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Attorneys for Plaintiff SEAN W POWERS

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE**

SEAN W POWERS, as an individual and on
behalf of all employees similarly situated,

Plaintiff,

v.

MARIO'S PLACE, INC., a California
Corporation; and DOES 1 through 50, inclusive,
Defendants.

Case No.: CVRI2301652

[Assigned for all purposes to Hon. Harold W. Hopp,
Dept. 1]

**CLASS AND PAGA REPRESENTATIVE
ACTION**

**SUPPLEMENTAL DECLARATION OF
LILIT TUNYAN IN SUPPORT OF
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
AND PAGA REPRESENTATIVE ACTION
SETTLEMENT**

Reservation ID: 984811064175
Date: June 5, 2024
Time: 8:30 a.m.
Courtroom: Dept. 1
Judge: Hon. Harold W. Hopp

Action Filed: April 3, 2023
Trial Date: Not Set

1 **SUPPLEMENTAL DECLARATION OF LILIT TUNYAN**

2 I, LILIT TUNYAN, declare as follows:

3 1. I am admitted, in good standing, to practice as an attorney in the State of California, the
4 United States District Courts for the Central, Eastern, Southern and Northern Districts of California. I am
5 the founding partner at the law firm of Tunyan Law, APC. I am a fully qualified, adult resident of the
6 State of California, and, if called as a witness herein, I would testify truthfully to the matters set forth
7 herein. All of the matters set forth herein are within my personal knowledge, except those matters that
8 are stated to be upon information and belief. As to such matters, I believe them to be true. I am the
9 attorney of record for Plaintiff SEAN W POWERS ("Plaintiff").

10 2. This Supplemental Declaration is submitted in support of Plaintiff's Motion for
11 Preliminary Approval of Class and PAGA Representative Action Settlement.

12
13 CHANGES TO THE SETTLEMENT FOLLOWING THE COURT'S MAY 15, 2024 TENTATIVE
14 RULING

15 3. Following receipt of the Court's Tentative Ruling that set forth items requiring correction
16 or further briefing, the Parties prepared a revised settlement document, the JOINT STIPULATION OF
17 AMENDED CLASS ACTION AND PAGA ACTION SETTLEMENT ("Settlement"), and a revised
18 version of the associated Notice to Class Members (Exhibit B to the Settlement and Proposed Order)
19 ("Notice"). The corrections or supplemental briefing required by the Court are as follows:

- 20 a) To limit the scope of PAGA release to comply to the Case Management Order #1 ("CMO")
21 requirements.
22 b) To revise Notice to Class Members to make it more understandable to recipients and explain
23 what PAGA is.
24 c) To make sure the range of recoveries is included in the notice.
25 d) To add to the Notice the date Tunyan declaration to which the Settlement is attached was
26 filed.

27 4. In response, the following changes have been made and supplemental materials have
28 been submitted:

- 1 a) The Settlement was revised in Paragraph 39 (c)(2) to state the exact PAGA release language
2 from the CMO and to state that final judgment will bind LWDA and Class Members
3 employed during PAGA period per *Arias v. Superior Court* (2009) 46 Cal.4th 986.
- 4 b) The Notice was revised to replace the terms “consequential and incidental losses, damages,
5 injunctive relief, etc.” with more understandable for Class Members language such as
6 “recovery of unpaid wages and meal and rest premiums, unreimbursed business expenses,
7 restitution, penalties, interest and attorney’s fees and costs”. The Notice has also been revised
8 to replace the PAGA release language with the new language from the Settlement
9 Agreement. Additionally, explanation of PAGA claim and PAGA employees’ definition was
10 added in the Notice.
- 11 c) As discussed during May 15, 2024 hearing, the range of recoveries has already been included
12 in the Notice, and the settlement administrator will add the actual range of recoveries when
13 mailing the notices to Class Members.
- 14 d) The Notice was revised to add the date Tunyan declaration to which the Settlement is
15 attached was filed.

16 EXHIBITS

17 5. As noted above, a true and correct copy of the JOINT STIPULATION OF AMENDED
18 CLASS AND PAGA REPRESENTATIVE ACTION SETTLEMENT is attached hereto as **Exhibit “1.”**
19 The Settlement includes Exhibit B, Exhibit C and Exhibit D (the “Notice Packet”).

20 6. A true and correct copy of a **redlined** version of the JOINT STIPULATION OF
21 AMENDED CLASS ACTION AND PAGA ACTION SETTLEMENT is attached hereto as **Exhibit**
22 **“2”**.

23 7. A true and correct copy of a **redlined** version of the Amended Notice is attached hereto
24 as **Exhibit “3”**.

25 8. Attached hereto as **Exhibit “4”** is a true and correct copy of the submission of the
26 settlement to the Department of Industrial Relations, through its online submission portal.

27 PAGA SETTLEMENT NOTIFICATION TO DIR

- 28 9. Counsel for Plaintiff provided notice of the requested approval of the PAGA settlement

1 through the online submission portal.

2 I declare under penalty of perjury, under the laws of the State of California, that the foregoing is
3 true and correct. Executed this 20th day of May 2024, at Glendale, California.

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7 _____
8 LILIT TUNYAN, "Declarant"
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Exhibit “1”

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Attorneys for Defendant MARIO'S PLACE, INC.

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE**

SEAN W POWERS, as an individual and on behalf
of all employees similarly situated,

Plaintiff,

v.

MARIO'S PLACE, INC., a California Corporation;
and DOES 1 through 50, inclusive,

Defendants.

Case No.: CVRI2301652

[Assigned for all purposes to Hon. Harold W.
Hopp, Dept. 10]

**JOINT STIPULATION OF AMENDED
CLASS AND PAGA REPRESENTATIVE
ACTION SETTLEMENT**

Action Filed: April 3, 2023
Trial: Not Set

1 **JOINT STIPULATION OF AMENDED CLASS AND PAGA REPRESENTATIVE ACTION**
2 **SETTLEMENT**

3 This Joint Stipulation of Amended Class and PAGA Representative Action Settlement ("Joint
4 Stipulation of Settlement" or "Settlement" or "Agreement") is made and entered into by and between
5 Plaintiff SEAN W POWERS, individually, and on behalf of all others similarly situated, ("Plaintiff" or
6 "Class Representatives"), and Defendant MARIO'S PLACE, INC. ("Defendant"). Plaintiff and
7 Defendant are collectively referred to herein as "the Parties." It is stipulated and agreed by and among the
8 undersigned Parties, this action shall be, and hereby is, ended, settled, resolved, and concluded by
9 agreement of Defendant to pay the Gross Settlement Amount (defined below) pursuant to the terms and
10 conditions of this Agreement, and subject to the approval of the Court. THE PARTIES STIPULATE
11 AND AGREE as follows:

12 **DEFINITIONS**

- 13 1. "Joint Stipulation of Settlement" or "Settlement" or "Agreement" means this Joint
14 Stipulation of Amended Class and PAGA Representative Action Settlement, including the attached
15 Exhibit(s).
- 16 2. For purposes of this Settlement, "Complaint" refers to the operative complaint, which is the
17 First Amended Complaint.
- 18 3. For purposes of this Settlement, this matter, entitled *Powers v. Mario's Place Inc.*, Case No.
19 CVRI2301652, is referred to herein as the "Action."
- 20 4. For purposes of this Settlement, the "Class Period" is April 3, 2019, through the date the
21 Court grants preliminary approval of this settlement or 60 days from March 12, 2024, whichever is earlier.
- 22 5. For purposes of this Settlement, the "Class" or "Class Members" consist of: All non-exempt
23 employees of Defendant who worked in California during the Class Period. "Settlement Class Members"
24 are those Class Members who do not submit timely exclusion requests to the Settlement Administrator.
25 Defendant's best estimate is that the Class included approximately 200 individuals.
- 26 6. For purposes of this Settlement, "Class Counsel" means TUNYAN LAW, APC.
- 27 7. For purposes of this Settlement, "Covered Workweeks" means the number of weeks a Class
28 Member worked for Defendant locations in California during the Class Period.

1 8. For purposes of this Settlement, "Response Deadline" means forty-five (45) days after the
2 Settlement Administrator initially mails the Notice to Settlement Class Members and the last date on which
3 Settlement Class Members may submit a request for exclusion or written objection to the Settlement. In the
4 case of a re-mailed Notice, the Response Deadline will be the later of forty-five (45) calendar days after
5 initial mailing or 14 calendar days from re-mailing. The Response Deadline may be extended only as
6 expressly described herein.

7 9. For purposes of the Settlement, "Defendant's Counsel" means LESTER, CANTRELL &
8 KRAUS, LLP.

9 10. For purposes of this Settlement, "PAGA Allocation" means the amount that the Parties have
10 agreed to allocate to resolution of the claim for violation of the Labor Code Private Attorneys General Act
11 of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, "PAGA"). The Parties have agreed that the PAGA Allocation
12 will be \$15,000.00 from the Gross Settlement Amount. Pursuant to PAGA, Seventy Five Percent (75%), or
13 \$11,250.00, of the PAGA Allocation will be paid to the LWDA ("PAGA Penalty Payment"), and Twenty
14 Five Percent (25%), or \$3,750.00, of the PAGA Allocation will be included in the Net Settlement Amount
15 for PAGA Employees ("PAGA Settlement Payment").

16 11. For purposes of this Settlement, "PAGA Period" means the period between April 3, 2022
17 through the date the Court grants preliminary approval of this settlement or 60 days from March 12, 2024,
18 whichever is earlier.

19 12. For purposes of this Settlement, "PAGA Employee" means all Class Members that worked
20 at any time during the PAGA Period. It is stipulated by the Parties that, for purposes of this Settlement, all
21 PAGA Employees are "aggrieved employees" as defined pursuant to PAGA. PAGA Employees cannot opt
22 out of the settlement of the PAGA claim.

23 13. For purposes of this Settlement, "PAGA Pay Periods" means the number of pay periods each
24 PAGA Employee worked during the PAGA Period.

25 14. For purposes of this Settlement, "PAGA Representatives" means Plaintiff.

26 15. For purposes of this Settlement, "Released PAGA Claims" means all claims asserted
27 through California Labor Code §§ 2698, *et seq.*, that were identified by the PAGA Representatives in the
28 Notice to the LWDA and are alleged in the Complaint. Plaintiff's Notice to the LWDA is attached hereto

1 as Exhibit "A".

2 16. For purposes of this Settlement, "Released PAGA Claims Period" means the period between
3 April 3, 2022 through the date the Court grants preliminary approval of this settlement or 60 days from
4 March 12, 2024, whichever is earlier.

5 17. For purposes of this Settlement, "Settlement Payments" means all of the payments to
6 Settlement Class Members (the "Settlement Class Payments") and all of the payments to the PAGA
7 Employees (the "PAGA Settlement Payment").

8 18. For purposes of this Settlement, "Final Order" means the final formal court order signed by
9 the Court following the final fairness and approval hearing in accordance with the terms herein, approving
10 this Agreement.

11 **STIPULATED BACKGROUND**

12 19. On April 3, 2023, Plaintiff filed a putative Class Action alleging the following labelled
13 causes of action: (1) Violation of Labor Code §§ 204, 246, 510, 551, 552, 1194, 1198 (Failure to Pay All
14 Wages and Sick Pay); (2) Violation of Labor Code §§ 226.7, 512 (Failure to Provide Meal Periods); (3)
15 Violation of Labor Code § 226.7 (Failure to Provide Rest Periods); (4) Violation of Labor Code § 226,
16 (Failure to Keep Accurate Itemized Wage Statements); (5) Violation of Labor Code §§ 201-203 (Failure to
17 Pay Wages Upon Termination of Employment); (6) Violation of Labor Code § 2802 (Failure to Reimburse
18 for Necessary Expenditures); (7) Violation of Bus. & Prof. Code § 17200 et seq. (Unfair Business Practices).
19 On July 7, 2023, Plaintiff filed his First Amended Complaint adding the eighth case of action for civil
20 penalties under the Labor Code Private Attorneys General Act of 2004 [Lab. Code § 2699, et seq.]
21 ("PAGA"). (The "Action.").

22 20. Solely for purposes of settling this case, the parties agree that Plaintiff satisfied the
23 administrative exhaustion requirement that is a prerequisite to filing a claim for Civil Penalties under the
24 Labor Code Private Attorneys General Act of 2004 [Lab. Code § 2699, et seq.] ("PAGA") by submission
25 of the notice to the LWDA and Defendant on April 3, 2023.

26 21. Solely for purposes of settling this case, the Parties and their respective counsel stipulate and
27 agree that the requisites for establishing class certification with respect to the Class Members have been met
28 and are met. More specifically, the Parties stipulate and agree that:

- 1 (a) The Class is ascertainable and so numerous as to make it impracticable to join all
2 Class Members.
- 3 (b) There are common questions of law and fact including, but not limited to, the
4 following:
- 5 1) Whether or not Defendant paid proper wages and sick pay to the Class;
 - 6 2) Whether or not Defendant provided meal periods to the Class;
 - 7 3) Whether or not Defendant provided rest periods to the Class;
 - 8 4) Whether or not Defendant paid compensation timely upon separation of
9 employment to former Class Members;
 - 10 5) Whether or not Defendant paid compensation timely throughout Class
11 Members' employment;
 - 12 6) Whether or not Defendant provided accurate itemized statements to the
13 Class;
 - 14 7) Whether or not waiting-time penalties are available to the Class for violation
15 of California Labor Code § 203;
 - 16 8) Whether or not Defendant maintained requisite records;
 - 17 9) Whether or not Defendant paid proper meal period pay or rest period pay to
18 the Class; and,
 - 19 10) Whether or not Defendant engaged in unlawful or unfair business practices
20 affecting the Class in violation of California Business and Professions Code
21 §§ 17200-17208.
- 22 (c) Plaintiff's claims are typical of the claims of the Class Members.
- 23 (d) Plaintiff and Class Counsel will fairly and adequately protect the interests of the
24 Class.
- 25 (e) The prosecution of separate actions by individual members of the Class would create
26 the risk of inconsistent or varying adjudications, which would establish incompatible
27 standards of conduct.
- 28 (f) With respect to the Class, questions of law and fact common to the members of the

1 Class predominate over any questions affecting any individual member in such
2 Class, and that a class action is superior to other available means for the fair and
3 efficient adjudication of the controversy.

4 22. Should, for whatever reason, the Settlement not become effective, class certification as part
5 of the Settlement shall have no bearing on and shall not be admissible in connection with whether the Class
6 Members and/or the class claims should be certified in a non-settlement context in this Action or in any
7 other lawsuit. Defendant expressly reserves its right to oppose class certification in this or any other action
8 should this Settlement not become effective.

9 23. Defendant denies any liability or wrongdoing of any kind whatsoever associated with the
10 claims alleged in the Complaint, and Defendant further denies that, for any purpose other than settling this
11 lawsuit, the action is appropriate for class or representative treatment. With respect to Plaintiff's claims,
12 Defendant contends, among other things, that it has complied at all times with the California Labor Code
13 and the applicable Wage Orders of the Industrial Welfare Commission. Furthermore, with respect to all
14 claims, Defendant contends that it has complied at all times with the California Business and Professions
15 Code.

16 24. It is the desire of the Parties to fully, finally, and forever settle, compromise, and discharge
17 all disputes and claims arising from or related to the Complaint.

18 25. Class Counsel has conducted a thorough investigation into the facts of this Action, including
19 an extensive review of relevant documents, and has diligently pursued an investigation of the claims of the
20 Class and PAGA claims against Defendant. Based on its own independent investigation and evaluation,
21 Class Counsel is of the opinion that the Settlement with Defendant for the consideration and on the terms
22 set forth in this Joint Stipulation of Settlement is fair, reasonable, and adequate and is in the best interest of
23 the Class and PAGA employees in light of all known facts and circumstances, including the risk of
24 significant delay, the risk the Class will not be certified by the Court, defenses asserted by Defendant, and
25 numerous potential appellate issues.

26 26. The Parties agree to cooperate and take all steps necessary and appropriate to obtain
27 preliminary and final approval of this Settlement.

28 27. The Parties agree to stay all proceedings in the Action, except such proceedings necessary

1 to implement and complete the Settlement, pending the Final Approval hearing to be conducted by the Court.

2 **PRIMARY TERMS OF SETTLEMENT**

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

5 (a) It is agreed by and among the Settlement Class, PAGA Employees, and Defendant
6 that this case and any claims, damages, or causes of action arising out of the disputes
7 which are the subject of this case, be settled and compromised as between the
8 Settlement Class, PAGA Employees, and Defendant, subject to the terms and
9 conditions set forth in this Settlement and the approval of the Court.

10 (b) Effective Date: The "Effective Date" of the Settlement means the date by
11 when both of the following have occurred: (a) the Court enters a Judgment
12 on its Final Order Granting Final Approval of the Settlement; and (b) the
13 Judgment is final. The Judgment is final as of the latest of the following
14 occurrences: (a) if no Class Member objects to the Settlement, the day the
15 Court enters Judgment; (b) if one or more Class Members objects to the
16 Settlement, the day after the deadline for filing a notice of appeal from the
17 Judgment; or if a timely appeal from the Judgment is filed, the day after
18 the appellate court affirms the Judgment and issues a remittitur.

19 (c) Gross Settlement Amount: Defendant's maximum total payment under the
20 Settlement, including all attorney's fees and costs, the Service Payment to the named
21 Plaintiff, the costs of settlement administration, the PAGA Allocation, and any other
22 payments provided by this Settlement, is Two Hundred and One Thousand Dollars
23 and Zero Cents (\$201,000.00) ("Gross Settlement Amount"), subject to the Escalator
24 Clause and except that, to the extent that any portions of the Class Members'
25 Settlement Payments constitute wages, Defendant will be separately responsible for
26 any employer payroll taxes required by law, including the employer FICA, FUTA,
27 and SDI contributions.

28 (d) Escalator Clause: On March 12, 2024, the number of workweeks during the

1 Class Period is estimated to be 18,443. The parties stipulate a 10% escalation of
2 the estimated workweeks without any increase to the Gross Settlement Amount.
3 If the number of actual workweeks during the Class Period exceeds 10% of the
4 estimated workweeks (i.e., exceeds 20,288 workweeks), Defendant can either
5 have the Class Period end on the date that the workweeks exceed 20,288 or
6 increase the Gross Settlement Amount by a pro-rata dollar value equal to the
7 number of workweeks in excess of 20,288 workweeks. For example, if there is
8 a 1% increase over 10% then the Gross Settlement Amount increases by 1%. (the
9 "Escalator Clause").

10 (e) Non-reversionary Settlement: No portion of the Gross Settlement Amount will
11 revert to Defendant.

12 (f) No Claims Required: Class Members will not be required to submit a claim to
13 receive their Settlement payment.

14 (g) Net Settlement Amount: The Net Settlement Amount shall be calculated by
15 deducting from the Gross Settlement Amount (\$201,000.00) the following sums,
16 subject to approval by the Court: (1) attorney's fees (not to exceed 33 and 1/3% of
17 the Gross Settlement Amount, or \$67,000.00); (2) reasonable litigation costs (not to
18 exceed \$20,000.00); (3) the Service Payment to Plaintiff in the amount of \$7,500.00;
19 (4) the PAGA Penalty Payment in the amount of \$11,250.00 (which is 75% of the
20 PAGA Allocation); and (5) costs of settlement administration (estimated not to
21 exceed \$15,000). Settlement Payments to the Class Members and PAGA
22 Employees will be calculated by the Settlement Administrator and paid out of the
23 Net Settlement Amount as set forth below.

24 (h) Payroll Taxes and Required Withholdings: To the extent that any portions of the
25 Settlement Class Members' Settlement Payments constitute wages, Defendant will
26 be separately responsible for any employer payroll taxes required by law, including
27 the employer FICA, FUTA, and SDI contributions. Except for any employer payroll
28 taxes, it is understood and agreed that Defendant's maximum total liability under

1 this Settlement shall not exceed the Gross Settlement Amount. The Settlement
2 Administrator will calculate and submit the Defendant's employer share of payroll
3 taxes after advising Defendant of the total amount owed, in aggregate, as employer-
4 side payroll taxes and receiving a lump sum payment from Defendant in that amount
5 when the Gross Settlement Amount is delivered to the Settlement Administrator.

6 (i) Settlement Class Payments (Excludes PAGA Payments): Settlement Class
7 Payments will be paid out of the Net Settlement Amount. Each Settlement Class
8 Member (i.e., those Class Members who do not opt out of the Class Settlement, as
9 defined above) will be paid a pro-rata share of the Net Settlement Amount, less the
10 PAGA Settlement Payments totalling \$3,750.00, as calculated by the Settlement
11 Administrator. The pro-rata share will be determined by comparing the individual
12 Settlement Class Member's Covered Workweeks employed during the Class Period
13 in California to the total Covered Workweeks of all the Settlement Class Members
14 during the Class Period as follows: [Workweeks worked by a Settlement Class
15 Member] ÷ [Sum of all Covered Workweeks worked by all Settlement Class
16 Members] × [Net Settlement Amount – all PAGA Settlement Payments] =
17 individual Settlement Payment for a Settlement Class Member. Settlement Class
18 Payments in the appropriate amounts will be distributed by the Settlement
19 Administrator by mail to the Settlement Class Members.

