

John G. Yslas (SBN 187324)
john.yslas@wilshirelawfirm.com
Jeffrey C. Bills (SBN 301629)
jeffrey.bills@wilshirelawfirm.com
Emily Borman (SBN 303180)
emily.borman@wilshirelawfirm.com
WILSHIRE LAW FIRM, PLC
660 S. Figueroa St., Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

Attorneys for Plaintiff VANESSA HERNANDEZ née
GONZALEZ, individually, and
on behalf of all others similarly situated

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

VANESSA HERNANDEZ née GONZALEZ, an
individual, on behalf of herself and others similarly
situated,

Plaintiff,

v.

DERMCARE MANAGEMENT, LLC, a Florida
limited liability company; SKIN AND BEAUTY
CENTER, INC., a California corporation; and
DOES 1 through 10, inclusive,

Defendants.

Case No. 22STCV40910
Related Case No. 23STCV16829

*Assigned for All Purposes To:
Hon. Theresa M. Traber
Dept. 1*

**DECLARATION OF JOHN G. YSLAS IN
SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT**

PRELIMINARY APPROVAL HEARING:

Date: June 10, 2026

Time: 10:30 a.m.

Dept.: 1

Action Filed: December 29, 2022

DECLARATION OF JOHN G. YSLAS

I, John G. Yslas, hereby declare as follows:

1. I am an attorney at law licensed to practice before all of the courts of the State of California. I am a senior partner at Wilshire Law Firm, PLC (“WLF”), counsel for Plaintiff Vanessa Hernandez (“Plaintiff”) in this matter. I am thoroughly familiar with and have personal knowledge of all of the facts set forth herein.

2. I submit this declaration in support of Plaintiff’s Motion for Preliminary Approval of Class Action and PAGA Settlement.

Procedural History

3. On December 29, 2022, Plaintiff filed this action as a putative class action against Defendants DermCare Management, LLC (“DermCare”) and Skin and Beauty Center, Inc. (“SBC”) (collectively “Defendants”) alleging: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; and (8) unfair business practices.

4. On May 17, 2023, Plaintiff provided written notice to the LWDA and Defendants of her intention to file a PAGA claim. Attached as **Exhibit 2** is a true and correct copy of Plaintiff’s March 28, 2025 letter to Defendants and the LWDA. The LWDA did not notify Plaintiff that intended to investigate within 65 days of this written notice. Therefore, on July 18, 2023, Plaintiff filed a separate action alleging a claim under PAGA, Case No. 23STCV16829 (the “PAGA Action”).

5. On December 7, 2023, Plaintiff filed a Notice of Related Case.

6. The Parties subsequently participated in a private all-day mediation with Hon. Patrick J. Walsh (Ret.) on November 1, 2024. The negotiations were adversarial, conducted at arm’s length, and tempered by the efforts of both sides to serve the interests of their clients. The mediator made a proposal, which was accepted by both parties.

7. The parties negotiated the terms of the Settlement over the next several months, which was finalized in December 2025. A true and correct copy of the fully executed Settlement Agreement is attached hereto as **Exhibit 1**. Attached thereto as **Exhibit A** is a true and correct copy of the Parties' proposed Class Notice.

8. On March 9, 2026, Plaintiff submitted a copy of the Settlement Agreement to the LWDA. A true and correct copy of the confirmation of submission my office received after submitting the Settlement Agreement to the LWDA is attached hereto as **Exhibit 3**.

Investigation and Exposure Analysis

9. Prior to attending mediation, Plaintiff's Counsel thoroughly investigated the claims, applicable law, and potential defenses. Plaintiff's Counsel assessed the value to the class claims using the documents and data Defendants produced in informal discovery, including class data providing the number of Class Members, the number of workweeks in the Class Period, and the number of pay periods in the PAGA Period, Plaintiff's personnel file, employment handbook and policies, job descriptions, and a random sampling of time and payroll records. Plaintiff's Counsel engaged an expert to quantify the potential exposure using the time and payroll records, and then assessed the risks associated with each claim meriting reductions in the likely success at class certification and likely recovery at trial.

10. Defendants' records show that there are approximately 656 Class Members, making joinder of all Class Members impracticable. Further, given the size and amount of each Class Members' claim, Class Members have little incentive to litigate their claims on an individual basis because the out-of-pocket expenses and personal commitment necessary to litigate each claim likely outweighs any potential recovery.

11. Plaintiff has alleged that Defendants maintained common employment policies and/or practices that unlawfully deprived Class Members of wages, meal period, rest periods, reimbursements for business expenses, accurate wage statements, and timely payment of wages upon separation of employment. These allegations present common factual and legal questions of, *inter alia*, whether Defendants applied the same scheduling, timekeeping, pay, meal period, rest period, and reimbursement policies to all Class Members, whether these policies and practices

1 resulted in Labor Code violations, whether Defendants' conduct was intentional, and whether Class
2 Members are entitled to damages and/or penalties. These common questions could be resolved
3 using Class Members' time records, payroll records, testimony from Defendants' designated
4 representative(s), and Class Members' testimony.

5 12. Although the exposure Plaintiff's Counsel calculated is substantial, the various risks
6 at succeeding at class certification and through trial affected the valuation of the claims for
7 settlement purposes.

8 13. Minimum and Overtime Wages: Plaintiff alleges that Defendants failed to pay for
9 all hours worked, including minimum, straight time, and overtime wages, by requiring class
10 members to work off-the-clock. For purposes of calculating Defendants' liability based on a best-
11 case scenario for Plaintiff and the Class, Plaintiff's Counsel estimates that Defendants' maximum
12 potential exposure by assuming that all unpaid work time should have been paid at the overtime
13 rate, and Plaintiff's Counsel assumed that Defendants are liable for 1 hour of unpaid worktime
14 per workweek. This results in an estimate of approximately \$1,358,080.08 (40,168 workweeks x
15 \$22.54 hourly rate x 1.5 overtime rate x 0.50 hour of unpaid work per workweek), but Plaintiff's
16 Counsel applied a risk discount based on a 40% chance of succeeding at class certification and a
17 40% chance of succeeding at trial on the merits because liability depends on whether Defendants
18 knew or should have known that class members were working off-the-clock, yielding a realistic
19 damage estimate of approximately \$217,292.81 (\$1,358,080.08 x 40% x 40%).

20 14. Meal Periods: With respect to the meal period claim, Plaintiff alleges that
21 Defendants required Plaintiff and similarly situated class members to either work in lieu of taking
22 meal periods, or their meal periods were untimely or interrupted. Plaintiff's Counsel's expert
23 analyzed Defendants' timekeeping records and found that approximately 6.70% of all meal break
24 violations consisting of short, late, or missed meal periods. Therefore, potential liability for the
25 meal period claim is approximately \$233,544.81 (154,647 shifts x \$22.54 hourly rate x 6.70%
26 violation rate). After taking into account the difficulty of certifying and proving meal period
27 claims, as well as Defendants' contention that the claim lacks merit and a 6.7% violation rate is
28 unrealistic, Plaintiff's Counsel discounted this figure based on a 40% chance of succeeding at class

certification and a 40% chance of succeeding at trial, yielding a realistic damage estimate of approximately \$37,367.17 ($\$233,544.81 \times 40\% \times 40\%$).

15. Rest Breaks: With respect to the rest period claim, Plaintiff alleges that Defendants required her and similarly situated class members to work in lieu of taking rest periods, remain on-call during their rest periods or their rest periods were interrupted. Assuming a 45% violation rate for the class period based on Plaintiff's and other class members' experience working for Defendants, Defendants' potential liability for the rest period claim is approximately \$1,677,134.91 ($165,349 \text{ shifts} \times \$22.54 \text{ hourly rate} \times 45\% \text{ violation rate}$); however, Plaintiff's Counsel discounted this figure to account for the difficulty of certifying and proving rest period claims, particularly because rest periods do not have to be recorded, and to account for the possibility of Class Members voluntarily choosing to forego a rest period. Because this claim would have relied exclusively on Class Member testimony, Plaintiff's Counsel discounted this claim based on a 25% chance of succeeding at class certification and a 35% chance of succeeding at trial, yielding a realistic damage estimate of approximately \$146,749.30 ($\$1,677,134.91 \times 25\% \times 35\%$).

