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Attorneys for Defendants  
CYCLE GEAR, INC., COMOTO HOLDINGS, INC.  
AND COMOTO HOLDINGS, LLC

[Additional counsel on next page]

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SAN FRANCISCO - COMPLEX

ISIN AL OTAT, an individual and on behalf of )  
similarly aggrieved employees; )

Plaintiff, )

vs. )

CYCLE GEAR, INC., a California )  
corporation; COMOTO HOLDINGS, INC., a )  
Delaware corporation; COMOTO )  
HOLDINGS, LLC, a Delaware limited liability )  
company; and DOES 1-50, inclusive; )

Defendants. )

Case No. CGC-23-606243  
[Related to Case No. CGC-23-610662]

Assigned For All Purposes To:  
Hon. Jeffrey S. Ross, Dept. 606

**STIPULATION OF SETTLEMENT AND  
RELEASE**

Complaint Filed: May 1, 2023

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15 behalf of similarly aggrieved employees  
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1 This Stipulation of Settlement and Release ("Settlement") is made and entered into between  
2 Plaintiff Isin al-Otat ("Plaintiff") on the one hand, and Defendants Cycle Gear, Inc., Comoto Holdings,  
3 LLC, and Comoto Holdings, Inc. ("Defendants") (collectively with Plaintiff, the "Parties").

4 **1 THE CONDITIONAL NATURE OF THIS STIPULATION.**

5 1.1 This Settlement and all associated exhibits or attachments are made for the sole purpose  
6 of settling the above-captioned lawsuit (the "Action"). This Settlement is made in compromise of  
7 disputed claims. Because the Action was pled as a PAGA representative action and a class action, this  
8 Settlement must receive PAGA approval and preliminary and final class approval by the San  
9 Francisco County Superior Court ("Court"). Accordingly, the settling Parties enter into this Settlement  
10 on a conditional basis. If this Settlement Agreement is not finally approved by the Court, then this  
11 Settlement Agreement, the settlement terms set forth herein (including any modifications made with  
12 the consent of the Parties), and any action taken or to be taken in connection therewith shall be  
13 terminated and shall become null and void and have no further force or effect, and the Preliminary  
14 Approval Order shall be vacated without prejudice to the right of any of the Parties to seek or oppose  
15 the certification of a class action or the definition thereof.

16 1.2 If this Stipulation is terminated or canceled pursuant to its terms, the Parties to this  
17 Stipulation shall be deemed to have reverted to their respective status as of the date and time  
18 immediately prior to the execution of this Stipulation.

19 1.2.1 In an event occurring due to exercise of Defendants' option under Section 6.4.6,  
20 the Settlement Administrator shall refund all funds received from Defendants into the QSF plus any  
21 actual interest earned, after deduction for Settlement Administration Costs incurred as of that date,  
22 which will be the property of the Settlement Administrator.

23 1.2.2 If the Effective Date does not occur because the Court does not grant final  
24 approval, the Settlement Administrator shall refund all funds received from Defendants, plus any  
25 interest accrued on the QSF, after deduction of two-thirds (2/3) of the Settlement Administration Costs  
26 incurred as of that date, which will be the property of the Settlement Administrator. Plaintiff shall be  
27 responsible for one-third (1/3) of the Settlement Administration Costs and shall provide payment to  
28 the Settlement Administrator within ten (10) business days of the Court's denial of final approval.

1           1.3     Defendants deny all claims as to liability, damages, penalties, interest, fees, restitution,  
2 injunctive relief and all other forms of relief as well as the class/PAGA allegations asserted in the  
3 Action. Defendants have agreed to resolve the Action via this Settlement, but to the extent this  
4 Settlement is deemed void or the Effective Date does not occur, Defendants do not waive, but rather  
5 expressly reserve, all rights to challenge all such claims and allegations in the Action upon all  
6 procedural and factual grounds, including, without limitation, the ability to challenge class treatment  
7 in the Action on any grounds, as well as asserting any and all other potential defenses or privileges.

8           1.4     Plaintiff and Plaintiff's Counsel agree that Defendants retain and reserve these rights,  
9 and agree not to argue or present any argument, and hereby waive any argument that, based on this  
10 Settlement, Defendants cannot challenge claims and allegations in the Action upon any procedural or  
11 factual grounds, including, without limitation, challenging class treatment on any grounds or asserting  
12 any and all other potential defenses or privileges.

## 13   **2   DEFINITIONS.**

14           The following terms, when used in Settlement, have the following meanings:

15           2.1     "Action" means the action, *Isin al-Otat v. Cycle Gear, Inc., et al.*, San Francisco  
16 County Superior Court Case No. Case No. CGC-23-606243.

17           2.2     "Class" means all current and former hourly-paid Sales Associates and/or Key Holders  
18 employed by Defendants within the State of California at any time during the period from May 1,  
19 2019 to the date of execution of this Agreement by the Parties.

20           2.3     "Class List" means the document Defendants shall provide to the Settlement  
21 Administrator containing the following information for each Class Member: (1) full name; (2) last  
22 known home address; (3) last known telephone number; (4) social security number; (5) start and end  
23 dates of membership in the Class; (6) number of Pay Periods for each Class Member during the Class  
24 Period; (7) start and end dates of membership in the PAGA Group; (8) number of Pay Periods for each  
25 PAGA Member during the PAGA Settlement Period; and (9) any other information required by the  
26 Settlement Administrator in order to effectuate the terms of the Settlement, including any additional  
27 information that may be necessary to determine each Class Member's share and each PAGA  
28 Member's share pursuant to the agreed upon calculations.

1           2.4     “Class Member” means each person eligible to participate in this Settlement who is a  
2 member of the Class defined above. There are approximately 1,100 Class Members.

3           2.5     “Class Period” means a period commencing on May 1, 2019 to the date of execution of  
4 this Agreement by the Parties.

5           2.6     “Class Representative” is Isin al-Otat.

6           2.7     “Class Settlement Amount” is the Net Settlement Amount minus the PAGA Settlement  
7 Amount. The Class Settlement Amount shall be available for distribution to Participating Class  
8 Members, with the cash portion determined pursuant to Section 6.91.

9           2.8     “Complaint” means the First Amended Complaint filed in this Action.

10          2.9     “Court” means the California Superior Court for the County of San Francisco, or any  
11 other court taking jurisdiction of the settlement of the Actions.

12          2.10    “Defendants’ Counsel” means Wendy Sugg, Sugg Law Group, and Allen W. Nelson,  
13 Clark Hill PLC.

14          2.11    “Effective Date” means the later of (a) the date which is sixty (60) days after the entry  
15 of the Final Order and judgment, if no notice of appeal is filed within that time; or (b) if a notice of  
16 appeal is filed as to the class claims only, or any other legal challenge to the settlement is filed, the  
17 date the final resolution of any such appeal or challenge has been finally terminated in such a manner  
18 as to permit the final approval and judgment to take effect and is no longer subject to further judicial  
19 review.

20          2.12    “Enhancement Payment” means the amount approved by the Court to be paid to the  
21 Plaintiff, not to exceed \$5,000.00, which will be paid in addition to her Individual Settlement Payment  
22 as a Participating Class Member and/or Individual PAGA Payment as a PAGA Member, in  
23 recognition of efforts in prosecuting the Action on behalf of other employees. An Enhancement  
24 Payment shall be considered non-wages for which an appropriate IRS Form 1099 will be issued to the  
25 Plaintiff.

26          2.13    “Final Approval and Fairness Hearing” means the hearing set by the Court to (a) review  
27 the Settlement and determine whether the Court should give final approval to this Settlement,  
28 (b) consider any timely objections made pursuant to Section 6.4.4 of this Settlement, and all responses

1 by the Parties, (c) consider the request for attorneys' fees and expenses submitted by Plaintiff's  
2 Counsel, (d) consider the Settlement Administrator's Settlement Administration Costs, (e) consider the  
3 PAGA Payment, and (f) consider the Plaintiff's application for an Enhancement Payment.

4 2.14 "Final Order" shall mean the Order Granting Final Approval of the Settlement entered  
5 by the Court.

6 2.15 "Gross Settlement Amount" is the sum of One Million U.S. Dollars (\$1,000,000) cash  
7 plus Three Hundred Fifty Thousand U.S. Dollars (\$350,000) worth of Cycle Gear, Inc. retail gift  
8 cards, which represents the amount payable in this Settlement by Defendants and includes the  
9 Settlement Administration Costs, attorneys' fees and litigation costs, Plaintiff's Enhancement  
10 Payment, PAGA payment to the LWDA, payments to Participating Class Members and PAGA  
11 Members, and the employer share of any applicable payroll taxes. The gift cards are redeemable for  
12 Cycle Gear merchandise, are fully transferable, and shall have no expiration date. They shall be  
13 valid for purchase of any merchandise available to the general public, including sale or clearance  
14 items.

15 2.16 "Individual PAGA Payment" means an individual PAGA Member's allocation of the  
16 PAGA Settlement Fund, as set forth in Section 6.9.2.

17 2.17 "Individual Settlement Payment" means an individual Class Member's potential  
18 allocation of the Class Settlement Amount, as set forth in Section 6.9.1.

19 2.18 "Net Settlement Amount" shall mean the portion of the Gross Settlement Amount that  
20 remains after deducting the Settlement Administration Costs, attorneys' fees and litigation costs, and  
21 Plaintiff's Enhancement Payment.

22 2.19 "Notice of Settlement" or "Class Notice" means the document substantially in the form  
23 attached hereto as **Exhibit A**, subject to modification as agreed upon by the Parties.

24 2.20 "Notice Packet" means the Notice of Settlement.

25 2.21 "PAGA Claims" means claims for penalties as identified in Plaintiff's PAGA letter  
26 dated March 2023, Private Attorneys General Act, Labor Code Section 2698, *et seq.*, based on the  
27 following Labor Code Sections 510, 558, 1194, 1197, 1197.1, 1198, 1199, for failure to pay minimum  
28 wages, overtime, and/or the regular rate of pay; Labor Code Sections 226.7, 512 for failure to provide

1 meal and rest breaks; Labor Code Section 204 for failure to timely pay wages during employment;  
2 Labor Code Sections 201-204 and 210 for failure to timely pay wages upon termination; Labor Code  
3 Sections 226, 1174 for failure to keep or provide complete and accurate wage statements; Labor Code  
4 Section 1198.5 for failure to keep or provide complete personnel records; Labor Code Sections 2800,  
5 2802 for failure to reimburse business expenses; Labor Code 226.7 for failure to provide rest periods;  
6 Labor Code Sections 226, 226.3, 226.6, for failure to provide complete wage statements; Labor Code  
7 Sections 221-224 for improper deductions from pay; Labor Code Sections 216, 1174, 1197, 1197.1,  
8 1198, 1199, 2699 for refusing to make and/or falsely denying the amount of payments due; Labor  
9 Code Section 2810.5 for failure to provide proper notice to employees; Wage Order 7 for failure to  
10 provide reporting time pay; and Labor Code Section 246 for failure to provide sick leave and/or pay  
11 paid sick leave amounts.

12       2.22    “PAGA Members” include all California employees who worked as Sales Associates or  
13 Key Holders at any time during the PAGA Settlement Period. There are approximately 728 PAGA  
14 Members.

15       2.23    “PAGA Settlement Amount” is \$100,000, which represents the amount of the Net  
16 Settlement Amount allocated to the resolution of the PAGA Claims at issue in the Action. Pursuant to  
17 the PAGA, the PAGA Settlement Amount will be distributed as follows: seventy-five percent (75%)  
18 or seventy-five thousand (\$75,000), to the LWDA, and twenty-five percent (25%) or twenty-five  
19 thousand, to the PAGA Members.

20       2.24    “PAGA Settlement Fund” refers to the 25% portion or \$25,000 of the PAGA  
21 Settlement Amount that will be distributed to the PAGA Members on a pro rata basis, based upon pay  
22 periods worked within the PAGA Settlement Period.

23       2.25    “PAGA Settlement Period” shall be defined as the period commencing on March 2,  
24 2022 to the date of execution of this Agreement by the Parties.

25       2.26    “Participating Class Members” means any and all Class Members who do not submit a  
26 timely and valid request for exclusion to the Settlement Administrator.

27       2.27    “Payment to LWDA” refers to the 75% portion of the PAGA Settlement Amount that  
28 will be distributed to the State of California.

1           2.28   “Pay Period” means a regular payroll period established by Defendants during the Class  
2 Period or PAGA Period when a Class Member or PAGA Member worked any hours in California and  
3 received a paycheck for that work. Pay Periods will not include weeks when the Class Member or  
4 PAGA Member was on a leave of absence, was receiving severance payments, was receiving only  
5 paid time off, or otherwise not actively employed by Defendants.

6           2.29   “Plaintiff” refers Isin al-Otat.

7           2.30   “Plaintiff’s Counsel” means Samantha Bigonger, Bigonger & Bigonger, Yorba Linda,  
8 CA, and Jessica P. Gomez, Law Offices of Jessica Gomez, La Mirada, CA.

9           2.31   “Plaintiff’s Released Claims” means any and all claims, obligations, demands, actions,  
10 rights, causes of action, and liabilities against Releasees, of whatever kind and nature, character, and  
11 description, whether in law or equity, whether sounding in tort, contract, federal, state and/or local  
12 law, statute, ordinance, regulation, common law, or other source of law, whether known or unknown,  
13 and whether anticipated or unanticipated, including unknown claims covered by Civil Code § 1542, by  
14 the Plaintiff, through the date on which the Court enters the Order of Preliminary Approval of this  
15 Settlement, for any type of relief with the sole exception of any claims which cannot be released as a  
16 matter of law. The Plaintiff’s Released Claims include but are not limited to the Released Class  
17 Claims and Released PAGA Claims. The Plaintiff’s Released Claims exclude claims for workers’  
18 compensation or unemployment insurance benefits.

19           2.32   “Preliminary Approval Date” means the date the Court grants preliminary approval of  
20 the Settlement, and the exhibits thereto.

21           2.33   “Preliminary Approval Order” means the document substantially in the form attached  
22 hereto as **Exhibit B**, subject to modification as agreed upon by the Parties.

23           2.34   “QSF” means the Qualified Settlement Fund set up by the Settlement Administrator for  
24 the benefit of the Participating Class Members and PAGA Members and from which the Settlement  
25 payments shall be made.

26           2.35   “Released Class Claims” means any and all claims, debts, liabilities, demands,  
27 obligations, penalties, guarantees, costs, expenses, attorney’s fees, damages, action or causes of action  
28 of whatever kind or nature, contingent or accrued, that were alleged or that reasonably could have

1 been alleged based on the facts alleged in the Action, as amended, under California State law. This  
2 release includes, without limitation, release of all claims under California State law for alleged failure  
3 to pay minimum wage, failure to pay overtime, failure to pay for off the clock work, failure to timely  
4 pay all wages due, including minimum wage and overtime, liquidated damages, uncompensated time  
5 worked, claims for failure to provide accurate itemized wage statements, claims for failure to timely  
6 pay wages at end of employment, failure to provide meal and rest breaks, failure to reimburse  
7 expenses, failure to provide reporting time pay, failure to maintain employment records, and claims  
8 for unfair competition based upon any of the foregoing. The release period shall extend through the  
9 end of the Class Period.

10       2.36   “Released PAGA Claims” means all claims pled in the Action arising under the  
11 California Private Attorneys General Act (California Labor Code §§ 2698, *et seq.*) (“PAGA”) during  
12 the PAGA Settlement Period, including alleged violations under Labor Code §§ 201-204, 210, 216,  
13 221-224, 226, 226.3, 226.6, 226.7, 246, 510, 512, 558, 1174, 1194, 1197, 1197.1, 1198, 1198.5, 1199,  
14 2699, 2800, 2802, and 2810.5, as well as Wage Order 7 that Plaintiff identified or contended she  
15 identified in her letter to the LWDA (a copy of which is attached as **Exhibit C**).

16       2.37   “Releasees” means Defendants Cycle Gear, Inc., Comoto Holdings, Inc., Comoto  
17 Holdings, LLC, and all of their present and former employees, shareholders, employees, attorneys,  
18 successors and assigns.

19       2.38   “Response Deadline” shall mean thirty (30) calendar days from the initial mailing of  
20 the Notice Packet.

21       2.39   “Settlement Administration Costs” means the fees and expenses reasonably incurred by  
22 the Settlement Administrator, estimated not to exceed \$12,000.00, as a result of the procedures and  
23 processes expressly required by this Stipulation, and shall include all costs of administering the  
24 Settlement, including, but not limited to, all tax document preparation, custodial fees, and accounting  
25 fees incurred by the Settlement Administrator; all costs and fees associated with preparing, translating,  
26 issuing and mailing any and all notices of settlement and other settlement correspondence to Class  
27 Members, PAGA Members, and/or Participating Class Members; all costs and fees associated with  
28 communicating with Class Members, PAGA Members, counsel for the Parties regarding settlement;

1 all costs and fees associated with computing, processing, reviewing, and paying the Individual  
2 Settlement Payments, and resolving disputed claims; all costs and fees associated with calculating tax  
3 withholdings and payroll taxes, making related payment to federal and state tax authorities, and  
4 issuing tax forms relating to payments made under the Settlement; all costs and fees associated with  
5 preparing any tax returns and any other filings required by any governmental taxing authority or  
6 agency; all costs and fees associated with preparing any other notices, reports, or filings to be prepared  
7 in the course of administering Individual Settlement Payments; and any other costs and fees incurred  
8 and/or charged by the Settlement Administrator in connection with the execution of its duties under  
9 this Stipulation. Settlement Administration Costs also include all costs associated with maintaining the  
10 QSF for the length of the Settlement Payments.

11 2.40 "Settlement Administrator" means and refers to Apex Class Administrators the entity  
12 that will be responsible for the administration of the Settlement and related matters as described in this  
13 Settlement. The Settlement Administrator, in addition to mailing of the Notice will publish the Class  
14 Notice, the Complaint, and the Court 's Order preliminarily approving the Settlement on a website  
15 designed for this Settlement, with the URL for such website appearing in the mailed Class Notice.

### 16 **3 DESCRIPTION OF THE LITIGATION**

17 3.1 The Action was brought by Plaintiff, a former employee Defendant Cycle Gear, Inc.  
18 Plaintiff contends that she was jointly employed by Defendants Comoto Holdings, LLC and Comoto  
19 Holdings, Inc.

20 3.2 The parties engaged in both written and informal discovery. Defendants' counsel  
21 provided Plaintiff's counsel with a 15% sampling of time and payroll records. Plaintiff's counsel filed  
22 motions to compel. Depositions of the Plaintiff and Defendants' employees were also conducted.

23 3.3 On April 22, 2025, the Parties attended a full-day in-person mediation session with  
24 mediator Hon. John Leo Wagner, Ret., at which the Parties were unsuccessful in resolving the claims  
25 in this Action. However, after of extended negotiations with the assistance of Judge Wagner, the  
26 Parties ultimately reached a resolution of all claims in this Action.

27 3.4 The agreed-upon Settlement was reached after evaluating the Parties' theories of  
28 potential exposure for the underlying claims, as well as Plaintiffs' claims for interest and penalties,

1 and civil penalties. The Parties also assessed appropriate discounts to the potential liability based on  
2 Defendants' contentions and defenses.

3       3.5     The Parties agree that the above-described investigation and evaluation, as well as  
4 discovery and the information exchanged during the settlement negotiations, are more than sufficient  
5 to assess the merits of the respective Parties' positions and to compromise the issues on a fair and  
6 equitable basis.

#### 7 **4 BENEFITS OF THE SETTLEMENT.**

8       4.1     Based on their own independent investigations and evaluations, Plaintiff's Counsel are  
9 of the opinion that the Settlement with Defendants for the consideration and terms set forth below,  
10 considering the Plaintiff's and average Class Members' and PAGA Members' claims and the risk of  
11 loss, is fair, reasonable, and adequate in light of all known facts and circumstances, and is in the best  
12 interests of the Class and PAGA Members. Plaintiff's Counsel are also of the opinion that the total  
13 consideration and payment set forth in this Settlement is adequate in light of the uncertainties  
14 surrounding the risk of further litigation, Defendants' economic situation, and the defenses that  
15 Defendants have asserted and could assert. Plaintiff's Counsel have weighed the monetary benefit  
16 under the Settlement to the Class and PAGA group against the expenses and length of continued  
17 proceedings that would be necessary to prosecute the Action against Defendants through trial and  
18 possible appeals. Plaintiff's Counsel have also taken into account the uncertain outcome and risk of  
19 any litigation, especially in complex actions such as class and representative actions, as well as the  
20 difficulties and delay inherent in such litigation. Therefore, Plaintiff's Counsel have determined that  
21 the Settlement is in the best interests of the Class and PAGA group.

#### 22 **5 POSITION OF DEFENDANTS.**

23       5.1     Neither this Settlement, nor any document referred to in it, nor any actions taken  
24 pursuant to this Settlement, is or shall be claimed to be, construed as, or deemed to be, an admission  
25 by Defendants of the truth of any of the allegations in the Complaint, the propriety of class treatment  
26 in the Action, the validity of any of the claims that were or could have been asserted by the Plaintiff  
27 and/or any of the Class Members and PAGA Members in the Actions, or of any liability or guilt of  
28

1 Defendants in the Actions. There has been no final determination by any court as to the merits of the  
2 claims asserted by Plaintiff against Defendants.

3         5.2 Defendants specifically and generally deny any and all liability or wrongdoing of any  
4 sort with regard to any of the claims alleged, make no concessions or admissions of liability of any  
5 sort, and contend that for any purpose other than Settlement, the Action is not appropriate for class  
6 action treatment. Nonetheless, Defendants have concluded that further litigation of the Action would  
7 be undesirable, and Defendants want the Action to be fully and finally settled in the manner and upon  
8 the terms and conditions set forth in this Settlement. Defendants have also taken into account the  
9 uncertainty and risks inherent in any litigation. Defendants therefore desire to settle the Action in the  
10 manner and upon the terms and conditions set forth in this Settlement.

11         5.3 Defendants will stipulate to the certification of the Class claims for settlement purposes  
12 only. Defendants dispute that certification is proper for the purposes of litigating the Class claims  
13 proposed in or flowing from the Action. Absent final approval of the Settlement, the Parties will not  
14 stipulate to class certification, and no party will be estopped as a result of any motion for settlement  
15 approval. In the event that final approval of the Settlement is not granted, Defendants may reserve all  
16 rights to oppose class certification, and the Parties will revert to the positions they held before this  
17 Agreement.

## 18 **6 OPERATIVE TERMS OF SETTLEMENT.**

19         The Parties to this Action agree as follows:

20         6.1 Cooperation. The Parties will cooperate in obtaining, through written stipulation or  
21 unopposed motion if a motion is required, an order from the Court approving the Settlement. The  
22 Parties agree to use their best efforts to expedite the preparation and submission of the Settlement and  
23 related documents. The Parties further agree to fully cooperate in the drafting and/or filing of any  
24 further documents or filings reasonably necessary to be prepared or filed, shall take all steps that may  
25 be requested by the Court or that are otherwise necessary to the approval and implementation of this  
26 Settlement, and shall otherwise use their respective best efforts to obtain Court approval of this  
27 Settlement.

1           6.2     Notice to LWDA. Plaintiff shall submit a copy of this Settlement to the California  
2 Labor & Workforce Development Agency (“LWDA”) at the same time this Settlement is submitted to  
3 the Court for approval pursuant to California Labor Code § 2699(l)(2).

4           6.3     Preliminary Approval

5                 6.3.1   The Parties will seek to obtain the Court’s preliminary approval of the  
6 Settlement of the Instant Action as directed by the Court. The Parties will submit this Settlement to the  
7 Court for preliminary approval of its terms and for approval of the steps to be taken to obtain its final  
8 approval. The Parties will request that the Court’s preliminary approval of this Settlement be  
9 embodied in a Preliminary Approval Order.

10                6.3.2   Notice to Class Members. The Settlement Administrator shall disseminate the  
11 Notice Packet in the manner described below.

12                6.3.3   No later than fourteen (14) calendar days after the Preliminary Approval Date,  
13 Defendant shall provide the Settlement Administrator with the Class List confidentially and for the  
14 limited purpose of implementing the terms of the settlement if and as approved by the Court. The  
15 Settlement Administrator shall not share the names or contact information of any Class Member,  
16 whether or not they ultimately opt out of the Settlement, or PAGA Member with Plaintiffs or Class or  
17 PAGA Counsel. No later than ten (10) days after receipt of such address information, the Settlement  
18 Administrator will perform a national change of address (“NCOA”) search, update the addresses per  
19 the results of the NCOA search, and then mail the Notice of Settlement, substantially in the forms  
20 attached as **Exhibit A**, to each Class Member by first-class mail, postage prepaid. If a mailed notice is  
21 not returned within thirty (30) calendar days, it is assumed to be received.

22                6.3.4   In the event that a Notice Packet sent by mail is returned as undeliverable, the  
23 Settlement Administrator will make reasonable efforts to obtain a valid mailing address by using the  
24 social security number of the Class Member and standard skip tracing devices to conduct a search for  
25 a correct mailing address. The Settlement Administrator shall make one (1) attempt to re-mail the  
26 Notice Packet within three (3) business days from the date of the return of the Notice Packet.  
27 Following each search that results in a corrected address, the Settlement Administrator shall promptly  
28 resend the original Notice Packet to the Class Member by first-class mail, postage prepaid. Recipients

1 of re-mailed notices get an additional ten (10) calendar days to respond. In any event, such efforts  
2 must be completed no less than fourteen (14) days before the date of the Final Approval and Fairness  
3 Hearing. Following each search that results in no corrected address, the Settlement Administrator shall  
4 resend the Notice Packet to the Class Member, postage prepaid, to the original address; only one (1)  
5 such re-mailing to the same address shall occur, per address, per mailing.

6 6.3.5 Plaintiff's Counsel shall cooperate in good faith with the Settlement  
7 Administrator's reasonable efforts to obtain valid mailing addresses for Class Members. Defendants  
8 shall cooperate in good faith with the Settlement Administrator's reasonable efforts to obtain valid  
9 mailing addresses for Class Members to the extent they were active employees of Defendants at the  
10 time of the Preliminary Approval Order or are active employees at the time of any request made by the  
11 Settlement Administrator.

12 6.3.6 All costs of mailing of the Notice Packet, whether foreseen or not, shall be paid  
13 from the Gross Settlement Amount, including the cost of searching for Class Members' addresses as  
14 provided herein. All other reasonable costs of the Settlement Administrator shall also be paid from the  
15 Gross Settlement Amount.

16 6.3.7 No later than fourteen (14) calendar days prior to the date of the Final Approval  
17 and Fairness Hearing, the Settlement Administrator shall file a declaration under penalty of perjury  
18 advising the Court that the requirements of Sections 6.3, 6.4 and 6.5 of this Settlement have been  
19 fulfilled.

20 6.3.8 Compliance with these procedures shall constitute due and sufficient notice to  
21 Class Members of this Settlement and shall satisfy the requirement of due process. Nothing else shall  
22 be required of, or done by, the Parties, Plaintiff's Counsel, and Defendants' Counsel to provide notice  
23 of the proposed Settlement.

#### 24 6.4 Responses to Notice

25 6.4.1 The Notice Packet shall provide Class Members with information on the  
26 settlement of the Instant Action and how Class Members may challenge the Pay Period information as  
27 provided in their Class Notice. Class Members will have until the Response Deadline within which to  
28

1 complete and postmark their dispute for return to the Settlement Administrator. Except as provided by  
2 Section 6.4.2, no dispute will be honored if postmarked after the Response Deadline.

3           6.4.2 For Class Members who are re-mailed the Notice Packet due to it being  
4 undeliverable, the deadline by which to submit a dispute, file an objection, or submit a request for  
5 exclusion will be the later of (i) fifteen (15) calendar days from the date the Notice Packet was re-  
6 mailed, or (ii) the Response Deadline. In no event shall a Class Member's Response Deadline be later  
7 than the Final Approval and Fairness Hearing.

8           6.4.3 Class Members, with the exception of Plaintiff, may opt-out of the Settlement.  
9 Class Members who wish to exercise this option must submit a request for exclusion as provided in  
10 this Section. The request for exclusion must (a) be in writing; (b) state the name, address and  
11 telephone number of the Class Member; (c) state either the Class Member's approximate dates of  
12 employment with Defendants or the employee identification number given to the Class Member by  
13 Defendants; (d) request exclusion from the Class saying words to the effect of "I wish to opt out of the  
14 Class in: *Isin al-Otat v. Cycle Gear, Inc.*, San Francisco County Superior Court Case No. CGC-23-  
15 606243"; (e) be postmarked no later than the Response Deadline; and (f) be signed and dated with  
16 return address or contact information. No request for exclusion may be made on behalf of a group of  
17 members of the Class. The date of the postmark on the return-mailing envelope shall be the exclusive  
18 means used to determine whether a request for exclusion has been timely submitted. By submitting  
19 such a Request for Exclusion, a Class Member shall be deemed to have exercised his or her option to  
20 opt out of the class action lawsuit. Any Class Member who timely and validly opts-out will receive no  
21 Individual Settlement Payment and will not be bound by the terms of the Settlement Agreement and  
22 will not have any right to object, appeal, or comment thereon. Except however, a Class Member who  
23 timely and validly opts-out and who is also a PAGA Member shall receive his or her Individual PAGA  
24 Payment (i.e., share of the PAGA Settlement Fund) per Section 6.9.2 notwithstanding their opt-out.  
25 Members of the Class who fail to submit a valid and timely request for exclusion shall be bound by all  
26 terms of the Settlement and the Final Order and Final Judgment entered in this Action, regardless of  
27 whether they otherwise have requested exclusion from the settlement. No later than fourteen (14) days  
28 before the Final Approval and Fairness Hearing, the Settlement Administrator shall file a declaration

1 under penalty of perjury advising the Court with a complete list of all members of the Class who have  
2 timely requested exclusion from the Settlement.

3           6.4.4 Any person who does not request exclusion but who wishes to object to this  
4 Settlement or otherwise to be heard concerning this Settlement shall inform Plaintiff's Counsel and  
5 Defendants' Counsel in writing of his or her intent to object to this Settlement and/or appear at the  
6 Final Approval and Fairness Hearing by following the procedures set forth in the Notice Packet. To be  
7 considered timely, the notice must be served on the Settlement Administrator no later than the  
8 Response Deadline, who will then ensure that Plaintiff's Counsel and Defendants' Counsel are  
9 promptly made aware of the notice. The notice must set forth any and all grounds for objections to this  
10 Settlement and include any supporting papers and arguments, if any. Either of the Parties may file a  
11 responsive document to any notice of intent to object or appear with the Court no later than five (5)  
12 calendar days before the Final Approval and Fairness Hearing.

13           6.4.5 If any individual whose name does not appear on the updated class list provided  
14 to the Settlement Administrator believes that he or she is a member of the Class, he or she shall have  
15 the opportunity to dispute his or her exclusion from the Class. If an individual believes he or she is a  
16 member of the Class, he or she must notify the Settlement Administrator in writing no later than the  
17 Response Deadline. The Parties will meet and confer regarding any such individuals in an attempt to  
18 reach an agreement as to whether any such individual should be regarded as a member of the Class. If  
19 the Parties so agree, the Settlement Administrator will mail a Notice of Preliminary Approval to the  
20 individual and treat the individual as a member of the Class for all other purposes. Such an individual  
21 will have all of the same rights as any other member of the Class under this Agreement.

22           6.4.6 If fifty (50) or more of the total number of Class Members submit timely and  
23 valid requests for exclusion, then Defendants shall have the option to void the Settlement. The option  
24 must be exercised within fifteen (15) business days after receiving written notice from the Settlement  
25 Administrator that 50 or more Class Members submitted timely and valid requests for exclusion. If  
26 Defendants choose to exercise this option, the effect will be precisely the same as if final approval did  
27 not occur, as discussed herein. If Defendants exercise the right to void the Settlement under this  
28

Paragraph, Defendants shall be responsible for the costs of the settlement administration up to the date the Settlement is voided.

6.4.7 Neither the Parties nor their respective counsel will solicit or otherwise encourage any Class Member, directly or indirectly, to request exclusion from the settlement or object to the settlement.

#### 6.5 Data Dispute Procedures

6.5.1 Any Participating Class Member who disputes the dates of employment listed within the Class Notice may submit a written dispute and provide their claimed correct dates of employment, or Pay Periods worked during Class Period in California, together with any supporting information or documentation to the Settlement Administrator at the contact information provided for in the Class Notice by the Response Deadline. If a Participating Class Member does not timely dispute the information contained in the Class Notice, the information contained in the Class Notice shall govern the calculation of his or her entitlement under the Settlement.

6.5.2 Defendants and Defendants' Counsel shall review and respond to each submitted dispute as soon as possible upon receipt and shall transmit a copy of their response to the Settlement Administrator. Defendants' response shall state whether Defendants agree with or dispute the information provided in the dispute.

6.5.2.1 If Defendants agree with all of the information provided in the dispute, the information and documentation provided by the Participating Class Member and attached to the dispute shall govern the calculation of the entitlement under the Settlement of the person whose employment information is listed in the dispute.

6.5.2.2 If Defendants disagree with any of the information provided in a dispute, it shall promptly advise Class Counsel in writing of the disagreement and provide the Settlement Administrator with copies of all information relevant to the dispute. Defendants' records shall govern in the event of any conflict. In the event any Participating Class Member's individual settlement share is revised, any and all payments relating to any disputed entitlements will come from the Net Settlement Amount, and in no event will Defendants be responsible for any additional amounts relating to disputed and/or revised data.

1           6.6     Application for Plaintiff's Counsel's Fees and Expenses. Plaintiff's Counsel shall apply  
2 to the Court for an award of fees from the Gross Settlement Amount in an amount not to exceed one-  
3 third (1/3) of the Gross Settlement Amount (\$445,500). Plaintiff's Counsel shall also apply to the  
4 Court for an award of actual costs from the Gross Settlement Amount in an amount not to exceed  
5 forty-five thousand (\$45,000.00), supported by a declaration of Plaintiff's Counsel. Defendants agree  
6 not to oppose Plaintiff's Counsel's application for fees and expenses to the extent such application is  
7 consistent with this Agreement and all costs requested are supported by records of expenses and a  
8 declaration from counsel. The Parties agree that the Court's approval of any request for attorneys' fees  
9 or costs is not a condition of the Settlement and that an award of less than the amounts requested  
10 would not give rise to a basis to abrogate the Settlement. Any amount of requested attorneys' fees or  
11 costs not approved by the Court shall be allocated to the Net Settlement Amount.

12           6.7     Application for Enhancement Payment.

13                 6.7.1   Plaintiff's Counsel, on behalf of Plaintiff, shall apply to the Court for an  
14 Enhancement Payment from the Gross Settlement Amount.

15                 6.7.2   The request for an Enhancement Payment will be supported by a declaration  
16 from Plaintiff seeking payment outlining the burdens and obligations assumed in connection with their  
17 role as the purported Class Representative/PAGA Plaintiff. An Enhancement Payment award of less  
18 than the requested amount will not give rise to a basis to abrogate the Settlement Agreement. Any  
19 amount of a requested Enhancement Payment not approved by the Court shall be allocated to the Net  
20 Settlement Amount.

21           6.8     Final Approval and Fairness Hearing.

22                 6.8.1   The Court shall hold the Final Approval and Fairness Hearing where objections,  
23 if any, may be heard. Notice of this hearing will be set forth in the Notice Packet.

24                 6.8.2   Final Judgment. If the Court approves this settlement at the Final Approval and  
25 Fairness Hearing, the Parties request that the Court enter Final Judgment.

26           6.9     Allocation of the Class Settlement Amount and PAGA Settlement Amount

27                 6.9.1   Each Participating Class Member's cash portion of the Individual Settlement  
28 Payment shall be determined by taking the total Pay Periods of each Participating Class Member and

1 dividing that by the total Pay Periods for all Participating Class Members and multiplying that fraction  
2 by the cash portion of the Class Settlement Amount. These calculations shall be constructed from  
3 Defendants' records. There will be no reversion of any of the Gross Settlement Amount, Class  
4 Settlement Amount or PAGA Settlement Amount to Defendants. The calculation of a Class Member's  
5 total Pay Periods shall be construed from Defendants' records. Each Participating Class Member shall  
6 also receive a Cycle Gear, Inc. retail merchandise voucher in the amount of approximately \$320.00.

7           6.9.2 Each PAGA Member's portion of the PAGA Settlement Fund shall be  
8 determined by taking the pay periods each PAGA Member worked during the PAGA Settlement  
9 Period and dividing that figure by the total Pay Periods worked by all PAGA Members during the  
10 PAGA Settlement Period and then multiplying this fraction by the PAGA Settlement Fund. These  
11 calculations shall be constructed from Defendants' records.

12           6.9.3 All Participating Class Members will be entitled to receive their Individual  
13 Settlement Payments, such that 100% of the Class Settlement Amount will be distributed to the Class  
14 Members.

15           6.9.4 All PAGA Members will be entitled to receive their Individual PAGA  
16 Payments, such that 100% of the PAGA Settlement Fund will be distributed to the PAGA Members.

17           6.9.5 The Parties recognize that the Individual Settlement Payments to be paid to  
18 Class Members reflect settlement of a dispute over claimed wages, interest, premiums and penalties.  
19 All Individual Settlement Payments to Participating Class Members are allocated as follows:

20           6.9.5.1 Ten percent (10%) of the Individual Settlement Payments shall be  
21 allocated for payment of disputed wages to Participating Class Members. For this portion of the  
22 Individual Settlement Payments, Participating Class Members shall receive a W-2 form.

23           6.9.5.2 Fifty percent (50%) of the Individual Settlement Payments shall be  
24 allocated for disputed penalties. This portion of the Individual Settlement Payments consists of other  
25 income, not wages, for which the Participating Class Members shall receive a 1099 form as and if  
26 required by law.

1                   6.9.5.3 Forty (40%) of the Individual Settlement Payments shall be allocated for  
2 disputed interest. This portion of the Individual Settlement Payments consists of other income, not  
3 wages, for which the Participating Class Members shall receive a 1099 form as and if required by law.

4                   6.9.6 The Settlement Administrator shall remit and report the applicable portions of  
5 the payroll tax payment to the appropriate taxing authorities on a timely basis pursuant to its duties  
6 and undertakings set forth in Section 2.43. Defendants agree to reasonably cooperate with the  
7 Settlement Administrator to the extent necessary to determine the amount of the payroll tax payment  
8 required under this Section.

9                   6.9.7 Other than the withholding and reporting requirements set forth in Sections 2.43  
10 and 6.11.7, Participating Class Members shall be solely responsible for the reporting and payment of  
11 their share of any federal, state and/or municipal income or other taxes on payments made pursuant to  
12 this Settlement. No party has made any representation to any of the other Parties as to the taxability of  
13 any payments pursuant to this Settlement, including the payments to Class Members, the payments to  
14 Plaintiff's Counsel, the payments to the Plaintiff, or the allocation of Settlement proceeds to wage and  
15 non-wage income as provided in Section 6.9.5, or otherwise as to tax implications of any provision of  
16 this Settlement.

17                   6.9.8 The Parties recognize that the Individual PAGA Payments to be paid to PAGA  
18 Members reflect settlement of a dispute over claimed civil penalties. The Individual PAGA Payments  
19 shall be allocated as 100% penalties and shall be reported using IRS Forms 1099 as required by law.  
20 The appropriate 1099s will be filed with the relevant taxing authorities by the Settlement  
21 Administrator.

22                   6.10 Distribution of Settlement Proceeds

23                   6.10.1 Within fourteen (14) calendar days of the Effective Date, Defendants shall  
24 electronically wire the entire Gross Settlement Amount into a QSF set up by the Settlement  
25 Administrator. The final and complete delivery by Defendants to the Settlement Administrator of the  
26 Gross Settlement Amount shall constitute full and complete discharge of the entire obligation of  
27 Defendants under this settlement. Following the full funding of the Gross Settlement Amount and  
28

1 employer payroll taxes, no Released Party shall have any further obligation or liability to Plaintiff's  
2 Counsel, the Settlement Administrator, the Plaintiff, any Class Member and any PAGA Member.

3 6.10.2 The final and complete delivery by Defendants to the Settlement Administrator  
4 of such amounts plus any information necessary for the Settlement Administrator to complete its  
5 duties per this Agreement shall constitute full and complete discharge of the entire obligation of  
6 Defendants under this Settlement. No Released Party shall have any further obligation or liability to  
7 Plaintiff's Counsel, the Settlement Administrator, any Class Member and any PAGA Member, or  
8 Plaintiff.

9 6.10.3 Within fourteen (14) calendar days after receipt of the Gross Settlement  
10 Amount from Defendants, the Settlement Administrator shall promptly pay (and, if available,  
11 electronically wire) from the Gross Settlement Amount (1) all Court-awarded attorney's fees and costs  
12 to Plaintiff's Counsel; (2) the Enhancement Payment to Plaintiff; (3) State of California's portion of  
13 the PAGA Payment to the LWDA; and (4) settlement administration costs to itself. Following  
14 payment of the amounts above, the Settlement Administrator shall calculate and make payments to the  
15 Participating Class Members and PAGA Members in accordance with this Agreement.

16 (a) The Settlement Administrator shall wire the Court-approved attorneys' fees and  
17 costs to Plaintiff's Counsel. Plaintiff's Counsel shall provide the Settlement Administrator with the  
18 pertinent taxpayer identification number and appropriate division and wire instructions within five (5)  
19 business days after the Final Approval Date, if not earlier.

20 (b) The Settlement Administrator shall send checks by mail for any Court-approved  
21 Enhancement Payment to the Plaintiff, care of Plaintiff's Counsel.

22 6.10.4 Within thirty (30) days of the Effective Date, as defined herein, the Settlement  
23 Administrator shall issue cash Individual Settlement Payments to Participating Class Members in the  
24 form of a check, which shall become null and void if not deposited within one-hundred eighty (180)  
25 days of issuance. After one-hundred eighty (180) days of issuance, funds from undeposited checks  
26 shall be distributed by the Settlement Administrator to the California State Controller's Unclaimed  
27 Property Fund in the name of the individual who failed to cash the check. The Parties agree that this  
28 disposition results in no "unpaid residue" under California Civil Procedure Code § 384, as the entire

1 Class Settlement Amount will be paid out to Participating Class Members, whether or not they all cash  
2 their Individual Settlement Payment checks. Therefore, Defendants will not be required to pay any  
3 interest on said amount. The failure by a Class Member to claim or deposit any check issued by the  
4 Settlement Administrator shall have no effect on that Class Member's release of all Released Claims  
5 as set forth herein.

6 6.10.5 Within thirty (30) days of the Effective Date, as defined herein, the Settlement  
7 Administrator shall also issue Individual PAGA Payments to PAGA Members in the form of a check,  
8 which shall become null and void if not deposited within one-hundred eighty (180) days of issuance.  
9 After one-hundred eighty (180) days of issuance, funds from undeposited checks will be distributed by  
10 the Settlement Administrator to the California State Controller's Unclaimed Property Fund in the  
11 name of the individual who failed to cash the check. The failure by a PAGA Member to claim or  
12 deposit any check issued by the Settlement Administrator shall have no effect on that PAGA  
13 Member's release of the Released PAGA Claims as set forth herein. The payments in Sections 6.10.4  
14 and 6.10.5 may be made on the same check at the discretion of the Settlement Administrator.

15 6.10.6 For each check mailed to a Participating Class Member or PAGA Member that  
16 is returned as undeliverable, the Settlement Administrator will make reasonable efforts to obtain a  
17 valid mailing address by using the social security of the Class Member or PAGA Member and  
18 standard skip tracing devices to conduct a search for a correct mailing address. The Settlement  
19 Administrator shall make one (1) attempt to re-mail the check within ten (10) business days from the  
20 date of the return of the check.

21 6.10.7 The Settlement Administrator shall mail with each Individual PAGA Payment  
22 and Individual Settlement Payment a Cover Letter ("Cover Letter") attached and incorporated into this  
23 Agreement as **Exhibit D**. The Cover Letter shall contain the Cycle Gear, Inc. merchandise voucher  
24 redemption code for the Participating Class Member to redeem.

25 6.10.8 No person shall have any claim against the Settlement Administrator,  
26 Defendants or any of the Releasees, the Plaintiff, the Class Members, or Plaintiff's Counsel based on  
27 distribution or payments made substantially in accordance with this settlement, or further orders of this  
28

1 Court. The Settlement Administrator, however, shall be licensed and bonded in an amount sufficient to  
2 cover any claims against it.

3 6.11 Release of Claims

4 6.11.1 Upon entry of the Final Order and Judgment and full and final payment by  
5 Defendants of the Gross Settlement Amount consistent with Section 6.10.1: (1) Plaintiff and each  
6 Participating Class Member shall be deemed to have fully, finally, and forever released the Releasees  
7 from all Released Class Claims; and (2) Plaintiff and each PAGA Member shall be deemed to have  
8 fully, finally, and forever released the Releasees from all Released PAGA Claims.

9 6.11.2 In addition, if Plaintiff receives an Enhancement Payment in any amount, she  
10 shall provide the following general release: Upon entry of the Final Order and Judgment and full and  
11 final payment by Defendants of the Gross Settlement Amount, Plaintiff shall be deemed to have fully,  
12 finally, and forever released the Releasees from the Plaintiff's Released Claims excepting the right to  
13 enforce the terms of the Settlement. With respect to the Plaintiff's Released Claims only, the Plaintiff  
14 shall be deemed to have expressly waived and relinquished, to the fullest extent permitted by law, the  
15 provisions, rights, and benefits they may otherwise have had pursuant to § 1542 of the California Civil  
16 Code, which provides as follows:

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

20 6.12 Miscellaneous Provisions

21 6.12.1 Unless otherwise specifically provided herein, all notices, demands, or other  
22 communications given hereunder shall be in writing and shall be deemed to have been duly given as of  
23 the third business day after both of a) notification via email, and b) mailing by United States certified  
24 mail, return receipt requested, addressed as follows:

25 To the Plaintiff, the Class, and aggrieved employees:

26 BIGONGER & BIGONGER  
Samantha S. Bigonger, SBN 286290  
27 4897 Main Street  
Yorba Linda, CA 92886  
28 Tel: (714) 777- 4477  
Fax: (714) 777-1207

1 Email: [samantha@bigongerlaw.com](mailto:samantha@bigongerlaw.com)

2 LAW OFFICE OF JESSICA P. GOMEZ  
3 Jessica P. Gomez, SBN 309710  
4 14241 Firestone Blvd #400  
5 La Mirada, CA 90638  
6 Tel: (562) 228-0986  
7 Email: [jessica@jgllawyers.com](mailto:jessica@jgllawyers.com)

8 To Defendants:

9 Wendy Sugg  
10 SUGG LAW GROUP  
11 384 Forest Avenue, Suite 15  
12 Laguna Beach, CA 92651  
13 Telephone: (949) 260-9548  
14 Email: [wendy@sugglaw.com](mailto:wendy@sugglaw.com)

15 Allen W. Nelson, Esq. (Admitted Pro Hac Vice)  
16 Clark Hill  
17 800 Battery Avenue SE, Suite 100  
18 Atlanta, GA 30339  
19 Telephone: (678) 370-4364  
20 Email: [awnelson@clarkhill.com](mailto:awnelson@clarkhill.com)

21 6.12.2 Either Party may file a substitution of attorney or change of address with the  
22 Court in the Instant Action and that new counsel will replace the counsel stated in Section 6.12.1, or  
23 the new address will replace the address for notice stated in Section 6.12.1.

24 6.12.3 The Parties hereto agree that the terms and conditions of this Settlement are the  
25 result of lengthy, intensive, arms'-length negotiations between the Parties and that this Settlement  
26 shall not be construed in favor of or against any party by reason of the extent to which any party or its  
27 counsel participated in the drafting of this Settlement.

28 6.12.4 The Plaintiff, by signing this Settlement, is bound by the terms herein and  
further agrees not to request to be excluded from the Settlement and not to object to any terms of this  
Settlement. Any such request for exclusion or objection shall therefore be void and of no force or  
effect.

6.12.5 Neither Plaintiff's Counsel nor any other attorneys acting for, or purporting to  
act for, Plaintiff, PAGA Members, the Class, or Class Members, may recover or seek to recover any  
amounts for fees, costs, or disbursements from the Releasees or the Settlement except as expressly  
provided herein.

1                   6.12.6 This Settlement may not be changed, altered, or modified, except in writing  
2 signed by the Parties and/or by counsel for the Parties hereto and approved by the Court. This  
3 Settlement may not be discharged except by performance in accordance with its terms or by a writing  
4 used by the Parties hereto.

5                   6.12.7 This Agreement, including exhibits, constitutes the full, complete and entire  
6 understanding, agreement and arrangement between the Plaintiff on the one hand, and Defendants on  
7 the other hand, with respect to the settlement of the Action against Defendants and supersedes and  
8 replaces all prior agreements. Except those set forth expressly in this Agreement, there are no other  
9 agreements, covenants, promises, representations or arrangements between the Parties with respect to  
10 the Settlement of the Actions and the Released Claims against Defendants.

11                   6.12.8 This Settlement shall be binding upon and inure to the benefit of the Parties  
12 hereto and their respective heirs, trustees, executors, Settlement Administrators, successors, and  
13 assigns.

14                   6.12.9 Confidentiality Prior to Preliminary Approval. To effectuate settlement,  
15 Plaintiff, Defendants, and counsel for each party separately agree that until the filing date of a Motion  
16 for Preliminary Approval of Settlement, they and each of them will not disclose, disseminate and/or  
17 publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of  
18 the Agreement directly or indirectly, specifically or generally, to any person, corporation, association,  
19 government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of  
20 whom will be instructed to keep this Agreement confidential; (2) to the extent necessary to report  
21 income to appropriate taxing authorities; (3) in response to a court order or subpoena; or (4) in  
22 response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees  
23 to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking  
24 such information. Plaintiff, Defendants, and each counsel for each party separately agree not to,  
25 directly or indirectly, initiate any conversation or other communication, before the filing of the Motion  
26 for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to  
27 this Agreement except to respond only that "the matter was resolved," or words to that effect. This  
28

1 paragraph does not restrict Plaintiff's Counsel's communications with Class Members/PAGA  
2 Members in accordance with counsel's ethical obligations owed to Class Members/PAGA Members.

3                   6.12.10           Upon final funding of the settlement, Plaintiff and her attorneys shall  
4 destroy all of Defendants' records produced and certify that this has been done.

5                   6.12.11           Plaintiff and her attorneys of record agree not to discuss, answer  
6 questions about, promote, or publicize the settlement, this Agreement and its terms, or the negotiations  
7 leading to this Agreement with anyone other than the Court, Class Members or those individuals  
8 necessary to effectuate the terms of the Agreement.

9                   6.12.12           This Settlement shall become binding upon the Parties upon its  
10 execution by the Plaintiff and Defendants. This Settlement may be executed in counterparts, each of  
11 which shall be deemed an original, but all of which together shall constitute one and the same  
12 instrument and an electronic or DocuSign signature, facsimile signature, and a PDF scanned signed  
13 signature page may be accepted as an original for purposes of executing this agreement provided that  
14 counsel for the Parties will exchange among themselves original signed counterparts.

15                  6.12.13           The Parties agree to mediate in good faith any dispute as to the terms of  
16 this Settlement. In the event that such mediation is unsuccessful, and one or more of the settling  
17 Parties to this Settlement institutes any legal action, arbitration, or other proceeding to enforce the  
18 provisions of this Settlement or to declare rights and/or obligations under this Settlement, the  
19 successful party or parties shall be entitled to recover from the unsuccessful party or parties reasonable  
20 attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement  
21 actions. Notwithstanding the entry of Final Judgment, the Court shall retain jurisdiction of this matter  
22 for purposes of interpreting and enforcing the terms of this Agreement and the judgment.

23                  6.12.14           This Settlement and the exhibits hereto shall be considered to have been  
24 negotiated, executed, and delivered, and to have been wholly performed, in the State of California, and  
25 the rights and obligations of the Parties to the Settlement shall be construed and enforced in  
26 accordance with, and governed by, the substantive laws of the State of California without giving effect  
27 to that State's choice of law principles.

1                    6.12.15            Paragraph titles or captions contained in the Settlement are inserted as a  
2 matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of  
3 this Settlement, or any provision thereof.

4                    IN WITNESS WHEREOF, this Settlement is executed by the Parties and their duly  
5 authorized attorneys, as of the day and year herein set forth.

6  
7 DATED: October 10, 2025

By: *Isin al-Otat*  
Isin al-Otat  
Plaintiff

8  
9  
10 DATED: October \_\_\_\_, 2025

By: \_\_\_\_\_  
For: Cycle Gear, Inc.  
Its: Defendant

11  
12  
13 DATED: October \_\_\_\_, 2025

By: \_\_\_\_\_  
For: Comoto Holdings, Inc.  
Its: Defendant

14  
15  
16  
17 DATED: October \_\_\_\_, 2025

By: \_\_\_\_\_  
For: Comoto Holdings, LLC  
Its: Defendant

1 AGREED AS TO FORM

2 DATED: October 09, 2025

**BIGONGER & BIGONGER**

3  
4 By: *Samantha S. Bigonger*  
5 SAMANTHA BIGONGER  
Plaintiff's Counsel

6 DATED: October \_\_\_\_\_, 2025

**LAW OFFICES OF JESSICA GOMEZ**

7  
8 By: *Jessica P. Gomez*  
9 JESSICA GOMEZ  
Plaintiff's Counsel

10  
11 DATED: October \_\_\_\_\_, 2025

**SUGG LAW GROUP**

12  
13 By: \_\_\_\_\_  
14 WENDY SUGG  
Attorneys for Defendants

15 DATED: October \_\_\_\_\_, 2025

**CLARK HILL PLC**

16  
17 By: \_\_\_\_\_  
18 ALLEN W. NELSON  
Attorneys for Defendants

|                         |                                                            |
|-------------------------|------------------------------------------------------------|
| Title                   | 2025-10-09 Class Action Stipulated Settlement Agreement... |
| File name               | 2025-10-09%20Clas...%20sign%20SSB.pdf                      |
| Document ID             | bc4d0a49ba2d3b296c1ed30b97a289832afd863a                   |
| Audit trail date format | MM / DD / YYYY                                             |
| Status                  | ● Signed                                                   |

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## Document History



SENT

**10 / 09 / 2025**

21:15:33 UTC

Sent for signature to Isin al-Otat (balotat@gmail.com) from  
jessica@jgllawyers.com  
IP: 97.167.186.188



VIEWED

**10 / 10 / 2025**

14:40:44 UTC

Viewed by Isin al-Otat (balotat@gmail.com)  
IP: 73.202.146.187



SIGNED

**10 / 10 / 2025**

15:06:04 UTC

Signed by Isin al-Otat (balotat@gmail.com)  
IP: 73.202.146.187



COMPLETED

**10 / 10 / 2025**

15:06:04 UTC

The document has been completed.

# Exhibit A

## **COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL APPROVAL**

**To:** All current and former non-exempt employees who worked as a Key Card Holder or Sales Associate at any time for Defendants in California from May 1, 2019 through October 10, 2025

### **PLEASE READ THIS NOTICE CAREFULLY. IT MAY AFFECT YOUR LEGAL RIGHTS YOU MAY BE ENTITLED TO MONEY FROM THIS SETTLEMENT**

#### **I. INTRODUCTION**

A proposed class action and Private Attorneys General Act (“PAGA”) settlement (the “Settlement”) of the above-captioned case (the “Action”) pending in the Superior Court of the State of California, in and for the County of San Francisco (the “Court”), has been reached by the parties and has been granted preliminary approval by the Court.

The proposed settlement has two main parts: (1) a class settlement pursuant to which eligible class members may receive a cash payment as well as a voucher for use for any Cycle Gear merchandise (online or in stores), and (2) a PAGA settlement under which Defendant will fund Individual PAGA Payments and pay a portion as penalties to the California Labor and Workforce Development Agency (“LWDA”).

Defendants’ records show that you were employed by one of the Defendants in California, in a position listed above, at some time during the period between May 1, 2019 and October 10, 2025 (“Class Period”) and, therefore, are a Class Member in this Action. As a Class Member, you may be entitled to money under the Settlement and, unless you opt out of the Settlement, your legal rights may be affected. The purpose of this Notice is to (1) describe the Action, (2) inform you of the terms of the Settlement, and (3) inform you of your rights and options in connection with the Settlement.

#### **II. SUMMARY OF THE ACTION**

Plaintiff Isin al-Otat (“Plaintiff”) alleges in the Action that, within the Class Period, Defendants had a consistent policy of paying its commissioned employees less than the regular rate of pay for its missed meal and rest periods as well as overtime payment, as well as failing to compensate them for missed and/or rest breaks, provide accurate itemized wage statements and pay wages timely upon Class Members’ terminations. Plaintiff alleges that these violations resulted in the underpayment of wages to Class Members. Plaintiff also seeks civil and statutory penalties related to these claims.

Defendants deny that it violated the law in any way as described in the lawsuit and deny each and every claim raised by Plaintiff. Defendants contends that they followed lawful policies and practices and that employees were paid appropriately and provided meal periods and rest breaks, properly paid all appropriate minimum and overtime wages, paid for all business-related expenses, provided compliant wage statements and timely paid all wages due and owing upon termination of employment. Nothing in this Notice, or the Settlement itself, or any actions to carry out the terms of the Settlement, means that Defendants admit any fault, guilt, negligence, wrongdoing, or liability whatsoever. Defendants agreed to settle the Action solely for the purposes of compromising to avoid the cost and operational burden of continued litigation.

The Court has already granted preliminary approval of the proposed Settlement and approved this notice. The Court has not yet decided whether to grant final approval. Read this notice carefully as your rights are affected whether you act or not act. At the Final Approval Hearing, scheduled for \_\_\_\_\_, 2026, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff, Class Members, and Plaintiff's attorneys ("Class Counsel").

Class Members have two basic options under the Settlement:

- **(1) Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Settlement Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert wage claims against Defendants as well as PAGA penalty claims.
- **(2) Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting a written Request for Exclusion or otherwise notifying the Settlement Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Settlement Payment. You will, however, preserve your right to personally pursue wage claims against Defendants, and, if you are a PAGA Member, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

### III. SUMMARY OF SETTLEMENT TERMS

**Settlement Amount.** Defendants have agreed to pay an amount not to exceed \$1,350,000 (the "Maximum Settlement Amount") to resolve the claims in the Action fully. The allocation will be made in both vouchers and cash benefits. This Maximum Settlement Amount includes, but is not limited to, all settlement payments to Qualified Claimants (defined below), Class Counsel's attorneys' fees and litigation expenses, all Settlement Administration expenses, payments to the California Labor and Workforce Development Agency ("LWDA"), and an enhancement award to Plaintiff, as outlined below.

**Settlement Administration and Other Payments.** The Court has tentatively approved certain payments to be made from the Maximum Settlement Amount as follows, which will be subject to final Court approval:

- **Settlement Administration.** Payment to the Settlement Administrator not to exceed \$12,000.00 for the expense of notifying the Class Members of the Settlement, processing opt-outs submitted by Class Members, and distributing settlement payments.
- **Attorneys' Fees and Expenses.** Payment to Court-approved Class Counsel of reasonable attorneys' fees not to exceed \$445,500.00. Separately, costs are estimated to be approximately \$45,000.00. The payments represent the work Class Counsel performed in this Action and will continue to perform through settlement finalization, together with reimbursement for litigation expenses actually incurred in connection with the Action. Class Counsel has been prosecuting the Action on behalf of Plaintiff and the Class on a contingency fee basis since 2023 (that is, without being paid any money to date) and has been paying all litigation costs and expenses.
- **Enhancement Award to Class Representative.** A service enhancement award not to exceed \$5,000 to Plaintiff as the class representative to compensate for her services on behalf of the

Class in initiating and prosecuting the action. This payment is in addition to whatever payments Plaintiff is otherwise entitled to receive as a Class Member.

- **Payment to LWDA.** A payment of \$75,000.00 will be made to the LWDA for the LWDA's portion of the Settlement allocated to civil penalties under the Labor Code Private Attorneys General Act, Lab. Code §§ 2698, et seq.

**Calculation of Class Member Awards.** Pro rata settlement payments to Class Members will be calculated based on each Class Member's relative percentage of eligible service time as a Key Holder and/or Sales Associate during the Class Period based on Defendants' internal records. Awards will therefore vary. Only Class Members who did not opt out of the Settlement as provided for below will be entitled to receive a payment pursuant to the Settlement. If the conditions of the Settlement (as described in this Notice) are met and if the Court grants final approval of the Settlement, then settlement checks and voucher codes will be mailed to Class Members. Unclaimed settlement amounts will be sent to the Office of the California State Controller - Unclaimed Property Fund, to be held in the name of the respective employee.

**Releases.** Upon the final approval by the Court of the Settlement, all members of the Plaintiff Class who do not timely request exclusion fully release and discharge Defendants and Defendants' present and former parent companies, subsidiaries and affiliates, as well as their shareholders, officers, directors, attorneys, insurers, successors and assigns ("Releasees"), from any and all individual and class claims, debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorneys' fees, damages, action or causes of action of whatever kind or nature, whether known or unknown, that were actually alleged in the Complaint or First Amended Complaint filed in this Action, as well as wage and hour class claims which could have been brought based on the specific factual allegations contained in the Complaint or First Amended Complaint filed in this Action, including, but not limited to any claims for unpaid wages, unpaid overtime, unpaid minimum wages, record-keeping violations, paycheck violations, meal period and rest period violations, "waiting time" penalties, and failure to reimburse business expenses, which arose between May 1, 2019, and \_\_\_\_\_, inclusive. The release period shall extend through the end of the Class Period. All Class Members shall be bound by this release unless they opt-out of the settlement.

**Conditions of Settlement.** This Settlement is conditioned upon the Court entering an Order at or following the Settlement Hearing finally approving the Settlement.

For more information on the Settlement, please visit the Settlement website at:  
www.\_\_\_\_\_.

#### IV. RIGHT TO CLAIM MONEY FROM THE SETTLEMENT

Shares of the settlement are allocated based on a Class Member's dates of service with Defendants as a Key Holder and/or Sales Associate in California during the Class Period (May 1, 2019 to October 10, 2025) Defendants' records show that, within the Class Period, you worked as a non-exempt employee in California during the following time period(s):

Dates: \_\_\_\_\_ to \_\_\_\_\_. [this should reflect the employee's period of employment]  
Compensable Workweeks: \_\_\_\_\_ [this should reflect the number of workweeks worked by the employee during their employment period]

If you believe the data listed above is incorrect, you may submit a challenge in writing to the Settlement Administrator indicating your belief as to the correct data. You must also send the Settlement Administrator any documents or other information that supports your challenge to the above information. The Settlement Administrator will use Defendants' records and any information you provide to resolve any dispute about your service data. All such challenges must be postmarked by [Insert Date 30 Days After Mailing], to be considered.

Individual Settlement Payments may be subject to subject to withholdings and will be reported on IRS W-2 Forms, as required. Any employer-requested payroll taxes will be paid from the Maximum Settlement Amount. The Settlement Administrator will report non-wage portions of the Individual Settlement Payments on IRS 1099 Forms, as required. Neither Defendants nor Plaintiff is giving you any advice on whether your payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

The front of every check issued for Individual Settlement Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be forwarded to the California State Controller, to be held and disposed of by the Controller under California's Unclaimed Property Law

#### V. RIGHT TO OPT OUT

If you do not wish to participate in the Settlement of your claims, you may exclude yourself from the Settlement or "opt out." If you opt out, you will receive no money from the Settlement, and you will not be bound by its terms. To opt out, you must submit a signed, written request to the Settlement Administrator for Exclusion ("Request for Exclusion") from the Settlement postmarked no later than [30 Days After Mailing]. Written Requests for Exclusion from the Settlement that are postmarked after [30 Days After Mailing], or are unsigned by the Class Member, will be rejected, and Class Members submitting untimely Exclusions shall be bound by the Settlement and the Releases described above.

#### VI. RIGHT TO OBJECT

If you are a Class Member who has not opted out and believe that the Settlement should not be finally approved by the Court for any reason, you may object to the proposed Settlement. Objections may be in person at the Final Approval Hearing or, in writing. If in writing, the objection must state the basis for the objection, and be mailed to the Settlement Administrator at the below addresses on or before [30 Days After Mailing]. All objections or other correspondence must state the name and number of the case, which is *Isin al Otat v. Cycle Gear Inc., et al* (CGC-23-606243), filed in the Superior Court of the State of California, in and for the County of San Francisco. To object to the Settlement, you must remain a member of the Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object. Any Class Member who does not object in the manner provided in this Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

If you wish, you may also appear at the Final Approval Hearing, detailed below. You have the right to appear either in person or through your own attorney at this hearing. Objections not previously filed in writing in a timely manner as described above will not be considered by the Court.

#### VII. DISBURSEMENT OF SETTLEMENT FUNDS

If you do not opt out of the Settlement, your share of the settlement funds will be sent to you within 30 days after the final hearing by cash and by a unique voucher code that is non-voidable and fully transferable. You are not required to file a claim to receive either a check or voucher.

#### VIII. HEARING ON THE SETTLEMENT

The Final Approval Hearing on the adequacy, reasonableness and fairness of the Settlement will be held on [REDACTED], 2026\_ at [REDACTED], in Department 606, in the Superior Court of the State of California, in and for the County of San Francisco, located at 400 McAllister St., San Francisco, CA 94102. The Hearing may be continued without further notice. You are not required to attend the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

#### IX. ADDITIONAL INFORMATION

This Notice is only a summary of the Action and the Settlement. Class Members should contact the Settlement Administrator at [REDACTED] <<Address>>, <<Telephone Number>> with any concerns or questions regarding the Settlement. You may also refer to the pleadings, the Class Action Settlement Agreement and Release of Claims, and other papers filed in the Action, which may be inspected at the Office of the Clerk for the Superior Court of the State of California, in and for the County of San Francisco during regular business hours of each court day, or online through the Court's Public Access System.

**PLEASE DO NOT CONTACT THE CLERK OF THE COURT  
OR THE JUDGE WITH QUESTIONS.**

# Exhibit B

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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
9 **FOR THE COUNTY OF SAN FRANCISCO**  
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11 ISIN AL OTAT, an individual and on  
12 behalf of similarly aggrieved employees,

13 Plaintiff,

14 vs.

15 CYCLE GEAR, INC., a California  
16 corporation; COMOTO HOLDINGS, INC.,  
17 a Delaware corporation; COMOTO  
18 HOLDINGS, LLC, a Delaware limited  
19 liability company; and DOES 1 – 50,  
20 inclusive;

21 Defendants.

Case No.: CGC-23-606243

Assigned to: Dept 606

*Honorable Jeffrey Ross*

**[PROPOSED] ORDER GRANTING  
PRELIMINARY APPROVAL OF CLASS  
ACTION SETTLEMENT**

Date: December 4, 2025

Time: 10:00 a.m.

Complaint Filed: May 1, 2023

22 **ORDER AND JUDGMENT**

23 The Motion of Plaintiff Isin al Otat (“Plaintiff”) to Preliminarily Approve the Class Action  
24 and Private Attorneys General Act (“PAGA”) Settlement, including attorney fees and costs,  
25 administration costs, came on regularly for hearing before this Court on December 4, 2025 at 9:30  
26 a.m. Having considered the Stipulation and Release and Settlement Of the Class and PAGA Claims  
27 (“Settlement Agreement”) entered into between Plaintiff and Defendants CYCLE GEAR, INC., a  
28 California corporation; COMOTO HOLDINGS, INC., a Delaware corporation; COMOTO  
HOLDINGS, LLC, a Delaware limited liability company (collectively “Entity Defendants”) the

1 documents and evidence presented in support thereof, and recognizing the disputed factual and legal  
2 issues involved in this case, the risks of further prosecution, the substantial benefits received by the  
3 State of California and aggrieved employees pursuant to the Settlement, the Court hereby makes a  
4 final ruling pursuant to Labor Code section 2699(l) that the Settlement is fair, reasonable, and  
5 adequate, and is the product of good faith, arm's-length negotiations between the parties. Good cause  
6 appearing therefor, the Court hereby GRANTS Plaintiff's Preliminary Motion for Approval of the  
7 Class Action Settlement, including the requested attorney fees and costs, administration costs, and  
8 HEREBY ORDERS as follows:

- 9 1. To the extent defined in the Settlement Agreement, attached as Exhibit 2 to the Declaration  
10 of Jessica Gomez and incorporated herein by reference, the terms in this Order shall have the  
11 meanings set forth therein.
- 12 2. "Class Group" is defined as: all current and former hourly-paid Sales Associates and/or Key  
13 Holders employed by Defendants within the State of California at any time during the period  
14 from May 1, 2019 to the date of execution of this Agreement by the Parties.
- 15 3. "PAGA Members" include all California employees who worked as Sales Associates or Key  
16 Holders at any time during the PAGA Settlement Period. There are approximately 728 PAGA  
17 Members.
- 18 4. "PAGA Settlement Period" shall be defined as the period commencing on March 2, 2022 to  
19 the date of execution of this Agreement by the Parties.
- 20 5. The Court hereby grants preliminary approval of the Class Action Settlement as set forth in  
21 the Settlement Agreement as fair, reasonable, and adequate, and directs the Parties to  
22 effectuate the Settlement according to its terms.
- 23 6. The Court hereby appoints Plaintiff's Counsel Law Office of Jessica Gomez and Bigonger &  
24 Bigonger as Class Counsel
- 25 7. The Court approves the appointment of Apex Class Action LLC as the Settlement  
26 Administrator in this matter, as well as the disbursement procedures and those for uncashed  
27 and undeliverable checks as laid out in the Settlement Agreement.
- 28 8. The Court hereby approves as to form and content the proposed Notice of Class Settlement,  
attached as Exhibit A to the Settlement Agreement, as it fully and accurately informs all

1 persons of all material elements of the proposed Settlement, constitutes the best notice  
2 practicable under the circumstances, and constitutes valid, due, and sufficient notice to all  
3 Aggrieved Employees.

4 9. Within 14 days of Court's preliminary approval of the Class Action Settlement, Defendants  
5 will provide the Settlement Administrator with the Class and PAGA list that has each  
6 employee's name, last known home address, pay periods, and social security number.

7 **IT IS SO ORDERED, ADJUDGED, AND DECREED.**

8 DATED: \_\_\_\_\_

9 The Honorable Jeffrey Ross

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# Exhibit C

\*JEFFREY R. BIGONGER  
jeffrey@bigongerlaw.com

SAMANTHA S. BIGONGER  
samantha@bigongerlaw.com

\*Certified Specialist in Workers'  
Compensation Law – State Bar of  
California Board of Legal Specialization

LAW OFFICES OF

## BIGONGER & BIGONGER

4897 Main Street  
Yorba Linda, CA 92886  
Telephone: (714) 777-4477  
Facsimile: (714) 777-1207

† ROLAND E. BIGONGER  
(1926 – 1997)

March 2, 2023

### **Via Electronic Filing Only**

Attn: PAGA Administrator  
1515 Clay Street, Ste. 801  
Oakland, CA 94612  
(510) 622-3273

**RE: ISIN AL-OTAT V. CYCLE GEAR, INC., ET.AL.**  
**PRIVATE ATTORNEY GENERAL ACT**

To Whom It May Concern:

Please be informed that CYCLE GEAR, INC., COMOTO HOLDINGS, INC., COMOTO HOLDINGS, LLC, located at 1500 Harrison St, San Francisco, CA 94103 (collectively referred to as “Respondents”), and any other employers or person(s) acting on behalf of Respondents as such phrase is used under Labor Code sections 558 and 558.1, have committed and/or caused to be committed Labor Code violations against our client, Isin al Otat (“Complainant” or “our client”), as well as other employees working for Respondents within the past four years, including all of the Respondents other locations within California.

Our client worked as key-card holder/sales associate for Respondents from approximately September 2021 to June 2022. Ms. Al-Otat was a non-exempt employee who received hourly pay as well as nondiscretionary payments in the form of commission for sales. Respondents failed to provide meal and rest breaks, failed to pay employees the regular rate of pay including nondiscretionary incentive payments, failed to maintain complete and accurate time records, failed to provide accurate itemized wage statements, failed to pay minimum wage, failed to provide reporting time pay when asking her to appear for her shift and then not placing her on the schedule, failed to provide sick pay, failed to reimburse business expenses, failed to pay other wages including vacation pay, and failed to pay overtime wages to Complainant.

Further, pursuant to the decision in *Huff v. Securitas Security Services, USA, Inc.* (2018) 23 Cal.App.5th 745, our client may represent all other potentially aggrieved employees who have been subjected to other additional labor code violations, even though our client did not suffer the same violations. Our client is informed and believes that Respondents wrongfully and intentionally withheld wages, failed to pay wages when due, failed to pay minimum wages, failed to provide meal periods, failed to provide rest breaks, failed to provide timely and accurate itemized wage statements, failed to maintain complete and accurate time records, and/or failed to pay all wages due and owing at the end of other aggrieved employees’ employment, as follows:

Respondents violated Labor Code §§ 1182.12, 1194, 1194.2, and 1197 and Ordinance No. 183612 because it failed to pay our client and/or other aggrieved employees California’s statutory minimum wage. For example, Respondents asked Ms. Al-Otat to travel to other stores on its behalf and failed to pay her for that time traveled.

Respondents violated Labor Code §510 because it failed to pay our client and/or other aggrieved employees' overtime, even though they worked more than 8 hours per day and/or 40 hours per week throughout their employment.

Respondents violated Labor Code §§ 512 and 226.7 because it failed to provide our clients and/or other similarly situated employees the requisite 30-minute, uninterrupted meal periods for every five (5) hours of work throughout their employment, and our client did not validly waive said meal periods. Respondents failed to affirmatively advise of the right to take statutory meal periods, regularly interrupted meal periods, and/or did not completely relieve all duty during said meal periods. Respondents did not pay the penalty to our client and/or other aggrieved employees one (1) additional hour of pay at their regular rate of compensation including non-discretionary payments for each workday that one or more statutory meal periods was not provided.

Respondents violated Labor Code § 226.7 because it failed to provide our client and other aggrieved employees 10-minute rest breaks for every four (4) hours of work, or majority portion thereof, throughout their employment. Respondents failed to affirmatively advise our client and other aggrieved employees of the right to take statutory rest breaks, regularly interrupted our client's rest breaks, and/or did not completely relieve our client of all duty during said rest breaks. Respondents did not pay to our client one (1) additional hour of pay at our client's regular rate of compensation including non-discretionary payments for each workday that one or more statutory rest breaks was not provided.

Respondents violated Labor Code §§ 226(a)(1), through (9), and 1174 because it failed to provide our client and other aggrieved employees with itemized wage and hour statements that fully or accurately stated the (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item; (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. Said paystubs did not contain any of the required items required under Labor Code §§ 226(a)(1), through (9), and 1174 including the legal name of the employer. Our client's paystubs failed to include all hours worked, accurately calculated meal and rest penalties and omitted the hourly rate for those excluded hours, rendering both the stated gross and net wages false and inaccurate. Respondents further violated Labor Code § 226(a) because it failed to keep a copy of the required itemized statements on file for at least three (3) years at the place of employment or at a central location within the State of California.

Respondents violated Labor Code § 203 because it willfully failed to pay our client and/or other aggrieved employees earned and due wages upon separation of employment, either immediately upon involuntary termination, or within 72 hours of resignation. These earned but unpaid wages include minimum wages, regular wages earned but not paid, overtime wages, meal/rest period compensation, reporting time pay, and all wages due and owing at the end of employment described above.

Respondents violated Labor Code §221 by collecting and/or receiving from our client and/or other aggrieved employees part of their wages theretofore paid by said Respondents to said employees.

Respondents violated Labor Code Sections 221 and 224 by improperly deducting our client and/or other aggrieved employees for anything other than a lawful purpose including but not limited the requirement to pay a house fee to work for Defendant, and imposing a required tip for other who work for Defendant.

Respondents violated Labor Code §206.5 by requiring our client, and other aggrieved employees, to execute a release as a condition of being paid, and employees were required to execute a statement of hours they each worked during the pay period which Respondents knew to be false.

Respondents violated Labor Code §§ 98.6 and 1102.5 because it retaliated against our client and/or other aggrieved employees for complaining that they are owed unpaid wages and for exercising or requesting to exercise their rights under the Labor Code. For example, Ms. al – Otat complained to a person with authority and a government agency relating to her pay and was demoted, had her hours cut, or not placing her for work when scheduled.

Respondents violated Labor Code § 2802 because it failed to indemnify our client and/or other aggrieved employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties and/or of his or her obedience to the directions including mileage. For example, Ms. Al-Otat was required to use her vehicle on behalf of the employer to travel to other store locations and was not reimbursed.

Each of the aforementioned violations is among the enumerated serious violations set forth in Labor Code § 2699.5, for which there is no statutory right to cure.

Please take further notice that Respondents violated Labor Code §246 because they failed to provide to our client and its other employees with paid sick leave. Our client worked for Respondents for more than 30 days and was entitled to accrue paid sick leave at the rate of 1 hour for every 30 hours worked. Our client and/or other aggrieved employees did not accrue any paid sick leave at all, were shorted the sick leave, and if they took time off from work that would have qualified as sick leave, received no wages for this time period.

Respondents violated Labor Code § 227.3 because it failed to pay our client, and/or other aggrieved employees, wages for unused vested vacation time. Defendants' vacation policy included a use it or lose it vacation policy and refused to provide for vested vacation time or failed to permit the allotment of accrued vacation or failed to calculate them.

Please take further notice that, based upon the above-mentioned violations, and in addition to the penalties provided by those specific sections themselves, our client also intends to seek penalties under the following Labor Code sections which themselves are inviolable but provide for recovery of penalties for violating one or more of the above-mentioned Labor Code sections: Labor Code §§ 203, 210, 248.5, 558, 226.3.

Respondents violations of 8 Code of Regulations § 11070, Industrial Welfare Commission Order No. 7-2001, Labor Code §§ 98.6, 201-203, 221, 226, 226.7, 227.3, 246, 510, 512, 1102.5, 1182.12, 1194, 1194.2, 1197, 2699, and other applicable provisions, as alleged herein (i.e. Respondents wrongfully withheld wages, AND/OR has failed to pay wages when due, AND/OR has failed to pay minimum wages, AND/OR has failed to pay overtime wages, AND/OR has failed to provide meal periods, AND/OR has failed to provide rest breaks, AND/OR has failed to provide timely and accurate itemized wage and hour statements, AND/OR failed to maintain complete and accurate time records AND/OR has failed to pay all wages due and owing at the end of client's and other aggrieved employees' employment) constitute unfair business practices in violation of Business & Professions Code §§ 17200, et seq.

Respondents violated Labor Code Section 351 which prohibits employers and their agents from sharing in or keeping any portion of a gratuity left for or given to one or more employees by a patron. Respondents kept/withheld gratuities left to our client and/or aggrieved employees. Respondents also illegally made wage deductions from gratuities, or from using gratuities as direct or indirect credits against an employee's wages against our client and similarly aggrieved employees.

Please take further notice pursuant to Labor Code § 2699.3(c) that Respondents violated Labor Code § 226.8 because it willfully misclassified our client and/or other aggrieved employees as independent contractors instead of as employees.

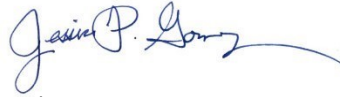
Complainant is informed and believes, and thereon alleges, that him/her/they and other employees were subject to the same violations and, therefore, are aggrieved employees within the meaning of California Labor Code § 2699. Thus, Complainant, as an aggrieved employee, brings an action against Respondents, on behalf of himself/herself/themself and other current and former employees.

Should your agency choose not to pursue this matter, this law office intends to vigorously prosecute the aforementioned Labor Code violations on its behalf, and vindicate the rights of all employees who have been subjected to these same Labor Code violations by Respondents.

Sincerely,

A handwritten signature in black ink that reads "Samantha S. Bigonger". The script is cursive and fluid.

Samantha S. Bigonger, Esq.  
Bigonger & Bigonger

A handwritten signature in blue ink that reads "Jessica P. Gomez". The script is cursive and fluid.

Jessica P. Gomez, Esq.  
Law Offices of Jessica Gomez

# Exhibit D

**[Settlement Administrator's Letterhead]**

Date: [Insert Date]

**Re: Class Action and PAGA Settlement Notice — [Isin Al-Otat v. Cycle Gear, Inc., et al, Case No. CGC-23-606243]**

You are receiving this letter because you are a member of the Class and/or an Aggrieved Employee covered by the settlement approved by the San Francisco Superior Court in the matter of **Isin Al-Otat v. Cycle Gear, Inc., et al., Case No. CGC-23-606243**. Please save this letter for your records as there is a merchandise voucher included in this record.

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**Payment Details**

Enclosed please find your settlement check(s) as follows:

- **Individual Class Settlement Payment:** \$ [Amount]
- **Individual PAGA Payment:** \$ [Amount]
- **Gift Card Redemption Code in the Amount of \$\_\_\_\_.00** Your individual redemption code is \_\_\_\_\_. This code may be redeemed online at [www.cyclegear.com](http://www.cyclegear.com) or in person at any Cycle Gear store for merchandise. It may not be redeemed for gift cards or cash, except as provided by law.

These payments were calculated based on the number of workweeks you worked for Defendants in California as a commissioned sales associate and/or key-holder during the Class Period and/or PAGA Period.

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**Tax Treatment**

- Ten percent (10%) of the Individual Class Action Settlement Payment is allocated as wages and will be reported on a Form W-2.
- Fifty percent (50%) is allocated as penalties;
- Forty percent (40%) as interest; these will be reported on a Form 1099 if required by law.

The administrator will pay the employer's share of any required payroll taxes separately.

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**Cashing Your Check**

Please cash your check(s) promptly.

All settlement checks must be cashed **within 180 days of the date of issuance**.

If you do not cash your check(s) by that date, the funds will be turned over to the **California State Controller's Office — Unclaimed Property Fund**, to be held in your name.

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**Questions or Address Updates**

If you have any questions about your payment or need to update your address, please contact:

**Settlement Administrator**

Apex Class Action Administration Solutions

[Address]

Phone: [XXX-XXX-XXXX]

Email: [settlement@apexclassadmin.com]

Website: [www.[CaseName]Settlement.com]

Please **do not contact the Court** directly about your payment.

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Thank you for your prompt attention to this matter.

Sincerely,

**Apex Class Action Administration Solutions**

Settlement Administrator