20 (j) PAGA Payments: PAGA Settlement Payments will be paid out of the Net
21 Settlement Amount. Each PAGA Employee will be paid a pro-rata share
22 of the PAGA Employees' PAGA Settlement Payment, as calculated by the
23 Settlement Administrator. Class Members will not be permitted to
24 exclude themselves from this portion of the Settlement. The pro-rata share
25 will be determined by comparing the individual PAGA Employees' PAGA
26 Pay Periods during the PAGA Period to the total PAGA Pay Periods of all
27 the PAGA Employees during the PAGA Period as follows: [PAGA Pay
28 Periods worked by a PAGA Employee] ÷ [Sum of all PAGA Pay Periods

1 worked by all PAGA Employees] × [PAGA Settlement Payment to
2 Employees, i.e. \$3,750.00] = individual PAGA Employee's portion of the
3 PAGA Settlement Payment. PAGA Settlement Payments to PAGA
4 Employees in the appropriate amounts will be distributed by the
5 Settlement Administrator by mail to the PAGA Employees at the same
6 time Settlement Class Payments issue to the Settlement Class. The
7 LWDA's PAGA Penalty Payment will issue to the LWDA at the same
8 time Settlement Payments issue to the Settlement Class.

9 (k) Allocation of Settlement Payments: The Parties have agreed that Settlement Class
10 Payments will be allocated as follows: 20% to wages, 40% to penalties and 40% to
11 interest. The PAGA Settlement Payment shares to PAGA Employees will be
12 entirely allocated to penalties. Appropriate federal, state and local withholding taxes
13 will be taken out of the wage allocations, and each Class Member will receive an
14 IRS Form W-2 with respect to this portion of the Settlement Payment. The
15 employer's share of payroll taxes and other required withholdings will be paid as set
16 forth above, including but not limited to the Defendant's FICA and FUTA
17 contributions, based on the payment of claims to the Class Members. IRS Forms
18 1099 will be issued to each Class Member reflecting the payments for penalties and
19 interest. Class Members are responsible to pay appropriate taxes due on the
20 Settlement Payments they receive. To the extent required by law, IRS Forms 1099
21 and W-2 will be issued to each Class Member with respect to such payments. All
22 PAGA Settlement Payments will be allocated as 100% penalties.

23 (l) Settlement Payments Do Not Give Rise to Additional Benefits: All Settlement
24 Payments to individual Class Members shall be deemed to be paid to such Class
25 Member solely in the year in which such payments actually are received by the Class
26 Member. It is expressly understood and agreed that the receipt of such Settlement
27 Payments will not entitle any Class Member to additional compensation or benefits
28 under any company bonus, contest or other compensation or benefit plan or

1 agreement in place during the period covered by the Settlement, nor will it entitle
2 any Class Member to any increased retirement, 401(k) benefits or matching benefits
3 or deferred compensation benefits. It is the intent that the Settlement Payments
4 provided for in this Settlement are the sole payments to be made by Defendant to the
5 Class Members, and that the Class Members are not entitled to any new or additional
6 compensation or benefits as a result of having received the Settlement Payments
7 (notwithstanding any contrary language or agreement in any benefit or compensation
8 plan document that might have been in effect during the period covered by this
9 Settlement).

10 (m) Attorney's Fees and Costs: Subject to approval by the Court, Defendant will not
11 object to Class Counsel's application for attorney's fees not to exceed 33 and 1/3%
12 of the Gross Settlement Amount (\$67,000.00) and reimbursement of litigation costs
13 and expenses not to exceed \$20,000.00. Approved attorney's fees and litigation
14 costs shall be paid at the same time Settlement Payments issue to the Settlement
15 Class.

16 (n) Service Payment: Subject to Court approval, and in exchange for a general release,
17 Defendant will not object to Class Counsel's application for a payment of \$7,500.00
18 to Plaintiff for service as a Class Representative ("Service Payment"). It is
19 understood that the Service Payment is in addition to the individual Settlement
20 Payment to which a Class Representative is entitled to along with the other Class
21 Members. In exchange, Plaintiff has agreed to release all claims, demands, rights,
22 liabilities and causes of action of every nature and description whatsoever, known
23 or unknown, asserted or that might have been asserted, whether in tort, contract,
24 or for violation of any state or federal statute, rule or regulation arising out of,
25 relating to, or in connection with any act or omission by or on the part of any of
26 the Released Parties committed or omitted prior to the execution hereof
27 ("Plaintiff's Released Claims"). Plaintiff and Defendant both stipulate and agree
28 that each of them have expressly waived and relinquished, to the fullest extent

1 permitted by law, the provisions, rights and benefits of Section 1542 of the
2 California Civil Code, or any other provision under federal or state law, which
3 provides:

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

8 Plaintiff's general release provided herein is made with an express waiver and
9 relinquishment of any claim, right, or benefit under California Civil Code § 1542.
10 The Parties understand that the General Release does not release any claims that
11 they cannot lawfully release. It is also understood and agreed by Defendant that
12 by this release Plaintiff is not waiving unemployment and/or any state disability
13 insurance benefits pursuant to the terms of applicable state law, workers'
14 compensation claims, any rights which are not subject to waiver as a matter of
15 law.

16 (o) Defendant or the Settlement Administrator will issue an IRS Form 1099 for the
17 Service Payment to the Plaintiff. The Plaintiff will be individually responsible for
18 correctly characterizing this compensation on personal income tax returns for tax
19 purposes and for paying any taxes on the amounts received. Plaintiff agrees not to
20 opt out or object to the Service Payment as the Class Representative.

21 (p) Settlement Administrator: The Settlement Administrator will be Phoenix Class
22 Action Administration Solutions which was selected for its lowest bid estimated not
23 to exceed \$8,576.10.

24 (q) Funding of Settlement Account: Defendant will fund the settlement
25 account and distribute Gross Settlement Amount to the Settlement
26 Administrator within fifteen (15) days of the Effective Date.

27 (r) Distribution and Mailing of Settlement Payments: The Settlement
28 Administrator shall mail the Settlement Payments to the Class Members within

1 fourteen (14) calendar days of receipt of the Gross Settlement Amount from
2 Defendant, provided that the Settlement Administrator has delivered to the
3 Parties an accounting of the amounts to be paid by Defendant pursuant to the
4 terms of this Settlement.

5 (s) Notice of Settlement: Each Class Member will be mailed a notice setting forth the
6 material terms of the proposed Settlement, along with instructions about how to
7 object or request exclusion from the proposed class action Settlement ("Notice").
8 For each Class Member, there will be pre-printed information on the mailed Notice,
9 based on Defendant's records, stating the Class Member's Covered Workweeks
10 during the Class Period and the estimated total Settlement Payment under the
11 Settlement, including the Settlement Class Payment and the PAGA Settlement
12 Payment that will be distributed irrespective of any exclusion request. The pre-
13 printed information based on Defendant's records shall be presumed to be correct.
14 A Class Member may dispute the pre-printed information on the Notice as to his or
15 her Covered Workweeks during the Class Period. Class Members must submit any
16 dispute regarding the information on the Notice as to his or her Covered Workweeks
17 within the Response Deadline.

18 (t) Settlement Notice Language: The Notice will issue in English and Spanish.

19 (u) Class Members Cannot Exclude Themselves from the Released PAGA Claims:
20 Class Members submitting a request for exclusion will nevertheless receive their
21 pro-rata share of the PAGA Settlement Payment. If the Court approves the
22 compromise of the PAGA Claim, all Class Members are bound by the Court's
23 resolution of the PAGA Claim. Plaintiff shall serve a notice of settlement on the
24 California Labor and Workforce Development Agency at or before the time Plaintiff
25 files the motion for preliminary approval.

26 (v) Resolution of Workweek Disputes: If a Class Member disputes the accuracy of
27 Defendant's records used to calculate Covered Workweeks, the Parties' counsel and
28 the Settlement Administrator will review Defendant's records and any information,

1 or documents submitted by the Class Member in an attempt to resolve the dispute
2 informally. If the dispute cannot be resolved informally by the Parties' counsel and
3 the Settlement Administrator, the dispute, and all documents pertaining to the
4 dispute, will be submitted to the Court for final resolution. The Class Member must
5 submit information or documents supporting his or her position to the Settlement
6 Administrator prior to the expiration of the Response Deadline. Information or
7 documents submitted after the expiration of the Response Deadline will not be
8 considered by the Settlement Administrator, unless otherwise agreed to by the
9 Parties.

10 (w) Right of Class Member to Request Exclusion from the Settlement: Any
11 Class Member may request to be excluded from the Class by returning a
12 request for exclusion to the Settlement Administrator within the Response
13 Deadline. The form of Request for Exclusion that will accompany the Notice is
14 attached hereto as **Exhibit "C."** The Request for Exclusion form accompanying
15 the Notice will be pre-printed with the Class Member's name and address to
16 facilitate identification by the Settlement Administrator. The Class Member must
17 sign the Request for Exclusion Notice and include the last four digits of their
18 social security number to confirm identity or Employee ID. If Class Member
19 does not have a social security number and does not know his Employee ID, he
20 can contact the Settlement Administrator to arrange for an alternate method of
21 confirming his/her identity. Any Class Member who timely requests exclusion
22 in compliance with these requirements (i) shall not have any rights under this
23 Settlement other than a right to receive a pro-rata share of the portion of the
24 PAGA payment allocated to the Class Members if the Class Member is also
25 PAGA Employee; (ii) shall not be entitled to receive any Settlement Payments
26 under this Settlement other than as stated in (i) in this paragraph; and (iii) shall
27 not be bound by this Settlement or the Court's Final Order and Final Judgment
28 other than as it applies to the PAGA Claim.

(x) Right of Settlement Class Member to Object to The Settlement: Any Class Member may object to the Settlement. To object, the Class Member may (1) appear in person (including through an audio or video call appearance as allowed by the Court) at the Final Approval Hearing to explain any objection, (2) have an attorney object for the Class Member, or (3) submit a simple written brief or statement of objection to the Settlement Administrator in the form attached hereto as **Exhibit "D"**. If any Class Member chooses to submit a written objection not in the form attached hereto as **Exhibit "D"**, the written objection should contain sufficient information to confirm the identity of the objector and the basis of the objection, including (1) the full name of the Settlement Class Member; (2) the signature of the Settlement Class Member; (3) the grounds for the objection; and (4) be postmarked within the Response Deadline to permit adequate time for processing and review by the Parties of the written statement or objection. Class Counsel shall ensure that any written objections are transmitted to the Court for the Court's review (either by Class Counsel or as an attachment to declaration from the Settlement Administrator). Regardless of the form, an objection alone will not satisfy the requirement that a Settlement Class Member must either make a timely complaint in intervention before final judgment or by file a motion to set aside and vacate the class judgment under Code of Civil Procedure § 663 to have standing to appeal entry of judgment approving this Settlement, as is required under the California Supreme Court decision of *Hernandez v. Restoration Hardware*, 4 Cal. 5th 260 (2018). A Class Member who does not object prior to or at the Final Approval Hearing, will be deemed to have waived any objections and will be foreclosed from making any objections (whether at the Final Approval Hearing, by appeal, or otherwise) to the Settlement. If the objecting Class Member does not formally intervene in the action or move to set aside any judgment and/or the Court rejects the Class Member's objection, the Class Member will still be bound by the terms of this Agreement. Class Counsel and Defendant's Counsel may, at least five (5) calendar days (or some

1 other number of days as the Court shall specify) before the final approval hearing,
2 file responses to any written objections submitted to the Court.

3 **THE SETTLEMENT ADMINISTRATOR'S PRIMARY DUTIES**

4 29. Subject to the Court's approval, and subject to reconsideration by the Parties after a
5 competitive bidding process, the Parties have agreed to the appointment of Phoenix Class Action
6 Administration Solutions to perform the customary duties of Settlement Administrator. The Settlement
7 Administrator will mail the Notice, both in English and Spanish, to the Class Members.

8 30. The Settlement Administrator will independently review the Covered Workweeks attributed
9 to each Class Member and will calculate the estimated amounts due to each Class Member and the actual
10 amounts due to each Settlement Class Member in accordance with this Settlement. The Settlement
11 Administrator shall report, in summary or narrative form, the substance of its findings. The Settlement
12 Administrator shall be granted reasonable access to Defendant's records in order to perform its duties.

13 31. In accordance with the terms of this Settlement, and within fourteen (14) calendar days of
14 receipt of the Gross Settlement Amount from Defendant, the Settlement Administrator will issue and send
15 out the Settlement Payment checks to the Class Members. Tax treatment of the Settlement Payments will
16 be as set forth herein, and in accordance with state and federal tax laws. All disputes relating to the
17 Settlement Administrator's performance of its duties shall be referred to the Court, if necessary, which will
18 have continuing jurisdiction over the terms and conditions of this Settlement until all payments and
19 obligations contemplated by this Settlement have been fully carried out. Within fourteen (14) calendar days
20 of receipt of the Gross Settlement Amount from Defendant the Settlement Administrator will also distribute
21 the Service Payment to Plaintiff, attorney's fees and costs to Class counsel, PAGA penalty payment to
22 LWDA and the Settlement Administrator's fees.

23 32. The Settlement Administrator will post the court orders granting preliminary and final
24 approval of the Settlement and final judgment approving the Settlement on the Settlement Administrator's
25 website for a period of not less than 90 calendar days after the final judgment is entered. The address of that
26 website will be included in the Notice.

27 **ATTORNEY'S FEES AND COSTS**

28 33. In consideration for resolving this matter and in exchange for the release of all claims by the

1 Class Members, including Plaintiff, and subject to approval by the Court, Defendant will not object to Class
2 Counsel's application for attorney's fees not to exceed 33 and 1/3% of the Gross Settlement Amount
3 (\$67,000.00 of \$201,000.00) and litigation costs not to exceed \$20,000.00. The amounts set forth above
4 will cover all work performed and all fees and costs incurred to date, and all work to be performed and all
5 fees and costs to be incurred in connection with the approval by the Court of this Settlement and
6 administration of the Settlement.

7 THE NOTICE PROCESS

8 34. A Notice in approximately the form attached hereto as **Exhibit "B"**, the Request for
9 Exclusion in approximately the form attached hereto as **Exhibit "C"** and the Objection Form in
10 approximately the form attached hereto as **Exhibit "D"** (referred to jointly below as the "Notice packet")
11 and as approved by the Court, shall be sent by the Settlement Administrator to the Class Members by first
12 class mail. The Notice packet shall be translated into Spanish so that Spanish and English language versions
13 of the Notice packet are included in the mailing. Any returned envelopes from this mailing with forwarding
14 addresses will be utilized by the Settlement Administrator to forward the Notices to the Class.

- 15 (a) Within 15 calendar days from the date of preliminary approval of this Settlement by
16 the Court, Defendant shall provide to the Settlement Administrator a class database
17 containing the following information for each Class Member: (1) name; (2) last
18 known address; (3) social security number; and (4) dates of employment at
19 Defendant's location in California. This database shall be based on Defendant's
20 payroll and other business records and shall be provided in a format acceptable to
21 the Settlement Administrator. Defendant agrees to consult with the Settlement
22 Administrator prior to the production date to ensure that the format will be acceptable
23 to the Settlement Administrator. The Settlement Administrator will run a check of
24 the Class Members' addresses against those on file with the U.S. Postal Service's
25 National Change of Address List; this check will be performed only once per Class
26 Member by the Settlement Administrator. Absent mutual written agreement of
27 counsel for the Parties or Court order, the Settlement Administrator will keep this
28 database confidential and secure and use it only for the purposes described herein,

1 and will return this database to Defendant upon final approval of the settlement or
2 destroy electronic records containing the database after the Settlement is final and
3 all payments are distributed as required under this Agreement. However, Plaintiff's
4 Counsel shall be entitled to review anonymized data showing the workweeks
5 worked by each Class Member, with Class Member identity concealed through use
6 of an employee number or number assigned by the Settlement Administrator.

7 (b) Within 14 calendar days after the Class database is provided to the Settlement
8 Administrator, the Settlement Administrator will mail the Notices to the Class
9 Members by First Class United States mail.

10 (c) Notices returned to the Settlement Administrator as non-deliverable on or before the
11 initial Response Deadline shall be resent to the forwarding address, if any, on the
12 returned envelope. A returned Notice will be forwarded by the Settlement
13 Administrator any time that a forwarding address is provided with the returned mail.
14 If there is no forwarding address, the Settlement Administrator will do a computer
15 search for a new address using the Class Member's social security number or other
16 information. In any instance where a Notice is re-mailed, that Class Member will
17 have until the extended Response Deadline as described above. A letter prepared by
18 the Settlement Administrator will be included in the re-mailed Notice in that
19 instance, stating the extended Response Deadline if different than the original
20 Response Deadline. Upon completion of these steps by the Settlement
21 Administrator, Defendant and the Settlement Administrator shall be deemed to have
22 satisfied their obligations to provide the Notice to the affected Class Member. The
23 affected Class Member shall remain a member of the Settlement Class and shall be
24 bound by all the terms of the Settlement and the Court's Final Order and Final
25 Judgment.

26 (d) Class Counsel shall provide to the Court, at least sixteen court days prior to the final
27 approval hearing, or such other date as set by the Court, a declaration by the
28 Settlement Administrator of due diligence and confirming mailing of the Notices.

1 **DISPOSITION OF SETTLEMENT PAYMENTS AND UNCASHED CHECKS**

2 35. As set forth above, each Class Member will have until the expiration of the applicable
3 Response Deadline to submit to the Settlement Administrator any challenge or dispute to the Class
4 Member's Covered Workweek information on the Notice. No disputes will be honored if they are submitted
5 after the Response Deadline, unless the Parties mutually agree to accept the untimely dispute. Each Class
6 Member is responsible to maintain a copy of any documents sent to the Settlement Administrator and a
7 record of proof of mailing.

8 36. The Settlement Administrator shall cause the Settlement Payments to be mailed to the
9 Settlement Class Members and PAGA Employees as provided herein. Settlement Class Payments and
10 PAGA Payments may be combined into one check. Settlement Payment checks shall remain valid and
11 negotiable for 180 calendar days from the date of their issuance. Settlement Payment checks will
12 automatically be cancelled by the Settlement Administrator if they are not cashed by the Class Member
13 within that time, and the Class Member's relevant claims will remain released by the Settlement. Settlement
14 Payment checks which have expired will not be reissued.

15 37. Funds from unclaimed, uncashed or abandoned Settlement Payment checks, based on a 180-
16 day void date, shall be distributed to those class members who have cashed their checks.

17 38. Upon completion of its calculation of Settlement Payments, the Settlement Administrator
18 shall provide Class Counsel and Defendant's Counsel with a report listing the amounts of all payments to
19 be made to Class Members (to be identified anonymously by employee number or other identifier). A
20 Declaration attesting to completion of all payment obligations will be provided to Class Counsel and
21 Defendant's Counsel and filed with the Court by Class Counsel.

22 **RELEASE BY THE CLASS**

23 39. Upon the final approval by the Court of this Settlement and Defendant's payment of all sums
24 due pursuant to this Settlement, and except as to such rights or claims as may be created by this Settlement,
25 the Class Representatives, the Class and each Class Member who has not submitted a valid and timely
26 request for exclusion as to claims other than the PAGA claim, will release claims as follows:

- 27 (a) **Identity of Released Parties.** The released parties are Defendant and its owners,
28 officers, directors, employees and agents (collectively "Releasees").

1 (b) **Date Release Becomes Effective.** The Released Claims will be released upon the
2 later of (1) the Settlement's Effective Date, or (2) the satisfaction of Defendant's
3 obligation to provide to the Settlement Administrator a sum in the amount required
4 to satisfy all required payments and distributions pursuant to this Settlement and the
5 Final Order and Judgment of final approval. Class Members will not release the
6 Released Claims or Released PAGA Claims until both the Effective Date of the
7 Settlement has occurred, and Defendant has paid all amounts owing under the
8 Settlement.

9 (c) **Claims Released by Settlement Class Members.** Each and every Class Member,
10 himself and each of their heirs, assigns and successors, unless he or she has submitted
11 a timely and valid Request for Exclusion (which will not effectuate an opt-out from
12 the release of Released PAGA Claims), hereby releases Releasees from the
13 following claims for the entire Class Period:

- 14 1) any and all claims stated in the Plaintiff's First Amended Complaint, or that
15 could have been stated based on the facts alleged in the First Amended
16 Complaint ("Released Claims"),
- 17 2) Plaintiff releases all claims for statutory penalties that could have been sought
18 by the Labor Commissioner for the violations identified in Plaintiff's pre-filing
19 letter to the LWDA attached as **Exhibit A** upon the Effective Date and full
20 funding of the Gross Settlement amount ("Released PAGA Claims"). To the
21 maximum extent permitted by law, the final judgment entered pursuant to this
22 settlement will bind all those who would be bound by a judgment if the action
23 had been brought by the LWDA, including Plaintiff, the LWDA, and all Class
24 Members employed during the Released PAGA Claims Period, whether
25 requesting exclusion from the Settlement or not, with respect to the recovery of
26 civil penalties under the California Private Attorneys General Act, California
27 Labor Code § 2698, et. seq. only, against the Released Parties. See *Arias v.*
28 *Superior Court* (2009) 46 Cal.4th 986.