16. Reimbursements: Plaintiff's reimbursement claim was based on the allegation that Defendants expected employees to pay out-of-pocket for necessary employment-related expenses, including, without limitation, use of personal cell phones. However, Defendants did not reimburse employees for these expenses. Based on Plaintiff's estimate that she incurred \$30 in unreimbursed expenses per month, Plaintiff's Counsel assumed each Class Member incurred \$30 in unreimbursed expenses per month in calculating potential exposure to be approximately \$301,260.00 for this claim. However, Defendants argued that these expenses were not required by Defendants, and that it could not have known that these expenses were being incurred. Accordingly, Plaintiff's Counsel discounted this claim based on a 30% chance of succeeding at class certification and a 35% chance of succeeding at trial, yielding a realistic damage estimate of approximately \$31,632.30 ($\$301,260.00 \times 30\% \times 35\%$).

17. In sum, Plaintiff's Counsel estimated that Plaintiff's maximum recovery for the off-the-clock claim, meal period violations, rest period violations, and expense reimbursement

violations is approximately \$3,570,019.79. However, after factoring in the risk and uncertainty of prevailing at certification and trial, Plaintiff's Counsel estimates that Plaintiff's realistic estimated recovery for the non-penalty claims is approximately \$433,041.59.

18. Derivative Penalties and PAGA Penalties: With respect to Plaintiff's derivative claims for statutory and civil penalties, Plaintiff estimated that Defendants' realistic potential liability is approximately \$491,369.61. Defendants' maximum potential liability for waiting time penalties is approximately \$1,964,394.81 (321 employees x \$22.54 hourly rate x 8.00 hours/day x 30 days) based on approximately 321 terminated class members during the 3-year statute of limitations period, approximately \$2,108,000.00 (527 employees x \$4,000 statutory maximum) for inaccurate wage statements based on approximately 527 class members who worked during the 1-year statute of limitations period, and approximately \$1,455,600.00 for PAGA violations based on the Court assessing a \$100 penalty for initial violations for all 14,556 pay periods within the PAGA period. In light of the foregoing, Plaintiff's Counsel believes that it would be unrealistic to expect the Court to award the full \$5,527,994.81 in penalties given Defendants' defenses, the contested nature of Plaintiff's claims, the challenges of establishing willfulness as applicable, and the discretionary nature of penalties. Considering that the underlying claims are realistically estimated to be approximately \$433,041.59, such a disproportionate award would also raise due process concerns. As such, Plaintiff's Counsel discounted these figures to account for the risk and uncertainty of prevailing at trial, resulting in a realistic evaluation of approximately \$147,329.61 (\$1,964,394.81 x 25% x 30%) for waiting time penalty claims, approximately \$126,480.00 (\$2,108,000.00 x 30% x 20%) for wage statement penalty claims, and \$145,560.00 for PAGA penalties, or approximately \$419,369.61 total for statutory and civil penalties.

19. Using these estimated figures, Plaintiff predicted that the realistic maximum recovery for all claims, including penalties, would be approximately \$852,411.20. This means that the \$850,000.00 settlement figure represents approximately 99.72% of the realistic maximum recovery ($\$850,000.00 / \$852,411.20 = 99.72\%$). Considering the risk and uncertainty of prevailing at class certification and at trial, this is an excellent result for the Class. Indeed, because of the

1 proposed Settlement, class members will receive timely, guaranteed relief and will avoid the risk
2 of an unfavorable judgment.

3 **Plaintiff's Counsel's Qualifications**

4 20. Plaintiff is represented by WLF. The attorneys at WLF performed significant work
5 and expended litigation costs in prosecuting this matter with no guarantee of payment.

6 21. WLF was selected by Best Lawyers and U.S. News & World Report as one of the
7 nation's Best Law Firms since 2020 and is comprised of more than 100 attorneys and over 600
8 employees. WLF is actively and continuously practicing in employment litigation, representing
9 employees in both individual and class actions in both state and federal courts throughout
10 California.

11 22. WLF is qualified to handle this Litigation because its attorneys are experienced in
12 litigating Labor Code violations in individual, class action, and representative action cases. WLF
13 has handled, and is currently handling, numerous wage and hour class action lawsuits, as well as
14 class actions involving consumer rights and data privacy litigation.

15 23. I graduated from the University of California, Santa Barbara with High Honors in
16 1991 with Bachelor of Arts degrees in Psychology. I received my Juris Doctor from UCLA Law
17 School in 1996.

18 24. Upon graduating from law school in 1996, I worked for a boutique law firm
19 practicing general litigation which included employment law matters. Since 2000 (that is, the last
20 25 years) my practice has been exclusively focused on labor and employment matters including
21 handling wage and hour class, collective and representative actions (including the California
22 Private Attorneys General Act, or "PAGA"), including in the international law firms of Morgan,
23 Lewis & Bockius LLP (where I was a senior associate), Foley & Lardner LLP (where I was a
24 partner and a national Vice Chair of the Labor and Employment Group), Norton Rose Fulbright
25 LLP (where I was a partner) and Seyfarth Shaw LLP (where I was a partner and member of the
26 Wage and Hour Practice Group). During my time at these law firms, I was the primary attorney or
27 took a major leading role in defending employers on numerous wage and hour class, collective and
28 representative actions.

1 25. In late June 2022 I left Seyfarth Shaw LLP and joined my current firm, Wilshire
2 Law Firm, PLC, to represent plaintiff employees. I have been and am handling many wage and
3 hour class and representative actions litigating such matters on behalf of plaintiff employees in
4 numerous Superior Courts and District Courts. From matters representing both plaintiffs and
5 defendants, I have successfully mediated the resolution of many wage and hour class, collective,
6 and representative actions. Just since starting to settle cases in late April 2023 I have already
7 successfully mediated matters in which I have been counsel or co-counsel resulting in **over \$225**
8 **million** in settlements and verdicts which are in the process of being finalized, and with numerous
9 upcoming mediations scheduled. In those and numerous other matters, I have managed and assisted
10 with the litigation and settlement of many wage and hour PAGA and class actions. In those actions,
11 I performed similar tasks as those performed in the course of prosecuting this action. Indeed, I
12 recently tried and prevailed in achieving a jury verdict in a certified wage and hour class action in
13 the matter of *Aguilar-Flores v. Javier's – CC LLC*, Los Angeles County Superior Court, Case No.
14 19STCV36438 (settled after verdict).

15 26. I have received numerous awards for my legal work. For example, from 2015 to
16 2018, I was listed in Los Angeles Super Lawyers for Employment Litigation (Thomson Reuters).
17 I have also served on numerous prominent boards and in other leadership positions, including
18 serving as Southern California Regional President for the Hispanic National Bar Association and
19 on the board of directors of the Mexican American Bar Foundation. I also previously served on the
20 5-member Los Angeles Civil Service Commission, which generally oversees the personnel
21 decisions for the City of Los Angeles.

22 27. I have also published numerous blogs on labor and employment issues including on
23 wage and hour issues. For example, I published “Headline News: Wal-Mart v. Dukes-Impact on
24 Class Action Litigation” (while a partner with Foley & Lardner LLP) and “Are You Really
25 Protected From Wage-and-Hour Successor Liability in an Asset Purchase” (while a partner with
26 Seyfarth Shaw LLP). I have also been a presenter at numerous conferences, including being a
27 presenter involving the “Employment Law Update” at a National Employment Law Council
28 conference

1 28. Jeffrey C. Bills is an eleventh-year Senior Attorney at WLF. He graduated from the
2 University of Wisconsin–Madison with a Bachelor of Arts in Journalism and German, and received
3 his Juris Doctor from the University of California, Los Angeles School of Law in 2014. During law
4 school, he was a Senior Editor on the UCLA Law Review and an Articles Editor on the
5 Entertainment Law Review. He served as a Judicial Extern for the Hon. Consuelo Bland Marshall
6 in United States District Court for the Central District of California, and also for the Hon. Sandra
7 R. Klein of United States Bankruptcy Court for the Central District of California. He graduated
8 ranked No. 7 in his graduating class from UCLA School of Law. He was admitted to practice law
9 in the State of California in 2014. Since graduating from law school, he has focused his legal work
10 primarily on employment matters, including wage-and-hour class action and PAGA representative
11 action litigation, and he has helped obtain dozens of settlements on behalf California workers, as
12 well as on behalf of California employers during his years on the defense bar. He is a member of
13 the Beverly Hills Bar Association (BHBA), where he serves as a current member of the Board of
14 Governors and is a past Chair of the Labor & Employment Law Section Executive Committee. He
15 is also a member of the California Employment Lawyers Association (CELA).

