel to the
14 Settlement, the Parties have agreed to afford Welch leave to file a First Amended Complaint (“FAC”)
15 in the Action to (1) add Gonzalez-Nuno as a named Plaintiff in the Welch Class Action; (2) add the
16 PAGA claims asserted by Welch in her PAGA Notice and the Welch PAGA Action; (3) dismiss Wes
17 Stewart without prejudice from the Welch Class Action; and (4) add any other claims, causes of
18 action, and factual theories discovered and/or asserted by Plaintiffs during the course of the litigation
19 which have not been pleaded to date.

20 **G.** Class Counsel has conducted significant investigation of the law and facts relating to
21 the claims asserted in the Action and the PAGA Notice, and have concluded that that the Settlement
22 set forth herein is fair, reasonable, adequate, and in the best interests of the Settlement Class, taking
23 into account the sharply contested issues involved, the expense and time necessary to litigate the
24 Action through trial and any appeals, the risks and costs of further litigation of the Action, the risk of
25 an adverse outcome, the uncertainties of complex litigation, the information learned through informal
26 discovery regarding Plaintiffs’ allegations, and the substantial benefits to be received by Settlement
27 Class Members.

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1 **H.** Hooker has concluded that, because of the substantial expense of defending against
2 the Action, the length of time necessary to resolve the issues presented herein, the inconvenience
3 involved, and the concomitant disruption to its business operations, it is in its best interest to accept
4 the terms of this Agreement. Hooker denies each of the allegations and claims asserted against it in
5 the Action, the PAGA Notice, and the Welch PAGA Action. However, Hooker nevertheless desires
6 to settle the Action for the purpose of avoiding the burden, expense and uncertainty of continuing
7 litigation and for the purpose of putting to rest the controversies engendered by the Action.

8 **I.** This Agreement is intended to and does effectuate the full, final, and complete
9 resolution of all Class Released Claims of Plaintiffs and Participating Class Members, and all PAGA
10 Released Claims of Plaintiff Welch and, to the extent permitted by law, of the State of California and
11 Aggrieved Employees. The Plaintiffs identified herein are also providing a General Release, as that
12 term is defined herein and set forth in Paragraph 7.d of this Settlement Agreement.

13 **3. JURISDICTION**

14 The Court has jurisdiction over the Parties and the subject matter of the Action. The Action
15 includes claims that, if proven, would authorize the Court to grant relief pursuant to the applicable
16 statutes. After the Court has granted Final Approval of the Settlement and entered judgment, the
17 Court shall retain jurisdiction over the Parties to enforce the terms of the judgment pursuant to
18 California Rule of Court, rule 3.769, subdivision (h).

19 **4. STIPULATION OF CLASS CERTIFICATION**

20 The Parties stipulate to the certification of the Settlement Class under this Agreement for
21 purposes of settlement only.

22 **5. DISMISSAL OF DEFENDANT STEWART**

23 The Parties shall dismiss without prejudice defendant Stewart pursuant to a separate joint
24 stipulation to be filed within three (3) court days of the full execution of this Settlement Agreement,
25 which stipulation shall also contain Stewart's agreement to waive all costs and fees provided that
26 Plaintiffs do not rename Stewart as a defendant in this action.

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1 **6. AMENDMENT OF PLEADING AND MOTIONS FOR APPROVAL OF**
2 **SETTLEMENT**

3 The Parties hereby agree that following full execution of this Agreement, they will stipulate
4 to Plaintiffs having leave to file the proposed FAC in the Action which adds Gonzalez-Nuno as a
5 plaintiff, which adds the PAGA claims asserted by Welch in her PAGA Notice and any other claims,
6 causes of action, and factual theories discovered and/or asserted by Plaintiffs during the course of the
7 litigation which have not been pleaded to date, and excludes Stewart as a named defendant pursuant
8 to Paragraph 5 above. Upon the FAC being deemed filed, Hooker shall be deemed to have generally
9 denied all of the allegations set forth in the FAC pending final approval of this settlement, without
10 any need to file a separate answer to the FAC. The Parties further agree that within three (3) court
11 days of the Court approving the filing of the FAC in the Welch Class Action, Plaintiff will file in the
12 Welch PAGA Action a request for dismissal without prejudice of the entire action.

13 After full execution of this Agreement, Plaintiffs will move for an order granting preliminary
14 approval of the Settlement and approving and directing the mailing of the proposed Notice of Class
15 Action Settlement (“Class Notice”) attached hereto as **Exhibit “A”**, conditionally certifying the
16 Settlement Class for settlement purposes only, and approving the deadlines proposed by the Parties
17 for the submission of Requests for Exclusion, Qualifying Workweek Disputes, and Objections. If
18 and when the Court preliminarily approves the Settlement, and after administration of the Class
19 Notice in a manner consistent with the Court’s Preliminary Approval Order, Plaintiffs will move for
20 an order finally approving the Settlement and seek entry of a Judgment in line with this Settlement.
21 The Parties may both respond to any Objections lodged to final approval of the Settlement up to five
22 (5) court days before the Final Approval Hearing.

23 Not later than three (3) court days prior to the submission of the motions for preliminary and
24 final approval to the Court, Plaintiffs’ counsel will submit near-final drafts thereof (including all
25 supporting papers, declarations, and proposed order) to counsel for Hooker for their review and
26 comment. Counsel for Hooker will provide their comments to the draft motion for preliminary
27 approval and supporting papers as soon as practicable after receipt and prior to the deadline to file
28

1 such motion. Plaintiffs shall file the motion for preliminary approval as soon as practicable following
2 execution of this Settlement Agreement.

3 For purposes of settlement only, the Parties agree that all statutes of limitations shall be
4 waived with respect to the claims asserted in the FAC to be filed as a condition of preliminary
5 approval, with all such limitations to run from the earliest possible date based on the filing of the
6 Action and the sending of the PAGA Notice. In the event the Court does not grant final approval of
7 the settlement, then the FAC will be deemed withdrawn *ab initio* and the original limitations periods
8 shall apply.

9 **6. STATEMENT OF NO ADMISSION**

10 Defendants deny any wrongdoing of any sort and further deny any liability to Plaintiffs and
11 the Settlement Class and/or Aggrieved Employees with respect to any claims or allegations asserted
12 in the Action and the PAGA Notice. This Agreement shall not be deemed an admission by
13 Defendants of any claims or allegations asserted in the Action and/or the PAGA Notice. Except as
14 set forth elsewhere herein, in the event that this Agreement is not approved by the Court, or any
15 appellate court, is terminated, or otherwise fails to be enforceable, Plaintiffs will not be deemed to
16 have waived, limited or affected in any way any claims, rights or remedies, or defenses in the Action
17 or the PAGA Notice, and Defendants will not be deemed to have waived, limited, or affected in any
18 way any of their objections or defenses in the Action and the PAGA Notice. The Parties shall be
19 restored to their respective positions in the Action prior to the entry of this Settlement.

20 **7. RELEASE OF CLAIMS**

21 **a. Release by All Participating Class Members.**

22 Effective only upon the entry of an Order granting Final Approval of the Settlement, entry of
23 Judgment, and payment by Hooker to the Settlement Administrator of the full Gross Settlement
24 Amount and Employer's Taxes necessary to effectuate the Settlement, Plaintiffs and all Participating
25 Class Members release the Released Parties of any and all claims that have been or could reasonably
26 have been asserted based on the factual allegations in the Operative Complaint as follows: For the
27 duration of the Class Period, the release includes, for Participating Class Members: all claims for
28 failure to pay (or properly pay) overtime wages; all claims for failure to pay minimum or other wages

1 for all hours worked; all claims for failure to provide meal periods or compensation in lieu thereof
2 (including, without limitation, break premiums); all claims for failure to provide rest periods or
3 compensation in lieu thereof (including, without limitation, break premiums); all claims for failure to
4 pay all wages due upon separation from employment; all claims for failure to issue accurate wage
5 statements; all claims for failure to timely pay wages during employment; all claims asserting a failure
6 to properly reimburse employees for business-related expenses; all claims for violation of Labor Code
7 section 227.3 with respect to the payment of vacation wages; all claims for violation of Labor Code
8 section 246 *et seq.* with respect to any failure to permit the use or properly pay sick leave; all claims
9 asserted through California Business & Professions Code section 17200, *et seq.* arising out of the
10 Labor Code violations referenced in the FAC; and all claims for relief, including damages, statutory
11 and/or civil penalties, equitable and/or injunctive relief, attorneys' fees, interest, costs, and any other
12 kind of relief whatsoever that could be sought based on the factual allegations and theories of liability
13 asserted in the FAC (the "Class Released Claims"). The Parties additionally agree that the Class
14 Released Claims shall include the release of claims under the federal Fair Labor Standards Act
15 ("FLSA") pursuant to *Rangel v. Check Cashers*, 899 F.3d 1106 (9th Cir. 2018).