1 **DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL**

2 40. The Parties shall submit this Joint Stipulation of Class Action Settlement to the Court in
3 support of Plaintiff's unopposed motion for preliminary approval for determination by the Court as to its
4 fairness, adequacy, and reasonableness. Upon execution of this Joint Stipulation of Class and PAGA
5 Representative Action Settlement, the Parties shall apply to the Court for the entry of an order:

- 6 (a) Scheduling a final approval and fairness hearing on the question of whether the
7 proposed Settlement, including payment of attorney's fees and costs, and the Class
8 Representative's service payment, should be finally approved as fair, reasonable, and
9 adequate as to the members of the Class;
10 (b) Certifying a Class;
11 (c) Approving as to form and content the proposed Notice;
12 (d) Directing the mailing of the Notice;
13 (e) Preliminarily approving the Settlement, including Class and PAGA claims, subject
14 only to the objections of Class Members as to the Class Settlement and final review
15 by the Court;
16 (f) Conditionally appointing Plaintiff and Class Counsel as representatives of the
17 proposed Class Members; and,
18 (g) Appointing Phoenix Class Action Administration Solutions as the Settlement
19 Administrator, and order the Settlement Administrator to issue Notices as
20 outlined above.

21 41. Defendant and its their counsel agree to cooperate to obtain approval of the Settlement,
22 pursuant to the terms set forth herein.

23 **DUTIES OF THE PARTIES FOLLOWING FINAL COURT APPROVAL**

24 42. In conjunction with the hearing of a motion for final approval by the Court of the Settlement
25 provided for in this Joint Stipulation of Settlement, Class Counsel will provide to Defendant's Counsel for
26 review and approval and then submit to the Court a proposed Final Order and judgment containing
27 provisions sufficient to accomplish the following:

- 28 (a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable and

- 1 adequate, and directing consummation of its terms and provisions;
- 2 (b) Approving Class Counsel's application for an award of attorney's fees and costs;
- 3 (c) Approving the Service Payment to the Class Representative;
- 4 (d) Adjudging the Settlement Administrator has fulfilled its initial notice and reporting
- 5 duties under the Settlement.
- 6 (e) Adjudging Plaintiff and Class Counsel may adequately represent the Final
- 7 Settlement Class for the purpose of entering into and implementing the Agreement;
- 8 (f) Entering a final judgment in the action as to all PAGA and Class Claims and related
- 9 issues;
- 10 (g) Adjudging that notwithstanding the submission of a timely request for exclusion,
- 11 Class Members are still bound by the settlement and release of the Released PAGA
- 12 Claims or remedies under the Judgment pursuant to *Arias v. Superior Court*, 46 Cal.
- 13 4th 969 (2009), as requests to be excluded from the Settlement do not apply to the
- 14 Released PAGA Claims, and further affirms that the State's claims for civil penalties
- 15 pursuant to PAGA are also extinguished;
- 16 (h) Directing the posting of the settlement documents provided in Paragraph 30 and final
- 17 judgment on a website maintained by the Settlement Administrator for a period of
- 18 not less than 90 calendar days after entry of final judgment.

19 Any revised final judgments will also be provided to Defendant's Counsel for review and approval before

20 they are submitted to the Court.

21 **NULLIFICATION AND TERMINATION**

22 43. This Settlement will be null and void if any of the following occur: (a) the Court should for

23 any reason fail to certify a class for settlement purposes; (b) the Court should for any reason fail to

24 preliminarily or finally approve of this Settlement in the form agreed to by the Parties, other than adjustments

25 made to the attorney's fees and costs or granting of Service Payment or settlement money distribution terms;

26 (c) the Court should for any reason fail to issue its Final Order or enter the final judgment; (d) the Final

27 Order or final judgment is reversed, modified, or declared or rendered void; or (e) the Settlement does not

28 become final for any other reason.

1 44. If 30% or more of the Class Members opt out of this Settlement, then Defendant in its sole
2 discretion may terminate, nullify and void this Settlement. The Settlement Administrator shall provide
3 Defendant's Counsel with the information necessary to effectuate this provision on a regular basis, but no
4 less frequently than on a monthly basis. To terminate this Settlement under this paragraph, Defendant's
5 Counsel must give Plaintiff's Counsel written notice, by facsimile, e-mail, or mail, no later than fifteen (15)
6 days prior to the date of the Final Approval Hearing. If this option is exercised by Defendant, Defendant
7 shall be solely responsible for the costs incurred by the Settlement Administrator for the settlement
8 administration.

9 45. In the event this Settlement is nullified or terminated as provided above: (i) this Settlement
10 shall be considered null and void, (ii) neither this Settlement nor any of the related negotiations or
11 proceedings shall have any force or effect and no party shall be bound by any of its terms, and (iii) all Parties
12 to this Settlement shall stand in the same position, without prejudice, as if the Settlement had been neither
13 entered into nor filed with the Court.

14 **PARTIES' AUTHORITY**

15 46. The signatories hereto hereby represent that they are fully authorized to enter into this
16 Settlement and bind the Parties hereto to the terms and conditions thereof.

17 **MUTUAL FULL COOPERATION**

18 47. The Parties agree to fully cooperate with each other to accomplish the terms of this
19 Settlement including, but not limited to, execution of such documents and taking such other action as
20 reasonably may be necessary to implement the terms of this Settlement. The Parties to this Settlement shall
21 use their best efforts, including all efforts contemplated by this Settlement and any other efforts that may
22 become necessary by order of the Court, or otherwise, to effectuate this Settlement and the terms set forth
23 herein. As soon as practicable after execution of this Settlement, Class Counsel shall, with the assistance
24 and cooperation of Defendant and Defendant's Counsel, take all necessary steps to secure the Court's
25 preliminary and final approval of this Settlement.

26 **NO PRIOR ASSIGNMENTS**

27 48. The Parties and their respective counsel represent, covenant, and warrant that they have not
28 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any

1 person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released
2 and discharged except as set forth herein.

3 NO ADMISSION OF LIABILITY

4 49. Nothing contained herein, nor the consummation of this Settlement, is to be construed or
5 deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant.
6 Defendant denies all the claims and contentions alleged by the Plaintiff in this case. The Defendant has
7 entered into this Settlement solely with the intention to avoid further disputes and litigation with the attendant
8 inconvenience and expenses.

9 ENFORCEMENT ACTIONS

10 50. The Parties agree that following entry of the Final Approval Order and Judgment, this
11 Agreement shall be enforceable by the Court and the Court shall retain exclusive and continuing jurisdiction
12 of the Action over all parties and the Class Members to interpret and enforce the terms, conditions, and
13 obligations of the Agreement pursuant to California Code of Civil Procedure section 664.6. In the event that
14 one or more of the Parties to this Settlement institutes any legal action or other proceeding against any other
15 party or parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this
16 Settlement, the successful party or parties shall be entitled to recover from the unsuccessful party or parties
17 reasonable attorney's fees and costs, including expert witness fees incurred in connection with any
18 enforcement actions.

19 NOTICES

20 51. Unless otherwise specifically provided herein, all notices, demands or other communications
21 given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day
22 after mailing by United States registered or certified mail, return receipt requested, addressed as follows:

23 Class Counsel:

24 Lilit Tunyan
25 ltunyan@tunyanlaw.com
26 Artur Tunyan
27 atunyan@tunvanlaw.com
28 **TUNYAN LAW, APC**
535 N. Brand Blvd., Suite 285
Glendale, California 91203
Telephone: (323) 410-5050

Counsel for Defendant:

Matthew Kraus
mkraus@lc-lawyers.com
Nickolaus Buchholz
nbuchholz@lc-lawyers.com
LESTER, CANTRELL & KRAUS,
LLP
1770 Iowa Avenue, Suite 110
Riverside, California 92507

Telephone: (951) 300-2690
Facsimile: (951) 300-2694

CONSTRUCTION

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

CAPTIONS AND INTERPRETATIONS

53. Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement or any provision hereof. Each term of this Settlement is contractual and not merely a recital.

MODIFICATION

54. This Settlement may not be changed, altered, or modified, except in writing and signed by the Parties hereto, and approved by the Court. This Settlement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

INTEGRATION CLAUSE

55. This Settlement contains the entire agreement between the Parties relating to the Settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a party or such party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

WAIVER OF APPEALS

56. The Parties agree to waive appeals and to stipulate to class certification for purposes of implementing this Settlement only, with the exception that Class Counsel retains the right to appeal the amount awarded as attorney's fees, and the Final Order may be appealed if materially different from the proposed final order submitted by the Parties.

BINDING ON ASSIGNS

57. This Settlement shall be binding upon and inure to the benefit of the Parties hereto and their

1 respective heirs, trustees, executors, administrators, successors and assigns.

2 **CLASS COUNSEL SIGNATORIES**

3 58. It is agreed that because the members of the Class are so numerous, it is impossible or
4 impractical to have each member of the Class execute this Settlement. The Notice will advise all Class
5 Members of the binding nature of the Released Claims and Released PAGA Claims, and the release shall
6 have the same force and effect as if this Settlement were executed by each member of the Class.

7 **COUNTERPARTS**

8 59. This Settlement may be executed in counterparts and by electronic or facsimile signatures,
9 and when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed
10 an original, and, when taken together with other signed counterparts, shall constitute one Settlement, which
11 shall be binding upon and effective as to all Parties.

12 **CONFIDENTIALITY & PUBLIC COMMENT**

13 60. The Class Representative and Class Counsel shall only disclose matters of public record
14 other than to Class Members, who may receive information about the Settlement that is not in the public
15 record after the Court has preliminarily approved the Settlement. Other than as to Class Members who are
16 allowed to discuss the terms or the fact of the settlement with their immediate family members, their
17 respective accountants or lawyers as necessary for tax purposes; or other Class Members, the Parties and
18 attorneys will keep the settlement confidential until the filing of the motion for preliminary approval of the
19 class settlement. Thereafter, the Parties agree to make no comments to the media or otherwise publicize the
20 terms of the Settlement, other than in court filings.

21 **FINAL JUDGMENT**

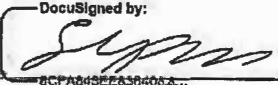
22 61. The Parties agree that, upon final approval of the Settlement, final judgment of this Action
23 will be made and entered in its entirety. The final judgment may be included in the Order granting Final
24 Approval of the Settlement.

25 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint
26 Stipulation of Class Action Settlement between Plaintiff and Defendant as set forth below:

27 IT IS SO STIPULATED.

28 **Plaintiff & Class Representative:**

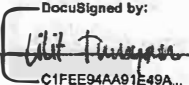
1 Dated: 5/17/2024 | 9:43 AM PDT

DocuSigned by:
By: 
SEAN W POWERS

2 **Plaintiff's Counsel:**

3 Dated: 5/17/2024 | 9:44 AM PDT

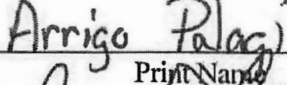
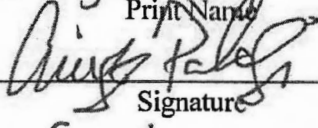
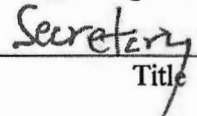
TUNYAN LAW, APC

DocuSigned by:
By: 
Lilit Tunyan
Artur Tunyan
Attorneys for Plaintiff SEAN W POWERS

7 **Defendant:**

8 Dated: 5/17/2024

MARIO'S PLACE, INC.

By: 
Print Name

Signature

Title

14 **Defendant's Counsel:**

15 Dated: 5/17/2024

LESTER, CANTRELL & KRAUS, LLP

By: 
Matthew Kraus
Nickolaus Buchholz
Attorneys for Defendant
MARIO'S PLACE, INC.

Exhibit “A”



Lilit Tunyan, Esq.
1336 Rossmoyne Avenue,
Glendale, CA 91207
Tel: (323) 410-5050
ltunyan@tunyanlaw.com

April 3, 2023

VIA ONLINE SUBMISSION

Labor & Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
PAGAFilings@dir.ca.gov

VIA CERTIFIED MAIL

Return Receipt Requested
Agent for Service of Process for
Mario's Place, Inc.
Arrigo R Palagi
6949 Valencia Street
Riverside, CA 92504

VIA CERTIFIED MAIL

Return Receipt Requested
Mario's Place, Inc.
3646 Mission Inn Avenue
Riverside, CA 92501

**NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO
LABOR CODE SECTION § 2698 ET SEQ.**

Re: *Sean W Powers v. Mario's Place, Inc.*

To Whom It May Concern:

Please be advised that my office has been retained by Sean W Powers ("Plaintiff") to pursue a Labor Code Private Attorney General Act (PAGA) representative action (Cal. Lab. Code §§ 2699, *et seq.*) against his former employer Mario's Place, Inc. ("Defendant"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which Plaintiff alleges Defendant engaged in with respect to Plaintiff and all of Defendant's aggrieved employees.

Plaintiff wishes to pursue a PAGA representative action on behalf of himself as an aggrieved employee, on behalf of the State of California, and on behalf of all other current and former aggrieved employees who worked for Defendant in California as an hourly paid, non-exempt employee at any time within the applicable statutory period (hereafter, the “Aggrieved Employees”).

Plaintiff and the Aggrieved Employees of Defendant suffered the Labor Code violations described below.

Factual Background Regarding Plaintiff's Employment with Defendant

Defendant owns and operates an industry, business, and establishment within the State of California, including Riverside County. As such, Defendant is subject to the California Labor Code and the Wage Orders issued by the Industrial Welfare Commission (“IWC”).

Plaintiff worked for Defendant as a bartender and server from approximately August 2021 to April 9, 2022, primarily in Riverside County. Defendant classified Plaintiff as non-exempt from overtime. During the time period that Plaintiff was employed by Defendant, Plaintiff typically worked 5 days per week, and over 8 hours each workday.

Throughout Plaintiff's employment, Defendant committed numerous labor code violations under state law. As discussed below, Plaintiff's experience working for Defendant was typical and illustrative.

Failure to Pay for All Hours Worked, Including Minimum Wage and Overtime

Under California law, an employer must pay for all hours worked by an employee. “Hours worked” is the time during which an employee is subject to the control of an employer and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In addition, Labor Code § 510 provides that employees in California shall not be employed more than eight (8) hours in any workday or forty (40) hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

Labor Code §1194, subdivision (a) provides that notwithstanding any agreement to work for a lesser wage, any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney's fees, and costs of suit. Further, pursuant to Labor Code §1197, payment of less than the minimum wage fixed by the Labor Commission is unlawful.

Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their

regular wages in amounts specified by law. Additionally, Labor Code § 1198 states that the employment of an employee for longer hours than those fixed by the Industrial Welfare Commission is unlawful.

Pursuant to Industrial Welfare Commission Order N 5-2001 Section 5 (a) each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay, which shall not be less than the minimum wage. Reporting time pay constitutes wages. *Murphy v. Kenneth Cole Productions, Inc.* (2007) 40 Cal. 4th 1094. In addition, failure to pay all reporting time pay due at the time of employment termination may be the basis for waiting time penalties pursuant to Labor Code § 203.

An employee's regular rate of pay is properly determined by "dividing his total remuneration for employment (except statutory exclusions) in any work week by the total number of hours actually worked by him in that workweek for which such compensation was paid." *Huntington Memorial Hosp. v. Superior Court* (2005) 131 Cal.App.4th 893, 905.) Thus, employees "who receive incentive bonuses in addition to their guaranteed base pay clearly receive a greater regular rate than the minimum base rate." *Id.* quoting *Walling v. Hamischfeger Corp.* 325 U.S. 427.431 (1945).

Throughout the time period involved in this case, Defendant maintained a policy and practice of failing to pay Plaintiff and the Aggrieved Employees for all hours worked, including minimum wages, straight time wages and overtime wages. Defendant failed to pay Plaintiff and the Aggrieved Employees the minimum wage fixed by the Labor Commission. For example, Defendant employed more than 26 employees in 2022, but paid \$14 per hour in 2022 instead of \$15 per hour as provided in the Labor Commissioner's Industrial Wage Order. Throughout the statutory period, Defendant also maintained a policy and practice of requiring Plaintiff and the Aggrieved Employees to report for work but has not put them to work. They were required to return home immediately upon arrival at work. This happened at least once every two weeks. In those occasions Defendant failed to pay Plaintiff and the Aggrieved Employees the reporting time pay of half the usual scheduled day of work or at least two hours. Throughout the statutory period Defendant also required Plaintiff and the Aggrieved Employees to report to work and to wait about 2-3 hours in the immediate area of the jobsite until confirmed by Defendant whether they would be put to work. Defendant failed to pay Plaintiff and the Aggrieved Employees for that standby on-call time. Throughout the statutory period Defendant also combined voluntary cash tips received by employees with the mandatory service charges made by Defendant's customers in their wage statements. Defendant distributed the portion of mandatory service charges/mandatory tips paid by Defendant's customers to Plaintiff and the Aggrieved Employees as additional non-discretionary remuneration in addition to voluntary cash tips paid by Defendant's customers. However, Defendant has not disaggregated the mandatory and voluntary tips and has not compensated Plaintiff and the Aggrieved Employees at the proper overtime rate.

Defendant has not included the mandatory service charges/tips paid to the Aggrieved Employees in the regular rate of pay for purposes of calculating Plaintiff's and the Aggrieved Employees' overtime rate of pay. In maintaining a practice of not paying all wages owed, Defendant failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked. In doing so, Defendant also failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including overtime.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s). Pursuant to the Wage Order 5-2001, subdivision 7(A) "(A) Every employer shall keep accurate information with respect to each employee including the following: . . . (3) Time records showing when the employee begins and ends each work period. Meal periods, split shift intervals and total daily hours worked shall also be recorded." However, Defendant failed to record employee's meal periods in violation of the Wage order requirements.

Here, Defendant failed to keep a record of meal periods and failed to provide Plaintiff and the Aggrieved Employees with legally compliant meal periods. Plaintiff and the Aggrieved Employees were not required to clock in and out for meal periods or otherwise record meal periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, continuous and uninterrupted, duty-free meal period for every five hours of work, or without compensating Plaintiff and the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Defendant did not adequately inform Plaintiff and the Aggrieved Employees of their right to take a meal period by the end of the fifth hour of work, or, for shifts greater than 10 hours, by the end of the tenth hour of work. Moreover, Defendant did not have adequate written policies or practices providing meal periods for Plaintiff and the Aggrieved Employees, nor did Defendant have adequate policies or practices regarding the timing of meal periods. Defendant also failed to provide second meal periods when Plaintiff and the Aggrieved Employees worked more than 10 hours during one shift. Plaintiff and the Aggrieved Employees have never been authorized or taken their first, second or third meal periods, and Defendant failed to keep a record of meal periods. Accordingly, Defendant's policy and practice was to not provide meal periods to Plaintiff and the Aggrieved Employees in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not provided with all required meal period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for meal periods and that were not provided.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers are required by California law to authorize and permit breaks of 10 uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than two hours). Thus, for example, if an employee's work time is 6 hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws.

Defendant, however, wrongfully failed to authorize and permit Plaintiff and the Aggrieved Employees to take timely and duty-free rest periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendant authorizing and permitting them to take a 10 minute, continuous and uninterrupted, rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiff and the Aggrieved Employees for rest periods that were not authorized or permitted. Defendant did not adequately inform Plaintiff and the Aggrieved Employees of their right to take a rest period. Moreover, Defendant did not have adequate policies or practices permitting or authorizing rest periods for Plaintiff and the Aggrieved Employees, nor did Defendant have adequate policies or practices regarding the timing of rest periods. Defendant did not schedule rest periods every 4 hours or a major fraction. Plaintiff and the Aggrieved Employees have never been authorized and taken first, second, third or fourth rest breaks. Accordingly, Defendant's policy and practice was for Plaintiff and the Aggrieved Employees to work through rest periods and to not authorize or permit them to take any rest periods.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for rest periods and that they were not authorized and permitted to take.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Maintain Accurate Records of Hours Worked

Plaintiff seeks penalties under Labor Code § 1174(d). Pursuant to Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

Defendant, however, failed to maintain accurate records of hours worked and all meal periods taken or missed by Plaintiff and the Aggrieved Employees. Defendant has never recorded meal periods.

Defendant's failure to provide and maintain records required by the Labor Code IWC Wage Orders deprived Plaintiff and the Aggrieved Employees the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Defendant's records. Therefore, Plaintiff and the Aggrieved Employees had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Defendant. As a direct result, Plaintiff and the Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorney's fees in seeking to compel Defendant to fully perform its obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Defendant's knowing failure to comply with the Labor Code and applicable IWC Wage Orders, Plaintiff and the Aggrieved Employees have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 1174.5 for failing to maintain accurate records of hours worked and meal periods.