16 29. Aram Boyadjian *was* a fifth-year Associate Attorney at WLF. He was admitted to
17 practice law in the State of California in 2021. Aram graduated from the University of California,
18 Los Angeles, with a Bachelor of Arts in Political Science. He received his Juris Doctor from Loyola
19 Law School. During law school, he was a member of the student editorial board for the
20 International and Comparative Law Review. Since January 2021, his practice has mainly been
21 focused on wage and hour class action litigation.

22 30. Andrew Sandoval *was* a third-year Associate Attorney at WLF. He was admitted to
23 practice law in the State of California in 2022. Andrew graduated from Azusa Pacific University
24 with a Bachelor of Arts in Economics. He received his Juris Doctor from Loyola Law School.
25 During law school, he was a Vice-President of La Raza de Loyola. Since graduating, his practice
26 has mainly been focused on wage and hour class action litigation.

27 31. Emily Borman is a Junior Partner at Wilshire Law Firm, PLC. She was admitted to
28 practice law in the State of California in May 2015. Ms. Borman graduated from Cornell University

1 with a Bachelor of Science in Development Sociology and a Minor in Applied Economics and
2 Management. While at Cornell she was inducted into the Alpha Kappa Delta International Honor
3 Society. Ms. Borman received her Juris Doctor from University of California Law San Francisco
4 (formerly UC Hastings). Since graduating, her practice has been in employment law, including
5 Plaintiff-side wage and hour cases. Ms. Borman has received numerous awards for her legal work.
6 In 2021 and from 2023 to 2025, Super Lawyers selected her as a “Southern California Rising Star.”
7 Ms. Borman was selected as one of the “Best Lawyers in America” from 2021 to 2025.

8 **Conflicts**

9 32. WLF has no actual or potential conflicts of interest with Class Members or the
10 proposed Administrator, ILYM Group, Inc.

11 33. WLF is not aware of any pending matter or action against Defendants that may be
12 extinguished or adversely affected by this Settlement.

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

15 Executed on March 9, 2026 at Los Angeles, California.

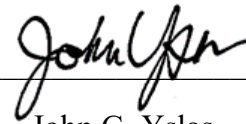
16
17 
18 John G. Yslas

EXHIBIT 1

John G. Yslas (SBN 187324)
john.yslas@wilshirelawfirm.com
Jeffrey C. Bils (SBN 301629)
jeffrey.bils@wilshirelawfirm.com
Aram Boyadjian (SBN 334009)
aram.boyadjian@wilshirelawfirm.com
Andrew Sandoval (SBN 346996)
andrew.sandoval@wilshirelawfirm.com

WILSHIRE LAW FIRM

660 S. Figueroa St., Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

Attorneys for Plaintiff VANESSA HERNANDEZ née GONZALEZ, individually, and
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THE TORREY FIRM PC
REBECCA L. TORREY, State Bar No. 153866
rebecca@torreyfirm.com
JUDD GRUTMAN, State Bar No. 275304
judd@torreyfirm.com
1626 Montana Avenue, Suite 647
Santa Monica, California 90403
Telephone: (310) 310-2992
Facsimile: (424) 414-1712

Attorneys for Defendants
DERMCARE MANAGEMENT, LLC and
SKIN AND BEAUTY CENTER, INC.

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VANESSA HERNANDEZ née GONZALEZ,
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DERMCARE MANAGEMENT, LLC, a
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Defendants.

Case No. 22STCV40910

*Assigned for All Purposes To:
Hon. Theresa M. Traber
Dept. 1*

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT**

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff VANESSA HERNANDEZ née GONZALEZ (“Plaintiff”) and Defendants DermCare Management, LLC and Skin and Beauty Cetner, Inc. (“Defendants”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1 “Actions” means Plaintiff’s lawsuit alleging class action wage and hour violations against Defendants captioned *Vanessa Hernandez née Gonzalez v. DermCare Management, LLC, et al.*, Case No. 22STCV40910, filed on December 29, 2022 in Los Angeles County Superior Court, and Plaintiff’s representative PAGA action captioned *Vanessa Hernandez née Gonzalez v. DermCare Management, LLC, et al.*, Case No. 23STCV16829, filed on July 18, 2023 in Los Angeles County Superior Court.

1.2 “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3 “Administration Costs” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4 “Aggrieved Employee” means all persons who worked for Defendants in California as an hourly-paid or non-exempt employee at any time during the PAGA Period.

1.5 “Class” means all persons who worked for Defendants in California as an hourly-paid or non-exempt employee at any time during the Class Period.

1.6 “Class Counsel” means John G. Yslas, Jeffrey C. Bills, Aram Boyadjian, and Andrew Sandoval of Wilshire Law Firm, PLC.

1.7 “Class Counsel Fees Payment” means an award of attorneys’ fees granted to Class Counsel and paid from the Gross Settlement Amount. Plaintiff will request approval from the Court, and Defendants will not oppose, a payment of up to one-third (1/3) of the GSA (currently \$283,333.33).

1.8 “Class Counsel Litigation Expenses Payment” means the amount allocated to Class

Counsel for reimbursement of reasonable expenses and costs incurred to prosecute the Action, not to exceed \$37,000.00 and paid from the Gross Settlement Amount.

1.9 “Class Data” means Class Member identifying information in Defendants’ possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Workweeks and PAGA Pay Periods.

1.10 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

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

1.12 “Class Notice” means the Court approved Notice of Settlement and hearing date for Final Approval, to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.13 “Class Period” or “Class Settlement Period” means the period from July 4, 2018 through the date of preliminary approval or November 30, 2025, whichever date occurs first (“Settlement Class Period”).

1.14 “Class Representative” means the named Plaintiff Vanessa Hernandez née Gonzalez in the Action.

1.15 “Class Representative Service Payment” or “Enhancement Award” means the payment to the Class Representative for initiating the Actions and providing services in support of the Action.

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

1.17 “Defendant” means named Defendants DermCare Management, LLC and Skin and Beauty Center, Inc.

1.18 “Defense Counsel” means Rebecca L. Torrey and Judd Grutman of The Torrey Firm PC.

1.19 “Effective Date” means the date by which both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

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

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

1.22 “Final Judgment” means the Judgment entered by the Court upon granting Final Approval of the Settlement.

1.23 “Gross Settlement Amount” or “GSA” means \$850,000.00, which is the total amount Defendants agree to pay under the Settlement, except as provided in Paragraph 8, and except for the limited amount for specified employer contribution to FICA on the wage allocated amounts as provided in Paragraphs 3.1 and 4.3 below.

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

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

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

1.27 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i) (2016).

1.28 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i) (2016).

1.29 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Penalties payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Costs Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

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

1.31 “Operative Complaints” mean the operative Class Action Complaint filed on December 29, 2022 in the Action and the operative PAGA Representative Action Complaint filed on July 18, 2023.

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

1.33 “PAGA Period” means the period from August 22, 2022 through the date of preliminary approval or November 30, 2025, whichever date occurs first.

1.34 “PAGA” means the Labor Code Private Attorneys General Act of 2004 (Labor Code §§ 2698, *et seq.*).

1.35 “PAGA Notice” means Plaintiff’s May 17, 2023 letter to the LWDA and Defendants providing notice pursuant to Labor Code section 2699.3, subd.(a) (2016).

1.36 “PAGA Penalties” means the total amount of \$42,500.00 in PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% (\$10,625.00) to the Aggrieved Employees and 75% (\$31,875.00) to the LWDA in settlement of PAGA claims.

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

1.38 “Plaintiff” means Vanessa Hernandez née Gonzalez, the named plaintiff in the Action.

