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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO

KIRSTEN CORBETT and BRENDA
CARDENAS, individually, and on behalf of all
others similarly situated,

Plaintiffs,

v.

G-III APPAREL GROUP, LTD., an entity of
unknown form; AM RETAIL GROUP, INC., a
corporation; and DOES 1 through 10,
inclusive,

Defendants.

CASE NO.: CIVSB 2305772

**CLASS ACTION SETTLEMENT
AGREEMENT AND RELEASE**

1 **SHEPPARD MULLIN RICHTER & HAMPTON LLP**

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1 This Class Action Settlement and Release (“Settlement Agreement” or “Agreement”) is
2 entered into by and between Plaintiffs Kirsten Corbett and Brenda Cardenas (“Plaintiffs”) on behalf
3 of themselves and the Class and Defendant AM Retail Group (“Defendant” or “AMRG”). In
4 consideration of the mutual covenants, promises, and agreements set forth herein, the Parties agree,
5 subject to the approval by the Court, that the Action and the Released Claims shall be settled and
6 compromised as between Plaintiffs and the Class on the one hand, and Defendant on the other hand,
7 subject to the terms and conditions set forth herein.

8 **DEFINITIONS**

9 1. “Action” means collectively, the actions *Corbett v. G-III Apparel Group, LTD. et al.*,
10 San Bernardino County Sup. Ct. Case No. 2305772 (“*Corbett Action*”), *Cardenas v. AM Retail*
11 *Group, Inc.*, Orange Cty. Sup. Ct. Case No. 30-2023-01328419, and *Cardenas v. AM Retail Group,*
12 *Inc.*, San Diego County Sup. Ct. Case No. 37-2023-00011858-CU-OE-CTL (both collectively the
13 “*Cardenas Action*”).

14 2. “Class” means all non-exempt employees who worked for Defendant in California
15 during the Class Period.

16 3. “Class Counsel” means Aubry Wand of the Wand Law Firm, P.C. (“Wand”) and
17 Norman B. Blumenthal, Kyle R. Nordrehaug, and Aparajit Bhowmik of Blumenthal Nordrehaug
18 Bhowmik De Blouw LLP (“BNBD”).

19 4. “Class Counsel Award” means (a) attorneys’ fees for Class Counsel’s litigation and
20 resolution of the Action, and (b) Class Counsel’s expenses and costs incurred in connection with the
21 Action.

22 5. “Class and PAGA Information” means the compilation of the following information
23 for each Class Member and PAGA Member: last known full name; social security number; last
24 known address; last known telephone number; number of compensable workweeks/pay periods for
25 each Class Member and PAGA Member during the Class Period and PAGA Period; and other such
26 mutually agreed upon information by the Parties as may be necessary to independently review the
27 Compensable Workweeks and Compensable Pay Periods attributed to each Class Member and
28 PAGA Member.

1 6. “Class Member(s)” means each person who is a member of the Class defined in
2 Paragraph 2 above and who is eligible to participate in this Settlement.

3 7. “Class Notice” means the notice, substantially in the form attached hereto as **Exhibit**
4 **1**, which the Settlement Administrator will mail to each Class Member, and which explains, *inter*
5 *alia*, the terms of this Settlement, each Class Member’s estimated Individual Settlement Payment,
6 each PAGA Members’ Individual PAGA Payment, the settlement process, and the right of Class
7 Members to object to the Settlement, opt-out of the Settlement, or dispute the number of
8 Compensable Workweeks attributed to them. The Class Notice need only be provided in English
9 because all Class Members are fluent in English.

10 8. “Class Period” means March 3, 2019 to the Preliminary Approval Date, or August
11 17, 2024, whichever is earlier.

12 9. “Class Representative Service Award” means the amount that the Court authorizes
13 to be paid to each of the two Plaintiffs, in addition to their Individual Settlement Payments and
14 Individual PAGA Payments, in recognition of, *inter alia*, their efforts and risks in assisting with the
15 prosecution of the Action and in return for executing a general release with Defendant.

16 10. “Compensable Pay Period(s)” means the number of pay periods worked by each
17 PAGA Member individually and used as a value to calculate Individual PAGA Payments. The
18 number of Compensable Pay Periods for each PAGA Member will be calculated by the Settlement
19 Administrator, based on the Class Information provided by Defendant. The number of Compensable
20 Pay Periods for each PAGA Member will be determined by counting any pay period within the
21 PAGA Period during which a PAGA member worked at least one shift.

22 11. “Total Compensable Pay Periods” means the sum of the Compensable Pay Periods
23 for all PAGA Members determined by the process described in Paragraph 10 above.

24 12. “Compensable Workweek(s)” means the number of weeks worked by each Class
25 Member individually and used as a value to calculate Individual Settlement Payments. The number
26 of Compensable Workweeks for each Class Member will be calculated by the Settlement
27 Administrator, based on the Class Information provided by Defendant. The number of Compensable
28

1 Workweeks for each Class Member will be determined by counting any week within the Class
2 Period during which a Class Member worked at least one shift.

3 13. "Total Compensable Workweeks" means the sum of the Compensable Workweeks
4 for all Class Members determined by the process described in Paragraph 12 above.

5 14. "Court" means the Superior Court for the County of San Bernardino, State of
6 California.

7 15. "Defendant" means AM Retail Group, Inc.

8 16. "Defendant's Counsel" means Derek R. Havel and Tyler J. Johnson of Sheppard
9 Mullin Richter & Hampton LLP.

10 17. "Effective Date" means the date on which the Court's Final Approval Order and
11 Judgment becomes final. The Court's Final Approval Order and Judgment "becomes final" upon
12 the latter of: (a) if there is no Objection to the Settlement, or if there is an Objection but it is
13 withdrawn, then, the date that the Final Approval Order and Judgment is entered by the Court; (b)
14 if there is an Objection to the Settlement that is not withdrawn, but no appeal is commenced
15 thereafter, then, sixty-five (65) calendar days following the date that Notice of Entry of the Final
16 Approval Order and Judgment is served; or (c) if there is an Objection to the Settlement, that is not
17 withdrawn, and any appeal, writ, or other appellate proceeding opposing the Settlement has been
18 filed within sixty-five (65) calendar days following service of Notice of Entry of Final Approval
19 Order and Judgment, then, when any such appeal, writ, or other appellate proceeding opposing the
20 validity of the Settlement has been resolved finally and conclusively affirming the Final Approval
21 Order and Judgment with no right to pursue further remedies or relief.

22 18. "Employer's Share of Payroll Taxes" means the dollar amount of Defendant's
23 employer payroll tax obligation on the employee wage portion of the Individual Settlement
24 Payments, including but not limited to, customary withholdings for federal, state and local taxes,
25 and any similar tax or charge. Defendant shall be responsible for paying the Employer's Share of
26 Payroll Taxes separately from, and in addition to, the Gross Settlement Amount.

27 19. "Final Approval Hearing" means the hearing that the Court will hold after the Court
28 has granted preliminary approval of the Settlement and notice has been provided to the Class and

1 the response of the Class to the Settlement has been determined, regarding, *inter alia*, whether final
2 approval of the Settlement is appropriate and the amounts properly payable for: (a) Individual
3 Settlement Payments; (b) the Class Counsel Award; (c) the Class Representative Service Awards;
4 (d) payment to the LWDA and PAGA Members; and (e) the Settlement Administration Costs.

5 20. “Final Approval Order and Judgment” means an order and judgment that the Court
6 will enter which finally approves this Settlement and enters a judgment.

7 21. “Gross Settlement Amount” means the amount that Defendant is obligated to pay
8 under this Settlement Agreement, which is \$1,100,000.00. No portion of the Gross Settlement
9 Amount will revert to Defendant under any circumstances. Other than the Employer’s Share of
10 Payroll Taxes, the Gross Settlement Amount constitutes the total maximum amount that Defendant
11 shall pay to settle this Action.

12 22. “Individual Settlement Payment” means the amount payable from the Net Settlement
13 Amount to each Settlement Class Member, less employee portions of state and federal withholding
14 taxes, including FICA, FUTA and SDI contributions and any other applicable payroll deductions
15 required by law, only to the extent applicable, as a result of the payment of the amount allocated to
16 such Class Members.

17 23. “Individual PAGA Payment” means the amount payable to the PAGA Members
18 from the \$50,000 total amount allocated to PAGA penalties.

19 24. “LWDA” means the California Labor and Workforce Development Agency.

20 25. “Net Settlement Amount” means the Gross Settlement Amount, less the Class
21 Counsel Award, Class Representative Service Award, the entire Payment to the LWDA and PAGA
22 Members, and Settlement Administration Costs. If the Court approves less than the amount
23 requested for the foregoing, such amounts will return to the Net Settlement Amount and be paid to
24 Settlement Class Members.

25 26. “Objection” means a written communication submitted by a Class Member to the
26 Settlement Administrator that contains a clear statement by the Class Member that he or she is
27 objecting to any of the terms of the Settlement. Class Members may also object to the Settlement
28 orally at the Final Approval Hearing without the need to submit a written Objection.

1 27. “Operative Complaint” means the Second Amended Complaint, attached hereto as
2 **Exhibit 2**, which the Parties stipulate shall be filed in the *Corbett* Action. The Operative Complaint
3 shall consolidate the *Corbett* Action with the *Cardenas* Action, and shall include all of both Plaintiff
4 Corbett and Plaintiff Cardenas’s claims.

5 28. “PAGA Member(s)” means all non-exempt employees who worked for Defendant
6 in California during the PAGA Period.

7 29. “PAGA Period” means December 21, 2021 to the Preliminary Approval Date, or
8 August 17, 2024, whichever is earlier.

9 30. “Parties” means Plaintiffs and Defendant collectively, and “Party” means either
10 Plaintiffs or Defendant individually.

11 31. “Payment Ratio” means the respective Compensable Workweeks for each Settlement
12 Class Member divided by the Total Compensable Workweeks for all Settlement Class Members.

13 32. “PAGA Payment Ratio” means the respective PAGA Pay Periods for each PAGA
14 Member divided by the total PAGA Pay Periods for all PAGA Members.

15 33. “Plaintiffs” means Kirsten Corbett and Brenda Cardenas.

16 34. “Preliminary Approval Date” means the date upon which the Court enters the
17 Preliminary Approval Order.

18 35. “Preliminary Approval Order” means the order, substantially in the form attached
19 hereto as **Exhibit 3**, which grants preliminary approval of the Settlement.

20 36. “Request for Exclusion” means a letter or other written communication submitted by
21 a Class Member to the Settlement Administrator that contains a clear statement by the Class Member
22 that he or she is electing to be excluded from the Settlement.

23 37. “Released Parties” means Defendant AM Retail Group, Inc. and G-III Apparel
24 Group, Ltd. and their past, present and future agents, employees, servants, officers, directors,
25 partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries,
26 equity sponsors, related companies/corporations and/or partnerships, divisions, assigns,
27 predecessors, successors, insurers, consultants, service providers, joint venturers, joint employers,
28 co-employers, dual employers, alleged joint employers, alleged co-employers, alleged dual

1 employers, affiliates, alter-egos, and affiliated organizations, and all of their respective past, present
2 and future employees, directors, officers, agents, attorneys, stockholders, fiduciaries, parents,
3 subsidiaries, and assigns.

4 38. “Released Claims by Plaintiffs” means: in exchange for the consideration provided
5 under this Settlement, Plaintiffs, for themselves and for their heirs, representatives, attorneys,
6 executors, administrators, successors, and assigns — releases, acquits, remises, and forever
7 discharges the Released Parties, from any and all actions, causes of action, obligations, costs,
8 expenses, damages, losses, claims, liabilities, suits, debts, demands, and benefits (including
9 attorneys’ fees and costs), of whatever character, in law or in equity, known or unknown, suspected
10 or unsuspected, matured or unmatured, of any kind or nature whatsoever, based on any act,
11 omission, event, occurrence, or nonoccurrence from the beginning of time to the date of execution
12 hereof, including but not limited to any claims or causes of action arising out of or in any way
13 relating to Plaintiffs’ relationship with and/or services performed for Defendant or which have been
14 or could have been made in the Action. This release of claims includes, but is not limited to, claims
15 for breach of any implied or express contract or covenant; claims for promissory estoppel; claims
16 of entitlement to any pay, including, but not limited to, overtime wages, meal and rest break
17 premiums, bonuses, and commissions; claims of wrongful denial of insurance and employee
18 benefits; claims for wrongful termination, retaliatory discharge or public policy violations of
19 whatever kind or nature, defamation, invasion of privacy, fraud, misrepresentation, emotional
20 distress or other common law or tort matters; claims of harassment, retaliation or discrimination
21 based on any basis, including but not limited to age, race, color, religion, sex, sexual orientation,
22 national origin, ancestry, physical or mental disability, medical condition, marital status; claims
23 under the California Labor Code, California Government Code, California Business and Professions
24 Code, and California Health and Safety Code; claims based upon the California Constitution; claims
25 based on any federal, state or other governmental statute, regulation or ordinance, including, without
26 limitation, the California Confidentiality of Medical Information Act, the California Fair
27 Employment & Housing Act, the California Unfair Business Practice Act, the California Private
28 Attorneys General Act, I.W.C. Wage Orders, the California Labor Code, the California Family

1 Rights Act, Title VII of the Civil Rights Act, the Fair Labor Standards Act, the Americans with
2 Disabilities Act, the Labor Management Relations Act, the Family Medical Leave Act, the Age
3 Discrimination in Employment Act (29 U.S.C. § 621, *et seq.*), and the Older Workers Benefit
4 Protection Act, all as amended. As to Plaintiffs' Released Claims only, Plaintiffs expressly waive
5 all rights and benefits under the terms of section 1542 of the California Civil Code. Section 1542
6 reads as follows:

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

11 Notwithstanding the provisions of section 1542, and for the purpose of implementing a full
12 and complete release and discharge of all of their Released Claims, Plaintiffs expressly acknowledge
13 that this Settlement is intended to include in its effect, without limitation, all Released Claims which
14 Plaintiffs do not know or suspect to exist in their favor at the time of execution hereof, and that the
15 Settlement contemplates the extinguishment of all such Released Claims.

16 This general release applies to Plaintiffs only; it does not apply to the Released Claims by
17 Settlement Class Members or PAGA Members.

18 39. “Released Class Claims by Settlement Class Members” means: in exchange for the
19 consideration provided under this Settlement, Settlement Class Members shall fully and finally
20 release and discharge Released Parties, from any and all claims that were alleged, or reasonably
21 could have been alleged, based on the facts stated in the Operative Complaint, including but not
22 limited to the failure to pay minimum wages, straight time compensation, overtime compensation,
23 double-time compensation, and interest thereon; failure to timely pay regular and final wages; the
24 calculation of the regular rate of pay; wages lost from time rounding and timekeeping; non-
25 compliant (e.g., missed, short, late, and/or interrupted) meal periods and rest periods; failure to
26 provide meal periods; failure to authorize and permit rest periods; the calculation and payment of
27 meal period and rest period premiums; payment for all hours worked, including off-the-clock work
28 and uncompensated work time; wage statements and paystubs, including wage statements and
paystubs furnished or available in physical, electronic, or other forms; failure to pay sick pay wages;

1 failure to properly calculate sick pay wages; failure to keep accurate records; failure to reimburse
2 for all necessary business expenses; failure to provide suitable seating; unfair business practices;
3 recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time
4 penalties; statutory penalties and civil penalties; interest for claims for unpaid wages; and attorneys'
5 fees and costs; claims under the California Labor Code including sections 201, 201.3, 202, 203, 204,
6 210, 218, 218.5, 218.6, 221, 223, 224, 226, 226.3, 226.7, 233, 246, 246.5, 248.5, 510, 512, 558,
7 1174, 1182.12, 1194, 1194.2, 1194.3, 1197, 1197.1, 1198, and 2802); the Wage Orders of the
8 California Industrial Welfare Commission; and California Business and Professions Code section
9 17200, et seq. (the "Released Wage and Hour Class Claims"). This release excludes the release of
10 claims not permitted by law, including, claims for vested benefits, unemployment insurance,
11 disability, social security, workers' compensation, or claims based on facts occurring outside the
12 Class Period.

13 40. "Released PAGA Claims by PAGA Members" means Plaintiffs, as representatives
14 for the State of California and the Labor Workforce Development Agency ("LWDA") and on behalf
15 of all PAGA Members, completely release and discharge Defendant and Released Parties from any
16 and all claims for the recovery of civil penalties under the California Private Attorneys General Act,
17 California Labor Code § 2698, *et. seq.*, that were alleged, or reasonably could have been alleged,
18 based on the facts stated in the Operative Complaint and the PAGA Notice that occurred during the
19 PAGA Period, including but not limited to claims for unpaid wages, including failure to pay
20 minimum wages, straight time compensation, overtime compensation, double-time compensation,
21 and interest; the calculation of the regular rate of pay; non-compliant (e.g., missed, short, late, and/or
22 interrupted) meal periods and rest periods; failure to provide meal periods; failure to authorize and
23 permit rest periods; the calculation and payment of meal period and rest period premiums; failure
24 to reimburse for all necessary business expenses; payment for all hours worked, including off-the-
25 clock work and rounded time; failure to provide suitable seating; failure to pay sick pay, including
26 at the regular rate of pay; wage statements; failure to keep accurate records; unlawful deductions
27 and/or withholdings from wages; failure to timely pay wages; and failure to timely pay final wages.
28 The Released PAGA Claims include claims for violation of the Wage Orders of the California

1 Industrial Welfare Commission and the following California Labor Code sections: 201, 201.3, 202,
2 203, 204, 210, 218, 218.5, 218.6, 221, 223, 224, 226, 226.3, 226.7, 233, 246, 246.5, 248.5, 510, 512,
3 558, 1174, 1182.12, 1194, 1194.2, 1194.3, 1197, 1197.1, 1198, 2802, 2698 *et seq.*, and 2699 *et seq.*)
4 The foregoing release shall apply to all PAGA members, regardless of whether they exclude
5 themselves from the Released Class Claims. This release shall only apply to claims arising at any
6 point during the PAGA Period.

7 41. "Response Deadline" means 45 calendar days after the postmark date of the Class
8 Notice that the Settlement Administrator shall mail to Class Members, and the last date on which
9 Class Members may: (a) submit a Request for Exclusion; (b) submit a written Objection to the
10 Settlement; or (c) dispute the number of Compensable Workweeks attributed to them.

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

12 43. "Settlement Administration Costs" means the amount to be paid to the Settlement
13 Administrator from the Gross Settlement Amount for notice and administration of this Settlement.

14 44. "Settlement Administrator" means Simpluris. The Settlement Administrator shall be
15 responsible for, *inter alia*: (a) printing and mailing the Class Notice to the Class; (b) calculating the
16 Individual Settlement Payments and PAGA Payments based on the Class Information; (c)
17 calculating the Employer's Share of Payroll Taxes; (d) receiving and reporting the Requests for
18 Exclusion and Objections submitted by Class Members to the Parties; (e) providing declaration(s)
19 as necessary in support of preliminary and/or final approval of this Settlement; (f) processing and
20 mailing payments to Plaintiffs, Class Counsel, the LWDA, and Settlement Class Members and
21 PAGA Members; (g) creating and maintaining a static settlement website where relevant documents
22 and information pertaining to the Settlement will be posted, including *inter alia*, the judgment and
23 amended judgment if applicable; (h) issuing any tax forms as appropriate, and (i) any other tasks as
24 the Parties mutually agree or the Court orders the Settlement Administrator to perform. The
25 Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement
26 Administrator responsibilities. The Parties agree that they have no financial interest or other
27 relationship with Simpluris that could create a conflict of interest. Should a conflict of interest or
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1 other issue lead to the disqualification of the selected Settlement Administrator, the Parties will meet
2 and confer as to a suitable replacement.

3 45. "Settlement Class" or "Settlement Class Members" means all Class Members who
4 have not opted out of the Class by submitting a valid and timely Request for Exclusion.

5 **RECITALS**

6 46. The Actions. On February 24, 2023, Plaintiff Corbett commenced this Action by
7 filing a PAGA representative action complaint. On June 5, 2023, Plaintiff Corbett filed a First
8 Amended Class Action Complaint, adding class claims. On March 22, 2023, Plaintiff Brenda
9 Cardenas filed a class action complaint against Defendant. On May 30, 2023, Cardenas filed a
10 separate lawsuit in Orange County Superior Court seeking penalties under PAGA for the wage and
11 hour violations alleged in her proposed class action complaint.

12 47. Investigation and Discovery. The Parties conducted significant investigation of the
13 facts and law during the prosecution of the Action and before this Settlement was reached. Such
14 discovery and investigation includes, *inter alia*, the exchange of information and documents
15 pertaining to Plaintiffs and the Class, and numerous meetings and informal conferences wherein the
16 Parties exchanged information, class data, and theories of the case. Plaintiffs have also investigated
17 the law as applied to the facts of Plaintiffs' claims and Defendant's potential defenses thereto.

18 48. Mediation and Settlement. On May 17, 2024, the Parties engaged in mediation with
19 Todd Smith, Esq. The Parties were unable to reach a settlement at the conclusion of the mediation,
20 but they subsequently accepted a proposal from the mediator regarding the material terms for a
21 proposed class action settlement that would fully resolve this matter, as memorialized in greater
22 detail herein.

23 49. Benefits of Settlement to Class Members. Plaintiffs and Class Counsel recognize the
24 expense and length of continued proceedings necessary to litigate Plaintiffs' claims through trial
25 and any possible appeals. Plaintiffs have also taken into account the uncertainty and risk of the
26 outcome of further litigation, and the difficulties and delays inherent in such litigation. Plaintiffs
27 and Class Counsel are also aware of the burdens of proof necessary to establish liability for the
28 claims asserted in the Action, both generally and in response to Defendant's defenses thereto, and

1 the difficulties in establishing damages for the Class. Based on the foregoing, Plaintiffs and Class
2 Counsel have determined that the Settlement set forth in this Settlement Agreement is fair, adequate,
3 and reasonable, and is in the best interests of the Class.

4 50. Defendant's Reasons for Settlement. Defendant has concluded that any further
5 defense of this litigation would be protracted and expensive for all Parties. Substantial amounts of
6 Defendant's time, energy, and resources have been and, unless this Settlement is completed, will
7 continue to be devoted to the defense of the claims asserted by Plaintiffs. Defendant has also taken
8 into account the risks of further litigation in reaching its decision to enter into this Settlement.
9 Defendant specifically and generally denies all of the claims asserted in the Action and all other
10 Released Claims; denies all allegations and claims as to liability, damages, penalties, interest, fees
11 and all other forms of relief; denies any and all wrongdoing of any kind whatsoever associated with
12 any of the facts or claims alleged in the Action; and makes no concessions or admissions of
13 wrongdoing or liability of any kind whatsoever. Defendant maintains that for any purpose other than
14 settlement, the Action is not suitable or appropriate for class action or representative action
15 treatment. Defendant has agreed, nonetheless, to settle in the manner and upon the terms set forth
16 in this Settlement Agreement to put to rest the claims in the Action. As to the Released Claims,
17 Defendant denied and continues to deny each of those claims.

18 **STIPULATION AND AGREEMENT**

19 51. NOW THEREFORE, in consideration of the mutual covenants, promises, and
20 agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

21 52. It is agreed by and among Plaintiffs and Defendant that this Settlement shall bind the
22 Plaintiffs, Settlement Class Members, PAGA Members, and Defendant, subject to the terms and
23 conditions hereof.

24 53. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section,
25 the "acknowledging party" and each Party to this Agreement other than the acknowledging party,
26 an "other party") acknowledges and agrees that (1) no provision of this Agreement, and no written
27 communication or disclosure between or among the Parties or their attorneys and other advisers, is
28 or was intended to be, nor shall any such communication or disclosure constitute or be construed or

1 be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230
2 (31 CFR Part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her,
3 or its own, independent legal and tax counsel for advice (including tax advice) in connection with
4 this Agreement, (b) has not entered into this Agreement based upon the recommendation of any
5 other party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any
6 communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty
7 that may be imposed on the acknowledging party; and (3) no attorney or adviser to any other party
8 has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax
9 strategies (regardless of whether such limitation is legally binding) upon disclosure by the
10 acknowledging party of the tax treatment or tax structure of any transaction, including any
11 transaction contemplated by this Agreement.

12 54. Filing of Operative Complaint. The Parties stipulate to the filing of the Operative
13 Complaint in the *Corbett* Action, which will consolidate the claims alleged in the *Cardenas* Action,
14 for settlement purposes. Plaintiffs shall file the Operative Complaint within seven (7) days of the
15 full execution of this Agreement. Within seven (7) days of the Preliminary Approval Date, Plaintiff
16 Cardenas will dismiss the *Cardenas* Actions without prejudice.

17 55. Class Certification. Defendant stipulates to class certification pursuant to California
18 Code of Civil Procedure § 382 for purposes of settlement only. If the Court does not grant either
19 preliminary or final approval of this Settlement, the Parties agree that this stipulation regarding class
20 certification will be revoked, and the Parties will return to a point in litigation immediately prior to
21 the execution of this Agreement and Defendant may assert all potentially applicable defenses in
22 connection with the Action (e.g., contest whether the Action should be maintained as a class action,
23 contest the merits of the claims being asserted in the Action, etc.).

24 56. Approval of Settlement. Plaintiffs will move the Court to grant preliminary and final
25 approval of this class action Settlement. The Parties agree to work diligently and cooperatively to
26 have this matter presented to the Court for preliminary and final approval.

27 57. LWDA Notice. Plaintiffs acknowledge and agree that they will provide notice to the
28 LWDA of this Settlement in accordance with California Labor Code § 2699(1)(2).

1 58. Release of Claims by Plaintiffs. Plaintiffs release the “Released Claims by
2 Plaintiffs” as of the date that the Gross Settlement Amount is fully funded by Defendant.

3 59. Release of Class Claims by Settlement Class Members. Settlement Class Members
4 release the “Released Claims by Settlement Class Members” as of the date that the Gross Settlement
5 Amount is fully funded by Defendant.

6 60. Release of PAGA Claims by PAGA Members. PAGA Members release the
7 “Released PAGA Claims” as of the date that the Gross Settlement Amount is fully funded by
8 Defendant.

9 61. Settlement Administration. Within fourteen (14) calendar days after the Preliminary
10 Approval Date, Defendant shall provide the Settlement Administrator with the Class Information.
11 The Class Information shall not be disclosed to Plaintiffs, Class Counsel or anyone else external to
12 the Settlement Administrator without the written consent of Defendant, except as to certain
13 information which may be necessary to enable Class Counsel to assist in resolution of, or otherwise
14 respond to, any workweek disputes or objection for Class Members that may arise.

15 62. Notice to the Class. Upon receipt of the Class Information, the Settlement
16 Administrator will perform a search based on the National Change of Address Database to update
17 and correct any known or identifiable address changes. Within fourteen (14) calendar days after
18 receiving the Class Information, the Settlement Administrator shall mail copies of the Class Notice
19 to all Class Members via regular First-Class U.S. Mail. The Settlement Administrator shall exercise
20 its best judgment to determine the current mailing address for each Class Member. The address
21 identified by the Settlement Administrator as the current mailing address shall be presumed to be
22 the best mailing address for each Class Member.

23 a. The Class Notice and Procedure Comports with Due Process. The Parties
24 agree that the notice procedures outlined in this Agreement provide the best and most practical
25 method of giving notice to the Class and fully comply with due process and all applicable laws and
26 rules.

27 b. Undeliverable Notices. Any Class Notice returned to the Settlement
28 Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the

1 forwarding address affixed thereto within seven (7) calendar days. If no forwarding address is
2 provided, the Settlement Administrator shall promptly attempt to determine a correct address by use
3 of skip-tracing, or other search using the name, address and/or Social Security number of the Class
4 Member involved, and shall then perform a re-mailing, if another mailing address is identified by
5 the Settlement Administrator. If the undeliverable notice is for a currently employed Class Member,
6 the Settlement Administrator shall contact Defendant, which will then make all reasonable efforts
7 to obtain the Class Member's current mailing address within seven (7) calendar days, and provide
8 it to the Settlement Administrator. Class Members who receive a re-mailed Notice of Class
9 Settlement shall have an additional 14 days beyond the Response Deadline provided in the Class
10 Notice: (a) submit a Request for Exclusion; (b) submit an Objection to the Settlement; or (c) dispute
11 the number of Compensable Workweeks attributed to them.

12 c. Disputes Regarding Individual Settlement Payments. Class Members will
13 have the opportunity, should they disagree with Defendant's records regarding the dates of
14 employment stated in the Class Notice and/or the number of Compensable Workweeks attributed to
15 them, to provide documentation and/or an explanation to show contrary information by the
16 Response Deadline. The dispute form must: (a) contain the full name, address, and telephone
17 number of the Class Member, and the last four digits of the Class Member's social security number
18 or full employee ID number; (b) contain the case name and case number; (c) a clear statement by
19 the Class Member that he or she is disputing the number of Compensable Workweeks and the basis
20 for the dispute; (d) be signed by the Class Member; and (e) be postmarked or e-mailed by the
21 Response Deadline. The date of the postmark on the return mailing envelope on the dispute form,
22 or the date the e-mail is sent, shall be the exclusive means used to determine whether it has been
23 timely submitted. If there is a dispute, the Settlement Administrator will consult with the Parties to
24 determine whether an adjustment is warranted. The Settlement Administrator shall then determine
25 the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this
26 Agreement. In the absence of circumstances indicating fraud, manipulation or destruction,
27 Defendant's records shall be given a rebuttable presumption of accuracy.

1 d. Requests for Exclusion. Class Members who wish to exclude themselves
2 from the Settlement must mail to the Settlement Administrator a Request for Exclusion by the
3 Response Deadline. The Request for Exclusion must: (a) contain the full name, address, and
4 telephone number of the Class Member, and the last four digits of the Class Member's social security
5 number; (b) contain the case name and case number; (c) a clear statement by the Class Member that
6 he or she is electing to be excluded from the Settlement; (d) be signed by the Class Member; and
7 (e) be postmarked or e-mailed by the Response Deadline. The date of the postmark on the return
8 mailing envelope on the Request for Exclusion, or the date the e-mail is sent, shall be the exclusive
9 means used to determine whether it has been timely submitted. Any Class Member who requests to
10 be excluded from the Settlement Class shall not be entitled to any Individual Settlement Payment,
11 shall not release any of the Released Claims by Settlement Class Members, and shall not have any
12 right to object, appeal or comment thereon. Class Members who fail to submit a valid and timely
13 Request for Exclusion on or before the Response Deadline shall be bound by all terms of the
14 Settlement and any Final Approval Order and Judgment entered in this Action.

15 e. Objections. Class Members who wish to object to the Settlement may do so
16 orally at the Final Approval Hearing without the need to submit a written Objection, or by mailing
17 to the Settlement Administrator a written Objection by the Response Deadline. The written
18 Objection must: (a) contain the full name, address, and telephone number of the Class Member, and
19 the last four digits of the Class Member's social security number; (b) contain the case name and
20 case number; (c) the dates of employment of the Class Member; (d) state whether the Class Member
21 intends to appear at the final approval hearing; (e) be signed by the Class Member; (f) state the basis
22 for the Objection, including any legal briefs, papers or memoranda in support of the Objection; and
23 (g) be postmarked or e-mailed by the Response Deadline. The date of the postmark on the return
24 mailing envelope on the written Objection, or the date the e-mail is sent, shall be the exclusive means
25 used to determine whether the written Objection has been timely submitted. Class Members who
26 fail to make Objections in the manner specified above shall be deemed to have waived any
27 objections and shall be foreclosed from making any objections (whether by appeal or otherwise) to
28 the Settlement. Class Counsel shall not represent any Class Members with respect to any Objections.

1 The Settlement Administrator will provide the Parties with any written Objection within seven (7)
2 calendar days of its receipt of any Objection. Plaintiffs will file any and all written Objections with
3 the Court in advance of the Final Approval Hearing.

4 63. Funding of the Gross Settlement Amount. Within fourteen (14) calendar days of the
5 Effective Date, Defendant shall wire transfer the full Gross Settlement Amount, plus the Employer's
6 Share of Payroll Taxes, to the Settlement Administrator.

7 64. Allocation of Settlement. The funds from the Gross Settlement Amount shall be
8 distributed as follows:

9 a. Payments to Settlement Class Members. Individual Settlement Payments will
10 be paid from the Net Settlement Amount and shall be paid pursuant to the settlement formula set
11 forth herein. The Settlement Administrator shall calculate the Total Compensable Workweeks for
12 all Settlement Class Members based on the Class Information. The respective Compensable
13 Workweeks for each Settlement Class Member will be divided by the Total Compensable
14 Workweeks for all Settlement Class Members, resulting in the Payment Ratio for each Settlement
15 Class Member. Each Settlement Class Member's Payment Ratio will then be multiplied by the Net
16 Settlement Amount to determine his or her Individual Settlement Payment. Individual Settlement
17 Payments will be allocated as follows: 25% wages and 75% interest and penalties. Individual
18 Settlement Payments shall be mailed by regular First-Class U.S. Mail to Settlement Class Members'
19 last known mailing address.

20 b. Payments to PAGA Members. The Settlement Administrator shall calculate
21 the total Compensable Pay Periods for all PAGA Members based on the Class Information. The
22 respective Compensable Pay Periods for each PAGA Member will be divided by the total
23 Compensable Pay Periods for all PAGA Members, resulting in the PAGA Payment Ratio for each
24 PAGA Member. Each PAGA Member's PAGA Payment Ratio will then be multiplied by
25 \$12,500.00 to determine his or her Individual PAGA Payment. PAGA Payments will be allocated
26 as follows: 100% penalties. PAGA Payments shall be mailed by regular First-Class U.S. Mail to
27 PAGA Members' last known mailing address.

1 c. Un-Negotiated Settlement Checks to Settlement Class Members and PAGA
2 Members. Individual Settlement Payment and PAGA Payment checks shall remain negotiable for
3 one hundred and twenty (120) calendar days from the postmark date of issuance. If the check is
4 not cashed, deposited, or otherwise negotiated within the 120-day deadline, the check will be
5 voided, and the funds associated with any such voided checks shall be distributed to the California
6 Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no
7 "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384,
8 subd (b).

9 d. Certification by Settlement Administrator. The Parties have the right to
10 monitor and review administration of the Settlement. Any disputes not resolved by the Settlement
11 Administrator concerning the administration of the Settlement will be resolved by the Court, under
12 the laws of the State of California. Prior to any such involvement of the Court, counsel for the Parties
13 will confer in good faith to resolve the disputes without the necessity of involving the Court. Upon
14 completion of administration of the Settlement, the Settlement Administrator shall provide written
15 certification of such completion to counsel for the Parties, and which shall be filed with the Court
16 as necessary.

17 e. Settlement Awards Do Not Trigger Additional Benefits. All monies received
18 by Settlement Class Members shall be deemed to be income to such Settlement Class Members
19 solely in the year in which such awards actually are received by the Settlement Class Members. It
20 is expressly understood and agreed that the receipt of such Individual Settlement Payments will not
21 entitle any Settlement Class Member to additional compensation or benefits under any company
22 compensation or benefit plan or agreement in place during the period covered by the Settlement,
23 nor will it entitle any Settlement Class Member to any increased pension and/or retirement, or other
24 deferred compensation benefits. It is the intent of this Settlement that any Individual Settlement
25 Payments provided for in this Agreement are the sole payments to be made by Defendant to the
26 Settlement Class Members in connection with this Settlement, and that the Settlement Class
27 Members are not entitled to any new or additional compensation or benefits as a result of having
28 received the Individual Settlement Payments (notwithstanding any contrary language or agreement

1 in any benefit or compensation plan document that might have been in effect during the period
2 covered by this Settlement).

3 f. Class Representative Service Awards. Defendant shall not oppose or object
4 to a Class Representative Service Award in the total amount of up to \$10,000.00 each to Plaintiff
5 Corbett and Plaintiff Cardenas, subject to Court approval. The Settlement Administrator shall issue
6 an IRS Form 1099 – MISC to Plaintiffs in connection with the Class Representative Service Award
7 payments. Plaintiffs shall be solely and legally responsible to pay any and all applicable taxes on
8 their Class Representative Service Awards and shall hold harmless Defendant and Class Counsel
9 from any claim or liability for taxes, penalties, or interest arising as a result of the Class
10 Representative Service Award payments. The Class Representative Service Award shall be in
11 addition to Plaintiffs' Individual Settlement Payments and PAGA Payments. This Settlement is not
12 contingent upon the Court awarding Plaintiffs a Class Representative Service Award in any amount.
13 Any amounts requested by Plaintiffs for the Class Representative Service Award that are not granted
14 by the Court shall return to the Net Settlement Amount and be distributed to Settlement Class
15 Members as provided in this Agreement.

16 g. Class Counsel Award. Defendant shall not oppose or object to any
17 application or motion by Class Counsel for attorneys' fees not to exceed one-third from the Gross
18 Settlement Amount, or \$366,666.67. Any attorneys' fees awarded by the Court shall be allocated as
19 follows: fifty percent (50%) to Wand and fifty percent (50%) to BNBD. Further, fifty percent (50%)
20 of any attorneys' fees to Wand shall be paid to Custodio & Dubey LLP, and twenty five percent
21 (25%) of any attorneys' fees awarded to BNBD shall be paid to the Gomez Firm. Defendant further
22 agrees not to oppose any application or motion by Class Counsel for the reimbursement of any costs
23 or expenses associated with Class Counsel's prosecution of this matter from the Gross Settlement
24 Amount not to exceed \$40,000.00. Class Counsel shall be solely and legally responsible to pay all
25 applicable taxes on the payment made pursuant to this paragraph. The Settlement Administrator
26 shall issue an IRS Form 1099 – MISC to Class Counsel for the payments made pursuant to this
27 paragraph. This Settlement is not contingent upon the Court awarding Class Counsel any particular
28 amount in attorneys' fees and costs. Any amount requested by Class Counsel for the Class Counsel

1 Award that is not granted by the Court shall return to the Net Settlement Amount and be distributed
2 to Settlement Class Members as provided in this Agreement.

3 h. Settlement Administration Costs. The Settlement Administrator shall be paid
4 for the costs of administration of the Settlement from the Gross Settlement Amount. The costs of
5 notice and administration for the disbursement of the Gross Settlement Amount shall not exceed
6 \$14,000. Any amount requested by Class Counsel for the Settlement Administration Costs that is
7 not granted by the Court shall return to the Net Settlement Amount and be distributed to Settlement
8 Class Members as provided in this Agreement.

9 i. Payment to the LWDA. Fifty Thousand Dollars (\$50,000.00) from the Gross
10 Settlement Amount will be allocated to penalties under the Private Attorneys General Act of 2004.
11 Seventy-five percent (75%) of that amount, or \$37,500.00, will be paid to the LWDA and twenty-
12 five percent (25%) of that amount, or \$12,500.00, will be paid to the PAGA Members. This payment
13 is made pursuant to California Labor Code § 2699(i).

14 65. Distribution of Settlement Payments. Individual Settlement Payments to Settlement
15 Class Members, PAGA Payments to PAGA Members, the Class Representative Service Award, the
16 Class Counsel Award, Settlement Administration Costs, and payment to the LWDA, shall all be
17 distributed by the Settlement Administrator within seven (7) calendar days of receipt by the
18 Settlement Administrator of the Gross Settlement Amount from Defendant. No person shall have
19 any claim against Defendant, Defendant's Counsel, Plaintiffs, Settlement Class Members, PAGA
20 Members, Class Counsel, or the Settlement Administrator based on distributions and payments
21 made in accordance with this Agreement.

22 66. Escalator. Prior to the mediation, Defendant represented there are 2,073 Class
23 Members who collectively worked 60,390 workweeks through May 17, 2024. If there is an increase
24 of more than 10% in workweeks (i.e., there are more than 66,429 workweeks during the Class
25 Period, Defendant, at its option, can either choose to: (1) cut off the end date for the Class Period as
26 of the date on which the number of workweeks reaches 66,429, or (2) increase the Gross Settlement
27 Amount on a proportional basis equal to the percentage increase in number of workweeks worked
28

1 by the Class Members above the 10% (i.e., if there was 11% increase in the number workdays during
2 the Class Period, Defendant would agree to increase the Gross Settlement Amount by 1%).

3 67. Final Settlement Approval. Upon expiration of the Response Deadline, a Final
4 Approval Hearing shall be conducted by the Court, and if the Settlement is finally approved, the
5 Court should enter the Final Approval Order and Judgment.

6 68. Nullification of Settlement Agreement. In the event: (a) the Court does not enter the
7 Order for preliminary approval of the Settlement; (b) the Court does not finally approve the
8 Settlement; (c) the Court does not enter a Final Approval Order and Judgment as provided herein;
9 or (d) the Settlement does not become final for any other reason, this Settlement Agreement shall
10 be null and void and any order or judgment entered by the Court in furtherance of this Settlement
11 shall be treated as void from the beginning. In such cases, the Parties and any funds to be awarded
12 under this Settlement shall be returned to their respective statuses as of the date and time
13 immediately prior to the execution of this Agreement and the Parties shall proceed in all respects as
14 if this Agreement had not been executed, except that any fees already incurred by the Settlement
15 Administrator shall be paid by Defendant. In the event an appeal is filed from the Court's Final
16 Approval Order and Judgment, or any other appellate review is sought, administration of the
17 Settlement shall be stayed pending final resolution of the appeal or other appellate review, and any
18 fees incurred by the Settlement Administrator prior to it being notified of the filing of an appeal
19 from the Court's Final Approval Order and Judgment, or any other appellate review, shall be paid
20 to the Settlement Administrator by the party or person that filed the appeal, within thirty (30)
21 calendar days of said notification. Additionally, if the number of Class Members who opt out by
22 submitting Requests for Exclusion meets or exceeds 5% of the total number of Class Members, then
23 Defendant may, in the exercise of its sole discretion, abrogate this Agreement. If Defendant elects
24 to terminate the Settlement Agreement for this reason, it shall be solely responsible for any costs
25 incurred by the Settlement Administrator. Defendant's right expires fourteen (14) calendar days
26 after the expiration of the Response Deadline. In the event Defendant exercises this option, the costs
27 of administration shall be borne by Defendant.

1 69. No Admission by Defendant. Defendant denies any and all claims alleged in this
2 Action and denies all wrongdoing whatsoever. This Settlement Agreement is not a concession or
3 admission, and shall not be used against Defendant as an admission or indication with respect to any
4 claim of any fault, concession, or omission by any Defendant.

5 70. Confidentiality. Defendant, Plaintiffs and Class Counsel will not disclose,
6 disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize,
7 any of the terms of the Agreement directly or indirectly, specifically or generally, to any person,
8 corporation, association, government agency, or other entity except: (1) to the Parties' attorneys,
9 accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) to
10 the extent necessary to report income to appropriate taxing authorities; (3) in response to a court
11 order or subpoena; or (4) in response to an inquiry or subpoena issued by a state or federal
12 government agency. Each Party agrees to immediately notify each other Party of any judicial or
13 agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant
14 and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other
15 communication, before the filing of the Motion for Preliminary Approval, any with third party
16 regarding this Agreement or the matters giving rise to this Agreement except to respond only that
17 "the matter was resolved," or words to that effect. This provision does not prevent Defendant from
18 making disclosures to shareholders as required by the Securities and Exchange Commission. From
19 and after preliminary approval of the Settlement, Class Counsel may communicate regarding the
20 Class Action Settlement in accordance with Class Counsel's ethical obligations owed to Class
21 Members. In all other cases, Plaintiffs and Class Counsel agree to limit their statements regarding
22 the terms of the Class Action Settlement, whether oral, written, or electronic, to say the Action has
23 been resolved and that Plaintiffs and Class Counsel are satisfied with the settlement terms. Nothing
24 in this Agreement shall preclude Plaintiffs' Counsel from communicating with members of the
25 Settlement Class after preliminary approval, and after preliminary approval Plaintiffs' Counsel is
26 permitted to post court-filed documents on their website for viewing by the Settlement Class, and
27 Plaintiffs' counsel may refer to this case in their CV's or other similar documents that are filed with
28 a court or in another legal forum relating to counsel's prior experience and qualifications.

1 71. Exhibits and Headings. The terms of this Settlement Agreement include the terms
2 set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth
3 herein. Any Exhibits to this Agreement are an integral part of the Settlement. The descriptive
4 headings of any paragraphs or sections of this Agreement are inserted for convenience of reference
5 only and do not constitute a part of this Agreement.

6 72. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action,
7 except such proceedings necessary to implement and complete the Settlement, holding the Action
8 in abeyance pending the final approval hearing to be conducted by the Court.

9 73. Amendment or Modification. This Agreement may be amended or modified only by
10 a written instrument signed by counsel of record for all Parties, subject to the approval of the Court.

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

16 75. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant
17 and represent they are expressly authorized by the Parties whom they represent to negotiate this
18 Agreement and to take all appropriate actions required or permitted to be taken by such Parties
19 pursuant to this Agreement to effectuate its terms, and to execute any other documents required to
20 effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other
21 and use their best efforts to effect the implementation of the Settlement. In the event the Parties are
22 unable to reach agreement on the form or content of any document needed to implement the
23 Settlement, or on any supplemental provisions that may become necessary to effectuate the terms
24 of this Settlement, the Parties may seek the assistance of the Court or the mediator to resolve such
25 disagreement. The persons signing this Agreement on behalf of Defendant represent and warrant
26 that they are authorized to sign this Agreement on behalf of Defendant. Plaintiffs represent and
27 warrant that they are authorized to sign this Agreement and that they have not assigned any claim,
28 or part of a claim, covered by this Settlement to a third-party.

1 76. Binding on Successors and Assigns. This Agreement shall be binding upon, and
2 inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

3 77. California Law Governs. All terms of this Settlement Agreement and the Exhibits
4 hereto shall be governed by and interpreted according to the laws of the State of California.

5 78. Counterparts and Signatures. This Settlement Agreement may be executed in one or
6 more counterparts. All executed counterparts and each of them shall be deemed to be one and the
7 same instrument. The Parties agree that a facsimile, PDF, or electronic signatures shall be deemed
8 to be as valid and enforceable as original ink signatures. The Parties further agree that they may use
9 DocuSign, an electronic signature technology, to expedite the execution of this Agreement, pursuant
10 to California Civil Code § 1633.7.

11 79. This Settlement is Fair, Adequate and Reasonable. The Parties believe this
12 Settlement is a fair, adequate, and reasonable settlement of this Action and have arrived at this
13 Settlement after extensive arms-length negotiations, taking into account all relevant factors, present
14 and potential.

15 80. Jurisdiction of the Court. Pursuant to California Code of Civil Procedure § 664.6,
16 the Court shall retain jurisdiction with respect to the interpretation, implementation, and
17 enforcement of the terms of this Settlement Agreement and all orders and judgments entered in
18 connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court
19 for purposes of interpreting, implementing, and enforcing the Settlement embodied in this
20 Agreement and all orders and judgments entered in connection therewith. All terms of this
21 Settlement Agreement are subject to approval by the Court.

22 81. Invalidity of Any Provision. Before declaring any provision of this Settlement
23 Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent
24 possible consistent with applicable precedents so as to define all provisions of this Agreement valid
25 and enforceable.

26 82. Enforcement Action. In the event that one more of the Parties institutes any legal
27 action or other proceeding against any other Party or Parties to enforce the provisions of this
28 Settlement Agreement or to declare rights and/or obligations under this Settlement Agreement, the

1 successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties
2 reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any
3 enforcement actions.

4
5 Dated: 9/7/2024

DocuSigned by:
By: K. Corbett
3B0A661464314B5
Plaintiff Kirsten Corbett

6
7 Dated: _____

By: _____
Plaintiff Brenda Cardenas

8
9 Dated: _____

By: _____
Defendant AM Retail Group, Inc.

10
11 Name: _____

12
13 Title: _____

14
15 **APPROVED AS TO FORM:**

16
17 **THE WAND LAW FIRM, P.C.**

18 Dated: 9/16/2024

By: [Signature]
Aubry Wand

19
20 *Counsel for Plaintiffs*

21
22 **BLUMENTHAL NORDREHAUG BHOWMIK
DE BLOUW LLP**

23
24 Dated: _____

By: _____
Norman B. Blumenthal
Kyle R. Nordrehaug
Aparajit Bhowmik
Nicholas J. De Blouw

25
26
27 *Counsel for Plaintiffs*

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CUSTODIO & DUBEY LLP

Dated: 9/9/24 _____

By:  _____
Robert Abiri

Counsel for Plaintiffs

THE GOMEZ LAW FIRM

Dated: _____

By: _____
Emilia Arutunian

Counsel for Plaintiffs

**SHEPPARD MULLIN RICHTER & HAMPTON
LLP**

Dated: _____

By: _____
Derek R. Havel
Tyler J. Johnson

Counsel for Defendant AM Retail Group

1 successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties
2 reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any
3 enforcement actions.

4
5 Dated: _____

By: _____
Plaintiff Kirsten Corbett

6
7 Dated: Sep 11, 2024


By: Brenda Cardenas (Sep 11, 2024 16:41 MDT)
Plaintiff Brenda Cardenas

8
9 Dated: 10/7/2024

By: DocuSigned by:

16F0A9208E1241B...
Defendant AM Retail Group, Inc.

11 Name: Randy Roland

12
13 Title: Sr Vice President / CFO

14
15 **APPROVED AS TO FORM:**

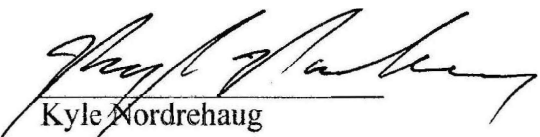
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17 **THE WAND LAW FIRM, P.C.**

18 Dated: _____

By: _____
Aubry Wand
Counsel for Plaintiffs

21
22 **BLUMENTHAL NORDREHAUG BHOWMIK
DE BLOUW LLP**

23
24 Dated: 9/13/24

By: 
Kyle Nordrehaug
Aparajit Bhowmik
Nicholas J. De Blouw

26
27 *Counsel for Plaintiffs*

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CUSTODIO & DUBEY LLP

Dated: _____

By: _____
Robert Abiri

Counsel for Plaintiffs

THE GOMEZ LAW FIRM

Dated: _____

By: E. Arutunian
Emilia Arutunian

Counsel for Plaintiffs

**SHEPPARD MULLIN RICHTER & HAMPTON
LLP**

Dated: 10/8/2024

Signed by:
By: Derek Havel
Derek R. Havel
Tyler J. Johnson

Counsel for Defendant AM Retail Group

Exhibit 1

CLASS NOTICE

A court authorized this Notice. This is not a solicitation by a lawyer. You are not being sued.

Why should you read this Notice?

A proposed settlement (the “Settlement”) has been reached in the class action lawsuit entitled, *Corbett v. G-III Apparel Group, Ltd., et al.*, San Bernardino County Superior Court, Case No. CIVSB2305772 (collectively, the “Action”). The matter entitled, *Cardenas v. AM Retail Group, Inc.*, San Diego County Superior Court, Case No. 37-2023-00011858-CU-OE-CTL was consolidated with the Action for settlement purposes.

According to Defendant’s records, you have been identified as a member of the Class, and therefore are receiving this Notice.

Your options are further explained in this Notice. To exclude yourself from, or object to the Settlement, you must take action by certain deadlines. If you want to participate in the Settlement as proposed, you don’t need to do anything to obtain your share of the settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING	If you do nothing, you will be considered part of the Settlement Class and will receive settlement benefits. You will also give up your rights to pursue a separate legal action against AM Retail Group, Inc. (“Defendant”), for the claims released under the Settlement.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS	If you do not wish to participate in the Settlement, you may exclude yourself by submitting a written request to be excluded. However, if you do so, you will not receive any payment under the Settlement.
OBJECT	To object to the Settlement, you may object orally at the Final Approval Hearing, or you may write to the Settlement Administrator about why you don’t like the Settlement. This option is available only if you do not exclude yourself from the Settlement.

Who is affected by this proposed Settlement?

The Court has certified, for settlement purposes only, the following Class:

All non-exempt employees who performed work for Defendant in California from March 3, 2019 to August 17, 2024 (the “Class Period”).

Insert if applicable: Also, according to Defendant’s records, you were a non-exempt employee who performed work for Defendant in California from December 21, 2021 to August 17, 2024 (the “PAGA Period”), and are therefore a PAGA Member as well.

What is this case about?

In the Action, Plaintiffs Kirsten Corbett and Brenda Cardenas (“Plaintiffs”) allege on behalf of themselves and the Class the following claims against Defendant: (1) failure to provide meal periods or compensation in lieu thereof; (2) failure to provide rest periods or compensation in lieu thereof; (3) failure to pay overtime wages; (4) failure to timely pay minimum wages; (5) failure to timely pay wages during employment; (6) failure to pay all wages owed and due at termination of employment; (7) failure to maintain required records; (8) failure to provide accurate itemized wage statements; (9) failure to indemnify employees for business expenses; (10) failure to provide COVID-19 supplemental sick leave;

(11) failure to pay sick wages; (12) violation of the California Unfair Competition Law; and (12) and violation of the California Private Attorneys' General Act ("PAGA").

Defendant denies any wrongdoing, and it maintains that it has complied with all laws alleged to have been violated in the Operative Complaint. Defendant notes that this Settlement was established specifically to avoid the cost of proceeding with litigation and does not constitute an admission of liability by Defendant. The Court has not ruled on the merits of Plaintiffs' claims or Defendant's defenses, however, the Court has granted preliminary approval of this Settlement.

This Settlement is a compromise reached after good faith, arm's length negotiations between Plaintiffs and Defendant (the "Parties"), through their attorneys and a mediator. Both sides agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair, adequate and reasonable. Plaintiffs and Class Counsel believe this Settlement is in the best interests of the Class.

Who are the attorneys in this Lawsuit?

Class Counsel

The Wand Law Firm, P.C.

Aubry Wand
100 Oceangate, Ste. 1200
Long Beach, CA 90802
Telephone: (310) 590-4503

Blumenthal Nordrehaug Bhowmik De Blouw LLP

Aparajit Bhowmik
2255 Calle Clara
La Jolla, CA 92037
Telephone: (858) 551-1223

Defendant's Counsel

Sheppard Mullin Richter & Hampton LLP

Derek R. Havel
333 South Hope Street, 43rd Fl.
Los Angeles, CA 90071
Telephone: (213) 620-1780

What will I receive under the Settlement?

Subject to final Court approval, Defendant will pay \$1,100,000 (the "Gross Settlement Amount"). It is estimated that, subject to Court approval, after deducting the attorney's fees and costs, service awards to Plaintiffs, payment to the California Labor and Workforce Development Agency ("LWDA") and PAGA Members for PAGA penalties, and settlement administration costs from the Gross Settlement Amount, there will be a Net Settlement Amount of at least \$----.

From this Net Settlement Amount, Individual Settlement Payments will be paid to each Class Member who does not opt out of the Settlement Class ("Settlement Class Member"). The Net Settlement Amount shall be divided among all Settlement Class Members based on the ratio of the number of Compensable Workweeks worked by each Settlement Class Member to the total number of Workweeks worked by all Settlement Class Members, calculated based on Defendant's records.

According to Defendant's records, during the period of March 3, 2019 to August 17, 2024, you worked [redacted] Compensable Workweeks in California as a non-exempt employee, and therefore, your settlement payment as a Class Member is estimated to be \$ [redacted].

If you wish to dispute the number of Compensable Workweeks credited to you, you must submit a written dispute to the Settlement Administrator at [redacted] by mail, postmarked no later than [Response Deadline], or by e-mail to [redacted]. The dispute must: (1) contain your full name, current address, telephone number, the last four digits of your Social Security number or full employee ID number; (2) contain the case name and case number; (3) contain a clear statement explaining that you wish to dispute the number of Compensable Workweeks and the basis for your dispute; and (4) and be signed by you. You may also wish to attach documentation in support of your dispute.

Insert if applicable: According to Defendant's records, during the period of December 21, 2021 to August 17, 2024, you worked [REDACTED] Compensable PAGA Periods in California as a non-exempt employee and therefore, your PAGA payment is estimated to be \$ [REDACTED].

These payments are estimates, and your actual settlement payments may be higher or lower than estimated.

Your settlement payment as a Class Member will be allocated as follows: 75% wages and 25% penalties/interest.

Insert if applicable: Your settlement payment as a PAGA Member will be allocated as follows: 100% penalties.

None of the Parties or attorneys make any representations concerning the tax implications of this payment. Settlement Class Members may wish to consult with their own tax advisors concerning the tax consequences of the Settlement.

When and how will I receive payment?

If the Court grants final approval of the Settlement, and only after the Effective Date of the Settlement defined below, the Settlement Administrator will send you a settlement check. The settlement approval process takes time so please be patient.

Any settlement payment checks mailed to you under the Settlement shall remain negotiable for 120 days. If you do not negotiate (e.g., cash or deposit) a settlement check within this time period, you will be unable to receive those funds, but you will remain bound by the terms of the Settlement. Any funds that are not timely negotiated by Settlement Class Members will be paid to California Controller's Unclaimed Property Fund in the name of the Class Member.

How will the lawyers be paid and how will other funds under the Settlement be distributed?

Class Counsel will ask the Court to award attorneys' fees up to \$366,666.67 (1/3 of the Gross Settlement Amount) and reimbursement of reasonable litigation costs of up to \$40,000. In addition, Class Counsel will ask the Court to authorize Class Representative Service Award payments of up to \$20,000 (\$10,000 to each of the two Plaintiffs) for their efforts in representing the Class. The cost of administering the Settlement will not exceed \$14,000. A payment in the amount of \$37,500 will also be made to the LWDA for its share of PAGA penalties, while \$12,500 will be paid to PAGA Members. Any of these amounts not awarded by the Court will be included in the Net Settlement Amount and will be distributed to Settlement Class Members.

What claims are being released by the proposed Settlement?

As of the date that the Gross Settlement Amount is fully-funded by Defendant, and in exchange for the consideration provided under this Settlement, Settlement Class Members shall fully and finally release and discharge Released Parties, from any and all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint, including but not limited to the failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest thereon; failure to timely pay regular and final wages; the calculation of the regular rate of pay; wages lost from time rounding and timekeeping; non-compliant (e.g., missed, short, late, and/or interrupted) meal periods and rest periods; failure to provide meal periods; failure to authorize and permit rest periods; the calculation and payment of meal period and rest period premiums; payment for all hours worked, including off-the-clock work and uncompensated work time; wage statements and paystubs, including wage statements and paystubs furnished or available in physical, electronic, or other forms; failure to pay sick pay wages; failure to properly calculate sick pay wages; failure to keep accurate records; failure to reimburse for all necessary business expenses; failure to provide suitable seating; unfair business practices; recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; statutory penalties and civil penalties; interest for claims for unpaid wages; and attorneys' fees and costs; claims under the California Labor Code including sections 201, 201.3, 202, 203, 204, 210, 218,

218.5, 218.6, 221, 223, 224, 226, 226.3, 226.7, 233, 246, 246.5, 248.5, 510, 512, 558, 1174, 1182.12, 1194, 1194.2, 1194.3, 1197, 1197.1, 1198, and 2802); the Wage Orders of the California Industrial Welfare Commission; and California Business and Professions Code section 17200, et seq. (the “Released Wage and Hour Class Claims”). This release excludes the release of claims not permitted by law, including, claims for vested benefits, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

In addition, PAGA Members will release any and all claims for the recovery of civil penalties under the California Private Attorneys General Act, California Labor Code § 2698, et. seq., that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice that occurred during the PAGA Period, including but not limited to claims for unpaid wages, including failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; non-compliant (e.g., missed, short, late, and/or interrupted) meal periods and rest periods; failure to provide meal periods; failure to authorize and permit rest periods; the calculation and payment of meal period and rest period premiums; failure to reimburse for all necessary business expenses; payment for all hours worked, including off-the-clock work and rounded time; failure to provide suitable seating; failure to pay sick pay, including at the regular rate of pay; wage statements; failure to keep accurate records; unlawful deductions and/or withholdings from wages; failure to timely pay wages; and failure to timely pay final wages. The Released PAGA Claims include claims for violation of the Wage Orders of the California Industrial Welfare Commission and the following California Labor Code sections: 201, 201.3, 202, 203, 204, 210, 218, 218.5, 218.6, 221, 223, 224, 226, 226.3, 226.7, 233, 246, 246.5, 248.5, 510, 512, 558, 1174, 1182.12, 1194, 1194.2, 1194.3, 1197, 1197.1, 1198, 2802, 2698 et seq., and 2699 et seq.) The foregoing release shall apply to all PAGA members, regardless of whether they exclude themselves from the Released Class Claims. This release shall only apply to claims arising at any point during the PAGA Period.

Released Parties includes Defendant and its past, present and future agents, employees, servants, officers, directors, partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, service providers, joint venturers, joint employers, co-employers, dual employers, alleged joint employers, alleged co-employers, alleged dual employers, affiliates, alter-egos, and affiliated organizations, and all of their respective past, present and future employees, directors, officers, agents, attorneys, stockholders, fiduciaries, parents, subsidiaries, and assigns. The Released Parties specifically include G-III Apparel Group, Ltd.

The Effective Date is the date on which the Court’s Final Approval Order and Judgment becomes final. The Court’s Final Approval Order and Judgment “becomes final” upon the latter of: (a) if there is no Objection to the Settlement, or if there is an Objection but it is withdrawn, then, the date that the Final Approval Order and Judgment is entered by the Court; (b) if there is an Objection to the Settlement that is not withdrawn, but no appeal is commenced thereafter, then, sixty-five (65) calendar days following the date that the Final Approval Order and Judgment is entered by the Court; or (c) if there is an Objection to the Settlement, that is not withdrawn, and any appeal, writ, or other appellate proceeding opposing the Settlement has been filed within sixty-five (65) calendar days following the date that the Final Approval Order and Judgment is entered by the Court, then, when any such appeal, writ, or other appellate proceeding opposing the validity of the Settlement has been resolved finally and conclusively with no right to pursue further remedies or relief.

What are my options?

You have several options under this Settlement. You may: (A) remain in the Class and receive payment under the Settlement; or (B) exclude yourself from the Settlement. If you choose option (A), you may also object to the Settlement.

OPTION A. Remain in the Class. If you remain in the Class, you will receive payment and be represented by Class Counsel. If you wish to remain in the Class and be eligible to receive a payment

under the Settlement, you do *not* need to take any action. By remaining in the Class and receiving settlement monies, you consent to the release of the Released Claims as described above.

OPTION B. If You Do Not Want To Be Bound By The Settlement. If you do not want to be part of the Settlement, you must mail a Request for Exclusion to the Settlement Administrator at [REDACTED] or e-mail a Request for Exclusion to [REDACTED]. Your Request for Exclusion must: (1) contain your full name, address, and telephone number, the last four digits of your social security number; (2), contain the case name and case number; and (3) a clear statement you are electing to be excluded from the Settlement; and (4) be signed by you. In order to be timely, your Request for Exclusion must be postmarked, or e-mailed, on or before [REDACTED]. If you do not submit a valid and timely Request for Exclusion, your Request for Exclusion will be rejected, you will be deemed a member of the Settlement Class, and you will be bound by the release of Released Claims as described above. If you submit a valid and timely Request for Exclusion, you will *not* be entitled to any payment as a Class Member from the Net Settlement Amount, but you will preserve all of the legal claims asserted in this Action against Defendant. If you are a PAGA Member, you will still receive a PAGA payment and be subject to the PAGA release outlined above.

Objecting to the Settlement: If you believe the proposed Settlement is not fair, reasonable or adequate in any way, you may object to it. To object, you can appear at the Final Approval Hearing and make an oral objection. If you wish to object in writing, you must mail to the Settlement Administrator at [REDACTED], a written statement of objection, or e-mail the written objection to [REDACTED]. The written objection must: (1) contain your full name, address, and telephone number, the last four digits of your social security number; (2), contain the case name and case number; (3) the dates of your employment with Defendant; (4) state whether you intend to appear at the final approval hearing; (5) state the basis for the Objection, including any legal briefs, papers or memoranda in support of the Objection; and (6) be signed by you. In order to be timely, the written objection must be postmarked, or e-mailed, on or before [REDACTED]. Class Counsel will provide the Court with your written objection prior to the Final Approval Hearing. You can also hire an attorney at your own expense to represent you in your objection.

You cannot object to the Settlement if you request exclusion from the Settlement.

What is the next step in the approval of the Settlement?

The Court will hold a Final Approval Hearing regarding the fairness, reasonableness and adequacy of the proposed Settlement and the plan of distribution of the payments described herein, on [REDACTED] in Department 17 of the San Bernardino County Superior Court, located at 247 West 3rd Street, San Bernardino, CA 92415. The final approval hearing may be continued without further notice to Class Members. You are not required to attend the Final Approval Hearing in order to receive payment under the Settlement.

How can I get additional information?

This Notice summarizes the Action and the basic terms of the Settlement. For more complete information, the pleadings and other records in this litigation may be examined during regular court hours at the San Bernardino County Superior Court, located at 247 West 3rd Street, San Bernardino, CA 92415. You can also visit the settlement website located at: [REDACTED] for more information, including a copy of the Settlement Agreement.

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE

Exhibit 2

1 **THE WAND LAW FIRM, P.C.**

Aubry Wand (SBN 281207)
2 100 Oceangate, Suite 1200
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3 Telephone: (310) 590-4503
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4 **BLUMENTHAL NORDREHAUG BHOWMIK DE BLOUW LLP**

5 Norman B. Blumenthal (State Bar #068687)
Kyle R. Nordrehaug (State Bar #205975)
6 Aparajit Bhowmik (State Bar #248066)
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7 2255 Calle Clara
La Jolla, CA 92037
8 Telephone: (858) 551-1223

9 *Attorneys for Plaintiffs and the Putative Class*

10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

11 **COUNTY OF SAN BERNARDINO**

12 KIRSTEN CORBETT and BRENDA
CARDENAS, individually, and on behalf of all
13 others similarly situated,

14 Plaintiffs,

15 v.

16 G-III APPAREL GROUP, LTD., an entity of
unknown form; AM RETAIL GROUP, INC., a
17 corporation; and DOES 1 through 10, inclusive,

18 Defendants.
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CASE NO.: CIVSB 2305772

[Hon. Joseph T. Ortiz]

SECOND AMENDED COMPLAINT

CLASS ACTION

1. Failure to Provide Meal Periods
2. Failure to Provide Rest Breaks
3. Failure to Pay Overtime Wages
4. Failure to Pay Minimum Wages
5. Failure to Pay Timely Wages
6. Failure to Pay All Wages Due to
Discharged and Quitting Employees
7. Failure to Maintain Required Records
8. Failure to Furnish Accurate Itemized
Statements
9. Failure to Indemnify Employees for
Necessary Expenditures Incurred in
Discharge of Duties
10. Failure to Provide COVID-19
Supplemental Sick Leave
11. Failure to Pay Sick Wages
12. Unfair and Unlawful Business Practices

REPRESENTATIVE ACTION

13. Penalties Under the Private Attorneys
General Act

DEMAND FOR JURY TRIAL

1. Plaintiffs Kirsten Corbett and Brenda Cardenas (“Plaintiffs”) bring this class and representative action on behalf herself, the State of California, and all other similarly situated individuals, against Defendants G-III Apparel Group, Ltd. (“G-III”), AM Retail Group, Inc. (“AMRG”), and Does 1 through 10, inclusive (collectively, “Defendants”), in order to hold Defendants accountable for their wage theft and other violations of California wage-and-hour laws. Plaintiffs make the following allegations on information and belief, except as to allegations pertaining to Plaintiffs individually, which are based on their personal knowledge.

INTRODUCTION

2. Defendants have implemented common policies and practices that have resulted in systematic violations of California’s Labor Code and the applicable Industrial Welfare Commission (“IWC”) Wage Order(s) predicated on, *inter alia*, their failure to provide legally compliant meal periods and rest breaks and failure to provide compensation for missed and otherwise unlawful meal periods and rest breaks, unpaid regular and overtime compensation, failure to timely pay wages, failure to pay all wages owed and due to discharged or quitting non-exempt employees, failure to maintain required records, failure to provide accurate itemized wage statements, failure to reimburse for employment-related expenses, failure to provide COVID-19 supplemental sick leave, and failure to provide suitable seating.

JURISDICTION AND VENUE

3. The Superior Court of the State of California has jurisdiction in this matter because Plaintiffs are residents of the State of California and Defendants regularly conduct business in the State of California. No federal question is at issue because Plaintiffs' claims are based solely on California law.

4. Venue is proper in this judicial district and the County of San Bernardino because Plaintiff Corbett and other non-exempt employees performed work for Defendants in the County of San Bernardino, and a substantial portion of the unlawful actions and omissions, as alleged herein, occurred in the County of San Bernardino.

THE PARTIES

5. Plaintiff Corbett is a resident of the State of California and was a non-exempt

1 employee of Defendants who worked at their DKNY store at the Ontario Mills shopping center from
2 approximately October 2021 to August 2022. Plaintiff Corbett also worked Defendants' Karl
3 Lagerfeld store at the Ontario Mills shopping center at various times over the course of her
4 employment at DKNY.

5 6. Plaintiff Cardenas is a resident of the State of California and was a non-exempt
6 employee of Defendants who worked at their Karl Lagerfeld store at the Las Americas Premium
7 Outlets from approximately January to April 2022.

8 7. On information and belief, G-III is, and at all times relevant herein, has done business
9 in the State of California as a retail clothing company. It owns popular brands names including
10 Guess, DKNY, Calvin Klein, Tommy Hilfiger, Andrew Marc, Levi Strauss & Co., Dockers, Kenneth
11 Cole, Karl Lagerfeld, Wilsons Leather, and G.H. Bass & Co.

12 8. On information and belief, AMRG is, and at all times material herein, has been a
13 wholly owned subsidiary of G-III. AMRG is the entity that operates retail store locations that are
14 owned by G-III.

15 9. On information and belief, and at all times material herein, there has been common
16 ownership or financial control between Defendants. They were the alter egos, divisions, affiliates,
17 integrated enterprises, joint employers, subsidiaries, parents, principals, related entities, co-
18 conspirators, authorized agents, partners, joint venturers, and/or guarantors, actual or ostensible, of
19 each other. Each Defendant was completely dominated by his, her or its co-Defendant, and each was
20 the alter ego of the other.

21 10. Moreover, at all material times herein, there has been extensive interrelation of
22 operations, common management, centralized control of labor relations, human resources, staffing
23 issues, payroll, etc., with respect to Plaintiffs and other non-exempt employees of Defendants. For
24 example, Plaintiff Corbett applied for a position with Karl Lagerfeld, but was ultimately assigned to
25 work for DKNY, as part of the same employment application process. Plaintiff Corbett also
26 seamlessly performed work for Defendants at their DKNY and Karl Lagerfeld stores for several days
27 during her employment, during which time both stores were under the same management and
28

1 implemented the same policies and procedures.¹

2 11. In short, Defendants jointly employed or exercised control over the wages, hours, and
3 working conditions of Plaintiffs and other non-exempt employees of Defendants, and all Defendants
4 are jointly and severally liable for the wage-and-hour violations experienced by Plaintiffs and other
5 non-exempt employees of Defendants.

6 12. The true names and capacities of Does 1 through 10, inclusive, are unknown to
7 Plaintiffs at this time, and Plaintiffs therefore sue such Defendants under fictitious names. Plaintiffs
8 are informed and believe, and thereon allege, that each Defendants designated as a Doe is in some
9 manner highly responsible for the occurrences alleged herein, and that Plaintiffs and others' injuries
10 and damages, as alleged herein, were proximately caused by the conduct of such Doe Defendants.
11 Plaintiffs will seek leave of the Court to amend this Complaint to allege the true names and capacities
12 of such Doe Defendants when ascertained.

13 **CLASS ACTION ALLEGATIONS**

14 13. Pursuant to Cal. Code of Civ. P. § 382, Plaintiffs bring this action on behalf of
15 themselves and the following Class:

16 All non-exempt employees of Defendants who performed work for Defendants in California
17 during the time period of March 3, 2019 to August 17, 2024.

18 14. Hereinafter, all non-employees that are part of the Class defined in Paragraph 13
19 above are referred to as "Class members."

20 15. Excluded from the Class are the following individuals and/or entities: all individuals
21 who have previously released any legal claims alleged herein; and all individuals who make a timely
22 election to be excluded from this proceeding using the correct protocol for opting out.

23 16. Plaintiffs reserve the right to name additional Class representatives as may be
24 necessary and appropriate. Plaintiffs also reserve the right to modify or amend the definition of the
25 proposed Class and/or add subclasses before the Court determines whether certification is

26 ¹ Plaintiff Corbett also worked at Wilsons Leather prior to the statute of limitations period, and her
27 experience there was similar, as it too was and is operated under Defendants' umbrella of brand
28 names.

1 appropriate.

2 17. Plaintiffs are members of the Class.

3 18. This action is appropriately suited for a class action because:

4 A. The proposed Class is a significant number. Plaintiffs are informed and believe that
5 the proposed Class consists of at least 100 current and former non-exempt employees, rendering
6 joinder impractical.

7 B. This action involves common questions of law and fact to the proposed Class because
8 the action focuses on the Defendants' systematic course of unlawful employment policies and
9 practices, which were applied to all non-exempt employees in a uniform fashion, and in violation of
10 the California Labor Code, applicable IWC Wage Order(s), and the California Business and
11 Professions Code. Common questions of law and fact that will drive the resolution of this action
12 include but are not limited to:

- 13 1. Whether Defendants failed to provide Class members with legally compliant meal
14 periods, and whether Defendants properly paid premium pay as a result of missed
15 and non-compliant meal periods;
- 16 2. Whether Defendants failed to provide Class members with legally compliant rest
17 breaks, and whether Defendants properly paid premium pay as a result of missed
18 and non-compliant rest breaks;
- 19 3. Whether Defendants failed to pay all wages due to Class members that quit or
20 were discharged from employment;
- 21 4. Whether Defendants failed to timely pay wages to Class members;
- 22 5. Whether Defendants failed to properly calculate and pay overtime to Class
23 members
- 24 6. Whether Defendants failed to reimburse Class members for employment-related
25 expenses;
- 26 7. Whether Defendants failed to maintain required records and accurate wage
27 statements for Class members;
- 28 8. Whether Defendants failed to provide suitable seating to Class members; and

9. Whether Defendants engaged in unfair and/or unlawful business practices.

C. Plaintiffs' claims are typical of the proposed Class because the same policies and practices applied to Plaintiffs and Class members.

D. Plaintiffs can fairly and adequately protect the interests of all members of the proposed Class because it is in their best interest to prosecute the claims alleged herein to obtain full compensation due to the proposed Class for all services rendered and hours worked. Plaintiffs have also retained counsel that is experienced in wage-and-hour class action litigation.

FIRST CAUSE OF ACTION

Failure to Provide Required Meal Periods

[Cal. Lab. Code §§ 226.7, 510, 512, 1194, 1197; IWC Wage Order No. 7-2001, § 11]

(On Behalf of Plaintiffs and the Class against All Defendants)

19. Plaintiffs incorporate herein by specific reference, as though fully set forth, the allegations in paragraphs 1 through 18.

20. During the statute of limitations period, as part of Defendants' unlawful policies and practices to minimize labor costs and maximize profits, Defendants have required, permitted or otherwise suffered Plaintiffs and Class members to perform work during their meal periods, to completely skip their meal periods, to take late and short meal periods, and Defendants have otherwise failed to provide the required meal periods to Plaintiffs and Class members as required under California Labor Code §§ 226.7, 512, and IWC Wage Order No. 7-2001, § 11.

21. Defendants have implemented several common policies and practices that have caused Plaintiffs and Class members to systematically miss and otherwise take non-compliant meal periods.

22. Defendants have implemented a policy of allotting a grossly insufficient maximum total staff hours per week at its stores, which causes employees like Plaintiffs to miss or otherwise take non-compliant meal periods because of insufficient staff to assist customers and still perform other required job duties. The number of staff hours assigned to the store was dictated by the store's conversion rate—i.e., the percentage of customers that ultimately make purchases. For example, if a store's conversion rate dipped below a certain percentage, regional management would cut the staff hours. Defendants monitor the conversion rate in real time and pressure employees to make sales if they are not meeting the conversion rate. In this way, Defendants tether labor costs to their bottom-

1 line profits. However, this is to the detriment of Plaintiffs and Class members, who constantly fear
2 not meeting the conversion rate.

3 23. As a direct consequence of this conversion rate policy and understaffing, Plaintiffs and
4 Class members had so much work to complete within their scheduled shifts that they are forced to
5 skip their meal periods altogether, to take them after working longer than five (5) hours, to perform
6 work during their meal periods, or return to work after taking less than a thirty (30) minute meal
7 period.

8 24. When Plaintiffs and Class members were able to take meal periods, they were
9 systematically interrupted. In particular, Defendants have required Plaintiffs and Class members to
10 carry walkie-talkies and/or cell phones on their person at all times, and consequently, their meal
11 periods were regularly interrupted and/or cut short because they would be forced to communicate on
12 these devices during meal periods.

13 25. Despite work conditions that systematically result in missed and non-compliant meal
14 periods, and in order to keep labor costs down, Defendants have implemented a policy and practice of
15 failing to pay meal period premium payments when owed and due.

16 26. In sum, Defendants have violated California Labor Code §§ 226.7, IWC Wage Order
17 No. 7-2001, § 11, and the California Unfair Competition Law, Cal. Bus. & Prof. Code § 17200, *et*
18 *seq.*, by failing to compensate Plaintiffs and Class members who were not authorized and permitted
19 to take a complete, timely, uninterrupted meal period, one additional hour of compensation at the
20 proper regular rate of pay for each workday that such a meal period was not authorized or permitted.
21 Defendants further violated California Labor Code §§ 226.7, 510, 1194, 1197, and § 11 IWC Wage
22 Order No. 7-2001, by failing to compensate Plaintiffs and Class members for all hours worked during
23 their meal periods.

24 27. As a proximate result of the foregoing violations, Plaintiffs and Class members have
25 been damaged in an amount according to proof at trial, and seek all wages earned and due, interest,
26 penalties, expenses, and costs of suit.

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SECOND CAUSE OF ACTION
Failure to Provide Required Rest Breaks
[Cal. Lab. Code §§ 226.7, 512; IWC Wage Order No. 7-2001, § 12]
(On Behalf of Plaintiffs and the Class against All Defendants)

28. Plaintiffs incorporate herein by specific reference, as though fully set forth, the allegations in paragraphs 1 through 27.

29. During the statute of limitations period, as part of Defendants' unlawful policies and practices to minimize labor costs and maximize profits, Defendants have failed to authorize and permit Plaintiffs and Class members to take rest breaks as required under California Labor Code §§ 226.7 and 512, and IWC Wage Order No. 7-2001, § 12.

30. The same common policies and practices that deprive Plaintiffs and Class members from taking their meal periods, as alleged herein, similarly deprive them of their ability to take their rest breaks. Namely, Defendants' deficient staffing policy and unreasonable sales expectations (i.e., the conversion rate practice), forces Plaintiffs and Class members to skip their rest breaks otherwise take non-compliant rest breaks. And when Plaintiffs and Class members were able to take rest breaks, they were interrupted by virtue of the fact that they were required to carry mobile communication devices on their person at all times. Additionally, Defendants fail to adequately inform Class members of their rights to take rest breaks, by among other methods, failing to provide proper training and failing to implement adequate schedules regarding rest breaks.

31. Defendants further violated California Labor Code § 226.7, IWC Wage Order No. 7-2001, § 12, and the California Unfair Competition Law, Cal. Bus. & Prof. Code § 17200, *et. seq.*, by failing to pay Plaintiffs and Class members who were not provided with a rest break one additional hour of compensation at the proper regular rate of pay for each workday that a rest break was not provided.

32. As a proximate result of the foregoing violations, Plaintiffs and Class members have been damaged in an amount according to proof at trial, and seek all wages earned and due, interest, penalties, expenses, and costs of suit.

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THIRD CAUSE OF ACTION
Failure to Pay Overtime Wages
[Cal. Lab. Code §§ 510, 1194, 1198; IWC Wage Order No. 7-2001, § 3]
(On Behalf of Plaintiffs and the Class against All Defendants)

33. Plaintiffs incorporate herein by specific reference, as though fully set forth, the allegations in paragraphs 1 through 32.

34. Pursuant to California Labor Code §§ 510, 1194, and IWC Wage Order No. 7-2001, § 3, Defendants are required to compensate Plaintiffs and Class members for all overtime, which is calculated at one and one-half (1 ½) times the regular rate of pay for all hours worked in excess of eight (8) hours per day and/or forty (40) hours per week, and for the first eight (8) hours on the seventh consecutive workday, with double time for all hours worked in excess of twelve (12) hours in any workday and for all hours worked in excess of eight (8) hours on the seventh consecutive day of work in any workweek.

35. During the statute of limitations period, Defendants failed to compensate Plaintiffs and Class members for all overtime hours worked as required under the foregoing provisions of the California Labor Code and IWC Wage Order No. 7-2001, § 3 by, among other methods, requiring, permitting or suffering Plaintiffs and Class members to work off-the-clock, including *inter alia*, during meal periods and rest breaks and mandatory attendance meetings, but not compensating them for this time, inaccurately recording time in which Plaintiffs and Class members worked, and other methods to be discovered. Defendants also failed to properly calculate Plaintiffs' and Class members' regular rates of pay for the purposes of determining their overtime rates by, *inter alia*, failing to include the value of meal period and rest break premium payments owed and due, and other forms of remuneration required to be included in the calculation of the regular rate, thereby failing to properly pay employees one and one-half times their regular rates at which they were employed for hours worked over forty in a week and/or over 8 hours per day.

36. Defendants' conduct described herein violates California Labor Code §§ 510, 1194, 1198 and IWC Wage Order No. 1-2001, § 3. Therefore, pursuant to California Labor Code §§ 200, 203, 226, 558, 1194, 1197.1, Plaintiffs and Class members are entitled to recover the unpaid balance of wages owed to them by Defendants, plus interest, penalties, attorneys' fees, expenses, and costs of

1 suit.

2 **FOURTH CAUSE OF ACTION**
3 **Failure to Pay Minimum Wages**
4 **[Cal. Lab. Code §§ 1194, 1197; IWC Wage Order No. 7-2001, § 4]**
5 ***(On Behalf of Plaintiffs and the Class against All Defendants)***

6 37. Plaintiffs incorporate herein by specific reference, as though fully set forth, the
7 allegations in paragraphs 1 through 36.

8 38. Pursuant to California Labor Code §§ 1194, 1197, and § 4 of the applicable IWC
9 Wage Order, payment to an employee of less than the applicable minimum wage for all hours worked
10 in a payroll period is unlawful.

11 39. During the statute of limitations period, Defendants paid Plaintiffs and Class members
12 at or slightly above minimum wage. This practice, in conjunction the fact that Defendants required
13 Plaintiffs and Class members to work off-the-clock, including *inter alia*, during meal and rest
14 periods, but did not compensate them for this time, inaccurately recorded the time in which Plaintiffs
15 and Class members worked, and other methods to be discovered, resulted in the systematic
16 underpayment of minimum wages.

17 40. Defendants' conduct described herein violates Cal. Lab. Code §§ 1194, 1197, and § 4
18 of the applicable IWC Wage Order. As a proximate result of the foregoing violations, Plaintiffs and
19 Class members have been damaged in an amount according to proof at trial. Therefore, pursuant to
20 Cal. Lab. Code §§ 200, 203, 226, 558, 1194, 1197.1, and any other applicable law, Plaintiffs and
21 Class members are entitled to recover the unpaid balance of wages owed to them by Defendants, plus
22 interest, penalties, attorneys' fees, expenses, and costs of suit.

23 **FIFTH CAUSE OF ACTION**
24 **Failure to Pay Timely Wages**
25 **[Cal. Lab. Code §§ 204, 210]**
26 ***(On Behalf of Plaintiffs and the Class against All Defendants)***

27 41. Plaintiffs incorporate herein by specific reference, as though fully set forth, the
28 allegations in paragraphs 1 through 40.

42. California Labor Code § 204 provides that all wages earned by any person in any
employment between the 1st and 15th days, inclusive, of any calendar month, other than those wages

1 due upon termination of an employee, are due and payable between the 16th and 26th day of the
2 month during which the labor was performed. California Labor Code § 204 further provides that all
3 wages earned by any person in any employment between the 16th and the last day, inclusive, of any
4 calendar month, other than those wages due upon termination of an employee, are due and payable
5 between the 1st and the 10th day of the following month. California Labor Code § 204 further
6 provides that all wages eared for labor in excess of the normal work period shall be paid no later than
7 the payday for the next regular payroll period.

8 43. During the statute of limitations period, Defendants, among other things, failed to pay
9 Plaintiffs and Class members all wages earned and due to them, including but not limited to, meal
10 and rest break premiums, overtime and minimum wages, and payment for work performed off-the-
11 clock, within any time period permissible under California Labor Code § 204.

12 44. As a proximate result of Defendants' unlawful actions and omissions, Plaintiffs and
13 Class members are entitled to all available statutory penalties, including but not limited to, civil
14 penalties pursuant to California Labor Code §§ 200, 210, 558, 1194, 1197.1, 2699(a), and other
15 applicable provisions under the California Labor Code and applicable IWC Wage Order, and an
16 award of costs, expenses, and reasonable attorneys' fees.

17 **SIXTH CAUSE OF ACTION**
18 **Failure to Pay All Wages Due to Discharged and Quitting Employees**
19 **[Cal. Lab. Code §§ 201-203]**
(On Behalf of Plaintiffs and the Class against All Defendants)

20 45. Plaintiffs incorporate herein by specific reference, as though fully set forth, the
21 allegations in paragraphs 1 through 44.

22 46. Pursuant to California Labor Code §§ 201, 202 and 203, Defendants are required to
23 pay all earned and unpaid wages to an employee who is discharged. California Labor Code § 201
24 mandates that if an employer discharges an employee, the employee's wages accrued and unpaid at
25 the time of discharge are due and payable immediately.

26 47. Furthermore, pursuant to California Labor Code § 202, Defendants are required to pay
27 all accrued wages due to an employee no later than 72 hours after the employee quits his or her
28 employment, unless the employee provided 72 hours previous notice of his or her intention to quit, in

1 which case the employee is entitled to his or wages at the time of quitting.

2 48. California Labor Code § 203 provides that if an employer willfully fails to pay, in
3 accordance with California Labor Code §§ 201 and 202, any wages of an employee who is
4 discharged or who quits, the employer is liable for waiting time penalties in the form of continued
5 compensation to the employee at the same rate for up to 30 workdays.

6 49. During the statute of limitations period, Defendants have willfully failed to pay
7 accrued wages and other compensation to Plaintiffs and Class members in accordance with California
8 Labor Code §§ 201 and 202. Because Defendants have failed and continue to fail to properly
9 compensate Plaintiffs and Class members for all hours worked when due, overtime wages, and
10 compensation for non-compliant meal periods and rest breaks, Defendants have also willfully failed
11 and continue to fail to pay accrued wages and other compensation to Plaintiffs and Class members in
12 accordance with California Labor Code §§ 201 and 202.

13 50. As a result, Plaintiffs and Class members are entitled to all available statutory
14 penalties, including the waiting time penalties provided in California Labor Code § 203, together
15 with interest thereon, as well as all other available remedies.

16 **SEVENTH CAUSE OF ACTION**
17 **Failure to Maintain Required Records**
18 **[Cal. Lab. Code §§ 226, 1174; IWC Wage Order No. 7-2001, § 7]**
(On Behalf of Plaintiffs and the Class against All Defendants)

19 51. Plaintiffs incorporate herein by specific reference, as though fully set forth, the
20 allegations in paragraphs 1 through 50.

21 52. During the statute of limitations period, as part of Defendants' unlawful payroll
22 policies and practices to deprive Plaintiffs and Class members of all wages earned and due,
23 Defendants knowingly and intentionally failed to maintain records as required under California Labor
24 Code §§ 226(a) and 1174(d) and IWC Wage Order No. 7-2001, § 7, including but not limited to, the
25 following records: total daily hours worked by each employee; applicable rates of pay; all deductions;
26 meal periods; time records showing when each employee begins and ends each work period; and
27 accurate itemized statements. Defendants have also failed to properly inform Plaintiffs and Class
28 members of how many COVID-19 Supplemental Paid Sick leave hours remain available on their

1 wage statements or in a separate writing. Moreover, Defendants do not provide non-exempt
2 employees with proper meal periods and rest breaks, but omit from the wage statements such
3 compensation and/or remuneration owed and due. Additionally, Defendants require non-exempt
4 employees to work off-the-clock but fail to record this time or compensate them for this time, which
5 invariably results in inaccurate time and payroll records.

6 53. As a proximate result of Defendants' unlawful actions and omissions, Plaintiffs and
7 Class members have been damaged in an amount according to proof at trial, and are entitled to all
8 wages earned and due, plus interest thereon. Additionally, Plaintiffs and Class members are entitled
9 to all available penalties, including but not limited to, penalties pursuant to California Labor Code §§
10 226(e), 226.3, and 1174.5, and an award of costs, expenses, and reasonable attorneys' fees, including
11 but not limited to those provided in California Labor Code § 226(e), as well as all other available
12 remedies.

13 **EIGHTH CAUSE OF ACTION**
14 **Failure to Furnish Accurate Itemized Wage Statements**
15 **[Cal. Lab. Code §§ 226; IWC Wage Order No. 7-2001, § 7]**
(On Behalf of Plaintiffs and the Class against All Defendants)

16 54. Plaintiffs incorporate herein by specific reference, as though fully set forth, the
17 allegations in paragraphs 1 through 53.

18 55. During the statute of limitations period, Defendants have routinely failed to provide
19 Plaintiffs and Class members with timely and accurate itemized wage statements. Defendants' pay
20 stubs violate California Labor Code § 226 in that Defendants have not provided Plaintiffs and Class
21 members with proper meal periods and rest breaks but failed to include in their wage statements one
22 (1) additional hour of compensation at their regular rates of pay for each missed or non-compliant
23 meal or rest period. *See Naranjo v. Spectrum Sec. Servs., Inc.* (2022) 13 Cal.5th 93, 972 ("failure to
24 report premium pay for missed breaks can support monetary liability under section 226 for failure to
25 supply an accurate itemized statement reflecting an employee's gross wages earned, net wages
26 earned, and credited hours worked."). In addition, Defendants do not properly pay Plaintiffs and
27 Class members proper overtime wages owed and due to them, resulting in accurate wage statements.
28 Further, Defendants have failed to accurately list and itemize COVID-19 supplemental paid sick

1 leave on the wage statements for Plaintiffs and Class members and have also failed to correctly pay
2 them supplemental sick leave at their regular rates of pay. Defendants also suffer and permit
3 Plaintiffs and Class members to work off-the-clock without compensation, yet such hours worked
4 and compensation and/or remuneration is not listed on the wage statements.

5 56. As a proximate result of Defendants' unlawful actions and omissions, Plaintiffs and
6 Class members have been damaged in an amount according to proof at trial, and seek all wages
7 earned and due, plus interest thereon. Additionally, Plaintiffs and Class members are entitled to all
8 available penalties, including but not limited to penalties pursuant to California Labor Code §§
9 226(e), 226.3, and 1174.5, and an award of costs, expenses, and reasonable attorneys' fees, including
10 but not limited to those provided in California Labor Code § 226(e), as well as any other available
11 remedies.

12 **NINTH CAUSE OF ACTION**
13 **Failure to Indemnify Employees for Necessary Expenditures Incurred in Discharge of Duties**
14 **[Cal. Lab. Code § 2802]**
(On Behalf of Plaintiffs and the Class against All Defendants)

15 57. Plaintiffs incorporate herein by specific reference, as though fully set forth, the
16 allegations in paragraphs 1 through 56.

17 58. California Labor Code § 2802(a) requires an employer to indemnify an employee for
18 all necessary expenditures or losses incurred by the employee in direct consequence of the discharge
19 of her his or her duties, or of his or her obedience to the directions of the employer.

20 59. During the statute of limitations period, Defendants have required Plaintiffs and Class
21 members to use their own personal devices, including cellular phones, to perform work-related
22 duties. For example, Plaintiffs and Class members used their personal cellular phones for work
23 matters such as scheduling. They would also use their phones to text clients in order to generate
24 business and use WhatsApp on their phones to book clients, communicate markdowns and prices,
25 and otherwise conduct business such as "virtual streamers" (i.e., live video feeds from the store that
26 were designed to generate real-time sales). In addition, Plaintiffs and Class members were required to
27 make drop-offs (i.e., deposit cash at the bank), which required them to drive off-site in their personal
28 vehicles. Defendants did not reimburse Plaintiffs and Class members for this gas/mileage or cellular

1 phone usage.

2 60. As a proximate result of Defendants' unlawful actions and omissions, Plaintiffs and
3 Class members have been damaged in an amount according to proof at trial, and seek reimbursement
4 of all necessary expenditures, plus interest thereon pursuant to California Labor Code § 2802(b).
5 Additionally, Plaintiffs and Class members are entitled to all available statutory penalties and an
6 award of costs, expenses, and reasonable attorneys' fees, including those provided in California
7 Labor Code § 2802(c), as well as all other available remedies.

8 **TENTH CAUSE OF ACTION**

9 **Failure to Provide COVID-19 Supplemental Sick Leave**
10 **[Cal. Lab. Code § 248.1(b)(3)(A); Cal. Lab. Code § 248.2]**
(On Behalf of Plaintiffs and the Class against All Defendants)

11 61. Plaintiffs incorporate herein by specific reference, as though fully set forth, the
12 allegations in paragraphs 1 through 60.

13 62. During the statute of limitations periods, Defendants have failed to provide
14 supplemental COVID-19 sick leave. As of March 29, 2021, Defendants employed 26 or more non-
15 exempt employees. As such, Defendants were required to provide 80 hours of COVID-19
16 supplemental paid sick leave, and compensate Plaintiffs and Class members at their regular rates of
17 pay for supplemental sick leave—i.e., the highest regular rate of pay, taking into consideration non-
18 discretionary bonuses, etc. *See* Cal. Lab. Code § 248.1(b)(3)(A). Defendants were obligated to
19 provide COVID-19 supplemental sick leave in addition to regular sick leave. *See* Cal. Lab. Code §
20 248.1(b)(2)(D). Further, Defendants are prohibited from requiring Class members to use any other
21 paid or unpaid leave, paid time off, or vacation time provided by the hiring entity to the covered
22 worker before the covered worker uses COVID-19 supplemental paid sick leave or in lieu of COVID-
23 19 supplemental paid sick leave. *See* Cal. Lab. Code § 248.1(b)(4). Defendants have failed to comply
24 with the foregoing sections of the COVID-19 supplemental paid sick leave laws.

25 **ELEVENTH CAUSE OF ACTION**

26 **Failure to Pay Sick Pay Wages**
27 **[Cal. Lab. Code §§ 201-204, 210, 233, 246]**
(On Behalf of Plaintiffs and the Class against All Defendants)

28 63. Plaintiffs incorporate herein by specific reference, as though fully set forth, the

1 allegations in paragraphs 1 through 62.

2 64. Cal Lab. Code § 233 provides that an employer must permit an employee to use
3 accrued sick leave in accordance with Cal Lab. Code § 246.5 at the employee's then current rate of
4 entitlement. Cal Lab. Code § 246 provides that an employee is entitled to sick pay wages for use of
5 accrued sick leave pursuant to Cal Lab. Code § 246.5. Specifically, once accrued sick leave is used
6 as paid sick time, an employee has a vested right to sick pay wages, which an employer must
7 calculate and compensate based on one of two calculations: (i) "Paid sick time for nonexempt
8 employees shall be calculated in the same manner as the regular rate of pay for the workweek in
9 which the employee uses paid sick time, whether or not the employee actually works overtime in that
10 workweek," or (ii) "Paid sick time for nonexempt employees shall be calculated by dividing the
11 employee's total wages, not including overtime premium pay, by the employee's total hours worked
12 in the full pay periods of the prior 90 days of employment." Under Cal Lab. Code §§ 218 and 233,
13 employees may sue to recover underpaid sick pay wages as damages.

14 65. As a matter of policy and practice, Defendants pay sick pay wages to Plaintiffs and
15 Class members at the incorrect rate of pay. Plaintiffs and Class members regularly use accrued sick
16 leave in the workweeks in which they also earn non-hourly remuneration. As a matter of policy and
17 practice, Defendants pay sick pay wages to Plaintiffs and (Class members at the base hourly pay, as
18 opposed to the regular rate of pay, which would consider all non-hourly remuneration in addition to
19 base hourly wages, or the rate resulting from dividing the employee's total wages, not including
20 overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90
21 days of employment. As a result, Defendants underpaid sick pay wages to Plaintiffs and Class
22 members.

23 66. Cal. Lab. Code § 204 provides that wages generally are due and payable twice during
24 each calendar month and are to be paid no later than the payday for the next regular payroll period.
25 Consistent with Cal. Lab. Code § 204, Cal. Lab. Code § 246 specifically requires that, upon use of
26 accrued sick leave, vested sick pay wages are due and to be paid no later than the payday for the next
27 regular payroll period after accrued sick leave is used as paid sick time. Similarly, Cal. Lab. Code
28 § 201 provides that if an employer discharges an employee, wages earned and unpaid at the time of

1 discharge are due and payable immediately. Cal. Lab. Code § 202 provides that an employee is
2 entitled to receive all unpaid wages no later than 72 hours after an employee quits his or her
3 employment, unless the employee has given 72-hour notice of his or her intention to quit, in which
4 case the employee is entitled to his or her wages at the time of quitting. The Labor Code penalizes
5 untimely payments. For example, Cal. Lab. Code § 203 provides that if an employer willfully fails to
6 pay wages owed in accordance with Cal. Lab. Code §§ 201-202, then the wages of the employee
7 shall continue as a penalty from the due date, and at the same rate until paid, but the wages shall not
8 continue for more than thirty (30) days. Likewise, Cal. Lab. Code § 210 provides penalties for
9 violations of Cal. Lab. Code § 204 and untimely payments during employment. Under Cal. Lab.
10 Code §§ 203, 210 and 218, employees may sue to recover applicable penalties.

11 67. As alleged herein and as a matter of policy and practice, Defendants routinely
12 underpay sick pay wages and thus did not timely pay Plaintiffs and the Class members all owing and
13 underpaid sick pay wages. As a result, Defendants violates Cal. Lab. Code §§ 201-204, 210, 233,
14 and 246, among other Labor Code provisions. Plaintiffs are informed and believe that Defendants
15 were advised by skilled lawyers and knew, or should have known, of the mandates of the Labor Code
16 as it relates to Plaintiffs' allegations, especially since the California Supreme Court has explained that
17 "[c]ourts have recognized that 'wages' also include those benefits to which an employee is entitled as
18 a part of his or her compensation, including money, room, board, clothing, vacation pay, *and sick*
19 *pay.*" *Murphy v. Kenneth Cole Prods., Inc.*, 40 Cal. 4th 1094, 1103 (2007)(emphasis added). Because
20 Defendants willfully fail to timely pay Plaintiffs and Class members all sick pay wages due,
21 Defendants are subject to applicable penalties.

22 68. Such a pattern, practice, and uniform administration of corporate policy is unlawful
23 and entitles Plaintiffs and Class members to underpaid sick pay wages, including interest thereon,
24 applicable penalties, attorney's fees, and costs of suit.

25 **TWELFTH CAUSE OF ACTION**
26 **Unfair and Unlawful Business Practices**
27 **[Cal. Bus. & Prof. Code § 17200, *et. seq.*]**
(On Behalf of Plaintiffs and the Class against All Defendants)

28 69. Plaintiffs incorporate herein by specific reference, as though fully set forth, the

1 allegations in paragraphs 1 through 68.

2 70. Each and every one of Defendants' acts and omissions in violation of the California
3 Labor Code and/or the applicable IWC Wage Order as alleged herein, including but not limited to,
4 Defendants' failure to provide required meal periods and rest breaks, failure to pay all wages due to
5 discharged or quitting employees or to pay timely wages, failure to furnish accurate itemized wage
6 statements or to maintain required records, failure to pay proper overtime wages, and failure
7 indemnify Plaintiffs and Class members for necessary expenditures and/or losses incurred in
8 discharging their duties, constitute an unfair and unlawful business practice under California Business
9 and Professions Code § 17200, *et seq.*

10 71. Defendants' violations of California wage and hour laws constitute a business practice
11 because the foregoing acts and omissions were done repeatedly over a significant period of time, and
12 in a systematic manner, to the detriment of Plaintiffs and Class members.

13 72. Defendants have avoided payment of wages, the provision of meal periods and rest
14 breaks, and other benefits as required by the California Labor Code, the California Code of
15 Regulations, and the applicable IWC Wage Order. Further, Defendants have failed to record, report,
16 and pay the correct sums of assessment to the state authorities under the California Labor Code and
17 other applicable regulations.

18 73. As a result of these unfair and unlawful business practices, Defendants have reaped
19 unfair and illegal profits during the statute of limitations period at the expense of Plaintiffs and Class
20 members, and members of the public. Defendants should be made to disgorge their ill-gotten gains
21 and to restore them to Plaintiffs and Class members, in an amount according to proof at the time of
22 trial.

23 **THIRTEENTH CAUSE OF ACTION**
24 **Representative Action for Civil Penalties**
 [Cal. Lab. Code §§ 2698- 2699.5]

25 ***(On Behalf of Plaintiffs and State of California against All Defendants)***

26 74. Plaintiffs incorporate herein by specific reference as though fully set forth the
27 allegations in paragraphs 1 through 73, with exception of the allegations in Paragraphs 13 through 18.

28 75. Plaintiffs were non-exempt employees of Defendants in the State of California during

1 the time period beginning one year and 65 days prior to the filing of this Complaint to the present.
2 Plaintiffs also personally experienced violations of the California Labor Code during their
3 employment with Defendants, as alleged herein. Thus, Plaintiffs are “aggrieved employees.”

4 76. On December 13, 2022, Plaintiff Corbett gave written notice by certified mail,
5 pursuant to California Labor Code § 2699.3, to the California Labor and Workforce Development
6 Agency (“LWDA”) and Defendants, of the specific provisions of the California Labor Code and
7 applicable IWC Wage Orders alleged to have been violated, including the facts and theories to
8 support the alleged violations. On December 19, 2022, Plaintiff Corbett gave supplemental notice to
9 the LWDA and Defendants with respect to her allegations that Defendants have failed to provide
10 suitable seating to her and other aggrieved employees.

11 77. On March 22, 2023, Plaintiff Cardenas gave written notice by certified mail, pursuant
12 to California Labor Code § 2699.3, to the LWDA and Defendant AM Retail Group, Inc., of the
13 specific provisions of the California Labor Code and applicable IWC Wage Orders alleged to have
14 been violated, including the facts and theories to support the alleged violations.

15 78. Within sixty-five (65) calendar days of the postmark date of Plaintiffs’ notice letters,
16 the LWDA did not provide notice to Plaintiffs that it intends to investigate the alleged violations. Nor
17 did Defendants respond to any of the allegations contained in Plaintiffs’ notice letters. Therefore,
18 Plaintiffs have complied with all requirements set forth in California Labor Code § 2699.3 to
19 commence a representative action under the California Private Attorneys General Act of 2004
20 (“PAGA”), Cal. Lab. Code § 2698-2699.5.

21 79. In addition to the foregoing alleged violations of the California Labor Code and
22 applicable IWC Wage Orders, Defendants have violated at least one other section of the California
23 Labor Code that gives rise to liability under the PAGA.

24 80. Specifically, Defendants have violated IWC Wage Order No. 7-2001, § 14, which
25 provides:

26 (A) All working employees shall be provided with suitable seats when the nature of
27 the work reasonably permits the use of seats.

28 (B) When employees are not engaged in the active duties of their employment and the

1 nature of the work requires standing, an adequate number of suitable seats shall be
2 placed in reasonable proximity to the work area and employees shall be permitted to
use such seats when it does not interfere with the performance of their duties.

3 81. Defendants have failed to provide suitable seating as required under the foregoing
4 section of the IWC Wage Order by not providing any seats or stools at the brick-and-mortar stores
5 where Plaintiffs and other aggrieved employees worked. The nature of the work reasonably permits
6 the use of seats when sales associates and other employees assist customers while processing sales
7 transactions (i.e., using the cash register), and during down-time when customer assistance is not
8 required. To the extent the use of seats could interfere with their work duties, at all times herein, it is
9 and has been reasonable for Defendants to place seats in reasonable proximity to the cash registers
10 used by Plaintiffs and other aggrieved employees when doing so would not interfere with their job
11 duties, but Defendants have failed to do so.

12 82. Pursuant to California Labor Code § 2699, Plaintiffs seeks to recover civil penalties
13 under the PAGA for Defendants' violations of the provisions of the California Labor Code and IWC
14 Wage Order alleged herein.

15 83. All civil penalties sought and recovered under this action will be allocated as follows:
16 seventy-five (75) percent to the State of California and twenty-five (25) percent to Plaintiffs and
17 aggrieved employees.

18 84. Plaintiffs additionally seek reasonable attorneys' fees and costs pursuant to California
19 Labor Code § 2699(g)(1).

20 **PRAYER FOR RELIEF**

21 **WHEREFORE**, Plaintiffs, individually and on behalf of all other persons similarly situated,
22 respectfully pray for relief against Defendants and Does 1 through 10, inclusive, and each of them, as
23 follows:

- 24 1. For compensatory damages in an amount to be ascertained at trial;
- 25 2. For restitution of all monies due to Plaintiffs and Class members, as well as disgorged
26 profits from the unfair and unlawful business practices of Defendants;
- 27
- 28

- 1 3. For meal and rest break compensation pursuant to Cal. Lab. Code § 226.7 and IWC
2 Wage Order No. 7-2001;
- 3 4. For waiting time penalties pursuant to Cal. Lab. Code § 203;
- 4 5. For statutory and civil penalties according to proof;
- 5 6. For interest on the unpaid wages at 10 percent per annum pursuant to Cal. Lab. Code
6 §§ 218.6, 2802, California Civil Code §§ 3287, 3288, and/or any other applicable provision providing
7 for pre-judgment interest;
- 8 7. For reasonable attorneys' fees and costs pursuant to Cal. Lab. Code §§ 218.5, 226,
9 2802, and 2699(g)(1), Cal. Code Civ. P. § 1021.5, and/or any other applicable provisions providing
10 for attorneys' fees and costs;
- 11 8. For declaratory relief;
- 12 9. For an order certifying the First through Tenth Causes of Action as a class action;
- 13 10. For an order appointing Plaintiffs as Class representatives and Plaintiffs' counsel as
14 Class counsel; and
- 15 11. For such further relief that the Court may deem just and proper.

16
17 **DEMAND FOR JURY TRIAL**

18 Plaintiffs, on behalf of themselves and all others similarly situated, hereby demand a jury trial
19 with respect to all issues triable of right by jury.

20 DATED: September ---, 2024

THE WAND LAW FIRM, P.C.

21 By: _____

22 Aubry Wand

23
24 **BLUMENTHAL NORDREHAUG BHOWMIK DE
BLOUW LLP**

25 Norman B. Blumenthal
26 Kyle R. Nordrehaug
27 Aparajit Bhowmik
28 Nicholas J. De Blouw

Attorneys for Plaintiffs and the Putative Class

Exhibit 3

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Attorneys for Plaintiffs and the Putative Class

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO**

KIRSTEN CORBETT and BRENDA
CARDENAS, individually, and on behalf of all
others similarly situated,

Plaintiffs,

v.

G-III APPAREL GROUP, LTD., an entity of
unknown form; AM RETAIL GROUP, INC., a
corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No.: CIVSB2305772

[Hon. Joseph T. Ortiz]

**[PROPOSED] PRELIMINARY APPROVAL
ORDER**

Action Filed: February 24, 2023

Trial Date: None Set

1
2 **[PROPOSED] PRELIMINARY APPROVAL ORDER**

3 The Court now has before it Plaintiffs Kirsten Corbett and Brenda Cardenas' ("Plaintiffs")
4 unopposed Motion for Preliminary Approval of Class Action Settlement ("Motion"). After reviewing the
5 Motion, the Class Action Settlement Agreement and Release ("Settlement Agreement")¹ and exhibits
6 attached thereto, and good cause appearing therefore, the Court hereby finds and orders as follows:

7 1. The Court finds on a preliminary basis that the settlement memorialized in the Settlement
8 Agreement appears to be fair and adequate, and falls within the range of reasonableness, and therefore
9 meets the requirement for preliminary approval.

10 2. The Court conditionally certifies for settlement purposes the following Class:

11 All non-exempt employees who worked for Defendant in California during the Class Period.

12 The Class Period is March 3, 2019 to August 17, 2024.

13 3. The Court finds, for settlement purposes only, that the Class meets the requirements for
14 certification under California Code of Civil Procedure § 382 in that: (a) the Class is so numerous that
15 joinder is impractical; (b) there are questions of law and fact that are common, or of general interest, to
16 the Class, which predominate over any individual issues; (c) Plaintiffs' claims are typical of the claims of
17 the Class; (d) Plaintiffs and their counsel will fairly and adequately protect the interests of the Class; and
18 (e) a class action is superior to other available methods for the fair and efficient adjudication of the
19 controversy.

20 4. The Court appoints, for settlement purposes, Plaintiffs as Representatives for the Class.

21 5. The Court appoints, for settlement purposes, the Wand Law Firm, P.C., and Blumenthal
22 Nordrehaug Bhowmik De Blouw LLP, as Counsel for the Class.

23 6. The Court appoints Simpluris as the Settlement Administrator.

24 7. The Parties are ordered to carry out the Settlement according to the following
25 implementation schedule:

26
27
28 ¹ All capitalized terms have the same meaning as defined in the Settlement Agreement unless otherwise indicated.

Event	Date
Last day for Defendant to provide the Settlement Administrator with the Class Information	
Last day for Settlement Administrator to mail Class Notice	
Last day for Class Members to submit a dispute re. Workweeks, Request for Exclusion, or written Objection	
Last Day for Plaintiffs to file Motion for Final Approval and Motion for Attorneys' Fees and Costs and Class Representative Service Awards	
Final Approval Hearing	_____ at _____ a.m. / p.m.

8. The Court approves the form and content of the Class Notice and PAGA Notice (attached as Exhibit 1 to the Settlement Agreement). The Parties and the Settlement Administrator are authorized to make non-material edits to these documents, such as inserting dates, estimated payment amounts, etc.

9. The Court finds that the method of giving notice to the Class constitutes the best means practicable of providing notice under the circumstances. The Court further finds that the Class Notice and the method of giving notice to the Class meet the requirements of California Code of Civil Procedure § 382, California Rules of Court, Rules 3.766 and 3.769, and due process under the California and United States Constitutions, and other applicable law.

10. At the Final Approval Hearing, the Court will consider, *inter alia*, whether the Settlement should be finally approved as fair, reasonable and adequate, whether a final judgment should be entered in favor of Plaintiffs, and whether the payments provided for under the Settlement, including attorneys' fees and costs and class representative service awards, should be finally approved and granted.

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1 11. Pending the Final Approval Hearing, all proceedings in this Action, other than
2 proceedings necessary to implement the Settlement and this Order, are stayed.

3 **IT IS SO ORDERED.**

4
5 DATED: _____

6 Honorable Joseph T. Ortiz
7 Judge of the Superior Court
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