Failure to Reimburse and Indemnify Expenses

California Labor Code § 2802 requires employers to reimburse employees for their necessary expenditures and losses incurred in direct consequence of the discharge of their duties or of their obedience to directions of the employer.

Throughout the statutory period, Defendant wrongfully required Plaintiff and the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Defendant without reimbursement including for using their personal cell phones for work and for purchasing masks. Plaintiff and the Aggrieved Employees incurred these expenses as a direct result of performing their job duties for Defendant, and Defendant have failed to indemnify Plaintiff and the Aggrieved Employees for these employment-related expenses.

Failure to Timely Pay All Wages at Termination

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

Within the applicable statute of limitations, the employment of Plaintiff and many other Aggrieved Employees ended, i.e. was terminated by quitting or discharge, and the employment of others will be. However, during the relevant time period, Defendant failed, and continues to fail to pay Plaintiff and terminated Aggrieved Employees, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Defendant's employ. These unpaid wages include wages for unpaid work time (including minimum, straight time and overtime wages), missed meal periods, and missed rest periods.

Additionally, Plaintiff resigned on April 9, 2022. However, he received his last paychecks via direct deposit on April 22, 2022 and May 6, 2022.

Defendant's conduct violates Labor Code §§ 201 and 202. Labor Code § 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate until paid or until an action is commenced; but the wages shall not continue for more than thirty (30) days.

Accordingly, Plaintiff and the Aggrieved Employees are entitled to recover from Defendant their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to 30 days maximum pursuant to Labor Code § 203.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (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 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. An employee is presumed to suffer an injury if this information is missing. Lab. Code § 226(e)(2)(B)(iii).

The statute further provides: “An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorney’s fees.” Lab. Code § 226(e)(1).

Defendant intentionally and willfully failed to provide employees with complete and accurate wage statements. The deficiencies include, among other things, the failure to correctly identify hourly rates, the failure to correctly list gross wages earned, and the failure to list the true net wages earned, including wages for meal periods that were not provided in accordance with California law, wages for rest periods that were not authorized and permitted to take in accordance with California law, and correct wages earned for all hours worked.

As a result of Defendant violating Labor Code § 226, Plaintiff and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights.

Accordingly, Plaintiff and similarly Aggrieved Employees are entitled to recover from Defendant the greater of their actual damages caused by Defendant’ failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding \$4,000 dollars per employee.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 226.3 for failing to furnish accurate itemized wage statements.

Failure to Pay All Earned Wages Twice Per Month

Based on its failure to pay Plaintiff and the Aggrieved Employees for all wages as discussed above, Defendants also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month on days designated in advance by the employer as the regular paydays. Labor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and the 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive, of any calendar month, shall be paid for between the 1st and 10th day of the following month. Lab. Code § 204(a). The requirements of this section shall be deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the

wages are paid not more than seven calendar days following the close of the payroll period. Lab. Code § 204(d).

Throughout the statute of limitations period applicable to this cause of action, employees were also entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for hours worked. However, during all such times, Defendant systematically failed and refused to pay the employees all wages due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendant, all wages for all rest periods not authorized and permitted by Defendant, and all wages for all hours worked. As a result, Defendant owe employees the legally required wages for unpaid wages, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Failure to Provide One Day of Rest in Seven

Labor Code § 551 provides that every person employed in any occupation of labor is entitled to one day's rest in seven. Additionally, Labor Code § 552 prohibits employers from requiring employees to work more than six consecutive days without a day of rest. Sometimes Defendant scheduled Plaintiff and the Aggrieved Employees to work six (6) or more hours per day and more than seven (7) consecutive days in a workweek in violation of Labor Code requirements.

Failure to Provide Paid Sick Leave and Written Notice of Available Paid Sick Leave

Labor Code § 246 (a) an employee who, on or after July 1, 2015, works in California for the same employer for 30 or more days within a year from the commencement of employment is entitled to paid sick days.

Labor Code § 246 (i) requires employers to provide an employee with written notice that sets forth the amount of paid sick leave available.

During the statutory period, Defendant maintained a policy and practice of failing to provide Plaintiff and the Aggrieved Employees with the paid sick leave as well as to provide a written notice of accrued paid sick leave. On information and belief, Defendant's failure to provide an employee with written notice that sets forth the amount of paid sick leave available was not a single, isolated incident, but was instead part of Defendant's policy and practice that applied to the Aggrieved Employees.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to provide any information on accrued sick leave.

Failure to Provide Suitable Seats

Pursuant to Industrial Welfare Commission Order N 5-2001 Section 14(a) all working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats. IWC Section 14(B) states that when employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work areas and employees shall be permitted to use such seats when it does not interfere with the performance of their duties.

However, Defendant failed to provide Plaintiff and the Aggrieved Employees with suitable seats.

Action for Civil Penalties Under PAGA

In light of the above, Plaintiff alleges that Defendant violated the following provisions of the Labor Code with respect to the Aggrieved Employees:

1. Labor Code § 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages and overtime wages;
2. Labor Code § 226.7, 512 and applicable Wage Orders by failing to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing to authorize and permit rest periods;
4. Labor Code § 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;
5. Labor Code § 2802 by failing to reimburse and indemnify employees for expenses and losses in the direct consequence and discharge of their duties;
6. Labor Code §§ 201 to 203 by willfully failing to pay all wages owed at termination;
7. Labor Code § 226 by failing to provide accurate itemized wage statements;
8. Labor Code § 204 by failing to pay all earned wages two times per month;
9. Labor Code § 551 by failing to provide one day of rest in seven;
10. Labor Code § 246 for failure to provide paid sick leave and written notice of paid sick leave.

Therefore, on behalf of all Aggrieved Employees, Plaintiff seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 558, 1174.5, 1197.1, 2802, and 2699(f)(2).

Plaintiff has placed Defendant on notice by mailing a certified copy of this correspondence to its corporate address and address of the agent for service, as indicated on the first page.

The facts and claims contained herein are based on the information available at the time of this writing. Therefore, if through discovery and/or expert review, Plaintiff becomes aware of additional compensation owed or losses incurred by Plaintiff or by any other aggrieved employee of Defendant or any additional facts, Plaintiff expressly reserves the right to revise these facts and/or add any new claims by amending the claim letter or by adding applicable causes of action to the complaint which will relate back to the date of this letter.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Tunyan", with a stylized flourish at the end.

Lilit Tunyan, Esq.
Partner
TUNYAN LAW, APC

Exhibit “B”

NOTICE OF PROPOSED CLASS AND PAGA REPRESENTATIVE ACTION SETTLEMENT

Powers v. Mario's Place Inc.

Riverside County Superior Court Case No. CVRI2301652

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

IF YOU ARE OR WERE A NON-EXEMPT EMPLOYEE OF MARIO'S PLACE, INC. ("DEFENDANT") WHO WORKED IN CALIFORNIA AT ANY TIME BETWEEN APRIL 3, 2019 AND ----- (THE "CLASS PERIOD"), THIS PROPOSED CLASS AND PAGA REPRESENTATIVE ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS.

Why should you read this Notice?

A proposed settlement (the "Settlement") has been reached in a class and PAGA action lawsuit entitled *Powers v. Mario's Place Inc.*, Riverside County Superior Court Case No. CVRI2301652 (the "Action"). The purpose of this Notice of Proposed Class and Private Attorneys General Act of 2004 ("PAGA") Representative Action Settlement ("Notice") is to briefly describe the Action and to inform you of your rights and options in connection with the Action and the proposed Settlement. The proposed Settlement will resolve all claims in the Complaint.

YOUR ESTIMATED PAYMENT FROM THIS SETTLEMENT: Your estimated Individual Settlement Payment is <<Estimated Payment>>, which includes your payment from the Class settlement in the estimated amount of <<Estimated Individual Settlement Class Payment>> and, because you [ARE/ARE NOT] also a member of the PAGA Employee group, your payment from the PAGA settlement in the estimated amount of <<Estimated Individual PAGA Settlement Payment>>.

A hearing concerning final approval of the proposed Settlement will be held before Hon. Harold W. Hopp, on <<FA DATE>>, at <<FA TIME>>, in Department 1 of the Riverside County Superior Court, 450 Main Street, Riverside, CA 92501, to determine whether the Settlement is fair, adequate and reasonable. As a Settlement Class Member, you are eligible to receive an individual Settlement Payment under the Settlement and will be bound by the release of claims described in this Notice and the Settlement Agreement filed with the Court, unless you timely request to be excluded from the Settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING – GET MONEY	If you do nothing, you will be considered a "Settlement Class Member" in the Settlement and will receive settlement benefits as explained more fully below. You will also give up rights to pursue a separate legal action against Defendant for the Released Claims asserted in the Action as explained more fully below.
EXCLUDE YOURSELF FROM THE SETTLEMENT. DEADLINE TO EXCLUDE YOURSELF: <<RESPONSE DEADLINE>>	You have the option to pursue separate legal action against Defendant about the claims in the Action. If you choose to do so, you must exclude yourself, in writing, from the Settlement by completing and submitting the included request to be excluded ("Request for Exclusion Form"). As a result, you will not receive any benefits under the Settlement (other than based on the PAGA Claim). Request for Exclusion forms must be submitted by <<RESPONSE DEADLINE>>.
OBJECT TO THE SETTLEMENT. DEADLINE TO SUBMIT WRITTEN OBJECTIONS: <<RESPONSE DEADLINE>>	To object to the Settlement, you may mail a written explanation of why you don't like the Settlement to the Settlement Administrator by completing and submitting the objection form ("Objection Form"), appear at the Final Approval Hearing, or hire an attorney at your expense to object for you. This option is available only if you do not exclude yourself from the Settlement. Do not submit a Request for Exclusion form if you wish to object. Written objections must be submitted by <<RESPONSE DEADLINE>>.

Who is affected by this proposed Settlement?

The Court has certified, for settlement purposes only, the following class (the "Class"):

All non-exempt employees of Defendant who worked in California during the Class Period. The "Class Period" is April 3, 2019 through -----.

All Class Members that worked at any time during the PAGA Period (the "PAGA Period" is April 3, 2022 through May 12, 2024.) are "aggrieved employees" as defined pursuant to PAGA ("PAGA Employees").

According to Defendant's records, you are a member of the Class ("Class Member"). PAGA Employees will automatically receive their *pro rata* share of the \$3,750 allocated from the PAGA Allocation to PAGA Employees, cannot opt-out of the release of PAGA Claims, and will be bound by the release of the PAGA Claims even if they opt-out of the Settlement. Defendant's records indicate you [ARE/ARE NOT] also a PAGA Employee who worked in the State of California at any time during the PAGA Period of April 3, 2022 through - -----.

What is this case about?

In the Action, Plaintiff Sean W. Powers ("Plaintiff") alleges on behalf of himself and the Class that Defendant: (1) failed to pay all wages; (2) failed to provide meal periods; (3) failed to authorize and permit rest periods; (4) failed to timely pay all wages at termination; (5) failed to furnish accurate itemized wage statements; (6) violated California's Unfair Competition Law, California Business and Professions Code § 17200 *et seq.*; and (7) violated provisions of the Labor Code giving rise to civil penalties under the Labor Code Private Attorneys General Act of 2004 [Lab. Code § 2699, *et seq.*] ("PAGA"). Plaintiff seeks among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys' fees and costs.

Labor Code Private Attorneys General Act of 2004 [Lab. Code § 2699, *et seq.*] ("PAGA") claim alleged by Plaintiff allows employees to file a representative action on behalf of themselves, all other aggrieved employees, and the State of California for alleged Labor Code violations to recover civil penalties for the same Labor Code violations (not actual wage damages but civil penalties for California Labor Code violations which could have been sought by the State of California).

Defendant denies all liability and is confident that it has strong legal and factual defenses to these claims, but it recognizes the risks, distractions, and costs associated with litigation. Defendant contends that its conduct is and has been lawful at all times relevant and that Plaintiff's claims do not meet the requirements for class certification.

This Settlement is a compromise reached after good faith, arm's length negotiations between Plaintiff and Defendant (the "Parties"), through their attorneys, and is not an admission of liability on the part of Defendant. Both sides agree that this Settlement is fair, adequate and reasonable. Plaintiff also believes this Settlement is in the best interests of all Class Members.

The Court has not ruled on the merits of Plaintiffs' claims or Defendant's defenses. The Court has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable, and that any final determination of those issues will be made at the final hearing.

Who are the attorneys representing the Parties?

The attorneys representing the Parties in the Action are:

Class Counsel

Lilit Tunyan

ltunyan@tunyanlaw.com

Artur Tunyan

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**LESTER, CANTRELL & KRAUS,
LLP**

1770 Iowa Avenue, Suite 110

Riverside, California 92507

Telephone: (951) 300-2690

Facsimile: (951) 300-2694

What are the Settlement terms?

Subject to final Court approval, Defendant will pay \$201,000.00 (the "Gross Settlement Amount") for: (a) Individual Settlement Payments to Settlement Class Members; (b) the Court-approved Class Representative Service Payment to Plaintiff (\$7,500.00); (c) the Court-approved attorneys' fees and costs to Class Counsel ("Class Counsel's Fees and Expenses") (\$67,000.00 in fees and up to \$20,000.00 in costs to be requested); (d) payment to the Labor and Workforce Development Agency ("LWDA") for alleged PAGA penalties (the "PAGA Penalty Payment") (\$15,000.00 allocated to the PAGA settlement); and (e) payment to the Settlement Administrator for settlement administration services ("Administrative Expenses") (estimated to be no more than \$8,576.10).

Individual Settlement Payments. Class Members who do not timely and properly request to be excluded from the Settlement (the "Settlement Class Members") will receive a share of the Net Settlement Amount, and Class Members who are also PAGA Employees will receive a share of the \$3,750.00 from the PAGA Settlement allocated to PAGA Employees (the "PAGA Settlement Payment"), regardless of whether the request exclusion from the Settlement (the total payment to a Class Member is their "Individual Settlement Payment").

The "Net Settlement Amount" will be calculated by deducting from the Gross Settlement Amount the Class Counsel's Fees and Expenses, the Class Representative Service Payment, the PAGA Penalty Payment, and the Administrative Expenses. Payments by Defendant from the Net Settlement Amount will be included in the Settlement Payments to each Settlement Class Member (the "Settlement Class Payments") and each PAGA Employee (the "PAGA Settlement Payments").

The Settlement Class Payment shall be divided among all Settlement Class Members on a *pro rata* basis based upon the total number of work weeks worked by each Settlement Class Member during the Class Period. The portion of the Net Settlement Amount paid to a Settlement Class Member = Net Settlement Amount (minus \$3,750.00 set aside for all PAGA Settlement Payment) $\times$ the work weeks worked by a Settlement Class Member $\div$ the work weeks worked by all Settlement Class Members.

The PAGA Settlement Payment shall be divided among all PAGA Employees on a *pro rata* basis based upon the total number of pay periods worked by each PAGA Employee during the PAGA Period. The portion of the PAGA Settlement Payment paid to a PAGA Employee = \$3,750.00 $\times$ the pay periods worked by a PAGA Employee (during the PAGA Period) $\div$ the pay periods worked by all PAGA Employees (during the PAGA Period).

The estimated average Settlement Share is approximately: \$[estimated average Settlement Share]
The estimated highest Settlement Share is approximately: \$[estimated average Settlement Share]
The estimated lowest Settlement Share is approximately: \$[estimated average Settlement Share]

According to Defendant's records:

- From April 3, 2019 to ----- (i.e., the Class Period), you are credited as having worked [] Workweeks.
- From April 3, 2022 to ----- (i.e., the PAGA Period), you are credited as having worked [] Pay Periods.

If you wish to dispute the Workweeks credited to you, you must submit a written letter ("Workweeks Dispute"), which must: (a) contain your full name, current address, current telephone number, last four digits of your Social Security number or employee ID number, and signature; (b) contain the case name and number of the Action (*Powers v. Mario's Place Inc.*, Case No. CVRI2301652); (c) contain a clear statement explaining the basis for your dispute; (d) attach any documentation that you have to support the dispute; and (e) be mailed or delivered to the Settlement Administrator, postmarked or delivered on or before [Response Deadline] at:

You must produce documentary evidence supporting your contention. Defendant's records will be presumed correct unless you prove otherwise by credible evidence. The Settlement Administrator and the Parties will

attempt to resolve all work week disputes with you informally. If they cannot resolve your work week dispute with you informally, the dispute will be submitted by the Parties to the Court for final resolution.

Settlement Share and Individual PAGA Payment is based on the number of Workweeks credited to you.

Under the terms of the Settlement, your Settlement Share is estimated to be \$ _____. The Settlement Share is subject to reduction for the employees share of taxes and withholdings with respect to the wages portion of the Settlement Share.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ _____.

The settlement approval process may take multiple months. Your Settlement Share and Individual PAGA Payment (if applicable) reflected in this Notice is only an estimate. Your actual Settlement Share and Individual PAGA Payment (if applicable) may be higher or lower. Payments will be distributed only after the Court grants final approval of the Settlement, and after the Settlement goes into effect.

For tax reporting purposes, the payments to Class Members will be allocated 20% as wages, 40% as penalties and 40% as interest. All PAGA Settlement Payments will be allocated as 100% penalties. The wage portion of the Individual Settlement Payments shall be subject to the withholding of applicable local, state, and federal taxes, and the Settlement Administrator shall deduct applicable employee-side payroll taxes from the wage portion of the Individual Settlement Payments. The portion of the Individual Settlement Payments allocated as civil penalties and interest shall be classified as other miscellaneous income and reported on IRS Form 1099-MISC if required by governing tax laws. Any taxes owed on that other miscellaneous income will be the responsibility of Class Members receiving those payments. The employer's share of any payroll taxes will be separately paid by Defendant.

All checks for Individual Settlement Payments paid to Class Members will remain valid and negotiable for one hundred eighty (180) days from the date of the checks' issuance and shall thereafter automatically be void if not claimed or negotiated by a Class Member within that time. Any Individual Settlement Payment that is not claimed or negotiated by a Class Member within one hundred eighty (180) days of issuance shall be distributed to those class members who have cashed their checks. In such event, the Settlement Class Members and PAGA Employees shall nevertheless remain bound by the Settlement.

The "Effective Date" of the Settlement means the date by when 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 Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur. Defendant will fund the settlement account and distribute the Gross Settlement Amount to the Settlement Administrator within fifteen (15) days of the Effective Date. The Settlement Administrator shall mail the Settlement Payments to the Class Members only AFTER the payment by Defendant of the Gross Settlement Amount.

PLEASE BE PATIENT AND UPDATE THE SETTLEMENT ADMINISTRATOR WITH YOUR NEW ADDRESS IF YOU MOVE AFTER RECEIVING THIS NOTICE OR YOU RECEIVED THIS NOTICE AS FORWARDED MAIL.

None of the Parties or their attorneys make any representations concerning the tax consequences of this Settlement or your participation in it. Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Class Member.

Class Counsel's Fees and Expenses, the Class Representative Service Payment, Administrative Expenses, the PAGA LWDA Payment. Class Counsel will ask the Court to award attorneys' fees up to \$67,000.00 (one third) of the Gross Settlement Amount and reimbursement of reasonable costs incurred in the Action not to exceed \$20,000. In addition, Class Counsel will ask the Court to authorize Class Representative Service Payment made to Plaintiff in the amount of \$7,500.00, for his efforts in bringing the Action on behalf of the Class and for general release of his known and unknown claims in addition to claims released by each class member. The Parties estimate the cost of administering the Settlement will not exceed \$8,576.10. The PAGA Penalty Payment in the amount of \$11,250.00 will also be made to the LWDA for PAGA penalties, which represents 75% of the \$15,000.00 PAGA Allocation.

What claims are being released by the proposed Settlement?

Upon the final approval by the Court of this Settlement and Defendant's payment of all sums due pursuant to this Settlement, and except as to such rights or claims as may be created by this Settlement, the Class Representative, the Class and each Class Member who has not submitted a valid and timely request for exclusion as to claims other than the PAGA claim, will release claims as follows:

(a) **Identity of Released Parties.** The released parties are Defendant and its owners, officers, directors, employees and agents (collectively "Releasees").

(b) **Date Release Becomes Effective.** The Released Claims will be released upon the later of (1) the Settlement's Effective Date, or (2) the satisfaction of Defendant's obligation to provide to the Settlement Administrator a sum in the amount required to satisfy all required payments and distributions pursuant to this Settlement and the Order and Judgment of final approval. Class Members will not release the Released Claims or Released PAGA Claims until both the Effective Date of the Settlement has occurred, and Defendant has paid all amounts owing under the Settlement.

(c) **Claims Released by Settlement Class Members.** Each and every Class Member, on behalf of himself or herself and their successors, assigns, and/or agents, unless he or she has submitted a timely and valid Request for Exclusion (which will not effectuate an opt-out from the release of Released PAGA Claims), hereby releases Releasees from the following claims for the entire Class Period:

1) any and all claims stated in the Plaintiff's First Amended Complaint, or that could have been stated based on the facts alleged in the First Amended Complaint ("Released Claims"),

2) Plaintiff releases all claims for statutory penalties that could have been sought by the Labor Commissioner for the violations identified in Plaintiff's pre-filing letter to the LWDA attached as Exhibit A upon the Effective Date and full funding of the Gross Settlement amount ("Released PAGA Claims"). To the maximum extent permitted by law, the final judgment entered pursuant to this settlement will bind all those who would be bound by a judgment if the action had been brought by the LWDA, including Plaintiff, the LWDA, and all Class Members employed during the Released PAGA Claims Period, whether requesting exclusion from the Settlement or not, with respect to the recovery of civil penalties under the California Private Attorneys General Act, California Labor Code § 2698, et. seq. only, against the Released Parties. See *Arias v. Superior Court* (2009) 46 Cal.4th 986..

No Class Member employed during the Released PAGA Claims Period can request exclusion from the settlement of the PAGA Claim. The PAGA Employees are bound by the release of the PAGA Claims regardless of whether they cash their PAGA Payment Check.

What are my options in this matter?

You have two options under this Settlement, each of which is further discussed below. You may: (A) remain in the Class and receive an Individual Settlement Payment; or (B) exclude yourself from the Settlement. If you choose option (A), you may also object to the Settlement, as explained below.

If you remain in the Class, you will be represented at no cost by Class Counsel. Class Counsel, however, will not represent you for purposes of making objections to the Settlement. If you do not exclude yourself from the Settlement, you will be subject to any Judgment that will be entered in the Action, including the release of the Released Claims as described above.

OPTION A. Remain in the Class. If you wish to remain in the Class and be eligible to receive an Individual Settlement Payment, you do not need to take any action. By remaining in the Class and receiving settlement monies to resolve your class claims, you consent to the release of the Released Claims as described above.

Any amount paid to Settlement Class Members will not count or be counted for determination of eligibility for, or calculation of, any employee benefits (for example, vacations, holiday pay, retirement plans, non-qualified deferred compensation plans, etc.), or otherwise modify any eligibility criteria under any employee pension benefit plan or employee welfare plan sponsored by Defendant, unless otherwise required by law.

Objecting to the Settlement: If you believe the proposed Settlement is not fair, reasonable, or adequate in any way and you have selected to remain in the Class, you can ask the Court to deny approval of the Settlement by submitting an objection. You cannot object to the release of the PAGA Claim or object to the PAGA Settlement

Payment. You cannot ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval, no additional settlement payments will be sent out and the Action will continue. If that is what you want to happen, you must object.

You may object to the Settlement in writing or by appearing at the Final Approval Hearing, either in-person or through your attorney. If you appear through your own attorney, you are responsible for paying that attorney. You may appear and orally object regardless of whether you submitted a written objection. Written objections in the Objection Form should be sent to the Settlement Administrator at _____, _____. If you choose not to submit a written objection using the Objection Form, the written objection in any form should contain sufficient information to confirm your identity and the basis of the objection, including: (1) your full name; (2) the grounds for the objection; (3) your signature; (4) the case and number (*Powers v. Mario's Place Inc.*, Riverside County Superior Court Case No. CVRI2301652); and (5) be postmarked on or before <<RESPONSE DEADLINE>> and submitted to the Settlement Administrator at the address listed above. You can also hire an attorney at your own expense to represent you in your objection. The Parties shall file responses to any written objections before the Final Approval Hearing. Regardless of whether you object in writing, the Court may, in its sole discretion, permit you to state any objections you may have at the Final Approval Hearing. **Even if you submit an objection, you will be bound by the terms of the Settlement, including the release of Released Claims as set forth above, unless the Settlement is not finally approved by the Court.** If you submit a written objection and then request exclusion from, and opt out of, the Class Settlement, you would be deemed to have waived your objection.

If you wish to attend the Final Approval Hearing remotely, you can do so via Zoom link provided on the court's website <https://riverside.courts.ca.gov/general-information/remote-appearances/remote-appearance-meeting-numbers>. If you wish to attend the Final Approval Hearing in person, you can attend it at Riverside County Superior Court, 450 Main Street, Riverside, CA 92501.

Regardless of the form, an objection, alone will not satisfy the requirement that a Class Member must formally intervene and become a party of record in the action to appeal a Judgment entered following an Order finally approving this Settlement, as is required under the California Supreme Court decision of *Hernandez v. Restoration Hardware*, 4 Cal. 5th 260 (2018).

OPTION B. Request to Be Excluded from the Class and Receive No Money from the Class Action Portion of the Settlement (PAGA Employees Still Will Receive Their Share of the PAGA Employee Payment). You may not seek exclusion from the PAGA portion of this Settlement. However, if you do not want to be part of the Class Settlement, you must complete and return the included Request for Exclusion form to the Settlement Administrator at ----- . In order to be valid, your Request for Exclusion form must be signed and include the last four digits of your social security number or Employee ID (to confirm your identity and make certain that only persons requesting exclusion are removed from the settlement). If you do not have a social security number and do not know your Employee ID, please contact the Settlement Administrator to arrange for an alternate method of confirming your identity.

Your Request for Exclusion form (to remove you from the Class Settlement) must postmarked on or before <<RESPONSE DEADLINE>>. If you do not submit a Request for Exclusion form on time (as evidenced by the postmark), your request to be excluded from the Settlement will be rejected, you will be deemed a Settlement Class Member, and you will be bound by the release of Released Claims as described above and all other terms of the Settlement. If you submit a Request for Exclusion form by the deadline to request exclusion, you will have no further role in the Action as it relates to the Class claims. You will not be able to complain to the Court about any aspect of the Class Settlement and any written objection to the Class Settlement would not be considered valid. **You will not be entitled to any benefit, including money,** as a result of the Action and Settlement, except for any payment you may be receive from the PAGA portion of this Settlement.

IMPORTANT: DO NOT SUBMIT A REQUEST FOR EXCLUSION FORM IF YOU WISH TO BE INCLUDED IN THE CLASS SETTLEMENT AND RECEIVE YOUR SHARE OF THE MONEY AVAILABLE TO YOU AS PART OF THE SETTLEMENT.

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

The Court will hold a Final Approval Hearing regarding the fairness, reasonableness and adequacy of the proposed Settlement, the plan of distribution, Class Counsel's Fees and Expenses, the Class Representative Service Payment, the Administrative Expenses, and the PAGA Allocation on **<<FINAL APPROVAL HEARING DATE & TIME>>**, in Department 10 of the Riverside County Superior Court, 450 Main Street, Riverside, CA 92501. As described above, if you wish to attend the Final Approval Hearing remotely, you can do so via Zoom

link provided on the court's website <https://riverside.courts.ca.gov/general-information/remote-appearances/remote-appearance-meeting-numbers>. If you wish to attend the Final Approval Hearing in person, you can attend it at Riverside County Superior Court, 450 Main Street, Riverside, CA 92501. The Final Approval Hearing may be continued without further notice to Class Members. You are not required to attend the Final Approval Hearing to receive an Individual Settlement Payment.

If the Court grants Final Approval of the Settlement, the Order granting Final Approval and entering a Judgment, will be posted on a website by the Settlement Administrator for a period of at least 90 days following the entry of that Order in the Court record. That website is: <<website>>.

How can I get additional information?

This Notice summarizes the Action and the basic terms of the Settlement. More details are in the Joint Stipulation of Class and PAGA Representative Action Settlement attached to the Declaration of Lilit Tunyan in Support of Plaintiff's Motion for Preliminary Approval which was filed with Court on April 22, 2024. The Joint Stipulation of Class and PAGA Representative Action Settlement and all other records relating to the lawsuit are available for inspection and/or copying at the Civil Records Office of the Riverside County Superior Court. Class Members may be required to make an appointment with the Court to view documents. You may also request a copy of the Settlement Agreement from Class Counsel, at the address listed above.

You may also view documents filed in this case, including the complete Settlement, on the Court's website at: <https://epublic-access.riverside.courts.ca.gov/public-portal/?q=user/login&destination=node/379>. You may need the case number to access and view case documents (CVRI2301652) NOTE: If you choose to access documents online, the Court will charge you a fee for access. Class Counsel can provide you with copies of the settlement documents at no charge.

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT].

Exhibit “C”

REQUEST FOR EXCLUSION FORM

**Superior Court of California for the County of Riverside
*Powers v. Mario's Place Inc., Case No. CVRI2301652***

If you want to receive an Individual Settlement Award, you should not fill out this form; you are not required to do anything at this time. This form is to be used only if you want to exclude yourself from the Settlement.

If you exclude yourself from the Settlement: (1) you will not receive any payments or benefits under the Settlement; (2) you will not be able to object to the Settlement; (3) you will not be bound by the class settlement if it is ultimately approved by the Court.

To be excluded from the Settlement, complete this Request for Exclusion Form and mail it to the Settlement Administrator at the address listed below, postmarked no later than [Response Deadline-45 days following the date of mailing].

**[INSERT NAME OF SETTLEMENT
ADMINISTRATOR]
[INSERT INFO]**

Request for Exclusion

I hereby certify that I am or was employed by Defendant as a non-exempt, hourly employee in California for some period of time between April 3, 2019 and -----.

I have received the Notice of Class Action Settlement ("Notice") in the Action, and I request to be excluded from the Settlement. I understand that by submitting this Request for Exclusion Form, I will not be bound by the class settlement, including the release of Released Claims, as described in the Notice and in the Settlement Agreement on file with the Court, and I will not receive a payment from the class settlement. I understand that I cannot exclude myself from the Individual PAGA Settlement Payment and that I will still receive a pro-rata share of the PAGA Settlement Amount and will be bound by the release of the PAGA claims regardless of whether I exclude myself from the Individual Settlement Payment. _____

Full Name: _____

Street Address: _____

City, State, Zip Code: _____

Telephone Number: (____) _____

Last four digits of your SSN: _____

Signature of Class Member (or Legal Representative): _____

Date: _____

Exhibit “D”

OBJECTION FORM

Superior Court of California for the County of Riverside
***Powers v. Mario's Place Inc.*, Case No. CVRI2301652**

USE AND RETURN THIS FORM ONLY IF YOU WISH TO OBJECT TO THE CLASS SETTLEMENT.

If you do not wish to object to the Class Settlement, you should NOT fill out this form. You do not need to take any action. If the proposed settlement receives final approval from the Court, the Settlement Administrator will send you a check by U.S. Mail, at the last address the Settlement Administrator has on file for you.

If you wish to object to the Class Settlement, you must state all factual and legal bases for your objection (space is provided below for doing so), attach any documents you are relying on for your objection, indicate whether you are represented by counsel and, if so, provide their contact information, indicate whether you plan to appear at the Final Approval Hearing, write your name, address, and last four digits of your Social Security number, sign on the following page, and return this form by mail or delivery to the Settlement Administrator, at the following mailing address, postmarked or delivered on or before

[RESPONSE DEADLINE--45 days following the date of mailing].

TBD

[INSERT MAILING ADDRESS]

I wish to object to the Class Settlement on the following grounds:

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

Exhibit “2”

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Attorneys for Defendant MARIO'S PLACE, INC.

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE**

SEAN W POWERS, as an individual and on behalf
of all employees similarly situated,

Plaintiff,

v.

MARIO'S PLACE, INC., a California Corporation;
and DOES 1 through 50, inclusive,

Defendants.

Case No.: CVRI2301652

[Assigned for all purposes to Hon. Harold W.
Hopp, Dept. 10]

**JOINT STIPULATION OF AMENDED
CLASS AND PAGA REPRESENTATIVE
ACTION SETTLEMENT**

Action Filed: April 3, 2023
Trial: Not Set

1 **JOINT STIPULATION OF AMENDED CLASS AND PAGA REPRESENTATIVE ACTION**

2 **SETTLEMENT**

3 This Joint Stipulation of Amended Class and PAGA Representative Action Settlement ("Joint
4 Stipulation of Settlement" or "Settlement" or "Agreement") is made and entered into by and between
5 Plaintiff SEAN W POWERS, individually, and on behalf of all others similarly situated, ("Plaintiff" or
6 "Class Representatives"), and Defendant MARIO'S PLACE, INC. ("Defendant"). Plaintiff and
7 Defendant are collectively referred to herein as "the Parties." It is stipulated and agreed by and among the
8 undersigned Parties, this action shall be, and hereby is, ended, settled, resolved, and concluded by
9 agreement of Defendant to pay the Gross Settlement Amount (defined below) pursuant to the terms and
10 conditions of this Agreement, and subject to the approval of the Court. THE PARTIES STIPULATE
11 AND AGREE as follows:

12 **DEFINITIONS**

- 13 1. "Joint Stipulation of Settlement" or "Settlement" or "Agreement" means this Joint
14 Stipulation of Amended Class and PAGA Representative Action Settlement, including the attached
15 Exhibit(s).
- 16 2. For purposes of this Settlement, "Complaint" refers to the operative complaint, which is the
17 First Amended Complaint.
- 18 3. For purposes of this Settlement, this matter, entitled *Powers v. Mario's Place Inc.*, Case No.
19 CVRI2301652, is referred to herein as the "Action."
- 20 4. For purposes of this Settlement, the "Class Period" is April 3, 2019, through the date the
21 Court grants preliminary approval of this settlement or 60 days from March 12, 2024, whichever is earlier.
- 22 5. For purposes of this Settlement, the "Class" or "Class Members" consist of: All non-exempt
23 employees of Defendant who worked in California during the Class Period. "Settlement Class Members"
24 are those Class Members who do not submit timely exclusion requests to the Settlement Administrator.
25 Defendant's best estimate is that the Class included approximately 200 individuals.
- 26 6. For purposes of this Settlement, "Class Counsel" means TUNYAN LAW, APC.
- 27 7. For purposes of this Settlement, "Covered Workweeks" means the number of weeks a Class
28 Member worked for Defendant locations in California during the Class Period.

1 8. For purposes of this Settlement, “Response Deadline” means forty-five (45) days after the
2 Settlement Administrator initially mails the Notice to Settlement Class Members and the last date on which
3 Settlement Class Members may submit a request for exclusion or written objection to the Settlement. In the
4 case of a re-mailed Notice, the Response Deadline will be the later of forty-five (45) calendar days after
5 initial mailing or 14 calendar days from re-mailing. The Response Deadline may be extended only as
6 expressly described herein.

7 9. For purposes of the Settlement, “Defendant’s Counsel” means LESTER, CANTRELL &
8 KRAUS, LLP.

9 10. For purposes of this Settlement, “PAGA Allocation” means the amount that the Parties have
10 agreed to allocate to resolution of the claim for violation of the Labor Code Private Attorneys General Act
11 of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”). The Parties have agreed that the PAGA Allocation
12 will be \$15,000.00 from the Gross Settlement Amount. Pursuant to PAGA, Seventy Five Percent (75%), or
13 \$11,250.00, of the PAGA Allocation will be paid to the LWDA (“PAGA Penalty Payment”), and Twenty
14 Five Percent (25%), or \$3,750.00, of the PAGA Allocation will be included in the Net Settlement Amount
15 for PAGA Employees (“PAGA Settlement Payment”).

16 11. For purposes of this Settlement, “PAGA Period” means the period between April 3, 2022
17 through the date the Court grants preliminary approval of this settlement or 60 days from March 12, 2024,
18 whichever is earlier.

19 12. For purposes of this Settlement, “PAGA Employee” means all Class Members that worked
20 at any time during the PAGA Period. It is stipulated by the Parties that, for purposes of this Settlement, all
21 PAGA Employees are “aggrieved employees” as defined pursuant to PAGA. PAGA Employees cannot opt
22 out of the settlement of the PAGA claim.

23 13. For purposes of this Settlement, “PAGA Pay Periods” means the number of pay periods each
24 PAGA Employee worked during the PAGA Period.

25 14. For purposes of this Settlement, “PAGA Representatives” means Plaintiff.

26 15. For purposes of this Settlement, “Released PAGA Claims” means all claims asserted
27 through California Labor Code §§ 2698, *et seq.*, that were identified by the PAGA Representatives in the
28 Notice to the LWDA and are alleged in the Complaint. Plaintiff’s Notice to the LWDA is attached hereto

as **Exhibit “A”**.

16. For purposes of this Settlement, “Released PAGA Claims Period” means the period between April 3, 2022 through the date the Court grants preliminary approval of this settlement or 60 days from March 12, 2024, whichever is earlier.

17. For purposes of this Settlement, “Settlement Payments” means all of the payments to Settlement Class Members (the “Settlement Class Payments”) and all of the payments to the PAGA Employees (the “PAGA Settlement Payment”).

18. For purposes of this Settlement, “Final Order” means the final formal court order signed by the Court following the final fairness and approval hearing in accordance with the terms herein, approving this Agreement.

STIPULATED BACKGROUND

19. On April 3, 2023, Plaintiff filed a putative Class Action alleging the following labelled causes of action: (1) Violation of Labor Code §§ 204, 246, 510, 551, 552, 1194, 1198 (Failure to Pay All Wages and Sick Pay); (2) Violation of Labor Code §§ 226.7, 512 (Failure to Provide Meal Periods); (3) Violation of Labor Code § 226.7 (Failure to Provide Rest Periods); (4) Violation of Labor Code § 226, (Failure to Keep Accurate Itemized Wage Statements); (5) Violation of Labor Code §§ 201-203 (Failure to Pay Wages Upon Termination of Employment); (6) Violation of Labor Code § 2802 (Failure to Reimburse for Necessary Expenditures); (7) Violation of Bus. & Prof. Code § 17200 et seq. (Unfair Business Practices). On July 7, 2023, Plaintiff filed his First Amended Complaint adding the eighth case of action for civil penalties under the Labor Code Private Attorneys General Act of 2004 [Lab. Code § 2699, et seq.] (“PAGA”). (The “Action.”).

20. Solely for purposes of settling this case, the parties agree that Plaintiff satisfied the administrative exhaustion requirement that is a prerequisite to filing a claim for Civil Penalties under the Labor Code Private Attorneys General Act of 2004 [Lab. Code § 2699, et seq.] (“PAGA”) by submission of the notice to the LWDA and Defendant on April 3, 2023.

21. Solely for purposes of settling this case, the Parties and their respective counsel stipulate and agree that the requisites for establishing class certification with respect to the Class Members have been met and are met. More specifically, the Parties stipulate and agree that:

- (a) The Class is ascertainable and so numerous as to make it impracticable to join all Class Members.
- (b) There are common questions of law and fact including, but not limited to, the following:
- 1) Whether or not Defendant paid proper wages and sick pay to the Class;
 - 2) Whether or not Defendant provided meal periods to the Class;
 - 3) Whether or not Defendant provided rest periods to the Class;
 - 4) Whether or not Defendant paid compensation timely upon separation of employment to former Class Members;
 - 5) Whether or not Defendant paid compensation timely throughout Class Members' employment;
 - 6) Whether or not Defendant provided accurate itemized statements to the Class;
 - 7) Whether or not waiting-time penalties are available to the Class for violation of California Labor Code § 203;
 - 8) Whether or not Defendant maintained requisite records;
 - 9) Whether or not Defendant paid proper meal period pay or rest period pay to the Class; and,
 - 10) Whether or not Defendant engaged in unlawful or unfair business practices affecting the Class in violation of California Business and Professions Code §§ 17200-17208.
- (c) Plaintiff's claims are typical of the claims of the Class Members.
- (d) Plaintiff and Class Counsel will fairly and adequately protect the interests of the Class.
- (e) The prosecution of separate actions by individual members of the Class would create the risk of inconsistent or varying adjudications, which would establish incompatible standards of conduct.
- (f) With respect to the Class, questions of law and fact common to the members of the

Class predominate over any questions affecting any individual member in such Class, and that a class action is superior to other available means for the fair and efficient adjudication of the controversy.

22. Should, for whatever reason, the Settlement not become effective, class certification as part of the Settlement shall have no bearing on and shall not be admissible in connection with whether the Class Members and/or the class claims should be certified in a non-settlement context in this Action or in any other lawsuit. Defendant expressly reserves its right to oppose class certification in this or any other action should this Settlement not become effective.

23. Defendant denies any liability or wrongdoing of any kind whatsoever associated with the claims alleged in the Complaint, and Defendant further denies that, for any purpose other than settling this lawsuit, the action is appropriate for class or representative treatment. With respect to Plaintiff's claims, Defendant contends, among other things, that it has complied at all times with the California Labor Code and the applicable Wage Orders of the Industrial Welfare Commission. Furthermore, with respect to all claims, Defendant contends that it has complied at all times with the California Business and Professions Code.

24. It is the desire of the Parties to fully, finally, and forever settle, compromise, and discharge all disputes and claims arising from or related to the Complaint.

25. Class Counsel has conducted a thorough investigation into the facts of this Action, including an extensive review of relevant documents, and has diligently pursued an investigation of the claims of the Class and PAGA claims against Defendant. Based on its own independent investigation and evaluation, Class Counsel is of the opinion that the Settlement with Defendant for the consideration and on the terms set forth in this Joint Stipulation of Settlement is fair, reasonable, and adequate and is in the best interest of the Class and PAGA employees in light of all known facts and circumstances, including the risk of significant delay, the risk the Class will not be certified by the Court, defenses asserted by Defendant, and numerous potential appellate issues.

26. The Parties agree to cooperate and take all steps necessary and appropriate to obtain preliminary and final approval of this Settlement.

27. The Parties agree to stay all proceedings in the Action, except such proceedings necessary

1 to implement and complete the Settlement, pending the Final Approval hearing to be conducted by the Court.

2 **PRIMARY TERMS OF SETTLEMENT**

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

5 (a) It is agreed by and among the Settlement Class, PAGA Employees, and Defendant
6 that this case and any claims, damages, or causes of action arising out of the disputes
7 which are the subject of this case, be settled and compromised as between the
8 Settlement Class, PAGA Employees, and Defendant, subject to the terms and
9 conditions set forth in this Settlement and the approval of the Court.

10 (b) Effective Date: The "Effective Date" of the Settlement means the date by
11 when both of the following have occurred: (a) the Court enters a Judgment
12 on its Final Order Granting Final Approval of the Settlement; and (b) the
13 Judgment is final. The Judgment is final as of the latest of the following
14 occurrences: (a) if no Class Member objects to the Settlement, the day the
15 Court enters Judgment; (b) if one or more Class Members objects to the
16 Settlement, the day after the deadline for filing a notice of appeal from the
17 Judgment; or if a timely appeal from the Judgment is filed, the day after
18 the appellate court affirms the Judgment and issues a remittitur.

19 (c) Gross Settlement Amount: Defendant's maximum total payment under the
20 Settlement, including all attorney's fees and costs, the Service Payment to the named
21 Plaintiff, the costs of settlement administration, the PAGA Allocation, and any other
22 payments provided by this Settlement, is Two Hundred and One Thousand Dollars
23 and Zero Cents (\$201,000.00) ("Gross Settlement Amount"), subject to the Escalator
24 Clause and except that, to the extent that any portions of the Class Members'
25 Settlement Payments constitute wages, Defendant will be separately responsible for
26 any employer payroll taxes required by law, including the employer FICA, FUTA,
27 and SDI contributions.

28 (d) Escalator Clause: On March 12, 2024, the number of workweeks during the

1 Class Period is estimated to be 18,443. The parties stipulate a 10% escalation of
2 the estimated workweeks without any increase to the Gross Settlement Amount.
3 If the number of actual workweeks during the Class Period exceeds 10% of the
4 estimated workweeks (i.e., exceeds 20,288 workweeks), Defendant can either
5 have the Class Period end on the date that the workweeks exceed 20,288 or
6 increase the Gross Settlement Amount by a pro-rata dollar value equal to the
7 number of workweeks in excess of 20,288 workweeks. For example, if there is
8 a 1% increase over 10% then the Gross Settlement Amount increases by 1%. (the
9 “Escalator Clause”).

- 10 (e) Non-reversionary Settlement: No portion of the Gross Settlement Amount will
11 revert to Defendant.
- 12 (f) No Claims Required: Class Members will not be required to submit a claim to
13 receive their Settlement payment.
- 14 (g) Net Settlement Amount: The Net Settlement Amount shall be calculated by
15 deducting from the Gross Settlement Amount (\$201,000.00) the following sums,
16 subject to approval by the Court: (1) attorney’s fees (not to exceed 33 and 1/3% of
17 the Gross Settlement Amount, or \$67,000.00); (2) reasonable litigation costs (not to
18 exceed \$20,000.00); (3) the Service Payment to Plaintiff in the amount of \$7,500.00;
19 (4) the PAGA Penalty Payment in the amount of \$11,250.00 (which is 75% of the
20 PAGA Allocation); and (5) costs of settlement administration (estimated not to
21 exceed \$15,000). Settlement Payments to the Class Members and PAGA
22 Employees will be calculated by the Settlement Administrator and paid out of the
23 Net Settlement Amount as set forth below.
- 24 (h) Payroll Taxes and Required Withholdings: To the extent that any portions of the
25 Settlement Class Members’ Settlement Payments constitute wages, Defendant will
26 be separately responsible for any **employer** payroll taxes required by law, including
27 the employer FICA, FUTA, and SDI contributions. Except for any employer payroll
28 taxes, it is understood and agreed that Defendant’s maximum total liability under

1 this Settlement shall not exceed the Gross Settlement Amount. The Settlement
2 Administrator will calculate and submit the Defendant's employer share of payroll
3 taxes after advising Defendant of the total amount owed, in aggregate, as employer-
4 side payroll taxes and receiving a lump sum payment from Defendant in that amount
5 when the Gross Settlement Amount is delivered to the Settlement Administrator.

6 (i) Settlement Class Payments (Excludes PAGA Payments): Settlement Class
7 Payments will be paid out of the Net Settlement Amount. Each Settlement Class
8 Member (i.e., those Class Members who do not opt out of the Class Settlement, as
9 defined above) will be paid a pro-rata share of the Net Settlement Amount, less the
10 PAGA Settlement Payments totalling \$3,750.00, as calculated by the Settlement
11 Administrator. The pro-rata share will be determined by comparing the individual
12 Settlement Class Member's Covered Workweeks employed during the Class Period
13 in California to the total Covered Workweeks of all the Settlement Class Members
14 during the Class Period as follows: [Workweeks worked by a Settlement Class
15 Member] ÷ [Sum of all Covered Workweeks worked by all Settlement Class
16 Members] × [Net Settlement Amount – all PAGA Settlement Payments] =
17 individual Settlement Payment for a Settlement Class Member. Settlement Class
18 Payments in the appropriate amounts will be distributed by the Settlement
19 Administrator by mail to the Settlement Class Members.

20 (j) PAGA Payments: PAGA Settlement Payments will be paid out of the Net
21 Settlement Amount. Each PAGA Employee will be paid a pro-rata share
22 of the PAGA Employees' PAGA Settlement Payment, as calculated by the
23 Settlement Administrator. Class Members will not be permitted to
24 exclude themselves from this portion of the Settlement. The pro-rata share
25 will be determined by comparing the individual PAGA Employees' PAGA
26 Pay Periods during the PAGA Period to the total PAGA Pay Periods of all
27 the PAGA Employees during the PAGA Period as follows: [PAGA Pay
28 Periods worked by a PAGA Employee] ÷ [Sum of all PAGA Pay Periods

worked by all PAGA Employees] × [PAGA Settlement Payment to Employees, i.e. \$3,750.00] = individual PAGA Employee's portion of the PAGA Settlement Payment. PAGA Settlement Payments to PAGA Employees in the appropriate amounts will be distributed by the Settlement Administrator by mail to the PAGA Employees at the same time Settlement Class Payments issue to the Settlement Class. The LWDA's PAGA Penalty Payment will issue to the LWDA at the same time Settlement Payments issue to the Settlement Class.

(k) Allocation of Settlement Payments: The Parties have agreed that Settlement Class Payments will be allocated as follows: 20% to wages, 40% to penalties and 40% to interest. The PAGA Settlement Payment shares to PAGA Employees will be entirely allocated to penalties. Appropriate federal, state and local withholding taxes will be taken out of the wage allocations, and each Class Member will receive an IRS Form W-2 with respect to this portion of the Settlement Payment. The employer's share of payroll taxes and other required withholdings will be paid as set forth above, including but not limited to the Defendant's FICA and FUTA contributions, based on the payment of claims to the Class Members. IRS Forms 1099 will be issued to each Class Member reflecting the payments for penalties and interest. Class Members are responsible to pay appropriate taxes due on the Settlement Payments they receive. To the extent required by law, IRS Forms 1099 and W-2 will be issued to each Class Member with respect to such payments. All PAGA Settlement Payments will be allocated as 100% penalties.

(l) Settlement Payments Do Not Give Rise to Additional Benefits: All Settlement Payments to individual Class Members shall be deemed to be paid to such Class Member solely in the year in which such payments actually are received by the Class Member. It is expressly understood and agreed that the receipt of such Settlement Payments will not entitle any Class Member to additional compensation or benefits under any company bonus, contest or other compensation or benefit plan or

1 agreement in place during the period covered by the Settlement, nor will it entitle
2 any Class Member to any increased retirement, 401(k) benefits or matching benefits
3 or deferred compensation benefits. It is the intent that the Settlement Payments
4 provided for in this Settlement are the sole payments to be made by Defendant to the
5 Class Members, and that the Class Members are not entitled to any new or additional
6 compensation or benefits as a result of having received the Settlement Payments
7 (notwithstanding any contrary language or agreement in any benefit or compensation
8 plan document that might have been in effect during the period covered by this
9 Settlement).

10 (m) Attorney's Fees and Costs: Subject to approval by the Court, Defendant will not
11 object to Class Counsel's application for attorney's fees not to exceed 33 and 1/3%
12 of the Gross Settlement Amount (\$67,000.00) and reimbursement of litigation costs
13 and expenses not to exceed \$20,000.00. Approved attorney's fees and litigation
14 costs shall be paid at the same time Settlement Payments issue to the Settlement
15 Class.

16 (n) Service Payment: Subject to Court approval, and in exchange for a general release,
17 Defendant will not object to Class Counsel's application for a payment of \$7,500.00
18 to Plaintiff for service as a Class Representative ("Service Payment"). It is
19 understood that the Service Payment is in addition to the individual Settlement
20 Payment to which a Class Representative is entitled to along with the other Class
21 Members. In exchange, Plaintiff has agreed to release all claims, demands, rights,
22 liabilities and causes of action of every nature and description whatsoever, known
23 or unknown, asserted or that might have been asserted, whether in tort, contract,
24 or for violation of any state or federal statute, rule or regulation arising out of,
25 relating to, or in connection with any act or omission by or on the part of any of
26 the Released Parties committed or omitted prior to the execution hereof
27 ("Plaintiff's Released Claims"). Plaintiff and Defendant both stipulate and agree
28 that each of them have expressly waived and relinquished, to the fullest extent

permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, or any other provision under federal or state law, which provides:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of 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.”

Plaintiff’s general release provided herein is made with an express waiver and relinquishment of any claim, right, or benefit under California Civil Code § 1542. The Parties understand that the General Release does not release any claims that they cannot lawfully release. It is also understood and agreed by Defendant that by this release Plaintiff is not waiving unemployment and/or any state disability insurance benefits pursuant to the terms of applicable state law, workers’ compensation claims, any rights which are not subject to waiver as a matter of law.

- (o) Defendant or the Settlement Administrator will issue an IRS Form 1099 for the Service Payment to the Plaintiff. The Plaintiff will be individually responsible for correctly characterizing this compensation on personal income tax returns for tax purposes and for paying any taxes on the amounts received. Plaintiff agrees not to opt out or object to the Service Payment as the Class Representative.
- (p) Settlement Administrator: The Settlement Administrator will be Phoenix Class Action Administration Solutions which was selected for its lowest bid estimated not to exceed \$8,576.10.
- (q) Funding of Settlement Account: Defendant will fund the settlement account and distribute Gross Settlement Amount to the Settlement Administrator within fifteen (15) days of the Effective Date.
- (r) Distribution and Mailing of Settlement Payments: The Settlement Administrator shall mail the Settlement Payments to the Class Members within

fourteen (14) calendar days of receipt of the Gross Settlement Amount from Defendant, provided that the Settlement Administrator has delivered to the Parties an accounting of the amounts to be paid by Defendant pursuant to the terms of this Settlement.

- (s) Notice of Settlement: Each Class Member will be mailed a notice setting forth the material terms of the proposed Settlement, along with instructions about how to object or request exclusion from the proposed class action Settlement (“Notice”). For each Class Member, there will be pre-printed information on the mailed Notice, based on Defendant’s records, stating the Class Member’s Covered Workweeks during the Class Period and the estimated total Settlement Payment under the Settlement, including the Settlement Class Payment and the PAGA Settlement Payment that will be distributed irrespective of any exclusion request. The pre-printed information based on Defendant’s records shall be presumed to be correct. A Class Member may dispute the pre-printed information on the Notice as to his or her Covered Workweeks during the Class Period. Class Members must submit any dispute regarding the information on the Notice as to his or her Covered Workweeks within the Response Deadline.

- (t) Settlement Notice Language: The Notice will issue in English and Spanish.

- (u) Class Members Cannot Exclude Themselves from the Released PAGA Claims: Class Members submitting a request for exclusion will nevertheless receive their pro-rata share of the PAGA Settlement Payment. If the Court approves the compromise of the PAGA Claim, all Class Members are bound by the Court’s resolution of the PAGA Claim. Plaintiff shall serve a notice of settlement on the California Labor and Workforce Development Agency at or before the time Plaintiff files the motion for preliminary approval.

- (v) Resolution of Workweek Disputes: If a Class Member disputes the accuracy of Defendant’s records used to calculate Covered Workweeks, the Parties’ counsel and the Settlement Administrator will review Defendant’s records and any information,

1 or documents submitted by the Class Member in an attempt to resolve the dispute
2 informally. If the dispute cannot be resolved informally by the Parties' counsel and
3 the Settlement Administrator, the dispute, and all documents pertaining to the
4 dispute, will be submitted to the Court for final resolution. The Class Member must
5 submit information or documents supporting his or her position to the Settlement
6 Administrator prior to the expiration of the Response Deadline. Information or
7 documents submitted after the expiration of the Response Deadline will not be
8 considered by the Settlement Administrator, unless otherwise agreed to by the
9 Parties.

- 10 (w) Right of Class Member to Request Exclusion from the Settlement: Any
11 Class Member may request to be excluded from the Class by returning a
12 request for exclusion to the Settlement Administrator within the Response
13 Deadline. The form of Request for Exclusion that will accompany the Notice is
14 attached hereto as **Exhibit "C."** The Request for Exclusion form accompanying
15 the Notice will be pre-printed with the Class Member's name and address to
16 facilitate identification by the Settlement Administrator. The Class Member must
17 sign the Request for Exclusion Notice and include the last four digits of their
18 social security number to confirm identity or Employee ID. If Class Member
19 does not have a social security number and does not know his Employee ID, he
20 can contact the Settlement Administrator to arrange for an alternate method of
21 confirming his/her identity. Any Class Member who timely requests exclusion
22 in compliance with these requirements (i) shall not have any rights under this
23 Settlement other than a right to receive a pro-rata share of the portion of the
24 PAGA payment allocated to the Class Members if the Class Member is also
25 PAGA Employee; (ii) shall not be entitled to receive any Settlement Payments
26 under this Settlement other than as stated in (i) in this paragraph; and (iii) shall
27 not be bound by this Settlement or the Court's Final Order and Final Judgment
28 other than as it applies to the PAGA Claim.

(x) Right of Settlement Class Member to Object to The Settlement: Any Class Member may object to the Settlement. To object, the Class Member may (1) appear in person (including through an audio or video call appearance as allowed by the Court) at the Final Approval Hearing to explain any objection, (2) have an attorney object for the Class Member, or (3) submit a simple written brief or statement of objection to the Settlement Administrator in the form attached hereto as **Exhibit "D"**. If any Class Member chooses to submit a written objection not in the form attached hereto as **Exhibit "D"**, the written objection should contain sufficient information to confirm the identity of the objector and the basis of the objection, including (1) the full name of the Settlement Class Member; (2) the signature of the Settlement Class Member; (3) the grounds for the objection; and (4) be postmarked within the Response Deadline to permit adequate time for processing and review by the Parties of the written statement or objection. Class Counsel shall ensure that any written objections are transmitted to the Court for the Court's review (either by Class Counsel or as an attachment to declaration from the Settlement Administrator). Regardless of the form, an objection alone will not satisfy the requirement that a Settlement Class Member must either make a timely complaint in intervention before final judgment or by file a motion to set aside and vacate the class judgment under Code of Civil Procedure § 663 to have standing to appeal entry of judgment approving this Settlement, as is required under the California Supreme Court decision of *Hernandez v. Restoration Hardware*, 4 Cal. 5th 260 (2018). A Class Member who does not object prior to or at the Final Approval Hearing, will be deemed to have waived any objections and will be foreclosed from making any objections (whether at the Final Approval Hearing, by appeal, or otherwise) to the Settlement. If the objecting Class Member does not formally intervene in the action or move to set aside any judgment and/or the Court rejects the Class Member's objection, the Class Member will still be bound by the terms of this Agreement. Class Counsel and Defendant's Counsel may, at least five (5) calendar days (or some

other number of days as the Court shall specify) before the final approval hearing,
file responses to any written objections submitted to the Court.

THE SETTLEMENT ADMINISTRATOR'S PRIMARY DUTIES

29. Subject to the Court's approval, and subject to reconsideration by the Parties after a competitive bidding process, the Parties have agreed to the appointment of Phoenix Class Action Administration Solutions to perform the customary duties of Settlement Administrator. The Settlement Administrator will mail the Notice, both in English and Spanish, to the Class Members.

30. The Settlement Administrator will independently review the Covered Workweeks attributed to each Class Member and will calculate the estimated amounts due to each Class Member and the actual amounts due to each Settlement Class Member in accordance with this Settlement. The Settlement Administrator shall report, in summary or narrative form, the substance of its findings. The Settlement Administrator shall be granted reasonable access to Defendant's records in order to perform its duties.

31. In accordance with the terms of this Settlement, and within fourteen (14) calendar days of receipt of the Gross Settlement Amount from Defendant, the Settlement Administrator will issue and send out the Settlement Payment checks to the Class Members. Tax treatment of the Settlement Payments will be as set forth herein, and in accordance with state and federal tax laws. All disputes relating to the Settlement Administrator's performance of its duties shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Settlement until all payments and obligations contemplated by this Settlement have been fully carried out. Within fourteen (14) calendar days of receipt of the Gross Settlement Amount from Defendant the Settlement Administrator will also distribute the Service Payment to Plaintiff, attorney's fees and costs to Class counsel, PAGA penalty payment to LWDA and the Settlement Administrator's fees.

32. The Settlement Administrator will post the court orders granting preliminary and final approval of the Settlement and final judgment approving the Settlement on the Settlement Administrator's website for a period of not less than 90 calendar days after the final judgment is entered. The address of that website will be included in the Notice.

ATTORNEY'S FEES AND COSTS

33. In consideration for resolving this matter and in exchange for the release of all claims by the

1 Class Members, including Plaintiff, and subject to approval by the Court, Defendant will not object to Class
2 Counsel's application for attorney's fees not to exceed 33 and 1/3% of the Gross Settlement Amount
3 (\$67,000.00 of \$201,000.00) and litigation costs not to exceed \$20,000.00. The amounts set forth above
4 will cover all work performed and all fees and costs incurred to date, and all work to be performed and all
5 fees and costs to be incurred in connection with the approval by the Court of this Settlement and
6 administration of the Settlement.

7 **THE NOTICE PROCESS**

8 34. A Notice in approximately the form attached hereto as **Exhibit "B"**, the Request for
9 Exclusion in approximately the form attached hereto as **Exhibit "C"** and the Objection Form in
10 approximately the form attached hereto as **Exhibit "D"** (referred to jointly below as the "Notice packet")
11 and as approved by the Court, shall be sent by the Settlement Administrator to the Class Members by first
12 class mail. The Notice packet shall be translated into Spanish so that Spanish and English language versions
13 of the Notice packet are included in the mailing. Any returned envelopes from this mailing with forwarding
14 addresses will be utilized by the Settlement Administrator to forward the Notices to the Class.

- 15 (a) Within 15 calendar days from the date of preliminary approval of this Settlement by
16 the Court, Defendant shall provide to the Settlement Administrator a class database
17 containing the following information for each Class Member: (1) name; (2) last
18 known address; (3) social security number; and (4) dates of employment at
19 Defendant's location in California. This database shall be based on Defendant's
20 payroll and other business records and shall be provided in a format acceptable to
21 the Settlement Administrator. Defendant agrees to consult with the Settlement
22 Administrator prior to the production date to ensure that the format will be acceptable
23 to the Settlement Administrator. The Settlement Administrator will run a check of
24 the Class Members' addresses against those on file with the U.S. Postal Service's
25 National Change of Address List; this check will be performed only once per Class
26 Member by the Settlement Administrator. Absent mutual written agreement of
27 counsel for the Parties or Court order, the Settlement Administrator will keep this
28 database confidential and secure and use it only for the purposes described herein,

1 and will return this database to Defendant upon final approval of the settlement or
2 destroy electronic records containing the database after the Settlement is final and
3 all payments are distributed as required under this Agreement. However, Plaintiff's
4 Counsel shall be entitled to review anonymized data showing the workweeks
5 worked by each Class Member, with Class Member identity concealed through use
6 of an employee number or number assigned by the Settlement Administrator.

7 (b) Within 14 calendar days after the Class database is provided to the Settlement
8 Administrator, the Settlement Administrator will mail the Notices to the Class
9 Members by First Class United States mail.

10 (c) Notices returned to the Settlement Administrator as non-deliverable on or before the
11 initial Response Deadline shall be resent to the forwarding address, if any, on the
12 returned envelope. A returned Notice will be forwarded by the Settlement
13 Administrator any time that a forwarding address is provided with the returned mail.
14 If there is no forwarding address, the Settlement Administrator will do a computer
15 search for a new address using the Class Member's social security number or other
16 information. In any instance where a Notice is re-mailed, that Class Member will
17 have until the extended Response Deadline as described above. A letter prepared by
18 the Settlement Administrator will be included in the re-mailed Notice in that
19 instance, stating the extended Response Deadline if different than the original
20 Response Deadline. Upon completion of these steps by the Settlement
21 Administrator, Defendant and the Settlement Administrator shall be deemed to have
22 satisfied their obligations to provide the Notice to the affected Class Member. The
23 affected Class Member shall remain a member of the Settlement Class and shall be
24 bound by all the terms of the Settlement and the Court's Final Order and Final
25 Judgment.

26 (d) Class Counsel shall provide to the Court, at least sixteen court days prior to the final
27 approval hearing, or such other date as set by the Court, a declaration by the
28 Settlement Administrator of due diligence and confirming mailing of the Notices.

1 **DISPOSITION OF SETTLEMENT PAYMENTS AND UNCASHED CHECKS**

2 35. As set forth above, each Class Member will have until the expiration of the applicable
3 Response Deadline to submit to the Settlement Administrator any challenge or dispute to the Class
4 Member's Covered Workweek information on the Notice. No disputes will be honored if they are submitted
5 after the Response Deadline, unless the Parties mutually agree to accept the untimely dispute. Each Class
6 Member is responsible to maintain a copy of any documents sent to the Settlement Administrator and a
7 record of proof of mailing.

8 36. The Settlement Administrator shall cause the Settlement Payments to be mailed to the
9 Settlement Class Members and PAGA Employees as provided herein. Settlement Class Payments and
10 PAGA Payments may be combined into one check. Settlement Payment checks shall remain valid and
11 negotiable for 180 calendar days from the date of their issuance. Settlement Payment checks will
12 automatically be cancelled by the Settlement Administrator if they are not cashed by the Class Member
13 within that time, and the Class Member's relevant claims will remain released by the Settlement. Settlement
14 Payment checks which have expired will not be reissued.

15 37. Funds from unclaimed, uncashed or abandoned Settlement Payment checks, based on a 180-
16 day void date, shall be distributed to those class members who have cashed their checks.

17 38. Upon completion of its calculation of Settlement Payments, the Settlement Administrator
18 shall provide Class Counsel and Defendant's Counsel with a report listing the amounts of all payments to
19 be made to Class Members (to be identified anonymously by employee number or other identifier). A
20 Declaration attesting to completion of all payment obligations will be provided to Class Counsel and
21 Defendant's Counsel and filed with the Court by Class Counsel.

22 **RELEASE BY THE CLASS**

23 39. Upon the final approval by the Court of this Settlement and Defendant's payment of all sums
24 due pursuant to this Settlement, and except as to such rights or claims as may be created by this Settlement,
25 the Class Representatives, the Class and each Class Member who has not submitted a valid and timely
26 request for exclusion as to claims other than the PAGA claim, will release claims as follows:

- 27 (a) **Identity of Released Parties.** The released parties are Defendant and its owners,
28 officers, directors, employees and agents (collectively "Releasees").

1 (b) **Date Release Becomes Effective.** The Released Claims will be released upon the
2 later of (1) the Settlement's Effective Date, or (2) the satisfaction of Defendant's
3 obligation to provide to the Settlement Administrator a sum in the amount required
4 to satisfy all required payments and distributions pursuant to this Settlement and the
5 Final Order and Judgment of final approval. Class Members will not release the
6 Released Claims or Released PAGA Claims until both the Effective Date of the
7 Settlement has occurred, and Defendant has paid all amounts owing under the
8 Settlement.

9 (c) **Claims Released by Settlement Class Members.** Each and every Class Member,
10 himself and each of their heirs, assigns and successors, unless he or she has submitted
11 a timely and valid Request for Exclusion (which will not effectuate an opt-out from
12 the release of Released PAGA Claims), hereby releases Releasees from the
13 following claims for the entire Class Period:

- 14 1) any and all claims stated in the Plaintiff's First Amended Complaint, or
15 that could have been stated based on the facts alleged in the First
16 Amended Complaint ("Released Claims"),
- 17 2) Plaintiff releases all claims for statutory penalties that could have been
18 sought by the Labor Commissioner for the violations identified in Plaintiff's
19 pre-filing letter to the LWDA attached as Exhibit A upon the Effective Date
20 and full funding of the Gross Settlement amount ("Released PAGA
21 Claims"). To the maximum extent permitted by law, the final judgment
22 entered pursuant to this settlement will bind all those who would be bound
23 by a judgment if the action had been brought by the LWDA, including
24 Plaintiff, the LWDA, and all Class Members employed during the Released
25 PAGA Claims Period, whether requesting exclusion from the Settlement or
26 not, with respect to the recovery of civil penalties under the California
27 Private Attorneys General Act, California Labor Code § 2698, et. seq. only,
28 against the Released Parties. See *Arias v. Superior Court* (2009) 46 Cal.4th

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~~986, as to all Class Members employed during the Released PAGA Claims Period, whether requesting exclusion from the Settlement or not, claims arising under the Private Attorneys General Act of 2004, Labor Code § 2698 et seq., to the extent asserted in Plaintiff's administrative exhaustion letter submitted to the LWDA (Exhibit A) and the First Amended Complaint in this matter ("Released PAGA Claims").~~

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DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

40. The Parties shall submit this Joint Stipulation of Class Action Settlement to the Court in support of Plaintiff's unopposed motion for preliminary approval for determination by the Court as to its fairness, adequacy, and reasonableness. Upon execution of this Joint Stipulation of Class and PAGA Representative Action Settlement, the Parties shall apply to the Court for the entry of an order:

- (a) Scheduling a final approval and fairness hearing on the question of whether the proposed Settlement, including payment of attorney's fees and costs, and the Class Representative's service payment, should be finally approved as fair, reasonable, and adequate as to the members of the Class;
- (b) Certifying a Class;
- (c) Approving as to form and content the proposed Notice;
- (d) Directing the mailing of the Notice;
- (e) Preliminarily approving the Settlement, including Class and PAGA claims, subject only to the objections of Class Members as to the Class Settlement and final review by the Court;
- (f) Conditionally appointing Plaintiff and Class Counsel as representatives of the proposed Class Members; and,
- (g) Appointing Phoenix Class Action Administration Solutions as the Settlement Administrator, and order the Settlement Administrator to issue Notices as outlined above.

41. Defendant and its their counsel agree to cooperate to obtain approval of the Settlement, pursuant to the terms set forth herein.

1 **DUTIES OF THE PARTIES FOLLOWING FINAL COURT APPROVAL**

2 42. In conjunction with the hearing of a motion for final approval by the Court of the Settlement
3 provided for in this Joint Stipulation of Settlement, Class Counsel will provide to Defendant's Counsel for
4 review and approval and then submit to the Court a proposed Final Order and judgment containing
5 provisions sufficient to accomplish the following:

- 6 (a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable and
7 adequate, and directing consummation of its terms and provisions;
8 (b) Approving Class Counsel's application for an award of attorney's fees and costs;
9 (c) Approving the Service Payment to the Class Representative;
10 (d) Adjudging the Settlement Administrator has fulfilled its initial notice and reporting
11 duties under the Settlement.
12 (e) Adjudging Plaintiff and Class Counsel may adequately represent the Final
13 Settlement Class for the purpose of entering into and implementing the Agreement;
14 (f) Entering a final judgment in the action as to all PAGA and Class Claims and related
15 issues;
16 (g) Adjudging that notwithstanding the submission of a timely request for exclusion,
17 Class Members are still bound by the settlement and release of the Released PAGA
18 Claims or remedies under the Judgment pursuant to *Arias v. Superior Court*, 46 Cal.
19 4th 969 (2009), as requests to be excluded from the Settlement do not apply to the
20 Released PAGA Claims, and further affirms that the State's claims for civil penalties
21 pursuant to PAGA are also extinguished;
22 (h) Directing the posting of the settlement documents provided in Paragraph 30 and final
23 judgment on a website maintained by the Settlement Administrator for a period of
24 not less than 90 calendar days after entry of final judgment.

25 Any revised final judgments will also be provided to Defendant's Counsel for review and approval before
26 they are submitted to the Court.

27 **NULLIFICATION AND TERMINATION**

28 43. This Settlement will be null and void if any of the following occur: (a) the Court should for

1 any reason fail to certify a class for settlement purposes; (b) the Court should for any reason fail to
2 preliminarily or finally approve of this Settlement in the form agreed to by the Parties, other than adjustments
3 made to the attorney's fees and costs or granting of Service Payment or settlement money distribution terms;
4 (c) the Court should for any reason fail to issue its Final Order or enter the final judgment; (d) the Final
5 Order or final judgment is reversed, modified, or declared or rendered void; or (e) the Settlement does not
6 become final for any other reason.

7 44. If 30% or more of the Class Members opt out of this Settlement, then Defendant in its sole
8 discretion may terminate, nullify and void this Settlement. The Settlement Administrator shall provide
9 Defendant's Counsel with the information necessary to effectuate this provision on a regular basis, but no
10 less frequently than on a monthly basis. To terminate this Settlement under this paragraph, Defendant's
11 Counsel must give Plaintiff's Counsel written notice, by facsimile, e-mail, or mail, no later than fifteen (15)
12 days prior to the date of the Final Approval Hearing. If this option is exercised by Defendant, Defendant
13 shall be solely responsible for the costs incurred by the Settlement Administrator for the settlement
14 administration.

15 45. In the event this Settlement is nullified or terminated as provided above: (i) this Settlement
16 shall be considered null and void, (ii) neither this Settlement nor any of the related negotiations or
17 proceedings shall have any force or effect and no party shall be bound by any of its terms, and (iii) all Parties
18 to this Settlement shall stand in the same position, without prejudice, as if the Settlement had been neither
19 entered into nor filed with the Court.

20 **PARTIES' AUTHORITY**

21 46. The signatories hereto hereby represent that they are fully authorized to enter into this
22 Settlement and bind the Parties hereto to the terms and conditions thereof.

23 **MUTUAL FULL COOPERATION**

24 47. The Parties agree to fully cooperate with each other to accomplish the terms of this
25 Settlement including, but not limited to, execution of such documents and taking such other action as
26 reasonably may be necessary to implement the terms of this Settlement. The Parties to this Settlement shall
27 use their best efforts, including all efforts contemplated by this Settlement and any other efforts that may
28 become necessary by order of the Court, or otherwise, to effectuate this Settlement and the terms set forth

1 herein. As soon as practicable after execution of this Settlement, Class Counsel shall, with the assistance
2 and cooperation of Defendant and Defendant's Counsel, take all necessary steps to secure the Court's
3 preliminary and final approval of this Settlement.

4 **NO PRIOR ASSIGNMENTS**

5 48. The Parties and their respective counsel represent, covenant, and warrant that they have not
6 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any
7 person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released
8 and discharged except as set forth herein.

9 **NO ADMISSION OF LIABILITY**

10 49. Nothing contained herein, nor the consummation of this Settlement, is to be construed or
11 deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant.
12 Defendant denies all the claims and contentions alleged by the Plaintiff in this case. The Defendant has
13 entered into this Settlement solely with the intention to avoid further disputes and litigation with the attendant
14 inconvenience and expenses.

15 **ENFORCEMENT ACTIONS**

16 50. The Parties agree that following entry of the Final Approval Order and Judgment, this
17 Agreement shall be enforceable by the Court and the Court shall retain exclusive and continuing jurisdiction
18 of the Action over all parties and the Class Members to interpret and enforce the terms, conditions, and
19 obligations of the Agreement pursuant to California Code of Civil Procedure section 664.6. In the event that
20 one or more of the Parties to this Settlement institutes any legal action or other proceeding against any other
21 party or parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this
22 Settlement, the successful party or parties shall be entitled to recover from the unsuccessful party or parties
23 reasonable attorney's fees and costs, including expert witness fees incurred in connection with any
24 enforcement actions.

25 **NOTICES**

26 51. Unless otherwise specifically provided herein, all notices, demands or other communications
27 given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day
28 after mailing by United States registered or certified mail, return receipt requested, addressed as follows:

Class Counsel:

Lilit Tunyan
ltunyan@tunyanlaw.com
Artur Tunyan
atunyan@tunyanlaw.com
TUNYAN LAW, APC
535 N. Brand Blvd., Suite 285
Glendale, California 91203
Telephone: (323) 410-5050

Counsel for Defendant:

Matthew Kraus
mkraus@lc-lawyers.com
Nickolaus Buchholz
nbuchholz@lc-lawyers.com
**LESTER, CANTRELL & KRAUS,
LLP**
1770 Iowa Avenue, Suite 110
Riverside, California 92507
Telephone: (951) 300-2690
Facsimile: (951) 300-2694

CONSTRUCTION

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

CAPTIONS AND INTERPRETATIONS

53. Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement or any provision hereof. Each term of this Settlement is contractual and not merely a recital.

MODIFICATION

54. This Settlement may not be changed, altered, or modified, except in writing and signed by the Parties hereto, and approved by the Court. This Settlement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

INTEGRATION CLAUSE

55. This Settlement contains the entire agreement between the Parties relating to the Settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a party or such party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

WAIVER OF APPEALS

56. The Parties agree to waive appeals and to stipulate to class certification for purposes of

1 implementing this Settlement only, with the exception that Class Counsel retains the right to appeal the
2 amount awarded as attorney's fees, and the Final Order may be appealed if materially different from the
3 proposed final order submitted by the Parties.

4 **BINDING ON ASSIGNS**

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

7 **CLASS COUNSEL SIGNATORIES**

8 58. It is agreed that because the members of the Class are so numerous, it is impossible or
9 impractical to have each member of the Class execute this Settlement. The Notice will advise all Class
10 Members of the binding nature of the Released Claims and Released PAGA Claims, and the release shall
11 have the same force and effect as if this Settlement were executed by each member of the Class.

12 **COUNTERPARTS**

13 59. This Settlement may be executed in counterparts and by electronic or facsimile signatures,
14 and when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed
15 an original, and, when taken together with other signed counterparts, shall constitute one Settlement, which
16 shall be binding upon and effective as to all Parties.

17 **CONFIDENTIALITY & PUBLIC COMMENT**

18 60. The Class Representative and Class Counsel shall only disclose matters of public record
19 other than to Class Members, who may receive information about the Settlement that is not in the public
20 record after the Court has preliminarily approved the Settlement. Other than as to Class Members who are
21 allowed to discuss the terms or the fact of the settlement with their immediate family members, their
22 respective accountants or lawyers as necessary for tax purposes; or other Class Members, the Parties and
23 attorneys will keep the settlement confidential until the filing of the motion for preliminary approval of the
24 class settlement. Thereafter, the Parties agree to make no comments to the media or otherwise publicize the
25 terms of the Settlement, other than in court filings.

26 **FINAL JUDGMENT**

27 61. The Parties agree that, upon final approval of the Settlement, final judgment of this Action
28 will be made and entered in its entirety. The final judgment may be included in the Order granting Final

1 Approval of the Settlement.

2 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint
3 Stipulation of Class Action Settlement between Plaintiff and Defendant as set forth below:

4 IT IS SO STIPULATED.

5 **Plaintiff & Class Representative:**

6 Dated: By: _____
7 SEAN W POWERS

8 **Plaintiff's Counsel:**

9 Dated: TUNYAN LAW, APC
10 By: _____
11 Lilit Tunyan
12 Artur Tunyan
Attorneys for Plaintiff SEAN W POWERS

13 **Defendant:**

14 Dated: MARIO'S PLACE, INC.
15 By: _____
16 Print Name
17 _____
18 Signature
19 _____
20 Title

21 **Defendant's Counsel:**

22 Dated: LESTER, CANTRELL & KRAUS, LLP
23 By: _____
24 Matthew Kraus
25 Nickolaus Buchholz
26 Attorneys for Defendant
27 MARIO'S PLACE, INC.
28

Exhibit “3”

NOTICE OF PROPOSED CLASS AND PAGA REPRESENTATIVE ACTION SETTLEMENT

Powers v. Mario's Place Inc.
Riverside County Superior Court Case No. CVRI2301652

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

IF YOU ARE OR WERE A NON-EXEMPT EMPLOYEE OF MARIO'S PLACE, INC. ("DEFENDANT") WHO WORKED IN CALIFORNIA AT ANY TIME BETWEEN APRIL 3, 2019 AND [REDACTED] (THE "CLASS PERIOD"), THIS PROPOSED CLASS AND PAGA REPRESENTATIVE ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS.

Why should you read this Notice?

A proposed settlement (the "Settlement") has been reached in a class and PAGA action lawsuit entitled *Powers v. Mario's Place Inc.*, Riverside County Superior Court Case No. CVRI2301652 (the "Action"). The purpose of this Notice of Proposed Class and Private Attorneys General Act of 2004 ("PAGA") Representative Action Settlement ("Notice") is to briefly describe the Action and to inform you of your rights and options in connection with the Action and the proposed Settlement. The proposed Settlement will resolve all claims in the Complaint.

YOUR ESTIMATED PAYMENT FROM THIS SETTLEMENT: Your estimated Individual Settlement Payment is <<Estimated Payment>>, which includes your payment from the Class settlement in the estimated amount of <<Estimated Individual Settlement Class Payment>> and, because you [ARE/ARE NOT] also a member of the PAGA Employee group, your payment from the PAGA settlement in the estimated amount of <<Estimated Individual PAGA Settlement Payment>>.

A hearing concerning final approval of the proposed Settlement will be held before Hon. Harold W. Hopp, on <<FA DATE>>, at <<FA TIME>>, in Department 10 of the Riverside County Superior Court, 450 Main Street, Riverside, CA 92501, to determine whether the Settlement is fair, adequate and reasonable. As a Settlement Class Member, you are eligible to receive an individual Settlement Payment under the Settlement and will be bound by the release of claims described in this Notice and the Settlement Agreement filed with the Court, unless you timely request to be excluded from the Settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

DO NOTHING – GET MONEY	If you do nothing, you will be considered a "Settlement Class Member" in the Settlement and will receive settlement benefits as explained more fully below. You will also give up rights to pursue a separate legal action against Defendant for the Released Claims asserted in the Action as explained more fully below.
EXCLUDE YOURSELF FROM THE SETTLEMENT. DEADLINE TO EXCLUDE YOURSELF: <<RESPONSE DEADLINE>>	You have the option to pursue separate legal action against Defendant about the claims in the Action. If you choose to do so, you must exclude yourself, in writing, from the Settlement by completing and submitting the included request to be excluded ("Request for Exclusion Form"). As a result, you will not receive any benefits under the Settlement (other than based on the PAGA Claim). Request for Exclusion forms must be submitted by <<RESPONSE DEADLINE>>.
OBJECT TO THE SETTLEMENT. DEADLINE TO SUBMIT WRITTEN OBJECTIONS: <<RESPONSE DEADLINE>>	To object to the Settlement, you may mail a written explanation of why you don't like the Settlement to the Settlement Administrator by completing and submitting the objection form ("Objection Form"), appear at the Final Approval Hearing, or hire an attorney at your expense to object for you. This option is available only if you do <u>not</u> exclude yourself from the Settlement. Do <u>not</u> submit a Request for Exclusion form if you wish to object. Written objections must be submitted by <<RESPONSE DEADLINE>>.

Who is affected by this proposed Settlement?

The Court has certified, for settlement purposes only, the following class (the “Class”):

All non-exempt employees of Defendant who worked in California during the Class Period. The “Class Period” is April 3, 2019 through -----.

All Class Members that worked at any time during the PAGA Period (the “PAGA Period” is April 3, 2022 through May 12, 2024.) are “aggrieved employees” as defined pursuant to PAGA (“PAGA Employees”).

According to Defendant’s records, you are a member of the Class settlement class (“Class Member”). PAGA Employees will automatically receive their *pro rata* share of the \$3,750 allocated from the PAGA Allocation to PAGA Employees, cannot opt-out of the release of PAGA Claims, and will be bound by the release of the PAGA Claims even if they opt-out of the Settlement. Defendant’s records indicate you [ARE/ARE NOT] also a PAGA Employee who worked in the State of California at any time during the PAGA Period of April 3, 2022 through -----.

What is this case about?

In the Action, Plaintiff Sean W. Powers (“Plaintiff”) alleges on behalf of himself and the Class that Defendant: (1) failed to pay all wages; (2) failed to provide meal periods; (3) failed to authorize and permit rest periods; (4) failed to timely pay all wages at termination; (5) failed to furnish accurate itemized wage statements; (6) violated California’s Unfair Competition Law, California Business and Professions Code § 17200 *et seq.*; and (7) violated provisions of the Labor Code giving rise to civil penalties under the Labor Code Private Attorneys General Act of 2004 [Lab. Code § 2699, *et seq.*] (“PAGA”). Plaintiff seeks among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys’ fees and costs. unpaid wages, actual, consequential and incidental losses and damages, special damages, liquidated damages, injunctive relief, declaratory relief, statutory penalties, civil penalties under PAGA, restitution, interest, attorneys’ fees, and costs.

Labor Code Private Attorneys General Act of 2004 [Lab. Code § 2699, *et seq.*] (“PAGA”) claim alleged by Plaintiff allows employees to file a representative action on behalf of themselves, all other aggrieved employees, and the State of California for alleged Labor Code violations to recover civil penalties for the same Labor Code violations (not actual wage damages but civil penalties for California Labor Code violations which could have been sought by the State of California).

Defendant denies all liability and is confident that it has strong legal and factual defenses to these claims, but it recognizes the risks, distractions, and costs associated with litigation. Defendant contends that its conduct is and has been lawful at all times relevant and that Plaintiff’s claims do not meet the requirements for class certification.

This Settlement is a compromise reached after good faith, arm’s length negotiations between Plaintiff and Defendant (the “Parties”), through their attorneys, and is not an admission of liability on the part of Defendant. Both sides agree that this Settlement is fair, adequate and reasonable. Plaintiff also believes this Settlement is in the best interests of all Class Members.

The Court has not ruled on the merits of Plaintiffs’ claims or Defendant’s defenses. The Court has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable, and that any final determination of those issues will be made at the final hearing.

Who are the attorneys representing the Parties?

The attorneys representing the Parties in the Action are:

Class Counsel

Lilit Tunyan

ltunyan@tunyanlaw.com

Artur Tunyan

atunyan@tunyanlaw.com

TUNYAN LAW, APC

535 N. Brand Blvd., Suite 285

Glendale, California 91203

Telephone: (323) 410-5050

Defendant’s Counsel

Matthew Kraus

mkraus@lc-lawyers.com

Nickolaus Buchholz

nbuchholz@lc-lawyers.com

LESTER, CANTRELL & KRAUS,

LLP

1770 Iowa Avenue, Suite 110

Riverside, California 92507
Telephone: (951) 300-2690
Facsimile: (951) 300-2694

What are the Settlement terms?

Subject to final Court approval, Defendant will pay \$201,000.00 (the “Gross Settlement Amount”) for: (a) Individual Settlement Payments to Settlement Class Members; (b) the Court-approved Class Representative Service Payment to Plaintiff (\$7,500.00); (c) the Court-approved attorneys’ fees and costs to Class Counsel (“Class Counsel’s Fees and Expenses”) (\$67,000.00 in fees and up to \$20,000.00 in costs to be requested); (d) payment to the Labor and Workforce Development Agency (“LWDA”) for alleged PAGA penalties (the “PAGA Penalty Payment”) (\$15,000.00 allocated to the PAGA settlement); and (e) payment to the Settlement Administrator for settlement administration services (“Administrative Expenses”) (estimated to be no more than \$8,576.10).

Individual Settlement Payments. Class Members who do not timely and properly request to be excluded from the Settlement (the “Settlement Class Members”) will receive a share of the Net Settlement Amount, and Class Members who are also PAGA Employees will receive a share of the \$3,750.00 from the PAGA Settlement allocated to PAGA Employees (the “PAGA Settlement Payment”), regardless of whether the request exclusion from the Settlement (the total payment to a Class Member is their “Individual Settlement Payment”).

The “Net Settlement Amount” will be calculated by deducting from the Gross Settlement Amount the Class Counsel’s Fees and Expenses, the Class Representative Service Payment, the PAGA Penalty Payment, and the Administrative Expenses. Payments by Defendant from the Net Settlement Amount will be included in the Settlement Payments to each Settlement Class Member (the “Settlement Class Payments”) and each PAGA Employee (the “PAGA Settlement Payments”).

The Settlement Class Payment shall be divided among all Settlement Class Members on a *pro rata* basis based upon the total number of work weeks worked by each Settlement Class Member during the Class Period. The portion of the Net Settlement Amount paid to a Settlement Class Member = Net Settlement Amount (minus \$3,750.00 set aside for all PAGA Settlement Payment) × the work weeks worked by a Settlement Class Member ÷ the work weeks worked by all Settlement Class Members.

The PAGA Settlement Payment shall be divided among all PAGA Employees on a *pro rata* basis based upon the total number of pay periods worked by each PAGA Employee during the PAGA Period. The portion of the PAGA Settlement Payment paid to a PAGA Employee = \$3,750.00 × the pay periods worked by a PAGA Employee (during the PAGA Period) ÷ the pay periods worked by all PAGA Employees (during the PAGA Period).

The estimated average Settlement Share is approximately: \$[estimated average Settlement Share]

The estimated highest Settlement Share is approximately: \$[estimated average Settlement Share]

The estimated lowest Settlement Share is approximately: \$[estimated average Settlement Share]

According to Defendant s records:

- From April 3, 2019 to [REDACTED] (i.e., the Class Period), you are credited as having worked [REDACTED] Workweeks.
- From April 3, 2022 to [REDACTED] (i.e., the PAGA Period), you are credited as having worked [REDACTED] Pay Periods.

If you wish to dispute the Workweeks credited to you, you must submit a written letter (“Workweeks Dispute”) , which must: (a) contain your full name, current address, current telephone number, last four digits of your Social Security number or employee ID number, and signature; (b) contain the case name and number of the Action (*Powers v. Mario's Place Inc.*, Case No. CVRI2301652; (c) contain a clear statement explaining the basis for your dispute; (d) attach any documentation that you have to support the dispute; and (e) be mailed or delivered to the Settlement Administrator, postmarked or delivered on or before [Response Deadline] at:

[REDACTED]

You must produce documentary evidence supporting your contention. Defendant's records will be presumed correct unless you prove otherwise by credible evidence. The Settlement Administrator and the Parties will attempt to resolve all work week disputes with you informally. If they cannot resolve your work week dispute with you informally, the dispute will be submitted by the Parties to the Court for final resolution.

Settlement Share and Individual PAGA Payment is based on the number of Workweeks credited to you.

Under the terms of the Settlement, your Settlement Share is estimated to be \$ [REDACTED]. The Settlement Share is subject to reduction for the employees share of taxes and withholdings with respect to the wages portion of the Settlement Share.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED].

The settlement approval process may take multiple months. Your Settlement Share and Individual PAGA Payment (if applicable) reflected in this Notice is only an estimate. Your actual Settlement Share and Individual PAGA Payment (if applicable) may be higher or lower. Payments will be distributed only after the Court grants final approval of the Settlement, and after the Settlement goes into effect.

For tax reporting purposes, the payments to Class Members will be allocated 20% as wages, 40% as penalties and 40% as interest. All PAGA Settlement Payments will be allocated as 100% penalties. The wage portion of the Individual Settlement Payments shall be subject to the withholding of applicable local, state, and federal taxes, and the Settlement Administrator shall deduct applicable employee-side payroll taxes from the wage portion of the Individual Settlement Payments. The portion of the Individual Settlement Payments allocated as civil penalties and interest shall be classified as other miscellaneous income and reported on IRS Form 1099-MISC if required by governing tax laws. Any taxes owed on that other miscellaneous income will be the responsibility of Class Members receiving those payments. The employer's share of any payroll taxes will be separately paid by Defendant.

All checks for Individual Settlement Payments paid to Class Members will remain valid and negotiable for one hundred eighty (180) days from the date of the checks' issuance and shall thereafter automatically be void if not claimed or negotiated by a Class Member within that time. Any Individual Settlement Payment that is not claimed or negotiated by a Class Member within one hundred eighty (180) days of issuance shall be distributed to those class members who have cashed their checks. In such event, the Settlement Class Members and PAGA Employees shall nevertheless remain bound by the Settlement.

The "Effective Date" of the Settlement means the date by when 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 Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur. Defendant will fund the settlement account and distribute the Gross Settlement Amount to the Settlement Administrator within fifteen (15) days of the Effective Date. The Settlement Administrator shall mail the Settlement Payments to the Class Members only AFTER the payment by Defendant of the Gross Settlement Amount.

PLEASE BE PATIENT AND UPDATE THE SETTLEMENT ADMINISTRATOR WITH YOUR NEW ADDRESS IF YOU MOVE AFTER RECEIVING THIS NOTICE OR YOU RECEIVED THIS NOTICE AS FORWARDED MAIL.

None of the Parties or their attorneys make any representations concerning the tax consequences of this Settlement or your participation in it. Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Class Member.

Class Counsel's Fees and Expenses, the Class Representative Service Payment, Administrative Expenses, the PAGA LWDA Payment. Class Counsel will ask the Court to award attorneys' fees up to \$67,000.00 (one third) of the Gross Settlement Amount and reimbursement of reasonable costs incurred in the Action not to exceed \$20,000. In addition, Class Counsel will ask the Court to authorize Class Representative Service Payment made to Plaintiff in the amount of \$7,500.00, for his efforts in bringing the Action on behalf of the Class and for general release of his known and unknown claims in addition to claims released by each class member. The Parties estimate the cost of administering the Settlement will not exceed \$8,576.10. The PAGA Penalty Payment in the

amount of \$11,250.00 will also be made to the LWDA for PAGA penalties, which represents 75% of the \$15,000.00 PAGA Allocation.

What claims are being released by the proposed Settlement?

Upon the final approval by the Court of this Settlement and Defendant's payment of all sums due pursuant to this Settlement, and except as to such rights or claims as may be created by this Settlement, the Class Representative, the Class and each Class Member who has not submitted a valid and timely request for exclusion as to claims other than the PAGA claim, will release claims as follows:

(a) Identity of Released Parties. The released parties are Defendant and its owners, officers, directors, employees and agents (collectively "Releasees").

(b) Date Release Becomes Effective. The Released Claims will be released upon the later of (1) the Settlement's Effective Date, or (2) the satisfaction of Defendant's obligation to provide to the Settlement Administrator a sum in the amount required to satisfy all required payments and distributions pursuant to this Settlement and the Order and Judgment of final approval. Class Members will not release the Released Claims or Released PAGA Claims until both the Effective Date of the Settlement has occurred, and Defendant has paid all amounts owing under the Settlement.

(c) Claims Released by Settlement Class Members. Each and every Class Member, on behalf of himself or herself and their successors, assigns, and/or agents, unless he or she has submitted a timely and valid Request for Exclusion (which will not effectuate an opt-out from the release of Released PAGA Claims), hereby releases Releasees from the following claims for the entire Class Period:

1) any and all claims stated in the Plaintiff's First Amended Complaint, or that could have been stated based on the facts alleged in the First Amended Complaint ("Released Claims"),

2) Plaintiff releases all claims for statutory penalties that could have been sought by the Labor Commissioner for the violations identified in Plaintiff's pre-filing letter to the LWDA attached as Exhibit A upon the Effective Date and full funding of the Gross Settlement amount ("Released PAGA Claims"). To the maximum extent permitted by law, the final judgment entered pursuant to this settlement will bind all those who would be bound by a judgment if the action had been brought by the LWDA, including Plaintiff, the LWDA, and all Class Members employed during the Released PAGA Claims Period, whether requesting exclusion from the Settlement or not, with respect to the recovery of civil penalties under the California Private Attorneys General Act, California Labor Code § 2698, et. seq. only, against the Released Parties. See *Arias v. Superior Court* (2009) 46 Cal.4th 986, as to all Class Members employed during the Released PAGA Claims Period, whether requesting exclusion from the Settlement or not, claims arising under the Private Attorneys General Act of 2004, Labor Code § 2698 et seq., to the extent asserted in Plaintiff's administrative exhaustion letter submitted to the LWDA and the First Amended Complaint in this matter ("Released PAGA Claims").

No Class Member employed during the Released PAGA Claims Period can request exclusion from the settlement of the PAGA Claim. ~~If you are a Class Member, and this Settlement is approved, you will release the PAGA Claim even if you timely and properly submit a Request for Exclusion form.~~ The PAGA Employees are bound by the release of the PAGA Claims regardless of whether they cash their PAGA Payment Check.

What are my options in this matter?

You have two options under this Settlement, each of which is further discussed below. You may: (A) remain in the Class and receive an Individual Settlement Payment; or (B) exclude yourself from the Settlement. If you choose option (A), you may also object to the Settlement, as explained below.

If you remain in the Class, you will be represented at no cost by Class Counsel. Class Counsel, however, will not represent you for purposes of making objections to the Settlement. If you do not exclude yourself from the Settlement, you will be subject to any Judgment that will be entered in the Action, including the release of the Released Claims as described above.

OPTION A. Remain in the Class. If you wish to remain in the Class and be eligible to receive an Individual Settlement Payment, **you do not need to take any action.** By remaining in the Class and receiving settlement monies to resolve your class claims, you consent to the release of the Released Claims as described above.

Any amount paid to Settlement Class Members will not count or be counted for determination of eligibility for, or calculation of, any employee benefits (for example, vacations, holiday pay, retirement plans, non-qualified deferred compensation plans, etc.), or otherwise modify any eligibility criteria under any employee pension benefit plan or employee welfare plan sponsored by Defendant, unless otherwise required by law.

Objecting to the Settlement: If you believe the proposed Settlement is not fair, reasonable, or adequate in any way and you have selected to remain in the Class, you can ask the Court to deny approval of the Settlement by submitting an objection. You cannot object to the release of the PAGA Claim or object to the PAGA Settlement Payment. You cannot ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval, no additional settlement payments will be sent out and the Action will continue. If that is what you want to happen, you must object.

You may object to the Settlement in writing or by appearing at the Final Approval Hearing, either in-person or through your attorney. If you appear through your own attorney, you are responsible for paying that attorney. You may appear and orally object regardless of whether you submitted a written objection. Written objections in the Objection Form should be sent to the Settlement Administrator at _____, _____. If you choose not to submit a written objection using the Objection Form, the written objection in any form should contain sufficient information to confirm your identity and the basis of the objection, including: (1) your full name; (2) the grounds for the objection; (3) your signature; (4) the case and number (*Powers v. Mario's Place Inc.*, Riverside County Superior Court Case No. CVRI2301652); and (5) be postmarked on or before <<**RESPONSE DEADLINE**>> and submitted to the Settlement Administrator at the address listed above. You can also hire an attorney at your own expense to represent you in your objection. The Parties shall file responses to any written objections before the Final Approval Hearing. Regardless of whether you object in writing, the Court may, in its sole discretion, permit you to state any objections you may have at the Final Approval Hearing. **Even if you submit an objection, you will be bound by the terms of the Settlement, including the release of Released Claims as set forth above, unless the Settlement is not finally approved by the Court.** If you submit a written objection and then request exclusion from, and opt out of, the Class Settlement, you would be deemed to have waived your objection.

If you wish to attend the Final Approval Hearing remotely, you can do so via Zoom link provided on the court's website <https://riverside.courts.ca.gov/general-information/remote-appearances/remote-appearance-meeting-numbers>. If you wish to attend the Final Approval Hearing in person, you can attend it at Riverside County Superior Court, 450 Main Street, Riverside, CA 92501.

Regardless of the form, an objection, alone will not satisfy the requirement that a Class Member must formally intervene and become a party of record in the action to appeal a Judgment entered following an Order finally approving this Settlement, as is required under the California Supreme Court decision of *Hernandez v. Restoration Hardware*, 4 Cal. 5th 260 (2018).

OPTION B. Request to Be Excluded from the Class and Receive No Money from the Class Action Portion of the Settlement (PAGA Employees Still Will Receive Their Share of the PAGA Employee Payment). You may not seek exclusion from the PAGA portion of this Settlement. However, if you do not want to be part of the Class Settlement, you must complete and return the included Request for Exclusion form to the Settlement Administrator at [REDACTED]. In order to be valid, your Request for Exclusion form must be signed and include the last four digits of your social security number or Employee ID (to confirm your identity and make certain that only persons requesting exclusion are removed from the settlement). If you do not have a social security number and do not know your Employee ID, please contact the Settlement Administrator to arrange for an alternate method of confirming your identity.

Your Request for Exclusion form (to remove you from the Class Settlement) must postmarked on or before <<**RESPONSE DEADLINE**>>. If you do not submit a Request for Exclusion form on time (as evidenced by the postmark), your request to be excluded from the Settlement will be rejected, you will be deemed a Settlement Class Member, and you will be bound by the release of Released Claims as described above and all other terms of the Settlement. If you submit a Request for Exclusion form by the deadline to request exclusion, you will have no further role in the Action as it relates to the Class claims. You will not be able to complain to the Court about any aspect of the Class Settlement and any written objection to the Class Settlement would not be considered valid. **You will not be entitled to any benefit, including money,** as a result of the Action and Settlement, except for any payment you may be receive from the PAGA portion of this Settlement.

IMPORTANT: DO NOT SUBMIT A REQUEST FOR EXCLUSION FORM IF YOU WISH TO BE INCLUDED IN THE CLASS SETTLEMENT AND RECEIVE YOUR SHARE OF THE MONEY AVAILABLE TO YOU AS PART OF THE SETTLEMENT.

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

The Court will hold a Final Approval Hearing regarding the fairness, reasonableness and adequacy of the proposed Settlement, the plan of distribution, Class Counsel's Fees and Expenses, the Class Representative Service Payment, the Administrative Expenses, and the PAGA Allocation on <<**FINAL APPROVAL HEARING DATE & TIME**>>, in Department 10 of the Riverside County Superior Court, 450 Main Street, Riverside, CA 92501. As described above, if you wish to attend the Final Approval Hearing remotely, you can do so via Zoom link provided on the court's website <https://riverside.courts.ca.gov/general-information/remote-appearances/remote-appearance-meeting-numbers>. If you wish to attend the Final Approval Hearing in person, you can attend it at Riverside County Superior Court, 450 Main Street, Riverside, CA 92501. The Final Approval Hearing may be continued without further notice to Class Members. You are not required to attend the Final Approval Hearing to receive an Individual Settlement Payment.

If the Court grants Final Approval of the Settlement, the Order granting Final Approval and entering a Judgment, will be posted on a website by the Settlement Administrator for a period of at least 90 days following the entry of that Order in the Court record. That website is: <<**website**>>.

How can I get additional information?

This Notice summarizes the Action and the basic terms of the Settlement. More details are in the Joint Stipulation of Class and PAGA Representative Action Settlement attached to the Declaration of Lilit Tunyan in Support of Plaintiff's Motion for Preliminary Approval which was filed with Court on April 22, 2024. The Joint Stipulation of Class and PAGA Representative Action Settlement and all other records relating to the lawsuit are available for inspection and/or copying at the Civil Records Office of the Riverside County Superior Court. Class Members may be required to make an appointment with the Court to view documents. You may also request a copy of the Settlement Agreement from Class Counsel, at the address listed above.

You may also view documents filed in this case, including the complete Settlement, on the Court's website at: <https://epublic-access.riverside.courts.ca.gov/public-portal/?q=user/login&destination=node/379>. You may need the case number to access and view case documents (CVRI2301652) NOTE: If you choose to access documents online, the Court will charge you a fee for access. Class Counsel can provide you with copies of the settlement documents at no charge.

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: **[INSERT].**

Exhibit “4”

1 **PROOF OF SERVICE**

2 STATE OF CALIFORNIA)
3) ss
4 COUNTY OF LOS ANGELES)

5 I am employed in the county of Los Angeles, State of California. I am over the age of 18 and not a
6 party to the within action; my business address is 535 N Brand Blvd. Suite 285, Glendale, CA 91203.

7 On the date indicated below, I served the document described as: **SUPPLEMENTAL DECLARATION**
8 **OF LILIT TUNYAN IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY**
9 **APPROVAL OF CLASS AND PAGA REPRESENTATIVE ACTION SETTLEMENT** on the
10 interested parties in this action by sending a true copy thereof to interested parties as follows and as stated
11 on the attached service list:

12 Matthew Kraus
13 mkraus@lc-lawyers.com
14 Nickolaus Buchholz
15 nbuchholz@lc-lawyers.com
16 Monique Patino
17 mpatino@lc-lawyers.com
18 Marcella Buchheit
19 mbuchheit@lc-lawyers.com

20 **LESTER, CANTRELL & KRAUS, LLP**

21 1770 Iowa Avenue, Suite 110
22 Riverside, California 92507
23 Telephone: (951) 300-2690
24 Facsimile: (951) 300-2694

25 *Attorneys for Defendant MARIO'S PLACE, INC.*

26 [✓] **BY E-MAIL:** I hereby certify that this document was served from Glendale, California, by e-
27 mail delivery on the parties listed herein at their most recent known e-mail address or e-mail of
28 record in this action.

[✓] **BY ELECTRONIC SERVICE:** Based on an agreement of the parties to accept electronic
service, I caused the documents to be sent to the persons at the electronic service addresses
listed above via electronic mail. I did not receive an error message.

I declare under penalty of perjury under the laws of the State of California that the above is
true and correct.

Executed on May 20, 2024, at Glendale, California.

Lilit Tunyan

Name



Signature