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

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

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

1.42 “Released Parties” means Defendants, and each of their current and former affiliates, heirs, successors, predecessors and assigns, as well as each of their respective past and present agents, directors, owners, members, managing members, officers, shareholders, investors, advisors, partners, insurers, representatives, consultants, attorneys and employees.

1.43 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.44 “Response Deadline” means forty-five (45) days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.

1.45 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.46 “Workweek” means any week during which a Class Member worked for Defendants for at least one day, during the Class Period.

2. RECITALS.

2.1 On December 29, 2022 Plaintiff filed a Class Action Complaint alleging causes of action against Defendants for (1) Failure to Pay Minimum and Straight Time Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest Periods; (5) Failure to Timely Pay Final Wages at Termination; (6) Failure to Provide Accurate Itemized Wage Statements; (7) Failure to Indemnify Employees for Expenditures; and Unfair Business Practices.

2.2 On May 17, 2023, pursuant to Labor Code § 2699.3, subd.(a), Plaintiff gave notice to the LWDA and Defendants that Plaintiff intended to proceed with a representative action under PAGA (LWDA-CM-955804-23). On July 18, 2023, after the 65-day statutory period passed,

1 Plaintiff filed a separate complaint for penalties pursuant to Labor Code § 2699, *et seq.*, Case No.
2 23STCV16829.

3 2.3 Defendants deny the allegations in the Action, deny any failure to comply with the laws
4 identified in the Actions, and deny any and all liability for the causes of action alleged in the
5 Actions.

6 2.4 On November 1, 2024 the Parties participated in an all-day mediation presided over by
7 mediator Hon. Patrick J. Walsh (Ret.). The Parties accepted a mediator's proposal on November
8 8, 2024, and agreed on general settlement terms. The Parties memorialized their agreement in a
9 Memorandum of Understanding dated August 12, 2025.

10 2.5 In advance of mediation, Class Counsel conducted a thorough investigation into the facts
11 of, and applicable law to, the Actions. Prior to mediation, Plaintiff obtained and analyzed a
12 representative sampling of time and payroll data for Class Members and the necessary policy
13 documents through informal discovery to properly evaluate the strengths and weakness of the
14 claims and engage in meaningful settlement discussions. Plaintiff's investigation was sufficient
15 to satisfy the criteria for court approval set forth in *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th
16 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130
17 ("*Dunk/Kullar*").

18 2.6 The Court has not granted class certification because the Parties engaged in mediation
19 before any class certification.

20 2.7 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any
21 other pending matters or actions asserting claims that will be extinguished or affected by the
22 Settlement.

23 **3. MONETARY TERMS.**

24 3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below,
25 Defendants will pay eight hundred fifty thousand dollars and zero cents (\$850,000.00) to fully
26 settle, resolve, and extinguish all claims asserted in the Action, including without limitation all
27 claims asserted in the PAGA Notice. The Gross Settlement Amount is non-reversionary and does
28 not include the employer's contribution to FICA equal to 7.5% on the portion attributed to wages

1 of the Individual Class Payments, which Defendants will pay separately.

2 3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct
3 the following payments from the Gross Settlement Amount, in the amounts specified by the Court
4 in the Final Approval:

5 3.2.1 To Plaintiff: A payment for the Class Representative Service Payment to Plaintiff
6 of not more than \$10,000.00 (ten thousand dollars and zero cents) in addition to any Individual
7 Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive
8 as a Participating Class Member. Defendants will not oppose Plaintiff's request for a Class
9 Representative Service Payment that does not exceed this amount. As part of the motion for the
10 Class Counsel Fees and Litigation Expenses Payments, Plaintiff will seek Court approval for any
11 Class Representative Service Payment no later than sixteen (16) court days prior to the Final
12 Approval Hearing, or as otherwise ordered by the Court. If the Court approves a Class
13 Representative Service Payment less than the amount requested, the Administrator will retain the
14 remainder in the Net Settlement Amount to be distributed to Participating Class Members. The
15 Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff
16 assumes full responsibility and liability for federal, state and local taxes, including any FICA and
17 payroll taxes, if any, owed on the Class Representative Service Payment.

18 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third of the
19 Gross Settlement Amount, which is currently estimated to be \$283,333.33, and a Class Counsel
20 Litigation Expenses Payment for actual costs, not to exceed \$37,000.00. Defendants will not
21 oppose requests for these payments. Plaintiff and/or Class Counsel will file a motion for Class
22 Counsel Fees and Litigation Expenses Payment no later than sixteen (16) court days prior to the
23 Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves a Class
24 Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts
25 requested, the Administrator will allocate the remainder to the Net Settlement Amount for
26 distribution to Participating Class Members. Released Parties shall have no liability to Class
27 Counsel or any other Plaintiff's counsel arising from any claim to any portion of Class Counsel
28 Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the

Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for all taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3 To the Administrator: An Administrator Costs Payment not to exceed \$8,850.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Costs are less or the Court approves payment of less than \$8,850.00, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members.

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

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

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

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of forty two thousand, five hundred dollars and zero cents (\$42,500.00) to be paid from the Gross Settlement Amount, with 75% (\$31,875.00) allocated to the LWDA PAGA Payment and 25% (\$10,625.00) allocated to the Individual PAGA Payments.

3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties of \$42,500.00 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each individual Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount to be distributed to Participating Class Members. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records, Defendants represent that as of November 7, 2024, there were 656 Class Members who collectively worked a total of 40,168 workweeks during the Class Period, and 461 Aggrieved Employees who worked a total of 14,556 PAGA Pay Periods during the PAGA Period.

4.2 Class Data. Not later than twenty-one (21) days after the Court grants Preliminary Approval of the Settlement, Defendants will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which

Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3 Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount and an amount equal to the employer's FICA contribution of 7.5% on the portion attributed to wages by transmitting the funds to the Administrator no later than twenty-one (21) days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within ten (10) days after Defendants fully fund the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Costs Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

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

4.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within seven

(7) days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the Void Date.

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

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

5. RELEASES OF CLAIMS. Effective on the date when Defendants fully fund the Gross Settlement Amount and pay the employer's contribution to FICA equal to 7.5% on the portion attributed to wages on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. Plaintiff discharges Released Parties from all claims, transactions, or occurrences, that occurred during the Class Period, including all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint; and claims under the Fair Employment and Housing Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the California Labor Code, and all equivalent claims under federal law ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts

1 or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be
2 true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects,
3 notwithstanding such different or additional facts or Plaintiff's discovery of them.

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

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

11 5.2 Released Class Claims: All Participating Class Members will release all claims, rights,
12 demands, liabilities, and causes of action, alleged or which could have reasonably been alleged
13 based on the facts alleged in the operative Complaint, including but not limited to: (1) failure to
14 pay minimum and straight time wages (pursuant to Cal. Labor Code §§ 204, 1194, 1194.2, 1197
15 and 1197.1); (2) failure to pay overtime wages (pursuant to Cal. Labor Code §§ 510, 1194, and
16 1198); (3) failure to provide meal periods (pursuant to Cal. Labor Code §§ 226.7 and 512); (4)
17 failure to authorize and permit rest periods (pursuant to Cal. Labor Code §§ 226.7); (5) failure to
18 timely pay final wages at termination (pursuant to Cal. Labor Code §§ 201-203); (6) failure to
19 provide accurate itemized wage statements (pursuant to Cal. Labor Code §§ 226); (7) failure to
20 indemnify employees for expenditures (pursuant to Cal. Labor Code §§ 2802); and (8) unfair
21 business practices (pursuant to Cal. Bus. & Prof. Code §§ 17200, *et seq.*). The enumeration of
22 these specific claims shall neither enlarge nor narrow the scope of *res judicata* based on the claims
23 that were asserted in the Action or could have been asserted in the Action based on the facts and
24 circumstances alleged in the Complaint. The Released Class Claims are those that accrued during
25 the Class Period.

26 5.3 Released PAGA Claims: All Aggrieved Employees will release all claims for PAGA
27 civil penalties that are alleged or reasonably could have been alleged based on the facts alleged
28 in the operative Complaint and in Plaintiff's May 17, 2023 PAGA Notices, including but not

limited to: (1) failure to pay minimum and straight time wages (pursuant to Cal. Labor Code §§ 204, 210, 510, 1194, 1194.2, 1197 and 1197.1); (2) failure to pay overtime wages (pursuant to Cal. Labor Code §§ 510, 1194 and 1198); (3) failure to provide meal periods (pursuant to Cal. Labor Code §§ 210, 226.7 and 512); (4) failure to authorize and permit rest periods (pursuant to Cal. Labor Code §§ 210 and 226.7); (5) failure to timely pay final wages at termination (pursuant to Cal. Labor Code §§ 201–203 and 213(d)); (6) failure to provide accurate itemized wage statements (pursuant to Cal. Labor Code §§ 226 and 226.3); (7) failure to indemnify employees for expenditures (pursuant to Cal. Labor Code § 2802); (8) failure to produce requested employment records (pursuant to Cal. Labor Code §§ 226, 432, and 1198.5); (9) failure to pay all earned wages twice per month and unlawfully withholding accrued wages (pursuant to Cal. Labor Code §§ 204, 210 and 216); (10) failure to maintain accurate records of hours worked and meal periods (pursuant to Cal. Labor Code §§ 1174, and 1174.5); (11) recordkeeping requirement violations (pursuant to Cal. Labor Code §§ 226.6, 558.1, 1174, 1174.5, 1198 and 1199); (12) willful misclassification (pursuant to Cal. Labor Code § 226.8); (13) retaliation (pursuant to Cal. Labor Code § 1102.5); and (14) civil penalties for wage and hour violations (pursuant to Cal. Labor Code § 558). The Released PAGA Claims are those that accrued during the PAGA Period.

6. MOTION FOR PRELIMINARY APPROVAL. Plaintiff will prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”).

6.1 Defendants’ Declaration in Support of Preliminary Approval. Within ten (10) days of the full execution of this Agreement, Defendants will prepare and deliver to Class Counsel a signed Declaration from Defendants and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their Declaration, Defense Counsel and Defendants shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement. If no facts exist relevant to any actual or potential conflicts of interest with the Administrator, correspondence from Defense Counsel to Class Counsel shall suffice of notice of no conflicts of interests.

6.2 Plaintiff’s Responsibilities. Plaintiff will prepare all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the

1 Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar*
2 and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2))
3 (2016); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA
4 Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from Plaintiff confirming
5 willingness and competency to serve and disclosing all facts relevant to any actual or potential
6 conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from
7 Class Counsel firm attesting to its competency to represent the Class Members; its timely
8 transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor
9 Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)),
10 this Agreement (Labor Code section 2699, subd. (l)(2) (2016))); and (vi) all facts relevant to any
11 actual or potential conflict of interest with Class Members, and/or the Administrator. In their
12 Declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other pending
13 matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

14 6.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible
15 for expeditiously finalizing the Motion for Preliminary Approval. Class Counsel will obtain a
16 prompt hearing date for the Motion for Preliminary Approval, file the Motion for Preliminary
17 Approval no later than sixteen (16) court days before the hearing, unless otherwise ordered by the
18 Court, and deliver the Court's Preliminary Approval Order to the Administrator.

19 6.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
20 Preliminary Approval and/or the supporting declarations and documents, Class Counsel and
21 Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person
22 or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant
23 Preliminary Approval or conditions Preliminary Approval on any material change to this
24 Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of
25 the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and
26 otherwise satisfy the Court's concerns.

27 7. SETTLEMENT ADMINISTRATION.

28 7.1 Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve

as the Administrator and verified that, as a condition of appointment, the Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Costs. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

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

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1 for the funding of the GSA. Any interest that accrues on the GSA sums paid into the QSF prior to distribution by the Administrator will become part of the NSA for distribution to Participating Class Members.

7.4 Notice to Class Members.

7.4.1 No later than five (5) calendar days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 (fourteen) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice. The first page of the Class Notice shall estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 Not later than five (5) calendar days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding

1 address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class
2 Notice to the most current address obtained. The Administrator has no obligation to make further
3 attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the
4 USPS a second time.

5 7.4.4 The deadlines for Class Members' written objections, challenges to Workweeks
6 and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen days (14)
7 days beyond the forty-five (45) days otherwise provided in the Class Notice for all Class Members
8 whose notice is re-mailed. The Administrator will inform the Class Member of the extended
9 deadline with the re-mailed Class Notice.

10 7.4.5 If the Administrator, Defendants, or Class Counsel is contacted by or otherwise
11 discovers any persons who believe they should have been included in the Class Data and should
12 have received Class Notice, the Parties will expeditiously meet and confer in person or by
13 telephone, and in good faith in an effort to agree on whether to include them as Class Members.
14 If the Parties agree, such persons will be Class Members entitled to the same rights as other Class
15 Members, and the Administrator will send, via email or overnight delivery, a Class Notice
16 requiring them to exercise options under this Agreement not later than fourteen (14) days after
17 receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

18 7.5 Requests for Exclusion (Opt-Outs).

19 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement
20 must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not
21 later than forty-five (45) days after the Administrator mails the Class Notice (plus an additional
22 fourteen (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion
23 is a letter from a Class Member or his/her representative that reasonably communicates the Class
24 Member's election to be excluded from the Settlement and includes the Class Member's name,
25 address and email address or telephone number. To be valid, a Request for Exclusion must be
26 timely faxed, emailed, or postmarked by the Response Deadline.

27 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails
28 to contain all the information specified in the Class Notice. The Administrator shall accept any

Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

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

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise

1 susceptible to challenge. The Administrator shall promptly provide copies of all challenges to the
2 calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the
3 Administrator's determination of the challenges.

4 **7.7 Objections to Settlement.**

5 7.7.1 Only Participating Class Members may object to the class action components of the
6 Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or
7 amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses
8 Payment and/or Class Representative Service Payment.

9 7.7.2 Participating Class Members may send written objections to the Administrator, by
10 fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire
11 an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A
12 Participating Class Member who elects to send a written objection to the Administrator must do
13 so not later than forty-five (45) days after the Administrator's mailing of the Class Notice (plus
14 an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).

15 7.7.3 Non-Participating Class Members have no right to object to any of the class action
16 components of the Settlement.

17 **7.8 Administrator Duties.** The Administrator has a duty to perform or observe all tasks to be
18 performed or observed by the Administrator contained in this Agreement or otherwise.

19 7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish,
20 maintain and use an internet website to post information of interest to Class Members including
21 the date, time and location for the Final Approval Hearing and copies of the Settlement
22 Agreement; Motion for Preliminary Approval; Preliminary Approval Order; Class Notice;
23 Motion for Final Approval; Motion for Class Counsel Fees Payment, Class Counsel Litigation
24 Expenses Payment and Class Representative Service Payment; the Final Approval Order; and the
25 Judgment. The Administrator will also maintain and monitor an email address and a toll-free
26 telephone number to receive Class Member calls, faxes and emails.

27 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
28 promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later

than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid). Should the number of valid Requests for Exclusion exceed 7.5% of the total number of Class Members, Defendants only will have the option of notifying Class Counsel, the Administrator and the Court that this Agreement is void and unenforceable (“Notice of Voiding of Agreement”). The Parties agree that Defendants’ Notice of Voiding of Agreement shall immediately and automatically terminate the Parties’ agreement to settle this Action.

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

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

7.8.5 Administrator’s Declaration. Not later than fourteen (14) days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices

1 returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the
2 total number of Requests for Exclusion from Settlement it received (both valid or invalid), the
3 number of written objections and attach the Exclusion List. The Administrator will supplement
4 its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible
5 for filing the Administrator's declaration(s) in Court.

6 7.8.6 Final Report by Settlement Administrator. Within ten (10) days after the
7 Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide
8 Class Counsel and Defense Counsel with a final report detailing its disbursements by employee
9 identification number only of all payments made under this Agreement. At least fifteen (15) days
10 before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel
11 and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement
12 of all payments required under this Agreement. Class Counsel is responsible for filing the
13 Administrator's declaration in Court.

14 **8. CLASS SIZE ESTIMATES and ESCALATOR CLAUSE**. Based on its records,
15 Defendants represent that as of November 7, 2024, there were 656 Class Members who
16 collectively worked a total of 40,168 Workweeks during the Class Period, and 461 Aggrieved
17 Employees who worked a total of 14,556 PAGA Pay during the PAGA Period. If, on final
18 calculation, the total number of Workweeks is greater than 10% higher than 40,168 Workweeks
19 (i.e. greater than 44,184.80 Workweeks) as of November 7, 2024, then the Gross Settlement
20 Amount will be proportionally increased by the Workweeks worked in excess of 44,184.80 by
21 multiplying the excess Workweeks by the per Workweek value. If this provision is triggered so
22 as to increase the Gross Settlement Amount, the Parties agree that the portion of the Gross
23 Settlement Amount that Plaintiff will request to be allocated to attorneys' fees will increase
24 proportionally such that the total amount of attorneys' fees remains up to one-third (1/3) of the
25 Gross Settlement Amount after the upward adjustment required by this provision is implemented.

26 **9. DEFENDANT'S RIGHT TO WITHDRAW**. Defendant represents, as of November 7,
27 2024, there were 656 Class Members. If the number of valid Requests for Exclusion identified in
28 the Exclusion List is greater than 7.5% of the total of all Class Members, Defendants may, but

are not obligated, to elect to withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement shall be *void ab initio*, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration Costs incurred to that point. Defendants must notify Class Counsel and the Court of their election to withdraw not later than seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. MOTION FOR FINAL APPROVAL. Not later than sixteen (16) court days before the calendared Final Approval Hearing, unless otherwise scheduled by the Court, Plaintiff will file in Court, a Motion for Final Approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l); a Proposed Final Approval Order; and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiff shall provide drafts of these documents to Defense Counsel prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

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

1 10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
2 Court will retain jurisdiction over the Parties, the Actions, and the Settlement solely for purposes
3 of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration
4 matters, and (iii) addressing such post-Judgment matters as are permitted by law.

5 10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
6 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
7 Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their respective
8 counsel, and all Participating Class Members who did not object to the Settlement as provided in
9 this Agreement, waive all rights to appeal from the Judgment, including all rights to post-
10 judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new
11 trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the
12 right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties'
13 obligations to perform under this Agreement will be suspended until such time as the appeal is
14 finally resolved and the Judgment becomes final, except as to matters that do not affect the amount
15 of the Net Settlement Amount.

16 10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
17 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material
18 modification of this Agreement (including, but not limited to, the scope of release to be granted
19 by Class Members), this Agreement shall be null and void. The Parties shall nevertheless
20 expeditiously work together in good faith to address the appellate court's concerns and to obtain
21 Final Approval and Entry of Judgment, sharing, on a 50-50 basis, any additional Administration
22 Costs reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the
23 Court's award of the Class Representative Service Payment or any payments to Class Counsel
24 shall not constitute a material modification of the Judgment within the meaning of this paragraph,
25 as long as the Gross Settlement Amount remains unchanged.

26 11. **AMENDED JUDGMENT**. If any amended judgment is required under Code of Civil
27 Procedure §384, the Parties will work together in good faith to jointly submit a proposed amended
28 judgment.

1 **12. ADDITIONAL PROVISIONS.**

2 12.1 No Admission of Liability, Class Certification or Representative Manageability for
3 Other Purposes. This Agreement represents a compromise and settlement of highly disputed
4 claims. Nothing in this Agreement is intended or should be construed as an admission by
5 Defendants that any of the allegations in the Operative Complaint has merit or that Defendants
6 have any liability for any claims asserted; nor should it be intended or construed as an admission
7 by Plaintiff that Defendants' defenses in the Actions have merit. The Parties agree that class
8 certification and representative treatment is for purposes of this Settlement only. If, for any
9 reason, the Court does grant Preliminary Approval, Final Approval, or enter Judgment,
10 Defendants reserve the right to contest certification of any class for any reason, Defendants
11 reserve all available defenses to the claims in the Actions, and Plaintiff reserves the right to move
12 for class certification on any grounds available and to contest Defendants' defenses. The
13 Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on,
14 and will not be admissible in connection with, any litigation (except for proceedings to enforce
15 or effectuate the Settlement and this Agreement).

16 12.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendants, and
17 Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement
18 is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit
19 another person to disclose, disseminate or publicize, any of the terms of the Agreement directly
20 or indirectly, specifically or generally, to any person, corporation, association, government
21 agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom
22 will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the
23 extent necessary to report income to appropriate taxing authorities; (4) in response to a court order
24 or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government
25 agency. Each Party agrees to immediately notify the other Party of any judicial or agency order,
26 inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant, and Defense
27 Counsel separately agree not to, directly or indirectly, initiate any conversation or other
28 communication, before the filing of the Motion for Preliminary Approval, with any third party

1 regarding this Agreement or the matters giving rise to this Agreement except to respond only that
2 “the matter was resolved,” or words to that effect. This paragraph does not restrict Class Counsel’s
3 communications with Class Members in accordance with Class Counsel’s ethical obligations
4 owed to Class Members.

5 12.3 No Solicitation. The Parties separately agree that they and their respective counsel and
6 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal
7 from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel’s ability
8 to communicate with Class Members in accordance with Defense Counsel’s and Class Counsel’s
9 ethical obligations and Class Counsel’s fiduciary duties owed to Class Members.

10 12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
11 together with its attached exhibits shall constitute the entire agreement between the Parties
12 relating to the Settlement, superseding any and all oral representations, warranties, covenants, or
13 inducements made to or by any Party.

14 12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
15 represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate
16 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate
17 its terms, and to execute any other documents reasonably required to effectuate the terms of this
18 Agreement including any amendments to this Agreement.

19 12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their
20 best efforts, in good faith, to implement the Settlement by, among other things, modifying the
21 Settlement Agreement, submitting supplemental evidence and supplementing points and
22 authorities as requested by the Court. In the event the Parties are unable to agree upon the form
23 or content of any document necessary to implement the Settlement, or on any modification of the
24 Agreement that may become necessary to implement the Settlement, the Parties will seek the
25 assistance of a mediator and/or the Court for resolution.

26 12.7 No Prior Assignments. The Parties separately represent and warrant that they have not
27 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
28

encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

12.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

12.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

12.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

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

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

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

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

12.16 Notice. All notices, demands, or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the

third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

John G. Yslas (SBN 187324)
john.yslas@wilshirelawfirm.com
Jeffrey C. Bils (SBN 301629)
jeffrey.bils@wilshirelawfirm.com
Aram Boyadjian (SBN 334009)
aram.boyadjian@wilshirelawfirm.com
Andrew Sandoval (SBN 346996)
andrew.sandoval@wilshirelawfirm.com
WILSHIRE LAW FIRM
660 S. Figueroa St., Sky Lobby
Los Angeles, California 90017
Telephone: (213) 378-2548
Facsimile: (213) 381-9989

To Defendants:

THE TORREY FIRM PC
REBECCA L. TORREY, State Bar No. 153866
rebecca@torreyfirm.com
JUDD GRUTMAN, State Bar No. 275304
judd@torreyfirm.com
1626 Montana Avenue, Suite 647
Santa Monica, California 90403
Telephone: (310) 310-2992
Facsimile: (424) 414-1712

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

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

12.19 Binding Agreement. The Parties intend that this Agreement shall be fully enforceable and binding upon all Parties within the provisions of Cal. Civil Proc. § 664.6, and that it shall be admissible and subject to disclosure in any proceeding to enforce its terms pursuant to Cal. Evid. Code §§ 1122(a)(1) and 1123(b), notwithstanding the confidentiality provisions that otherwise might apply under federal or state law. The Parties further agree and intend that the Los Angeles County Superior Court may enforce this Agreement pursuant to Code of Civil Procedure § 664.6.

IT IS SO AGREED.

By the Parties:

DATED: 11/25/2025

Signed by:

484EB988DD3D94FB...

Plaintiff Vanessa Hernandez née Gonzalez

DATED: 12/04/25

Defendant DermCare Management, LLC

By: Marc Grad

Position: EVP

DATED: 12/04/25

Defendant Skin and Beauty Center, Inc.

By: Marc Grad

Position: EVP

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1 Approved by counsel:

2 DATED: 11/19/2025

WILSHIRE LAW FIRM

3
4 BY: 

5 John G. Yslas

6 Jeffrey C. Bils

Counsel for Plaintiff Vanessa Hernandez née Gonzalez

7
8 DATED: 12/4/2025

THE TORREY FIRM PC

9
10 BY: 

11 Rebecca L. Torrey

Judd Grutman

12 Counsel for Defendants DermCare Management, LLC
13 and Skin and Beauty Center, Inc.

EXHIBIT A

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

Vanessa Hernandez née Gonzalez v. DermCare Management, LLC, et al.
Case Nos. 22STCV40910 and 23STCV16829 (Los Angeles County Superior Court)

***The Los Angeles County Superior Court authorized this notice.
It is not junk mail, spam, an advertisement, or solicitation by a lawyer.
Please read it carefully! You are not being sued.***

You may be eligible to receive money from an employee class and a representative action lawsuit (“Action”) against DermCare Management, LLC and Skin and Beauty Center, Inc. (“Defendants”) for alleged wage and hour violations. The Actions were filed by former employee, Vanessa Hernandez née Gonzalez, and seek payment of back wages and other relief for a class of all persons currently or formerly employed by Defendants as hourly-paid, non-exempt employees in the State of California (“Class Members”) who worked for Defendant during the Class Period (July 4, 2018 through November 30, 2025); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all Class Members who worked for Defendant during the PAGA Period (August 22, 2022 through November 30, 2025) (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class settlement requiring Defendants to fund Individual Class Payments, and (2) a PAGA settlement requiring Defendants to fund Individual PAGA Payments and pay PAGA Penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendants’ records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ [REDACTED] (less withholding) and your Individual PAGA Payment is estimated to be \$ [REDACTED]**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendants’ records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on Defendants’ records showing that **you worked [REDACTED] Workweeks during the Class Period and you worked [REDACTED] Pay Periods during the PAGA Period**. If you believe that you worked more during either period, you can submit a challenge by the deadline date.

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

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	Receive money. Give up rights to sue Defendants for claims released in the Settlement.
EXCLUDE YOURSELF	Receive no money from the Class settlement. You will retain the right to pursue your own legal claims against Defendants. However, even if you exclude yourself from the Class settlement, you will still receive a portion of the PAGA settlement and be bound by it if you worked during the PAGA Period.
OBJECT	Write to the Court about why you object to the Settlement. If the Settlement receives Final Approval, you will receive money and give up rights to sue Defendant for claims released in the Settlement.
CHALLENGE YOUR NUMBER OF WORKWEEKS AND/OR PAY PERIODS	Challenge your number of Workweeks or Pay Periods listed in this Notice and provide supporting evidence. If you challenge your workweeks or pay periods, you will still be part of the Settlement and will give up rights to sue Defendants for claims released in the Settlement.

BASIC INFORMATION

1. WHY AM I RECEIVING THIS NOTICE?

Defendant's records indicate that you worked for Defendants at some point(s) between July 4, 2018 through the date of preliminary approval or November 30, 2025, whichever date is sooner, and are therefore a member of the Class for purposes of this Settlement.

You received this Notice because you have a right to know about a proposed Settlement of the Action, and about all of your options, before the Court decides whether to finally approve the Settlement. The Settlement will resolve all Class Members' claims, which are described below, during the Class Period. The Settlement will also resolve claims for civil penalties brought under the California Private Attorneys' General Act ("PAGA"). If you are a Class Member, you are also an "Aggrieved Employee" if you worked for Defendants during the "PAGA Period," which is August 22, 2022 through the date of preliminary approval or November 30, 2025, whichever date is sooner.

If the Court grants Final Approval to the Settlement, a settlement Administrator appointed by the Court will issue the payments provided for by the Settlement to Class Members. You are encouraged to always keep your address up to date with the Administrator (the Administrator's contact information can be found in Section 12, below).

This Notice package explains the allegations and background regarding the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to receive those benefits.

The Court in charge of the Action is the Los Angeles County Superior Court, and the case is titled, *Vanessa Hernandez née Gonzalez v. DermCare Management, LLC, et al.*, Case Nos. 22STCV40910 and

QUESTIONS? CALL **1-800-XXX-XXXX** TOLL FREE

23STCV16829. The person who sued, Vanessa Hernandez née Gonzalez, is the Plaintiff, and the companies sued, DermCare Management, LLC and Skin and Beauty Center, Inc. are the Defendants.

2. WHAT IS THE LAWSUIT ABOUT?

The Plaintiff in the lawsuit alleges wage and hour violations against Defendants for alleged: (1) Failure to Pay Minimum and Straight Time Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest Periods; (5) Failure to Timely Pay Final Wages at Termination; (6) Failure to Provide Accurate Itemized Wage Statements; (7) Failure to Indemnify Employees for Expenditures; and (8) Unfair Business Practices. In addition, Plaintiff is seeking to recover civil penalties pursuant to PAGA (“PAGA Penalties”) based on the alleged violations of the California Labor Code listed above. Defendants deny Plaintiff’s claims and deny any wrongdoing.

3. WHY IS THIS A CLASS ACTION?

In an employment class action, one or more people called “Class Representatives” (in this case, the Plaintiff) sue on behalf of all workers who they contend have similar claims. All of these workers are a Class or Class Members. Bringing one lawsuit, as opposed to many small ones, can save money, time and court resources. The court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

4. WHY IS THERE A SETTLEMENT?

The Court has not decided in favor of the Plaintiff or Defendants on the merits of the claims alleged in the lawsuit. There has been no determination or ruling on any alleged claim. Plaintiff believes she would win if the case went to trial. Defendants believe that Plaintiff would not prevail on summary judgment, that her lawsuit would not proceed to a trial and that Plaintiff would not ultimately win at trial, if a trial occurred. However, there has been no trial. Instead, in acknowledgement of the risk that both Parties face should the case proceed and the overall cost of litigation, the Parties have agreed to a negotiated settlement. This way, all Parties avoid the cost of filing and opposing summary judgment, preparing for and participating in a trial if summary judgment is not entered, the risk of losing at trial, and the likelihood of appeal. The Settlement represents a compromise and settlement of highly disputed claims. The Plaintiff, as well as Plaintiff’s lawyers (called “Class Counsel”), believes the Settlement is fair and reasonable and in the best interests of all Class Members.

WHO IS INCLUDED IN THE SETTLEMENT?

5. WHO IS INCLUDED IN THE SETTLEMENT?

If you received this Notice, you are a Class Member for settlement purposes. The Class includes: All employees of Defendants who were classified as non-exempt and worked within the State of California at any time from July 4, 2018 through the date of preliminary approval or November 30, 2025, whichever date is sooner.

6. ARE THERE EXCEPTIONS TO BEING INCLUDED?

You are not a Class Member if you already have resolved the claims asserted in this lawsuit, whether by settlement or a separate legal proceeding (i.e., another lawsuit).

THE SETTLEMENT BENEFITS—WHAT YOU GET

7. WHAT DOES THE SETTLEMENT PROVIDE?

Defendants have agreed to pay a Gross Settlement Amount (“GSA”) of \$850,000.00 (eight hundred fifty thousand dollars and zero cents) to settle the lawsuit. From the GSA, Class Counsel will apply to the Court for attorneys’ fees of up to one-third of the GSA, currently \$283,333.33 and up to \$37,000.00 in costs; a Class Representative Service Payment of \$10,000.00 to Plaintiff (for Plaintiff’s work and efforts prosecuting this case); a PAGA Penalties payment of \$42,500.00 to resolve the PAGA claims; and Settlement Administration Costs to ILYM Group, Inc., not to exceed \$8,850.00. The exact amount of the Class Counsel’s Fees and Litigation Expenses, Class Representative Service Payment, and Administration Costs will be determined by the Court at the Final Approval hearing. The remaining portion of the Settlement amount, the “Net Settlement Amount” or the “NSA,” is currently estimated to be approximately **\$XXXXXXXX**. The NSA will be apportioned and paid out as Individual Class Payments to the Settlement Class Members, who are the Class Members that do not request to be excluded (“opt out”) of the Settlement.

PAGA Penalties payment: As part of the PAGA portion of the Settlement, the Parties will ask the Court to approve a \$42,500.00 PAGA Penalties payment in settlement of claims for civil penalties under PAGA. As required under PAGA, 75% of the PAGA Penalties payment, or \$31,875.00, will be paid to the California Labor and Workforce Development Agency. The remaining 25% of the PAGA Penalties payment, or \$10,625.00, will be distributed to the Aggrieved Employees as Individual PAGA Payments.

8. HOW MUCH WILL MY PAYMENT BE?

An approximation of your Individual Class Payment appears on the first page of this Notice. If you are also an Aggrieved Employee, an approximation of your Individual PAGA Payment will also appear on the first page of this Notice.

Individual Class Payment: Your Individual Class Payment is based on the number Workweeks you worked, as represented in Defendants’ records, in comparison to the total number of Workweeks worked by all Class Members during the Class Period (July 4, 2018 through the date of preliminary approval or November 30, 2025, whichever date is sooner). Eighty percent (80%) of each Class Member’s Individual Class Payment will be treated as a payment in settlement of the alleged claims for penalties and interest and will be reported on a Form 1099 by the Settlement Administrator, and twenty percent (20%) of each Class Member’s Individual Class Payment will be treated as a payment in settlement of alleged claims for unpaid wages. The 20% allocated as unpaid wages will be reduced by applicable payroll tax withholdings and deductions and reported on a Form W-2.

Individual PAGA Payment: If you worked for Defendants from August 22, 2022 through the date of preliminary approval or November 30, 2025, whichever date is sooner (“PAGA Period”), you are also an

QUESTIONS? CALL **1-800-XXX-XXXX** TOLL FREE

“Aggrieved Employee” and will receive an Individual PAGA Payment in addition to your Individual Class Payment. The Individual PAGA Payments are based on the number of PAGA Pay Periods worked by each Aggrieved Employee in comparison to the total amount of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period. One hundred percent (100%) of each Aggrieved Employees’ Individual PAGA Payment will be characterized as penalties and will not be reduced by payroll tax withholdings and deductions. The Individual PAGA Payment will be reported on a Form 1099 by the Settlement Administrator. An approximation of your anticipated Individual PAGA Payment appears on the first page of this Notice.

For the Class Members who are also Aggrieved Employees, their Individual Class Payment will be combined with their Individual PAGA Payment, and they will receive a single check for the combined payments. If a Class Member chooses to opt-out of the Settlement, they will still receive an Individual PAGA Payment, as Aggrieved Employees cannot opt-out of the PAGA portion of the Settlement under California law.

HOW YOU GET A PAYMENT

9. HOW DO I RECEIVE A PAYMENT?

You do not need to do anything to receive a payment. However, if you believe that the number of Workweeks or PAGA Pay Periods you worked is incorrect, please correct it and provide any supporting evidence to the settlement Administrator, whose contact information is listed in Section 12 below.

10. WHEN WOULD I GET MY PAYMENT?

The Court will hold a Final Fairness Hearing on [REDACTED], to decide whether to approve the Settlement. If the Judge approves the Settlement, and anyone objects, there may be appeals. It is always uncertain when these objections and appeals can be resolved and resolving them can take time. If there is no objection, the Effective Date of the Settlement will be the date of entry of the Court’s Order granting final approval.

Following the Effective Date, Individual Class Payments and Individual PAGA Payments will be mailed to Participating Class Members and Aggrieved Employees approximately 30 days after the Court’s approval of the Settlement becomes final so long as there are no appeals.

Settlement checks should be cashed promptly upon receipt. Proceeds of checks which remain uncashed after 180 days from the date of issuance will be forwarded to the California Controller’s Unclaimed Property Fund. If your settlement check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

For an update on the status of payments, please contact the Settlement Administrator (see Section 12).

11. WHAT AM I GIVING UP TO GET A PAYMENT?

If the Court approves this Settlement and unless you exclude yourself, you will become a Participating Class Member, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against Defendants concerning the legal claims being resolved in this Settlement. Specifically, you will be giving

up or “releasing” the Released Class Claims described below against Defendants and all of Defendants’ past and present subsidiaries, affiliates, shareholders, members, agents, predecessors, successors, owners, investors, members, employees, and assigns (“Released Parties”). The releases become effective once the GSA is fully funded by Defendants.

Released Class Claims: All Participating Class Members will release all claims, rights, demands, liabilities, and causes of action, alleged or which could have reasonably been alleged based on the facts alleged in the operative Complaint, including but not limited to alleged: (1) failure to pay minimum and straight time wages (pursuant to Cal. Labor Code §§ 204, 1194, 1194.2, 1197 and 1197.1); (2) failure to pay overtime wages (pursuant to Cal. Labor Code §§ 510, 1194, and 1198); (3) failure to provide meal periods (pursuant to Cal. Labor Code §§ 226.7 and 512); (4) failure to authorize and permit rest periods (pursuant to Cal. Labor Code §§ 226.7); (5) failure to timely pay final wages at termination (pursuant to Cal. Labor Code §§ 201-203); (6) failure to provide accurate itemized wage statements (pursuant to Cal. Labor Code §§ 226); (7) failure to indemnify employees for expenditures (pursuant to Cal. Labor Code §§ 2802); and (8) unfair business practices (pursuant to Cal. Bus. & Prof. Code §§ 17200, *et seq.*). The enumeration of these specific claims shall neither enlarge nor narrow the scope of *res judicata* based on the claims that were asserted in the Action or could have been asserted in the Action based on the facts and circumstances alleged in the Complaint. The Released Class Claims are those that accrued during the Class Period.

Released PAGA Claims: All Aggrieved Employees will release all claims for PAGA civil penalties that are alleged or reasonably could have been alleged based on the facts alleged in the operative Complaint and in Plaintiff’s May 17, 2023 PAGA Notices, including but not limited to alleged: (1) failure to pay minimum and straight time wages (pursuant to Cal. Labor Code §§ 204, 210, 510, 1194, 1194.2, 1197 and 1197.1); (2) failure to pay overtime wages (pursuant to Cal. Labor Code §§ 510, 1194 and 1198); (3) failure to provide meal periods (pursuant to Cal. Labor Code §§ 210, 226.7 and 512); (4) failure to authorize and permit rest periods (pursuant to Cal. Labor Code §§ 210 and 226.7); (5) failure to timely pay final wages at termination (pursuant to Cal. Labor Code §§ 201–203 and 213(d)); (6) failure to provide accurate itemized wage statements (pursuant to Cal. Labor Code §§ 226 and 226.3); (7) failure to indemnify employees for expenditures (pursuant to Cal. Labor Code § 2802); (8) failure to produce requested employment records (pursuant to Cal. Labor Code §§ 226, 432, and 1198.5); (9) failure to pay all earned wages twice per month and unlawfully withholding accrued wages (pursuant to Cal. Labor Code §§ 204, 210 and 216); (10) failure to maintain accurate records of hours worked and meal periods (pursuant to Cal. Labor Code §§ 1174, and 1174.5); (11) recordkeeping requirement violations (pursuant to Cal. Labor Code §§ 226.6, 558.1, 1174, 1174.5, 1198 and 1199); (12) willful misclassification (pursuant to Cal. Labor Code § 226.8); (13) retaliation (pursuant to Cal. Labor Code § 1102.5); and (14) civil penalties for wage and hour violations (pursuant to Cal. Labor Code § 558). The Released PAGA Claims are those that accrued during the PAGA Period.

EXCLUDING YOURSELF FROM THE SETTLEMENT

12. HOW DO I EXCLUDE MYSELF FROM THE SETTLEMENT?

To exclude yourself from the Settlement, you must send the Settlement Administrator a written and signed request for exclusion which must be postmarked no later than [45 days after Class Notice is Mailed]. Be sure to include your name, address, and telephone number, and any other information you think would be

helpful to the settlement Administrator to identify you. You can send your request for exclusion to the settlement Administrator at:

ILYM Group, