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ENTERTAINMENT SERVICES, LLC*

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

ERNESTO RUIZ, individually, and on behalf
of all others similarly situated,

Plaintiff,

vs.

ARTISTIC ENTERTAINMENT SERVICES,
LLC, a limited liability company; and DOES
1 through 10, inclusive,

Defendants

Case No.: 23STCV07581

CLASS AND REPRESENTATIVE ACTION

[Hon. Carolyn B. Kuhl, Dept. 12]

**CLASS ACTION AND PAGA SETTLEMENT
AGREEMENT AND CLASS NOTICE**

Action Filed: April 6, 2023
Trial Date: Not set

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Esteban Ruiz (“Plaintiff”) and Defendant Artistic Entertainment Services, LLC (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or each individually as a “Party.”

1. **DEFINITIONS**

- 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant captioned *Ernesto Ruiz v. Artistic Entertainment Services, LLC* (Case No. 23STCV07581), initiated on April 6, 2023 and pending in the Superior Court of the State of California, County of Los Angeles.
- 1.2. “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement after a competitive bidding process.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means a person who worked for Defendant in California as a non-exempt employee at any time during the PAGA Period.
- 1.5. “Class” means all persons who worked for Defendant in California as a non-exempt employee at any time during the Class Period.
- 1.6. “Class Counsel” means Kane Moon, Allen Feghali, and Charlotte Mikat-Stevens of Moon Law Group, PC.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Costs Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. “Class Data” means Class Member identifying information in Defendant’s possession, including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.9. “Class Member” means a member of the Class, as either a Participating Class Member or

Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods, and means, including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION AND PAGA SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed by the Administrator to Class Members in English with a Spanish translation in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.12. “Class Period” means the period from April 6, 2019, through November 5, 2023.

1.13. “Class Representative” means the named Plaintiff in the Operative Complaint in the Action seeking Court approval to serve as the Class Representative.

1.14. “Class Representative Service Payment” means the payment to Plaintiff for initiating and providing services in support of the Action, in recognition for the risks attendant to the role as Plaintiff and Class Representative, and in exchange for Plaintiff’s General Release. This award shall be in addition to the amount Plaintiff is eligible to receive as a Class Member.

1.15. “Court” means the Superior Court of California, County of Los Angeles.

1.16. “Defendant” means Artistic Entertainment Services, LLC, the defendant named in the Action.

1.17. “Defense Counsel” means Laura Farber of Hahn & Hahn LLP.

1.18. “Effective Date” means the first business date after both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment (i.e., 61 calendar days

following notice of entry of Judgment); or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.

1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

1.21. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

1.22. “Gross Settlement Amount” means \$325,000.00, which is the total amount Defendant agrees to pay under the Settlement, subject to increase under the escalator clause in Paragraph 8 below, if applicable, and except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, the Class Counsel Fees and Costs Payments, the Class Representative Service Payment, and the Administration Expenses Payment. Defendant shall pay its employer’s share of payroll taxes on Individual Class Payments in addition to the Gross Settlement Amount.

1.23. “Individual Class Payment” means a Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.24. “Individual PAGA Payment” means an Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.25. “Judgment” means the judgment entered by the Court based upon the Final Approval.

1.26. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled to 75% of the PAGA Penalties, under Labor Code § 2699(i).

1.27. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code § 2699(i).

1.28. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA

Payment, the Class Representative Service Payment, the Class Counsel Fees Payment, the Class Counsel Costs Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.29. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.30. “Operative Complaint” means Plaintiff’s First Amended Class and Representative Action Complaint, filed on June 20, 2023.

1.31. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.32. “PAGA Period” means the period from April 4, 2022, through November 5, 2023.

1.33. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698, *et seq.*).

1.34. “PAGA Notice” means Plaintiff’s April 4, 2022 letter to Defendant and the LWDA providing notice of alleged Labor Code violations pursuant to Labor Code § 2699.3(a).

1.35. “PAGA Penalties” means the total amount of PAGA civil penalties (\$10,000.00) to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$2,500.00) and the 75% to LWDA (\$7,500.00) in settlement of PAGA claims.

1.36. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.37. “Plaintiff” means Esteban Ruiz, the plaintiff in the Action. The case caption incorrectly states Plaintiff’s first name as Ernesto.

1.38. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

1.39. “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval of the Settlement.

1.40. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

1.41. “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.

- 1.42. “Released Parties” means: Defendant and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns subsidiaries, or affiliates.
- 1.43. “Request for Exclusion” means a Class Member’s submission of a signed, written request to be excluded from the Class portion of the Settlement.
- 1.44. “Response Deadline” means 60 calendar days after the Administrator mails the Class Notice to Class Members, and shall be the last date on which Class Members may fax, email, or mail (a) Requests for Exclusion from the Settlement, (b) written Objections to the Settlement, or (c) challenges to the calculation of Workweeks and/or PAGA Pay Periods. Class Members to whom their Class Notice is resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.45. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.46. “Workweek” means any week during which a Class Member worked for Defendant for at least one day during the Class Period.

2. **RECITALS**

2.1. On April 6, 2023, Plaintiff commenced this Action by filing a Class Action Complaint alleging causes of action against Defendant for: (1) failure to pay minimum wages; (2) failure to pay overtime compensation; (3) failure to provide meal periods; (4) failure to authorize and permit rest breaks; (5) failure to indemnify necessary business expenses; (6) failure to timely pay final wages at termination; (7) failure to provide accurate itemized wage statements; and (8) unfair business practices. On June 20, 2023, Plaintiff filed a First Amended Class and Representative Action Complaint (the “FAC”) alleging another cause of action against Defendant for civil penalties under PAGA. The FAC is the operative complaint in the Action (the “Operative Complaint”). Defendant vigorously denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint, and denies any and all liability for the causes of action alleged.

2.2. Pursuant to Labor Code § 2699.3(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

2.3. On November 20, 2023, the Parties participated in an all-day mediation with mediator the Honorable Carl West (Ret.), Esq., which led to this Agreement to settle the Action. Prior to mediation, Plaintiff obtained from Defendant, through informal discovery, information sufficient to meaningfully evaluate the claims at issue in the Action, including applicable written policies, employee handbooks in effect during the relevant period, Plaintiff's complete personnel file, and a sample of time and corresponding payroll records for Class Members and Aggrieved Employees. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal. App. 4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal. App. 4th 116, 129–130 (“*Dunk/Kullar*”).

2.4. The Court has not granted class certification.

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

3. **MONETARY TERMS**

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below and subject to an increase under Paragraph 8 below, if applicable, Defendant promises to pay \$325,000.00 and no more as the Gross Settlement Amount and to separately pay all employer payroll taxes owed on the Wage Portion of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the

Court in the Final Approval:

3.2.1. To Plaintiff. Class Representative Service Payment to Plaintiff as the Class Representative of not more than \$7,500.00, in addition to any Individual Class and/or PAGA Payment that Plaintiff is entitled to receive as a Class Member. Defendant will not oppose a request for this payment that does not exceed this amount. As part of the motion for Class Counsel Fees and Costs Payments, Plaintiff will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for taxes owed on the Class Representative Service Payment.

3.2.2. To Class Counsel. A Class Counsel Fees Payment of not more than one third (33.33%) of the Gross Settlement Amount, which is currently estimated to be \$108,322.50, and a Class Counsel Costs Payment of not more than \$25,000.00. Defendant will not oppose requests for these payments that do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees and Costs Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Costs Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Costs Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Costs Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees and Costs Payments and holds Defendant harmless, and indemnifies Defendant, from any

dispute or controversy regarding any division or sharing of any of these payments.

3.2.3. To the Administrator. An Administration Expenses Payment not to exceed \$7,750.00 except for a showing of good cause and as approved by the Court. To the extent actual expenses are less and/or the Court approves payment less than the requested amount, the Administrator will allocate the remainder to the Net Settlement Amount.

3.2.4. To Each Participating Class Member. An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.

3.2.4.1. Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portion is subject to tax withholding and will be reported on IRS W-2 Forms. The remaining 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for penalties and interest (the "Non-Wage Portion"). The Non-Wage Portion is not subject to withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5. To the LWDA and Aggrieved Employees. PAGA Penalties in the amount of \$10,000.00 to be paid from the Gross Settlement Amount, with 75% (\$7,500.00)

allocated to the LWDA PAGA Payment and 25% (\$2,500.00) allocated to Aggrieved Employees through Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$2,500.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee. Individual PAGA Payments will be treated as 100% penalties for tax purposes. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount.

4. SETTLEMENT FUNDING AND PAYMENTS

4.1. Class and PAGA Estimates. Based on a review of Defendant's records as of mediation, it was estimated that there are 264 Class Members who collectively worked a total of 10,965 Workweeks, and 65 Aggrieved Employees who worked a total of 2,319 PAGA Pay Periods.

4.2. Class Data. Not later than 15 calendar days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted Class Member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their respective

counsel will expeditiously use best efforts, and in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay its employer's share of payroll taxes, by transmitting the funds to the Administrator by the later of February 15, 2025, or 60 calendar days after the date of Final Approval.

4.4. Payments from the Gross Settlement Amount. Within 14 calendar days after Defendant fully funds the amounts owed under the Settlement, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Costs Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Costs Payment, and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them via First Class United States Postal Service ("USPS") Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided (the "Void Date"). The Administrator will cancel all checks not cashed by the Void Date. The Administrator will send checks for Individual Class Payments to all Participating Class Members and checks for Individual PAGA Payments to all Aggrieved Employees (including Non-Participating Class Members who qualify as Aggrieved Employees), including to those for whom their Class Notice was returned undelivered. The Administrator may send Participating Class Members a single check combining their Individual Class and PAGA Payments, if applicable. Before mailing any checks, the Administrator must update recipients' mailing addresses using the National Change of Address Database.

4.4.2. The Administrator must conduct a Class Member Address Search for all Class

Members whose checks are returned undelivered without USPS forwarding address. Within 7 calendar days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or, if none provided, to an updated address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered a second time. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, or as requested by the Class Member prior to the Void Date.

4.4.3. For any Class Member whose Individual Class and/or PAGA Payment check is uncashed and cancelled after the Void Date, the Administrator shall transmit the funds represented by such checks to the State of California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure § 384(b).

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

5. RELEASES OF CLAIMS

5.1. Plaintiff's General Release. Plaintiff and his or her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge the Released Parties from all claims, transactions, or occurrences arising out of his employment with Defendant, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint, (b) all PAGA claims that were, or reasonably could have been, alleged, based on facts contained, in the Operative Complaint or Plaintiff's PAGA Notice, and (c) claims not asserted in the Action ("Plaintiff's General Release"). Plaintiff's General Release excludes any claims or actions to enforce the Settlement, any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers'

1 compensation benefits that arose at any time, or any claims based on occurrences outside the
2 Class Period.

3 5.1.1. Waiver of Rights Under California Civil Code § 1542. For purposes of Plaintiff's
4 General Release, Plaintiff expressly waives and relinquishes the provisions, rights,
5 and benefits, if any, of the California Civil Code § 1542, which reads:

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

9 5.2. Release by Participating Class Members. All Participating Class Members release all claims
10 against the Released Parties that were, or reasonably could have been, alleged, based on the
11 facts stated, in the Operative Complaint ("Released Class Claims"). The Released Class
12 Claims exclude any claims for vested benefits, unemployment benefits, disability benefits,
13 social security benefits, or workers' compensation benefits that arose at any time, or any
14 claims based on occurrences outside of the Class Period.

15 5.3. Release by Aggrieved Employees. All Aggrieved Employees, regardless of whether they
16 have submitted a Request for Exclusion from the Settlement, release all claims against the
17 Released Parties that were, or reasonably could have been, alleged, based on the facts stated,
18 in Plaintiff's PAGA Notice and the Operative Complaint ("Released PAGA Claims"). The
19 Released PAGA Claims exclude any claims for vested benefits, unemployment benefits,
20 disability benefits, social security benefits, or workers' compensation benefits that arose at
21 any time, or any claims based on occurrences outside the PAGA Period.

22 5.4. Date Releases are Effective. Effective on the date when Defendant fully funds all amounts
23 owed under the Settlement, Plaintiff, Participating Class Members, and Aggrieved
24 Employees release all claims against the Released Parties as provided in Paragraph 5.

25 **6. MOTION FOR PRELIMINARY APPROVAL**

26 6.1. Plaintiff's Responsibilities. Plaintiff will prepare and file all documents necessary for
27 obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in
28 support, of the Motion for Preliminary Approval that includes an analysis of the Settlement

under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code § 2699(f)(2); (ii) a draft proposed Order Granting Preliminary Approval of the Settlement and approving the proposed Class Notice; (iii) a signed declaration from the Administrator attaching its bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds, or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel, or Defense Counsel; (iv) a signed declaration from Plaintiff confirming willingness and competency to serve as the Class Representative, and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members and/or the Administrator; (v) a signed declaration from Class Counsel attesting to competency to represent Class Members; timely transmission to the LWDA of all necessary PAGA documents (Plaintiff's PAGA Notice [Labor Code § 2699.3(a)], the Operative Complaint [Labor Code § 2699(l)(1)], and this Agreement [Labor Code § 2699(l)(2)]; a redlined version of the Parties' Agreement showing all modifications made to the draft Agreement ready for filing with the Court; and all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator. In their Declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for obtaining a prompt hearing date for the Motion for Preliminary Approval and for appearing in Court to advocate in favor of the Motion. Class Counsel is responsible for delivering the Court's Preliminary Approval to the appointed Administrator.

6.3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting, in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not

grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting, in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION

7.1. Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the Administration Expenses Payment. The Parties and their respective counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator, other than a professional relationship arising out of prior experiences administering settlements.

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

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

7.4. Notice to Class Members.

7.4.1. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and PAGA Pay Periods in the Class Data.

7.4.2. Using best efforts to perform as soon as possible, and in no event later than 14 calendar days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice with Spanish translation substantially in the form attached to this Agreement as Exhibit A. The Class Notice shall prominently estimate the dollar amounts of any

Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods, if applicable, used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3. Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and shall re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notices to Class Members whose Class Notice is returned as undelivered by the USPS a second time.

7.4.4. The deadlines for Class Members' written objections, Workweek and/or PAGA Pay Periods challenges, and Requests for Exclusion will be extended an additional 14 calendar days beyond the 60 calendar days otherwise provided in the Class Notice for all Class Members whose Class Notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5. If the Administrator, Defendant, Defense Counsel, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received a Class Notice, the Parties will expeditiously meet and confer, in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 calendar days after receipt of Class Notice, or the Response Deadline, whichever date is later.

7.5. Requests for Exclusion (Opt-Outs).

1 7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement
2 must send the Administrator, by fax, email, or mail, a signed written Request for
3 Exclusion. A Request for Exclusion is a letter from a Class Member or his/her legal
4 representative that reasonably communicates the Class Member's election to be
5 excluded from the Settlement and includes the Class Member's name and mailing
6 address, email address, or telephone number. To be valid, a Request for Exclusion
7 must be timely faxed, emailed, or postmarked by the Response Deadline.

8 7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it fails
9 to contain all the information specified in the Class Notice. The Administrator shall
10 accept any Request for Exclusion as valid if the Administrator can reasonably
11 ascertain the identity of the person as a Class Member and the Class Member's desire
12 to be excluded. The Administrator's determination shall be final and not appealable
13 or otherwise susceptible to challenge. If the Administrator has reason to question
14 the authenticity of a Request for Exclusion, the Administrator may demand
15 additional proof of the Class Member's identity. The Administrator's determination
16 of authenticity shall be final and not appealable or otherwise susceptible to challenge.

17 7.5.3. Every Class Member who does not submit a timely and valid Request for Exclusion
18 is deemed to be a Participating Class Member under this Agreement, entitled to all
19 benefits and bound by all terms and conditions of the Settlement, including the
20 Released Class Claims under Paragraph 5.2 above, regardless of whether the
21 Participating Class Member actually receives the Class Notice or objects to the
22 Settlement.

23 7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a
24 Non-Participating Class Member and shall not receive an Individual Class Payment
25 or have the right to object to the class action components of the Settlement. Because
26 future PAGA claims are subject to claim preclusion upon entry of the Judgment,
27 Non-Participating Class Members who are Aggrieved Employees are subject to the
28 Released PAGA Claims identified in Paragraph 5.3 above and are eligible for an

Individual PAGA Payment.

7.6. Challenges to Calculation of Workweeks and/or PAGA Pay Periods. Each Class Member shall have the opportunity to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email, or mail. Any mailed challenges must be postmarked by the Response Deadline (plus an additional 14 calendar days for Class Members whose Class Notice is re-mailed). The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks and/or PAGA Pay Periods contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7. Objections to Settlement.

7.7.1. Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Costs Payment, and/or Class Representative Service Payment.

7.7.2. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. Any mailed objections must be postmarked by the Response Deadline (plus an additional 14 calendar days for Class Members whose Class Notice is re-mailed). In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear on their behalf in Court) to present verbal objections at the Final Approval Hearing.

7.7.3. Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

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

7.8.1. Website, Email Address, and Toll-Free Number. The Administrator will establish, maintain, and use an internet website to post information of interest to Class Members, including the date, time, and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval (including requests for the for Class Counsel Fees Payment, Class Counsel Costs Payment, and Class Representative Service Payment), the Final Approval, and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes, and emails.

7.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review, on a rolling basis, Requests for Exclusion to ascertain their validity and timeliness. Not later than 5 business days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (the "Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid and/or untimely Requests for Exclusion; and (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid, timely or untimely).

7.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid, timely or untimely) received, objections received (whether timely or untimely), challenges to Workweeks and/or PAGA Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Reports"). The Weekly Reports must

1 include the Administrator's assessment of Requests for Exclusion, objections, and
2 challenges to Workweek and/or PAGA Pay Periods, and attach copies of all
3 Requests for Exclusion and objections received.

4 7.8.4. Workweek and/or PAGA Pay Period Challenges. The Administrator has the
5 authority to address and make final decisions, consistent with the terms of this
6 Agreement, on all Class Member challenges over the calculation of Workweeks
7 and/or PAGA Pay Periods. The Administrator's decision shall be final and not
8 appealable or otherwise susceptible to challenge.

9 7.8.5. Administrator's Declaration. Not later than 14 calendar days before the date by
10 which Plaintiff is required to file the Motion for Final Approval of the Settlement,
11 the Administrator will provide to Class Counsel and Defense Counsel, a signed
12 declaration suitable for filing in Court attesting to its due diligence and compliance
13 with all of its obligations under this Agreement, including, but not limited to, its
14 mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of
15 Class Notices, attempts to locate Class Members, the total number of Requests for
16 Exclusion from Settlement it received (both valid or invalid, timely or untimely), the
17 number of written objections (both timely or untimely), and attach the Exclusion
18 List. The Administrator will supplement its declaration as needed or requested by
19 the Parties and/or the Court. Class Counsel is responsible for filing the
20 Administrator's declaration(s) in Court.

21 7.8.6. Final Report by Settlement Administrator. Within 10 business days after the
22 Administrator disburses all funds in the Gross Settlement Amount, the Administrator
23 will provide Class Counsel and Defense Counsel with a final report detailing its
24 disbursements by employee identification number only of all payments made under
25 this Agreement. At least 15 calendar days before any deadline set by the Court, the
26 Administrator will prepare and submit to Class Counsel and Defense Counsel a
27 signed declaration suitable for filing in Court attesting to its disbursement of all
28 payments required under this Agreement. Class Counsel is responsible for filing the

Administrator's declaration in Court.

8. ESCALATOR CLAUSE

The Gross Settlement Amount is based on an estimated 11,500 total Workweeks during the Class Period. If the total number of Workweeks during the Class Period increases more than 10% above 11,500 (i.e., more than 12,650), Defendant shall increase the Gross Settlement Agreement by 1% for every 1% increase in Workweeks over the 10% threshold.

9. DEFENDANT'S RIGHT TO WITHDRAW

Not later than 7 calendar days after the Response Deadline, the Administrator shall email a list to Class Counsel and Defense Counsel containing the names of Class Members who have submitted timely and valid Requests for Exclusion (the "Exclusion List"). If the number of valid and timely Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendant may, but is not obligated to, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void *ab initio*, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Settlement; provided, however, Defendant will remain responsible for paying all settlement administration costs incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than 7 calendar days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. MOTION FOR FINAL APPROVAL

Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code § 2699(l), a proposed order granting Final Approval, and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of the proposed order granting Final Approval and proposed Judgment to Defense Counsel not later than 7 calendar days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer, in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1. Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no

1 later than 5 court days prior to the Final Approval Hearing, or as otherwise ordered or
2 accepted by the Court.

3 10.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval
4 on any material change to the Settlement (including, but not limited to, the scope of release
5 to be granted by Class Members), the Parties will expeditiously work together, and in good
6 faith, to address the Court's concerns, including by revising the Agreement as necessary, to
7 obtain Final Approval. The Court's decision to award less than the amounts requested for
8 the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel
9 Costs Payment, and/or Administration Expenses Payment shall not constitute a material
10 modification to the Agreement within the meaning of this Paragraph.

11 10.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
12 Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes
13 of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration
14 matters, and (iii) addressing such post-Judgment matters as are permitted by law.

15 10.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
16 conditions of this Agreement, specifically including the Class Counsel Fees Payment and
17 Class Counsel Costs Payment reflected set forth in this Settlement, the Parties, their
18 respective counsel, and all Participating Class Members waive all rights to appeal from the
19 Judgment, including all rights to post-Judgment and appellate proceedings, the right to file
20 motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The
21 waiver of appeal does not include any waiver of the right to oppose such motions, writs, or
22 appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this
23 Agreement will be suspended until such time as the appeal is finally resolved and the
24 Judgment becomes final, except as to matters that do not affect the amount of the Net
25 Settlement Amount.

26 10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
27 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a
28 material modification of this Agreement (including, but not limited to, the scope of releases

to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together, and in good faith, to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional administration expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this Paragraph, so long as the Gross Settlement Amount remains unchanged.

11. AMENDED JUDGMENT

If any amended judgment is required under Code of Civil Procedure § 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

12. ADDITIONAL PROVISIONS

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

12.2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant, and

Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate, and/or publicize, or cause or permit another person to disclose, disseminate, or publicize, any of the terms of the Agreement, directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding the Settlement, this Agreement, or the matters giving rise to this Agreement, except to respond only that "the matter was resolved" or words to that effect. Further, following the filing of the Motion for Preliminary Approval, the Parties and their respective counsel agree to make no comments to the media or otherwise publicize the terms of the Settlement. This Paragraph shall not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees, if any, will not solicit any Class Member to opt out of or object to the Settlement or appeal from the Judgment. Nothing in this Paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.4. Integrated Agreement. Upon execution by all Parties and their respective counsel, this Agreement, together with its attached exhibit, shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

- 12.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 12.6. Cooperation. The Parties and their respective counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying this Agreement and/or submitting supplemental evidence and supplemental points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of the mediator and/or the Court for resolution.
- 12.7. No Prior Assignments. The Parties separately represent and warrant that they have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Parties in this Settlement.
- 12.8. No Tax Advice. Neither Plaintiff, Class Counsel, Defendant, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.9. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and as approved by the Court.
- 12.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each Party.
- 12.11. Applicable Law. All terms and conditions of this Agreement and its exhibit will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

12.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

12.13. Confidentiality. To the extent permitted by law, all agreements made and orders entered during Action and this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

12.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code § 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant or Defense Counsel in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 calendar days after the date when the Court discharges the Administrator's obligation to provide a declaration confirming the disbursement of all Settlement funds, Plaintiff shall destroy any and all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

12.15. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

12.16. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

12.17. Notice. All notices, demands, or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by USPS mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

MOON LAW GROUP, PC

1055 W. Seventh St., Suite 1880

Los Angeles, California 90017

Kane Moon (E-mail: kmoon@moonlawgroup.com)

Allen Feghali (E-mail: afeghali@moonlawgroup.com)

Charlotte Mikat-Stevens (E-mail: cmikat-stevens@moonlawgroup.com)

To Defendant:

HAHN & HAHN LLP

Laura V. Farber (E-Mail: lfarber@hahnlawyers.com)

301 E. Colorado Blvd., Ninth Floor

Pasadena, California 91101-1977

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

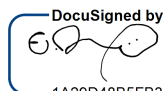
12.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement, pursuant to CCP § 583.330, to extend the date to bring a case to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

[Signatures on following page.]

Agreed and understood by:

Plaintiff:

Dated: 1/19/2024

By: 
Esteban Ruiz

Defendant:

Dated:

By: _____
Craig Bugajski

President
_____ Title

Approved as to form only:

Plaintiff's Counsel:

Dated: MOON LAW GROUP, PC

By: _____
Kane Moon
Allen Feghali
Charlotte Mikat-Stevens
Attorneys for Plaintiff

Defendant's Counsel:

Dated: HAHN & HAHN LLP

By: _____
Laura Farber
Attorneys for Defendant

1 **Agreed and understood by:**

2 **Plaintiff:**

3 Dated:

By: _____
Esteban Ruiz

5 **Defendant:**

6 Dated: January 18, 2024

By:  _____
Craig Bugajski

President _____
Title _____

10 **Approved as to form only:**

11 **Plaintiff's Counsel:**

12 Dated: January 22, 2024

MOON LAW GROUP, PC
By:  _____
Kane Moon
Allen Feghali
Charlotte Mikat-Stevens
Attorneys for Plaintiff

17 **Defendant's Counsel:**

18 Dated: January 18, 2024

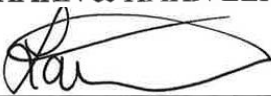
HAHN & HAHN LLP
By:  _____
Laura Farber
Attorneys for Defendant

EXHIBIT A

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

Ruiz v. Artistic Entertainment Services, LLC

Los Angeles Superior Court Case No. 23STCV07581

*The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.*

You may be eligible to receive money from an employee class action lawsuit *Ernesto Ruiz v. Artistic Entertainment Services, LLC*, Los Angeles Superior Court Case No. 23STCV07581 (the “Action”) for alleged wage and hour violations. The Action was filed by Esteban Ruiz (“Plaintiff”), a former employee of Artistic Entertainment Services, LLC (“Defendant”) (together, Plaintiff and Defendant are the “Parties”). The Action seeks payment of (1) back wages for a class of all persons who worked for Defendant in California as a non-exempt employee at any time during the Class Period (“Class Members”); and (2) penalties under the California Private Attorneys General Act (“PAGA”) for all persons who worked for Defendant in California as a non-exempt employee at any time during the PAGA Period (“Aggrieved Employees”). The “Class Period” is the period from April 6, 2019, through November 5, 2023. The “PAGA Period” is the period from April 4, 2022, through November 5, 2023.

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendant to fund Individual Class Payments to Class Members who do not opt-out of the Settlement (“Participating Class Members”), and (2) a PAGA Settlement requiring Defendant to fund Individual PAGA Payments to Aggrieved Employees and pay penalties to the California Labor and Workforce Development Agency (the “LWDA”).

Based on Defendant’s business records and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ [REDACTED] (less wage withholdings) and your Individual PAGA Payment is estimated to be \$ [REDACTED]**. (If no amount is stated for your Individual PAGA Payment, then you are not eligible for an Individual PAGA Payment because, according to Defendant’s records, you didn’t work during the PAGA Period.) However, the actual amount you may receive may be different and will depend on various factors.

The above estimates are based on Defendant’s records showing that **you worked [REDACTED] workweeks** during the Class Period and **you worked [REDACTED] pay periods** during the PAGA Period. If you believe that you worked more workweeks and/or pay periods, you can submit a challenge by the **Response Deadline**. See **Section 4** of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. However, the Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims.

If you worked for Defendant during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don’t have to do anything to participate in the proposed Settlement or be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendant and other Released Parties.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (“opt-out”) by submitting a written Request for Exclusion to the Administrator. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to pursue Class Period wage claims against Released Parties; and, if you are an Aggrieved Employee, you will remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendant will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be considered a Participating Class Member and be eligible for an Individual Class Payment and an Individual PAGA Payment if you are eligible (if any). In exchange, you will give up your right to assert wage claims against Defendant and other Released Parties that are covered by the Class Settlement ("Released Class Claims").
You Can Opt-out of the Class Settlement, but not the PAGA Settlement The Opt-out Deadline is [REDACTED]	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be considered a Non-Participating Class Member and no longer be eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. <i>See Section 6</i> of this Notice. However, you cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees, and all Aggrieved Employees must give up their rights to pursue claims for penalties against Defendant and other Released Parties that are covered by the PAGA Settlement ("Released PAGA Claims").
Participating Class Members Can Object to the Class Settlement, but not the PAGA Settlement Written Objections Must be Submitted by [REDACTED]	Only Participating Class Members (Class Members who do not opt-out) can object to any aspect of the proposed Class Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff, who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. <i>See Section 7</i> of this Notice. However, Class Members cannot object to the PAGA portion of the proposed Settlement, regardless of whether or not they opt-out of the Settlement.
You Can Participate in the [REDACTED] Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [REDACTED]. You don't have to attend, but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone, or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. <i>See Section 8</i> of this Notice.
You Can Challenge the Calculation of Your Workweeks and/or Pay Periods Written Challenges Must be Submitted by [REDACTED]	The amount of your Individual Class Payment and Individual PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendant's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [REDACTED]. <i>See Section 4</i> of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendant. In the Action, Plaintiff accuses Defendant of violating California labor laws by failing to pay minimum wages, overtime wages, final wages due upon termination, and reimbursable expenses and failing to provide meal periods, rest breaks, and accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for unfair business practices under the California Business and

Professions Code and a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, *et seq.*) (“PAGA”). Plaintiff is represented by attorneys of Moon Law Group, PC (“Class Counsel.”) Defendant strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Defendant or Plaintiff is correct on the merits. Rather than continuing the expensive and time-consuming process of litigation, Plaintiff and Defendant hired a retired judge, the Honorable Carl West, in an effort to resolve the Action by negotiating a lengthy written settlement agreement (“Agreement”) to end the case (settle the case). The negotiations were successful. By signing the Agreement and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendant have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims, and likewise, Plaintiff does not admit Defendant’s defenses have any merit.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable, and adequate amount considering the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of Class Members and Aggrieved Employees. The Court has preliminarily approved the proposed Settlement as fair, reasonable, and adequate, authorized this Notice, and scheduled a Final Approval Hearing to determine whether to grant final approval of the proposed Settlement.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendant Will Pay \$325,000.00 as the Gross Settlement Amount (the “Gross Settlement”). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel’s Fees and Costs Payments, the Administrator’s Expenses Payment, and PAGA Penalties to be paid to the California Labor and Workforce Development Agency (the “LWDA”). Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement, and also fund the amounts necessary to fully pay its employer’s share of payroll taxes, by the later of February 15, 2025, or 60 calendar days after the date of Final Approval.
2. Court Approved Deductions from the Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to one third (33.33%) of the Gross Settlement (currently estimated to be \$108,322.50) to Class Counsel for attorneys’ fees and up to \$25,000.00 as reimbursement for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$7,500.00 as a Class Representative award for filing the Action, working with Class Counsel, and representing the Class. This award will be the only monies Plaintiff will receive other than Plaintiff’s Individual Class Payment and Individual PAGA Payment (if any).
 - C. Up to \$7,750.00 to the Administrator for services administering the Settlement.

- D. Up to \$10,000.00 for PAGA Penalties, allocated as 75% (\$7,500.00) to the LWDA's PAGA Payment and 25% (\$2,500.00) in Individual PAGA Payments to Aggrieved Employees based on their PAGA Pay Periods.

Participating Class Members have the right to object to any of the above deductions, other than the PAGA Penalties amount. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve an allocation of 20% of each Individual Class Payment to wages (the "Wage Portion") and 80% to penalties and interest (the "Non-Wage Portion"). The Wage Portion is subject to tax withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties, rather than wages, for tax purposes, and therefore, they are not subject to withholdings. However, the Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and Defendant have agreed to the above allocations, neither side 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 under the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Promptly Cash Your Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA 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 deposited with the California Controller's Unclaimed Property Fund in your name. If the monies represented by your check are sent to the Controller's Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money. *See Section 10* of this Notice.
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, no later than **Response Deadline** (the "Response Deadline"), that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name and mailing address, email address, or telephone number and a simple statement that communicates the Class Member's wish to be excluded from the Settlement. Excluded Class Members ("Non-Participating Class Members") will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendant and the other Released Parties.

You cannot opt-out of the PAGA portion of the Settlement. Non-Participating Class Members remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendant and the other Released Parties based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement and decline to enter a Judgment. It is also possible

the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims.

8. Administrator. The Court has appointed a neutral company, ILYM Group, Inc. (the “Administrator”) to send this Notice, calculate and make payments, and process any Class Member Requests for Exclusion and written objections. The Administrator will also decide Class Member Challenges over Workweeks and/or Pay Periods, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in **Section 9** of this Notice.
9. Released Parties. For purposes of the below claims releases, the “Released Parties” means Defendant and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns subsidiaries, or affiliates.
10. Participating Class Members’ Claims Release. After Defendant has fully funded the Gross Settlement and paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the Class claims released under the Settlement. This means that unless you opted out by validly and timely excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of another lawsuit against the Released Parties for wages based on the Class Period facts as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

Effective on the date when Defendant fully funds all amounts owed under the Settlement, all Participating Class Members release all claims against the Released Parties that were, or reasonably could have been, alleged, based on the facts stated, in the Operative Complaint (“Released Class Claims”). The Released Class Claims exclude any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers’ compensation benefits that arose at any time, or any claims based on occurrences outside of the Class Period.

11. Aggrieved Employees’ Claims Release. After Defendant has fully funded the Gross Settlement and paid all employer payroll taxes, all Aggrieved Employees will be barred from asserting any of the PAGA claims released under the Settlement, whether or not they excluded themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against the Released Parties based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees will be bound by the following release:

Effective on the date when Defendant fully funds all amounts owed under the Settlement, all Aggrieved Employees, regardless of whether they have submitted a Request for Exclusion from the Settlement, release all claims against the Released Parties that were, or reasonably could have been, alleged, based on the facts stated, in Plaintiff’s PAGA Notice and the Operative Complaint (“Released PAGA Claims”). The Released PAGA Claims exclude any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers’ compensation benefits that arose at any time, or any claims based on occurrences outside the PAGA Period.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$2,500.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee.
3. Workweek and/or Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until **Response Deadline** to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by sending a signed, written letter to the Administrator via mail, email, or fax. *See Section 9* of this Notice for the Administrator's contact information.

You will need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Workweeks and/or Pay Periods based on Defendant's records unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. postal mail, a single check to every Participating Class Member, including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment (if any).
2. Non-Participating Class Members. The Administrator will send, by U.S. postal mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement.

Your check will be sent to the same address as this Notice unless you notify the Administrator about any change to your mailing address.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name and mailing address, email address, or telephone number and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request to be excluded. Be sure to personally sign your request, identify the Action as *Ruiz v. Artistic Entertainment Services, LLC* (Case No. 23STCV07581), and include your identifying information (full name, mailing address, email address, telephone number, approximate dates of employment, and social security number) for verification purposes only. Either you or your legal representative must make the request; if someone else makes the request for you, it will not be valid. **The Administrator must be sent your**

request to be excluded by **Response Deadline**, or it will be invalid and untimely. To be valid, your request for exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the proposed Settlement, and only to the Class portion. Before deciding whether to object, you may wish to see what Plaintiff and Defendant are asking the Court to approve. At least 16 days before the [REDACTED] Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and a motion for payment of Class Counsel Fees, Class Counsel Costs, and Class Representative Service award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses and (ii) the amount Plaintiff is requesting as the Class Representative. Upon reasonable request, Class Counsel (whose contact information is in **Section 9** of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website at [REDACTED] or the Court's website at <https://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil>.

A Participating Class Member who disagrees with any aspect of the Agreement and/or the Motion for Final Approval may wish to object, for example, that the proposed Settlement is unfair or that the amounts requested by Class Counsel and/or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is Response Deadline.** To be valid, your objection must be timely faxed, emailed, or postmarked by the Response Deadline. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action as *Ruiz v. Artistic Entertainment Services, LLC* (Case No. 23STCV07581), include your identifying information (full name, mailing address, email address, telephone number, approximate dates of employment, and social security number) for verification purposes only, and sign the objection.

In addition, or in the alternative, a Participating Class Member can object by attending the Final Approval Hearing (or personally retain a lawyer to appear and object at your own cost). You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See **Section 8** of this Notice for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to attend the Final Approval Hearing on [REDACTED] at [REDACTED] in Department 12 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comments from objectors, Class Counsel, and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

It is possible that the Court will reschedule the Final Approval Hearing. Before the Final Approval Hearing, you should check the Administrator's website at [REDACTED] or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything that Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment, or any other documents relevant to the Action is to go to the Administrator's website at [REDACTED]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Court website by

going to <https://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil> and entering the Case Number for the Action (Case No. 23STCV07581). You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

Name of Attorneys: Kane Moon; Allen Feghali; Charlotte Mikat-Stevens
Email Addresses: kmoon@moonlawgroup.com; afeghali@moonlawgroup.com;
cmikat-stevens@moonlawgroup.com
Name of Firm: Moon Law Group, PC
Mailing Address: 1055 W. Seventh Street, Suite 1880, Los Angeles, California 90017
Telephone: (213) 232-3128
Fax Number: (213) 232-3125

Settlement Administrator:

Name of Company: ILYM Group, Inc.
Email Address: XX
Mailing Address: XX
Telephone: XX
Fax Number: XX
Website: XX

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your check before cashing it, the Administrator will replace it as long as you request a replacement before the void date stated on the face of the original check. If your check is already void, you should consult the State of California Controller's Unclaimed Property Fund at <https://ucpi.sco.ca.gov/> for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.