16 **b. PAGA Release by All Aggrieved Employees**

17 Effective only upon the entry of an Order granting Final Approval of the Settlement, entry of
18 Judgment, and payment by Hooker to the Settlement Administrator of the full Gross Settlement
19 Amount and Employer's Taxes necessary to effectuate the Settlement, Plaintiffs, the Aggrieved
20 Employees, and, to the extent permitted by law, the State of California, release the Released Parties
21 for the duration of the PAGA Period from all claims alleged in the PAGA Notice and the FAC for
22 PAGA civil penalties pursuant to Labor Code section 2699 *et seq.* in connection with alleged
23 violations of Labor Code sections 96(k), 98.6, 201, 201.3, 202, 203, 204, 210, 212, 213, 221, 223,
24 226, 226.3, 226.7, 227.3, 232, 232.5, 246 *et seq.*, 404, 432, 432.3, 432.5, 432.6, 432.7, 432.8, 510,
25 512, 558, 1102.5, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198.5, 1527, 2802,
26 2810.5, 3366, 3457, 6401, 6402, 6403, 6409, 6409.6, 6432 and 8397.4, Cal. Code Regs, title 8,
27 sections 3395 and 11040 (5)(A), Cal. Gov't Code section 12952, including for alleged: (1) failure to
28 pay (or properly pay) overtime wages; (2) failure to pay minimum or other wages for all hours

1 worked; (3) failure to provide meal periods or compensation in lieu thereof (including, without
2 limitation, break premiums); (4) failure to provide rest periods or compensation in lieu thereof
3 (including, without limitation, break premiums); (5) failure to pay all wages due upon separation from
4 employment; (6) failure to issue accurate wage statements; (7) failure to timely pay wages during
5 employment; (8) failure to properly reimburse employees for business-related expenses;
6 (9) violations of Labor Code section 227.3 with respect to the payment of vacation wages;
7 (10) failure to maintain and/or produce payroll and time records; (11) payment of wages via non-
8 compliant instruments; (12) failure to provide Labor Code section 2810.5 notices; (13) failure to
9 provide or properly pay for sick leave; (14) failure to provide weekly pay to temporary workers; (15)
10 failure to provide suitable seating; (16) whistleblower retaliation; (17) failing to comply with COVID-
11 19-related notice requirements; (18) failure to provide safety devices/safeguards; (19) failure to keep
12 adequate sanitation facilities; (20) requiring employees to sign unlawful agreements; (21) unlawful
13 pre-employment inquiries and background checks; and (22) unlawful reliance on salary history in
14 making hiring and compensation offers (the “PAGA Released Claims”), as set forth in Plaintiff’s
15 PAGA Notice. The Class Released Claims and PAGA Released Claims shall be collectively referred
16 to herein as the “Released Claims.”

17 **c. Claims Not Released**

18 The Released Claims expressly excludes all other claims, including claims for vested benefits,
19 wrongful termination, unemployment insurance, disability, social security, workers’ compensation,
20 and any other claims outside of the Class Released Claims of Participating Class Members arising
21 during the Class Period and the PAGA Released Claims of Aggrieved Employees (and, to the extent
22 permitted by law, the State of California) arising outside of the PAGA Period.

23 **d. General Release**

24 Effective only upon the entry of an Order granting Final Approval of the Settlement, entry of
25 Judgment, and payment by Hooker to the Settlement Administrator selected of the full Gross
26 Settlement Amount and Employer’s Taxes necessary to effectuate the Settlement, in addition to the
27 Release provided by the Plaintiffs in Paragraphs 7.a. and 7.b. of this Agreement, Plaintiffs make the
28 additional following General Release: Plaintiffs, and each of them, release the Released Parties from

1 all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever,
2 known or unknown, asserted or that might have been asserted, whether in tort, contract, or for
3 violation of any state or federal statute, rule, law or regulation arising out of, relating to, or in
4 connection with any act or omission of the Released Parties through the date of final approval of this
5 Agreement in connection with Plaintiffs' employment with Hooker or the termination thereof, except
6 for any and all other claims that may not be released as a matter of law through this Agreement. To
7 the extent of the General Release provided herein, Plaintiffs stipulate and agree that, upon entry of
8 an Order granting Final Approval of the Settlement, entry of Judgment, and payment by Hooker to
9 the Settlement Administrator selected of the full Gross Settlement Amount and Employer's Taxes
10 necessary to effectuate the Settlement, they shall have expressly waived and relinquished, to the
11 fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California
12 Civil Code, or any other similar provision under federal or state law, which provides:

13 A general release does not extend to claims that the creditor or releasing party does
14 not know or suspect to exist in his or her favor at the time of executing the release and
15 that, if known by him or her, would have materially affected his or her settlement with
16 the debtor or released party.

16 **8. SETTLEMENT ADMINISTRATOR**

17 A. Plaintiffs and Hooker, through their respective counsel, have selected ILYM Group,
18 Inc., to administer the Settlement, which includes but is not limited to: translating the Class Notice to
19 Spanish; distributing the Class Notice; distributing and responding to inquiries about the Class Notice
20 and calculating all amounts to be paid from the Gross Settlement Amount. Charges and expenses of
21 the Settlement Administrator, currently estimated to be \$5,000.00 will be paid from the Gross
22 Settlement Amount. If the actual amount of the Settlement Administration Costs is less than
23 \$5,000.00, the difference between \$5,000.00 and the actual Settlement Administration Costs shall be
24 a part of the Net Settlement Amount. If the Settlement Administration Costs exceed \$5,000.00, then
25 such excess will be paid solely from the Gross Settlement Amount and Defendants will not be
26 responsible for paying any additional funds in order to pay these additional costs.

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1 **9. NOTICE, WORKWEEK DISPUTE, OBJECTION, AND EXCLUSION**
2 **PROCESS**

3 **A. Notice to the Settlement Class Members**

4 (1) Within thirty (30) days after the Preliminary Approval Date, Counsel for
5 Hooker shall provide the Settlement Administrator with information with respect to each Settlement
6 Class Member and/or Aggrieved Employee, including his or her: (1) name; (2) last known address(es)
7 currently in Hooker’s possession, custody, or control; (3) last known telephone number(s) currently
8 in Hooker’s possession, custody, or control; (4) last known Social Security Number(s) in Hooker’s
9 possession, custody, or control; (5) the dates of employment (*i.e.*, hire dates, and, if applicable, re-
10 hire date(s) and/or separation date(s)); (6) the number of Qualifying Workweeks for each Settlement
11 Class Member for the Class Period, and (7) the number of Qualifying Pay Periods for each Aggrieved
12 Employee for the PAGA Period (hereafter, the “Class List”). The final Class List will be designated
13 as Highly Confidential, Attorneys’ Eyes Only, pursuant to a Court-approved and entered Stipulated
14 Protective Order to be submitted by the Parties in the Action prior to the filing of the motion for
15 preliminary approval, and provided by Hooker after the Settlement Administrator signs and returns
16 to Counsel for Hooker the Acknowledgment and Agreement to be Bound attached as Exhibit A to
17 such Protective Order. The final Class List shall be used only by the Settlement Administrator and
18 only for purposes of administering the Settlement and shall not be provided to Class Counsel, and
19 nothing in this Settlement Agreement limits the use of it for that purpose. The Settlement
20 Administrator shall perform an address search using the United States Postal Service National Change
21 of Address (“NCOA”) database and update the addresses contained on the Class List with the newly-
22 found addresses, if any. Within seven (7) calendar days, or soon thereafter, of receiving the Class
23 List from Hooker, the Settlement Administrator shall mail the Class Notice in English and Spanish
24 to the Settlement Class Members via first-class regular U.S. Mail using the most current mailing
25 address information available. The Settlement Administrator shall maintain the Class List and digital
26 copies of all the Settlement Administrator’s records evidencing the giving of notice to any Settlement
27 Class Member and/or other records pertaining to its administration of the Settlement (including,
28 without limitation, records pertaining to Class Member queries, requests for exclusions, opt-outs,

1 Workweek disputes, and undeliverable mailing), for at least four (4) years from the Final Approval
2 Date.

3 (2) The proposed Class Notice will include verbiage jointly agreed to by the
4 Parties and will set forth:

- 5 (a) the Settlement Class Member's estimated Individual Settlement
6 Payment and Individual PAGA Payment, as applicable, and the basis
7 for each;
- 8 (b) the information required by California Rule of Court, rule 3.766,
9 subdivision (d);
- 10 (c) the material terms of the Settlement;
- 11 (d) the proposed Settlement Administration Costs;
- 12 (e) the definition of the Settlement Class;
- 13 (f) a statement that the Court has preliminarily approved the Settlement;
- 14 (g) how the Settlement Class Member can obtain additional information,
15 including contact information for Class Counsel;
- 16 (h) information regarding opt-out, objection and dispute procedures;
- 17 (i) the date and location of the Final Approval Hearing; and
- 18 (j) that the Settlement Class Member must notify the Settlement
19 Administrator no later than the Response Deadline if the Settlement
20 Class Member disputes the accuracy of the number of Qualifying
21 Workweeks as set forth on his or her Class Notice ("Qualifying
22 Workweek Dispute"). If a Settlement Class Member fails to timely
23 dispute the number of Qualifying Workweeks attributed to him or her
24 in conformity with the instructions in the Class Notice, then he or she
25 shall be deemed to have waived any objection to its accuracy and any
26 claim to any additional settlement payment based on different data.

27 (3) If a Class Notice from the initial notice mailing is returned as undeliverable,
28 the Settlement Administrator will attempt to obtain a current address for the Settlement Class Member

1 to whom the returned Class Notice had been mailed, within five (5) calendar days of receipt of the
2 returned Class Notice, by: (1) contacting the Settlement Class Member by phone, if possible, and (2)
3 undertaking skip tracing. If the Settlement Administrator is successful in obtaining a new address, it
4 will promptly re-mail the Class Notice to the Settlement Class Member. Further, any Class Notices
5 that are returned to the Settlement Administrator with a forwarding address before the Response
6 Deadline shall be promptly re-mailed to the forwarding address affixed thereto.

7 (4) No later than seven (7) calendar days after the Response Deadline, the
8 Settlement Administrator shall provide counsel for the Parties with a declaration attesting to the
9 completion of the notice process, including the number of attempts to obtain valid mailing addresses
10 for and re-sending of any returned Class Notices, as well as the identities, number of, and copies of
11 all Requests for Exclusion and Objections received by the Settlement Administrator, if any.

12 **B. Objections.**

13 Only Participating Class Members may object to the Class Settlement; neither Participating
14 Class Members nor PAGA Aggrieved Employees may object to the PAGA settlement. In order for
15 any Settlement Class Member to object to this Class Settlement in writing, or any term of it, he or
16 she must do so by mailing a written objection to the Settlement Administrator at the address provided
17 on the Class Notice, with such objection postmarked no later than the Response Deadline. The
18 Settlement Administrator shall email a copy of the Objection forthwith to Class Counsel and counsel
19 for Hooker and attach copies of all Objections to the Declaration it provides Class Counsel, which
20 Class Counsel shall file in support of Plaintiffs' Motion for Final Approval. To be valid, the
21 Objection must be timely submitted and must set forth the following in writing: (1) the Objector's
22 name; (2) the Objector's address; (3) the Objector's telephone number; (4) the last four digits of the
23 Objector's Social Security Number; (5) the Objector's signature; (6) a statement of whether the
24 Objector plans to appear at the Final Approval Hearing; and (7) the reason(s) for the Objection, along
25 with whatever legal authority, if any, the Objector asserts in support of the Objection. If a Settlement
26 Class Member objects to the Class Settlement, the Settlement Class Member will remain a member
27 of the Settlement Class and if the Court approves this Agreement, the Settlement Class Member will
28 be bound by the terms of the Settlement in the same way and to the same extent as a Settlement Class

1 Member who does not object. The date of mailing of the Class Notice to the objecting Settlement
2 Class Member shall be conclusively determined according to the records of the Settlement
3 Administrator. Settlement Class Members need not object in writing to be heard at the Final Approval
4 Hearing; they may object or comment in person at the hearing at their own expense. Class Counsel
5 and counsel for Hooker may respond to any objection lodged with the Court up to five (5) court days
6 before the Final Approval Hearing.

7 **C. Requesting Exclusion.**

8 Any Settlement Class Member may request exclusion from (*i.e.*, to “opt out” of) the Class
9 Settlement by mailing a written request to be excluded from the Class Settlement (“Request for
10 Exclusion”) to the Settlement Administrator, postmarked on or before the Response Deadline. To be
11 valid, a Request for Exclusion must be timely submitted and must include the following in writing:
12 (1) the Class Member’s name; (2) the Class Member’s Address; (3) the Class Member’s telephone
13 number; (4) the last four digits of the Class Member’s Social Security Number; (5) the Class
14 Member’s signature; and (6) a statement that the Class Member seeks to be excluded from the
15 Settlement Class using the same or any other language standing for the proposition the Class Member
16 seeks to be excluded from the Settlement Class: “Please exclude me from the Settlement Class in the
17 *Welch v. Hooker Furnishings Corporation, et al.* matter. I understand that by requesting exclusion,
18 I will not participate in the class settlement and will not receive any money from the class settlement.”
19 The Settlement Administrator shall immediately provide copies of all Requests for Exclusion to Class
20 Counsel and counsel for Hooker and shall report the Requests for Exclusions that it receives, to the
21 Court, in its declaration to be provided in advance of the Final Approval Hearing. Any Settlement
22 Class Member who timely and properly requests exclusion from the Settlement Class using this
23 procedure will not be entitled to receive any Individual Settlement Share from the Settlement and will
24 not be bound by the Settlement Agreement or have any right to object to, appeal, or comment on the
25 Settlement as it relates to the Class Settlement and Class Released Claims. Any Settlement Class
26 Member who does not opt out of the Settlement Class by submitting a timely and valid Request for
27 Exclusion will be bound by all terms of the Settlement, including those pertaining to the Class
28 Released Claims, as well as any Judgment that may be entered by the Court if Final Approval of the

1 Class Settlement is granted. A Settlement Class Member cannot submit both a Request for Exclusion
2 and an objection. If a Settlement Class Member submits an Objection and a Request for Exclusion,
3 the Request for Exclusion will control and the Objection will be overruled. Settlement Class Members
4 who worked during the PAGA Period as Aggrieved Employees that submit a valid Request for
5 Exclusion from the Settlement Class will still be deemed to be Aggrieved Employees, will still receive
6 their Individual PAGA Payments, and will be bound by the release of the PAGA Released Claims.

7 **D. Disputes Regarding Settlement Class Members' Qualifying Workweek Data.**

8 Each Settlement Class Member may dispute the number of Qualifying Workweeks attributed
9 to him or her with respect to the Individual Settlement Share on his or her Class Notice ("Workweek
10 Dispute"). Any such disputes must be in writing and mailed to the Settlement Administrator by the
11 Settlement Class Member, postmarked on or before the Response Deadline. To be valid, a Qualifying
12 Workweek Dispute must be timely submitted and must include the following in writing: (1) the Class
13 Member's name, current mailing address, telephone number, the last four digits of his/her social
14 security number, and his/her signature; (2) a statement indicating that the Class Member seeks to
15 dispute the number of Qualifying Workweeks credited to him or her, the time period(s) he or she
16 worked for Hooker during the Class Period, and the number of Qualifying Workweeks that he or she
17 contends should be credited to him or her; and (3) documentation and/or other facts supporting the
18 Class Member's position. The Settlement Administrator shall immediately provide copies of all
19 Qualifying Workweek Disputes (if any) to Class Counsel and counsel for Hooker. In response to any
20 timely Qualifying Workweek Dispute, Hooker will first verify the information contained in the
21 disputing Class Member's personnel file and Hooker's payroll records. Unless the Class Member
22 can establish that the number of Qualifying Workweeks credited to him or her is incorrect, by
23 providing documentation in support thereof or other details to substantiate his or her position, the
24 total number of Qualifying Workweeks established by Hooker's records will control. Class Counsel
25 and counsel for Hooker will then make a good faith effort to resolve the dispute informally before the
26 Final Approval Hearing. If counsel for the Parties cannot agree, the dispute shall be resolved by the
27 Settlement Administrator before the Final Approval Hearing, who shall examine the records provided
28 by Hooker and the Class Member and shall be the final arbiter of disputes relating to a Class

1 Member's Qualifying Workweeks. The Settlement Administrator's determination regarding any
2 such dispute shall be final for purposes of administering notice of the Settlement, subject to final
3 review, determination, and approval by the Court.

4 **10. INDIVIDUAL SETTLEMENT PAYMENTS AND INDIVIDUAL PAGA**
5 **PAYMENTS**

6 Individual Settlement Payments will be calculated and distributed to Participating Class
7 Members from the Net Settlement Amount on a *pro rata* basis, based on the Participating Class
8 Members' respective number of Qualifying Workweeks during the Class Period. Individual PAGA
9 Payments to Aggrieved Employees will be calculated and distributed to Aggrieved Employees from
10 the Aggrieved Employee PAGA Payment on a *pro rata* basis based on Aggrieved Employees'
11 respective number of Qualifying Pay Periods during the PAGA Period. Specific calculations of the
12 Individual Settlement Shares and Individual PAGA Payments to Aggrieved Employees will be
13 made as follows:

14 **A. The Total Number of Qualifying Workweeks.**

15 The Total Number of Qualifying Workweeks worked by each Settlement Class Member
16 during the Class Period ("Class Member's Workweeks"), as well as the aggregate number of
17 Qualifying Workweeks worked by all Settlement Class Members during the Class Period ("Class
18 Workweeks"), shall be determined from Hooker's records and shall be provided on the Class List
19 provided by Hooker. Additionally, the total number of Qualifying Pay Periods worked by each
20 Aggrieved Employee during the PAGA Period ("Aggrieved Employee's Pay Periods"), as well as
21 the aggregate number of Qualifying Pay Periods worked by all Aggrieved Employees during the
22 PAGA Period ("PAGA Pay Periods"), shall be determined from Hooker's records and shall be
23 provided on the Class List provided by Hooker.

24 **B.** To determine each Participating Class Member's Participating Individual Class
25 Settlement Share, the Settlement Administrator will determine the aggregate number of Qualifying
26 Workweeks worked by all Participating Class Members during the Class Period ("Total
27 Participating Class Member Workweeks") and use the following formula: Individual Settlement
28 Share = (Individual Participating Class Member's Qualifying Workweeks ÷ Total Participating

1 Class Member Qualifying Workweeks) × Net Settlement Amount.

2 **C.** To determine each Aggrieved Employee's Individual PAGA Payment, the
3 Settlement Administrator will use the following formula: Aggrieved Employee's Individual PAGA
4 Payment = (Aggrieved Employee's Qualifying Pay Periods ÷ Total Aggrieved Employee PAGA
5 Qualifying Pay Periods) x Aggrieved Employee PAGA Payment.

6 **D.** Individual Settlement Payments and Individual PAGA Payments shall be paid to
7 Participating Class Members and/or Aggrieved Employees by way of check. When a Participating
8 Class Member is also an Aggrieved Employee, one check may be issued that aggregates both the
9 Individual Settlement Payment and the Individual PAGA Payment.

10 **11. DISTRIBUTION OF PAYMENTS**

11 **A. Distribution of Individual Settlement Payments.**

12 Participating Class Members will receive an Individual Settlement Payment and Aggrieved
13 Employees will receive an Individual PAGA Payment as applicable. Individual Settlement Payment
14 and Individual PAGA Payment checks shall remain valid and negotiable for one hundred and eighty
15 (180) calendar days after the date of their issuance. In the event that any checks mailed to
16 Participating Class Members and/or Aggrieved Employees are not cashed, deposited, or otherwise
17 negotiated within the 180-day period, then the checks shall be sent to the California State
18 Controller's Office Unclaimed Property Fund in the name of the individual, and such Class
19 Members and/or Aggrieved Employees shall nevertheless be bound to the Settlement and the Final
20 Approval Order. Thus, there shall be no "Unpaid Residue" subject to the requirements of California
21 Code of Civil Procedure section 384.

22 **B. Funding of Settlement.**

23 Within ten (10) business days following the occurrence of the later of (a) the Effective Date
24 of the Settlement as defined above and (b) receipt by Hooker's counsel of instructions for wiring the
25 funds from the Settlement Administrator, Hooker shall remit payment of the Gross Settlement
26 Amount (as the same may be escalated pursuant to Paragraph 17 of this Agreement) and Employer
27 Taxes (as that term is defined herein) to the Settlement Administrator pursuant to Internal Revenue
28 Code section 1.468B-1 for deposit in an interest-bearing qualified settlement account ("QSA") with

1 an FDIC insured banking institution, for distribution in accordance with this Agreement and the
2 Court's Orders and subject to the conditions described herein.

3 **C. Time for Distribution.**

4 Within fifteen (15) calendar days after payment of the full Gross Settlement Amount and
5 Employer Taxes by Hooker, or as soon thereafter as practicable, the Settlement Administrator shall
6 distribute Payments from the QSA for: (1) the Service Awards to Plaintiffs as approved by the Court;
7 (2) the Attorneys' Fees and Cost Award to be paid to Class Counsel, as approved by the Court; (3)
8 the Settlement Administrator Costs, as approved the Court; (4) the LWDA Payment, as approved by
9 the Court; and (5) Individual PAGA Payments as approved by the Court. The balance remaining
10 shall constitute the Net Settlement Amount from which Individual Settlement Payments shall be made
11 to Participating Class Members, less applicable taxes and withholdings.

12 **12. ATTORNEYS' FEES AND LITIGATION COSTS**

13 Class Counsel shall apply for, and Hooker shall not oppose, an award of attorneys' fees of up
14 to 35% of the Gross Settlement Amount, which, unless the Gross Settlement Amount is escalated
15 pursuant to Paragraph 17 of this Agreement, amounts to Two Hundred and Three Thousand Dollars
16 and Zero Cents (\$203,000.00). Class Counsel shall further apply for, and Hooker shall not oppose,
17 an application or motion by Class Counsel for reimbursement of actual costs associated with Class
18 Counsel's prosecution of this matter as set forth by declaration testimony in an amount up to Thirty
19 Thousand Dollars and Zero Cents (\$30,000.00). Awards of attorneys' fees and costs shall be paid
20 out of the Gross Settlement Amount, for all past and future attorneys' fees and costs necessary to
21 prosecute, settle, and obtain Final Approval of the settlement in Action. The "future" aspect of the
22 amounts stated herein includes, without limitation, all time and expenses expended by Class Counsel
23 (including any appeals therein). There will be no additional charge of any kind to either the
24 Settlement Class Members or request for additional consideration from Defendants for such work
25 unless, Hooker materially breach this Agreement, including any term regarding funding, and further
26 efforts are necessary from Class Counsel to remedy said breach, including, without limitation, moving
27 the Court to enforce the Agreement. Should the Court approve attorneys' fees and/or litigation costs
28 and expenses in amounts that are less than the amounts provided for herein, then the unapproved

1 portion(s) shall become a part of the Net Settlement Amount for distribution to Participating Class
2 Members, and any such lesser award shall not be grounds for Plaintiffs and/or Class Counsel to
3 terminate the Settlement.

4 **13. SERVICE AWARD TO PLAINTIFFS**

5 Plaintiffs Welch and Gonzalez-Nuno shall each seek, and Hooker shall not oppose, a Service
6 Award in an amount not to exceed Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00)
7 each, for a combined total of Fifteen Thousand Dollars and Zero Cents (\$15,000.00), for participation
8 in and assistance with the Action. Any Service Award awarded to Plaintiffs shall be paid from the
9 Gross Settlement Amount and shall be reported to Plaintiffs on an IRS Form 1099. If the Court
10 approves the Service Award to Plaintiffs in less than the amounts sought herein, then the unapproved
11 portion(s) shall become a part of the Net Settlement Amount for distribution to Participating Class
12 Members, and any such lesser award shall not be grounds for Plaintiffs and/or Class Counsel to
13 terminate the Settlement.

14 **14. TAXATION AND ALLOCATION**

15 **a.** Each Individual Settlement Share shall be allocated as follows: 20% as wages (to be
16 reported on an IRS Form W-2) and 80% for civil and/or statutory penalties and interest, with such
17 non-wage portions to be reported on an IRS Form 1099. Each Individual PAGA Payment shall be
18 allocated entirely as penalties and reported on an IRS Form 1099. The Parties agree that prior to
19 distribution, each Individual Settlement Share due to a Participating Class Member will be subject to
20 reduction for required employee-side payroll taxes, contributions and withholdings with respect to
21 the wage portion of the Individual Settlement Share, which shall yield each Participating Class
22 Member's "Individual Settlement Payment." The amount of federal income tax withholding will be
23 based upon a flat withholding rate for supplemental wage payments in accordance with Treasury
24 Regulation § 31.3402(g)-1(a)(2) as amended or supplemented. Income tax withholding will also be
25 made pursuant to applicable state and/or local withholding codes or regulations.

26 **b.** Forms W-2 and/or Forms 1099 will be timely and correctly prepared and distributed
27 by the Settlement Administrator at times and in the manner required by the Internal Revenue Code
28 of 1986 (the "Code") and consistent with this Agreement. If the Code, the regulations promulgated

1 thereunder, or other applicable tax law, is changed after the date of this Agreement, the processes set
2 forth in this Section may be modified in a manner to bring Hooker into compliance with any such
3 changes.

4 **c.** Neither counsel for Plaintiffs nor counsel for Hooker intend anything contained in this
5 Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Agreement be
6 relied upon as such within the meaning of United States Treasury Department Circular 230 (31 C.F.R.
7 Part 10, as amended) or otherwise. Settlement Class Members and Aggrieved Employees will be
8 responsible for correctly characterizing the compensation that they receive pursuant to the Form 1099
9 and for payment of any taxes owing on said amount(s).

10 **15. PRIVATE ATTORNEYS' GENERAL ACT ALLOCATION AND**
11 **NOTIFICATION TO THE LWDA**

12 The Parties agree to allocate Fifty Thousand Dollars and Zero Cents (\$50,000.00) of the Gross
13 Settlement Amount toward PAGA penalties. Pursuant to the PAGA, seventy-five percent (75%) of
14 the amount allocated toward PAGA (\$37,500.00) will be paid to the LWDA and twenty-five percent
15 (25%) (\$12,500.00) will be distributed to Aggrieved Employees on a *pro rata* basis based upon their
16 respective Qualifying Pay Periods worked as Aggrieved Employees during the PAGA Period.

17 Concurrently with the filing of the motion for preliminary approval of the settlement under
18 this Agreement, Welch and her counsel will comply with all requirements under PAGA to give notice
19 and make submissions regarding the proposed settlement to the LWDA, and promptly provide written
20 evidence thereof to counsel for Hooker.

21 **16. COURT APPROVAL**

22 This Agreement is contingent upon an order by the Court granting Final Approval of the
23 Settlement, and that the LWDA does not intervene and object to the Settlement. In the event it
24 becomes impossible to secure approval of the Settlement by the Court and the LWDA, the Parties
25 shall be restored to their respective positions in the Action prior to entry of this Settlement, except as
26 otherwise set forth herein. If this Settlement Agreement is voided, not approved by the Court or
27 approval is reversed on appeal, it shall have no force or effect and no Party shall be bound by its terms
28 except to the extent: (a) the Court reserves any authority to issue any appropriate orders when denying

1 approval; and/or (b) there are any terms and conditions in this Settlement Agreement specifically
2 stated to survive the Settlement Agreement being voided or not approved, and which control in such
3 an event.

4 **17. INCREASE IN QUALIFYING WORKWEEKS**

5 Hooker represents that the estimated 114 Settlement Class Members worked approximately
6 9,042 Qualifying Workweeks during the Class Period up through mediation. In the event that it is
7 determined that the number of Qualifying Workweeks worked by Class Members during the Class
8 Period increases by more than 10%, or more than 9,946 Qualifying Workweeks, then the Gross
9 Settlement Amount shall be increased by an amount equal to the percentage increase in Qualifying
10 Workweeks over the 9,946 threshold. Thus, for example, if the number of Qualifying Workweeks
11 worked during the Class Period is increased by 13% to 10,217, the Gross Settlement Amount would
12 be increased by 3%, or $\$580,000 \times 0.03$, for an increased Gross Settlement Amount of \$597,400
13 ($\$580,000 + \$17,400$).

14 **18. NOTICE OF JUDGMENT**

15 In addition to any duties set out herein, the Settlement Administrator shall provide notice of
16 the Final Judgment entered in the Action by posting the same on its website for a period of no less
17 than four (4) years.

18 **19. WITHDRAWAL FROM SETTLEMENT BASED ON REQUESTS FOR**
19 **EXCLUSION**

20 Hooker shall retain the right to nullify the Agreement in the event that more than ten percent
21 (10%) of Class Members submit timely and valid Requests for Exclusion. Should the 10%
22 threshold for opt outs be exceeded, the Settlement Administrator shall notify lead counsel for all
23 Parties via email immediately, and Hooker must provide written notice to Class Counsel of its
24 withdrawal within ten (10) calendar days of receiving sufficient information to determine that the
25 opt out rate exceeds 10%. If Hooker exercises this right, it shall be solely responsible for the costs
26 incurred for settlement administration up to the date of nullification.

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1 **20. CONFIDENTIALITY**

2 Except as otherwise agreed in writing between the Parties, both before and following the
3 execution of this Settlement Agreement by the Parties and their counsel, there will be no direct or
4 indirect comment or publication by Plaintiffs and Class Counsel of the settlement in terms of
5 affirmative or responsive media statements/comments, press releases or conferences, website
6 postings or content, social media postings or content, other Internet postings or content, subscribed
7 email messages, newsletters, disseminated updates, mass mailings, or any other comment or
8 publication to the press, media or public at large. This shall not apply to or limit the public filing
9 of motions or other case materials by Class Counsel in the Action related to seeking and obtaining
10 Court approval of the proposed settlement and the related awards of attorneys fees and costs,
11 enhancements and the other relief set forth in this Settlement Agreement, or to communications
12 between Class Counsel and Plaintiffs or Settlement Class Members. Class Counsel may otherwise
13 state only that the Action has been settled on terms mutually agreeable to the Parties. The Parties
14 understand and agree that there may be media coverage of the settlement of the Action not initiated
15 by Plaintiffs or Class Counsel, directly or indirectly. It is also agreed and understood that the Parties
16 and each and every Settlement Class Member, may disclose the settlement to their families, plus
17 their legal, tax, or accounting advisors, insurance companies, or as required by law, regulatory rules
18 or regulatory requirements. Class Counsel may disclose the names of the Parties in the Action, the
19 venues/case numbers, and settlement details available in the public record, for the limited purpose
20 of allowing Class Counsel to prove adequacy as class counsel in other actions or for purposes of
21 seeking approval of an unrelated settlement.

22 **21. SETTLEMENT WEBSITE**

23 The Parties agree that the Settlement Administrator may use U.S. mail and its own website
24 to provide notice and information about the Settlement to the Settlement Class Members. Reference
25 to this Settlement on the Settlement Administrator's website must be taken down within 45 days
26 after the date the Settlement Administrator must remit any unclaimed funds to the State, as set forth
27 in Section 11.A of this Agreement. No information about the Action or the settlement may be
28 posted on Class Counsel's websites or their social media without Hooker's prior written consent,

1 except as expressly set forth in this Agreement.

2 **22. MISCELLANEOUS PROVISIONS**

3 **A. Interpretation of the Agreement, Governing Law.**

4 This Agreement constitutes the entire agreement between the Parties with respect to its subject
5 matter. Except as expressly provided herein, this Agreement has not been executed in reliance upon
6 any other written or oral representations or terms, and no such extrinsic oral or written representations
7 or terms shall modify, vary or contradict its terms. In entering into this Agreement, the Parties agree
8 that this Agreement is to be construed according to its terms and may not be varied or contradicted
9 by extrinsic evidence. The Agreement will be interpreted and enforced under the laws of the State of
10 California, both in its procedural and substantive aspects, without regard to its conflict of law
11 provisions. Any claim arising out of or relating to the Agreement, or the subject matter hereof, will
12 be resolved solely and exclusively in the Superior Court of the State of California for the County of
13 San Diego, and Plaintiffs and Hooker hereby consent to the personal jurisdiction of the Court in the
14 Action over it solely in connection therewith. The foregoing is only limited to disputes concerning
15 this Agreement. The Parties, and each of them, participated in the negotiation and drafting of this
16 Agreement and had available to them the advice and assistance of independent counsel. As such,
17 neither Plaintiffs nor Hooker may claim that any ambiguity in this Agreement should be construed
18 against the other. The Agreement may be modified only by a writing signed by counsel for the Parties
19 and approved by the Court.

20 **B. Further Cooperation.**

21 The Parties and their respective attorneys shall proceed diligently to prepare and execute all
22 documents, to seek the necessary approvals from the Court, and to do all things reasonably necessary
23 to consummate the Settlement as expeditiously as possible. The Parties agree that they will not take
24 any action inconsistent with this Agreement, including, without limitation, encouraging Class
25 Members to opt out of the Settlement. In the event the Court finds that any Party has taken actions
26 inconsistent with the Settlement, including, without limitation, encouraging Class Members to opt
27 out of the Settlement, the Court may take any corrective actions, including enjoining any Party from
28 communicating regarding the Settlement on an *ex parte* basis, issuing (a) corrective notice(s),

1 awarding monetary, issue, evidentiary and/or terminating sanctions against that Party, and/or
2 enforcing this Agreement despite the presence of opt-outs and/or objections.

3 **C. Counterparts.**

4 The Agreement may be executed in one or more actual or non-original counterparts, including
5 via DocuSign, all of which will be considered one and the same instrument and all of which will be
6 considered duplicate originals.

7 **D. Authority.**

8 Each individual signing below warrants that he or she has the authority to execute this
9 Agreement on behalf of the Party for whom or which that individual signs.

10 **D. Binding On Assigns.**

11 This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto
12 and their respective heirs, trustees, executors, administrators, successors and assigns.

13 **F. Deadlines Falling on Weekends or Holidays.**

14 To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or
15 legal holiday, that deadline shall be continued until the following business day.

16 **G. Jurisdiction of the Court.**

17 Pursuant to California Code of Civil Procedure section 664.6, the Court shall retain
18 jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this
19 Settlement Agreement and all orders and judgments entered in connection therewith, and the Parties
20 and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting,
21 implementing, and enforcing the settlement embodied in this Settlement Agreement and all orders
22 and judgments entered in connection therewith.

23 ///

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28 ///

H. Severability.

In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision if Hooker's counsel and Class Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

DATED: Feb 20, 2025, 2025

Jennefer Jean Welch
Jennefer Jean Welch (Feb 20, 2025 08:12 PST)

JENNEFER JEAN WELCH
Plaintiff and Class Representative

DATED: Feb 18, 2025, 2025

Sandra Yessenia Gonzalez-Nuno
Gonzalez-Nuno (Feb 18, 2025 18:56 PST)

SANDRA YESSENIA GONZALEZ-NUNO
Plaintiff and Class Representative

DATED: _____, 2025

HOOKER FURNISHINGS CORPORATION
By: _____
Its: _____

DATED: _____, 2025

WES STEWART

DATED: February 20, 2025

BIBIYAN LAW GROUP, P.C.

BY: Vedang J. Patel
DAVID D. BIBIYAN
VEDANG J. PATEL
Attorneys for Plaintiff JENNEFER JEAN
WELCH and Proposed Plaintiff Sandra
Gonzalez-Nuno

1 **H. Severability.**

2 In the event that one or more of the provisions contained in this Agreement shall for any
3 reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or
4 unenforceability shall in no way effect any other provision if Hooker's counsel and Class Counsel,
5 on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such
6 invalid, illegal, or unenforceable provision had never been included in this Agreement.

7
8 DATED: _____, 2025

JENNEFER JEAN WELCH
Plaintiff and Class Representative

9
10
11 DATED: _____, 2025

SANDRA YESSENIA GONZALEZ-NUNO
Plaintiff and Class Representative

12
13
14 DATED: March 12, 2025

HOOKER FURNISHINGS CORPORATION
By: C. Earl ARMSTRONG III
Its: CFO + SR VP Finance

15
16
17 DATED: 4/1/_____, 2025

WES STEWART

18
19
20 DATED: _____, 2025

BIBIYAN LAW GROUP, P.C.

21
22 BY:

DAVID D. BIBIYAN
VEDANG J. PATEL
Attorneys for Plaintiff JENNEFER JEAN
WELCH and Proposed Plaintiff Sandra
Gonzalez-Nuno

1 DATED: March 14, 2025

McGUIRE WOODS LLP

2
3 BY:

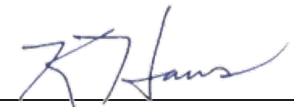


Sabrina A. Beldner, Esq.
David Szwarczstejn, Esq.
Attorneys for Defendant
HOOKER FURNISHINGS
CORPORATION

7 DATED: March 18, 2025

MUNDELL, ODLUM & HAWS, LLP

8
9 BY:



KARL N. HAWS
JIM C. MOORE
Attorney for Defendant, WES STEWART

**NOTICE OF PROPOSED CLASS AND REPRESENTATIVE ACTION SETTLEMENT AND DATE
FOR FINAL APPROVAL HEARING**

Welch v. Hooker Furnishings Corporation, et al.

(County of San Diego, California Superior Court Case No. 37-2023-00007633-CU-OE-CTL)

As a current or former California non-exempt, hourly-paid Sunset West employee of Hooker Furnishings Corporation and/or Sunset HWM, LLC, you may be entitled to receive money from a class action settlement.

Please read this Notice carefully. This Notice relates to a proposed settlement of class action litigation. If you are a Class Member, it contains important information about your right to receive a payment from the Settlement fund.

You have received this Notice of Class and Representative Action Settlement because the records of Hooker Furnishings Corporation (“Hooker”) and/or Sunset HWM, LLC (“SHWM”), show that you are a “Class Member” and therefore entitled to a payment from this class action settlement. Class Members are all current and former Sunset West employees of Hooker and/or SHWM who were employed in a non-exempt, hourly-paid position and who received wages for hours worked in the State of California at any time during the period from February 22, 2019 through July 16, 2024 (“Class Period”).

The settlement is to resolve a class action lawsuit, *Welch v. Hooker Furnishings Corporation, et al.*, pending in the Superior Court of California for the County of San Diego, Case Number 37-2023-00007633-CU-OE-CTL (the “Lawsuit”), alleging, among other things, claims for: for (1) Failure to Pay Overtime Wages; (2); Failure to Pay Minimum Wages; (3) Failure to Provide Meal Periods; (4) Failure to Provide Rest Periods; (5); Waiting Time Penalties; (6) Wage Statement Violations; (7) Failure to Timely Pay Wages; (8) Failure to Reimburse Business Expenses; (9) Failure to Pay Vested and Unused Vacation Pay; (10) Failure to Pay Wages for Accrued Paid Sick Days; and (11) Unfair Business Practices pursuant to Business and Professions Code Section 17200, et seq. Based on the alleged Labor Code violations above-mentioned and other alleged Labor Code violations, Plaintiffs also seek penalties under California Labor Code Private Attorneys’ General Act (“PAGA”).

On [REDACTED], the San Diego County Superior Court granted preliminary approval of this class action settlement and ordered that all Class Members be notified of the Settlement. The Court has not made any determination of the validity of the claims in the Lawsuit. Defendant vigorously denies the claims in the Lawsuit and contends that it fully complied with all applicable laws.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND RECEIVE PAYMENT	Get a payment and give up your legal rights to pursue claims released by the settlement of the Lawsuit.
OPT OUT OF THE CLASS SETTLEMENT	Exclude yourself from the Settlement, get no payment for settlement of the class claims, and retain your legal rights to individually pursue the class claims that would otherwise be released by the settlement of the Lawsuit. If you are a current or former Sunset West employee of Hooker and/or SHWM who was employed in a non-exempt, hourly-paid position in California and received wages for hours worked at any time during the period

Questions? Contact the Settlement Administrator toll free at [PHONE NUMBER]

	between June 18, 2022, through the end of the Class Period (the "PAGA Period") as well, then you will be deemed an "Aggrieved Employee" and you will still receive your share of the proceeds available from the settlement of the PAGA Released Claims, defined below, (your "Individual PAGA Payment") even if you opt out of the class settlement.
OBJECT TO THE SETTLEMENT	If you do not opt out, you may write to the Settlement Administrator, [REDACTED], about why you object to the settlement, and they will forward your concerns to counsel which will then be provided to the Court. If the Court approves the Settlement despite your objection, you will still be bound by the Settlement. You or your attorney may also address the Court during the Final Approval Hearing scheduled for [DATE AND TIME] in Department C-64 of the San Diego County Superior Court, located at 330 W. Broadway, San Diego, CA 92101.

The Final Approval Hearing on the adequacy, reasonableness and fairness of the Settlement will be held at [REDACTED] : [REDACTED].m. on [REDACTED], in the San Diego County Superior Court, located at 330 W. Broadway, San Diego, CA 92101, in Department C-64. You are not required to attend the Hearing, but you are welcome to do so.

Why Am I Receiving This Notice?

Hooker's records show that you are currently, or were formerly, employed as a Sunset West employee by Hooker and/or SHWM in a non-exempt, hourly-paid position and received wages for hours worked in the State of California at some time during the Class Period. You were sent this Class Notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all your options before the Court decides whether to finally approve the settlement. If the Court approves the settlement and then any objections and appeals are resolved, a "Settlement Administrator" appointed by the Court will make the payments described in this Notice. This Notice explains the Lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them and how to get them.

What is This Case About?

Jennefer Welch and Sandra Yessenia Gonzalez-Nuno were non-exempt, hourly-paid Sunset West employees of Hooker and/or SHWM in California. They are the "Plaintiffs" in this case and are suing on behalf of themselves and Class Members for Defendant's alleged failure to pay overtime wages, failure to pay minimum wages, failure to provide meal periods, failure to provide rest periods, failure to pay all wages due upon separation, failure to provide accurate wage statements, failure to timely pay wages, failure to indemnify business expenses, failure to pay vested and unused vacation time, failure to pay wages for accrued paid sick days, and engaging in unfair competition.

Questions? Contact the Settlement Administrator toll free at [PHONE NUMBER]

Based on the alleged Labor Code violations above-mentioned and other alleged Labor Code violations, Plaintiffs also seek civil penalties under the California Labor Code Private Attorneys' General Act ("PAGA").

Defendant denies all allegations made by Plaintiffs and denies that it violated any law. The Court has made no ruling on the merits of Plaintiffs' claims. The Court has only preliminarily approved this class action settlement. The Court will decide whether to give final approval to this settlement at the Final Approval Hearing.

Summary of the Settlement Terms

Plaintiffs have agreed to settle this case with Defendant on behalf of themselves, Class Members, and Aggrieved Employees for the Gross Settlement Amount of \$580,000.00, unless increased pursuant to the Settlement Agreement. The Gross Settlement includes: (1) Administration Costs up to \$[REDACTED]; (2) a service award of up to \$7,500.00 to Jennefer Welch and Sandra Yessenia Gonzalez-Nuno each, for a total of \$15,000.00, for their time and effort in pursuing this case; (3) up to 35% of the Gross Settlement Amount in attorneys' fees which, unless escalated pursuant to the Settlement Agreement, amounts to \$203,000.00; (4) up to \$30,000.00 in litigation costs to Class Counsel, according to proof; (5) payment allocated to PAGA penalties in the amount of \$50,000.00 of the Gross Settlement Amount toward PAGA penalties. Pursuant to the PAGA, seventy-five percent (75%) of the amount allocated toward PAGA, or \$37,500.00, will be paid to the LWDA and twenty-five percent (25%), or \$12,500.00, will be distributed to Aggrieved Employees. After deducting these sums, a total of approximately not less than \$[REDACTED] will be available for distribution to Class Members ("Net Settlement Amount").

Distribution to Class Members

Class Members who do not opt out will receive a *pro rata* payment of the Net Settlement Amount based on the number of weeks worked by Class Members in non-exempt, hourly-paid positions for Hooker and/or SHWM in California during the Class Period ("Eligible Workweeks"). Specifically, Class Members' payments will be calculated by dividing the number of Eligible Workweeks attributed to the Class Member by all Eligible Workweeks attributed to members of the Settlement Class, multiplied by the Net Settlement Amount. Otherwise stated, the formula for a Class Member is: (Individual's Eligible Workweeks ÷ total Settlement Class Eligible Workweeks) x Net Settlement Amount. In addition, all current and former Sunset West employees of Hooker and/or SHWM who were employed in a non-exempt, hourly-paid position in California and who received wages for hours worked at any time during the PAGA Period (*i.e.*, Aggrieved Employees) will receive a *pro rata* share of the \$12,500.00 allocated to Aggrieved Employees as PAGA penalties, whether or not they opt out, based on the number of workweeks worked by each Aggrieved Employee during the PAGA Period.

Hooker's records indicate that you worked [Eligible Workweeks] Workweeks as a non-exempt, hourly-paid employee in California during the Class Period and [Eligible Workweeks] Workweeks during the PAGA Period. Based on these records, your estimated payment as a Class Member would be [\$Estimated Award] and your estimated payment as an Aggrieved Employee would be [\$Estimated Award].

Tax Reporting

100% of the payments for PAGA penalties to Aggrieved Employees will be allocated as penalties reported on IRS Form 1099. 20% of each Settlement Payment to Class Members who do not opt out ("Participating Class Members") will be allocated as wages and reported on an IRS Form W-2, and 80% will be allocated as interest and penalties reported on an IRS Form 1099. This notice is not intended to provide legal or tax advice on your Settlement Share.

Questions? Contact the Settlement Administrator toll free at [PHONE NUMBER]

Your check will be valid for 180 days after issuance. After 180 days, uncashed checks will be cancelled and the funds associated will be transmitted to the California Controller's Office, Unclaimed Property Fund.

Your Options Under the Settlement

Option 1 – Do Nothing and Receive Your Payment

If you do not opt out, you are automatically entitled to your Individual Settlement Payment (*i.e.*, your share of the Net Settlement Amount) because you are a Class Member. If you do not dispute your settlement share calculation and do not opt out of the settlement, you will be bound by the entire release in the settlement and receive your Individual Settlement Payment, as well as your Individual PAGA Payment if you are also an Aggrieved Employee. **In other words, if you are a Class Member, you do not need to take any action to receive the settlement payment(s) set forth above.**

Class Members who do not submit a valid and timely opt out (pursuant to Option 2 below), will be deemed to be a "Participating Class Member" and will have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all "Released Claims" he or she may have or had upon final approval of this Settlement and payment by Defendant to the Settlement Administrator.

Effective only upon entry of Judgment, the Order granting Final Approval of the Settlement, and on the date when Defendant fully funds the entire Gross Settlement Amount and fund all employer-side payroll taxes owed on the Wage Portion of the Individual Class Payments, Participating Class Members will release claims against all Released Parties as follows:

Class Claims: For the duration of the Class Period, the release includes, for Participating Class Members: all claims for failure to pay (or properly pay) overtime wages; all claims for failure to pay minimum or other wages for all hours worked; all claims for failure to provide meal periods or compensation in lieu thereof (including, without limitation, break premiums); all claims for failure to provide rest periods or compensation in lieu thereof (including, without limitation, break premiums); all claims for failure to pay all wages due upon separation from employment; all claims for failure to issue accurate wage statements; all claims for failure to timely pay wages during employment; all claims asserting a failure to properly reimburse employees for business-related expenses; all claims for violation of Labor Code section 227.3 with respect to the payment of vacation wages; all claims for failure to pay or properly pay sick leave; all claims asserted through California Business & Professions Code section 17200, *et seq.* arising out of the Labor Code violations referenced in the First Amended Complaint; and all claims for relief, including damages, statutory and/or civil penalties, equitable and/or injunctive relief, attorneys' fees, interest, costs, and any other kind of relief whatsoever that could be sought based on the factual allegations and theories of liability asserted in the First Amended Complaint. The Parties additionally agree that the Class Released Claims shall include the release of claims under the federal Fair Labor Standards Act ("FLSA") pursuant to *Rangel v. Check Cashers*, 899 F.3d 1106 (9th Cir. 2018).

For Aggrieved Employees: The Aggrieved Employees, and, to the extent permitted by law, the State of California, release the Released Parties for the duration of the PAGA Period from all claims alleged in the PAGA Notice and the FAC for PAGA civil penalties pursuant to Labor Code section 2699 *et seq.* in connection with alleged violations of Labor Code sections 96(k), 98.6, 201, 201.3, 202, 203, 204, 210, 212, 213, 221, 223, 226, 226.3, 226.7, 227.3, 232, 232.5, 246 *et seq.*, 404, 432, 432.3, 432.5, 432.6, 432.7, 432.8, 510, 512, 558, 1102.5, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198.5, 1527, 2802, 2810.5, 3366, 3457, 6401, 6402, 6403, 6409, 6409.6, 6432 and 8397.4, Cal. Code Regs, title 8, sections 3395 and 11040 (5)(A), Cal. Gov't Code section 12952, including for alleged: (1) failure to pay (or properly pay) overtime wages; (2) failure to pay minimum or

Questions? Contact the Settlement Administrator toll free at [PHONE NUMBER]

other wages for all hours worked; (3) failure to provide meal periods or compensation in lieu thereof (including, without limitation, break premiums); (4) failure to provide rest periods or compensation in lieu thereof (including, without limitation, break premiums); (5) failure to pay all wages due upon separation from employment; (6) failure to issue accurate wage statements; (7) failure to timely pay wages during employment; (8) failure to properly reimburse employees for business-related expenses; (9) violations of Labor Code section 227.3 with respect to the payment of vacation wages; (10) failure to maintain and/or produce payroll and time records; (11) payment of wages via non-compliant instruments; (12) failure to provide Labor Code section 2810.5 notices; (13) failure to provide or properly pay for sick leave; (14) failure to provide weekly pay to temporary workers; (15) failure to provide suitable seating; (16) whistleblower retaliation; (17) failing to comply with COVID-19-related notice requirements; (18) failure to provide safety devices/safeguards; (19) failure to keep adequate sanitation facilities; (20) requiring employees to sign unlawful agreements; (21) unlawful pre-employment inquiries and background checks; and (22) unlawful reliance on salary history in making hiring and compensation offers, as set forth in Plaintiff's PAGA Notice.

"Released Parties" means Hooker (including without limitation, Wes Stewart and Sunset HWM, LLC) and each of their past, present, and future respective subsidiaries, dba's, affiliates, parents, insurers and reinsurers, and company-sponsored employee benefit plans of any nature and their successors and predecessors in interest, including all of their officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, attorneys, administrators, fiduciaries, trustees, and agents.

Option 2 – Opt Out of the Settlement

If you do not wish to receive your Individual Settlement Payment or release the Class Released Claims, you may exclude yourself by submitting a written request to be excluded from the Class. Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by mail, a signed written Request for Exclusion. A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's full name, address, telephone number, the last four digits of the Class Member's Social Security Number, signature, and a statement that the Class Member seeks to be excluded from the Settlement Class using the same or any other language standing for the proposition the Class Member seeks to be excluded from the Settlement Class: "Please exclude me from the Settlement Class in the *Welch v. Hooker Furnishings Corporation, et al.* matter. To be valid, a Request for Exclusion must be postmarked to the Administrator by the Response Deadline and delivered to:

[Settlement Agreement]
[Mailing Address]

Your written request for exclusion must be postmarked and mailed to the Administrator not later than [RESPONSE DEADLINE].

The proposed settlement includes the settlement of the PAGA Released Claims. An employee may not request exclusion from the settlement of a PAGA claim. Thus, if the court approves the settlement, then even if you request exclusion from the settlement, if you are Aggrieved Employee, you will still receive your Individual PAGA Payment and will be deemed to have released the PAGA Released Claims. A request for exclusion will preserve your right, if any, to individually pursue only the Class Released Claims.

Questions? Contact the Settlement Administrator toll free at [PHONE NUMBER]

Option 3 – Submit an Objection to the Settlement

If you wish to object to the Settlement, you may submit an objection in writing by mail stating why you object to the Settlement. Your written objection must provide your full name, address, telephone number, the last four digits of your Social Security Number, your signature, a statement of whether you plan to appear at the Final Approval Hearing, and a statement of the reason(s), along with whatever legal authority, if any, why you believe that the Court should not approve the Settlement. Your written objection must be mailed and postmarked to the Administrator no later than [RESPONSE DEADLINE]. Even if you don't submit a written objection, you may appear at the Final Approval Hearing and provide a verbal objection before the Court. If the Court overrules your objection, you will be bound by the settlement and will receive your share of the settlement. Please note that you cannot both object to the Settlement and opt out of the Settlement. If you exclude yourself, then your objection will be overruled. If the Court overrules your objection, you will be bound by the Settlement and will receive your Settlement Share.

Final Approval Hearing

You may, if you wish, appear at the Final Approval Hearing set for [REDACTED] at [REDACTED]:[REDACTED].m. in Department C-64 of the San Diego County Superior Court, located at 330 W. Broadway, San Diego, CA 92101, and orally object to the Settlement, discuss your written objections with the Court and the Parties, or otherwise comment on the Settlement at your own expense. You may attend this hearing virtually by audio or video at <https://www.sdcourt.ca.gov/virtualhearings>. You may also retain an attorney to represent you at the Hearing at your own expense.

Additional Information

This Notice of Class Action Settlement is only a summary of this case and the Settlement. For a more detailed statement of the matters involved in this case and the Settlement, you may call the Settlement Administrator at [PHONE NUMBER] or Class Counsel, whose information appears below:

BIBIYAN LAW GROUP, P.C.

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david@tomorrowlaw.com

Vedang J. Patel (SBN 328647)

vedang@tomorrowlaw.com

1460 Westwood Boulevard

Los Angeles, California 90024

Tel: (310) 438-5555; Fax: (310) 300-1705

You may also visit the Settlement Administrator's website at [WEBSITE] to gain access to key documents in this case, including the Settlement Agreement, the Order Granting Preliminary Approval of this Settlement, the Order Granting Final Approval of this Settlement, and the Final Judgment.

You may also refer to the pleadings, the Settlement Agreement, and other papers filed in this case, which may be inspected at the Department C-64 of the San Diego County Superior Court, located at 330 W. Broadway, San Diego, CA 92101, during regular business hours of each court day. You may also obtain these documents through the Court's website at <https://www.sdcourt.ca.gov/sdcourt/generalinformation/accesscourtrecords/>.

Questions? Contact the Settlement Administrator toll free at [PHONE NUMBER]

All inquiries by Class Members regarding this Notice of Class Action Settlement and/or the Settlement should be directed to the Settlement Administrator.

Counsel for Defendant

In this case, Defendant is represented by the attorneys below. However, if you choose to participate in the Settlement, you should direct any questions regarding it to the Settlement Administrator and/or Class Counsel because Class Counsel will be your attorneys.

McGUIREWOODS LLP

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**PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE,
DEFENDANT, OR DEFENDANT'S ATTORNEYS WITH INQUIRIES.**

Questions? Contact the Settlement Administrator toll free at [PHONE NUMBER]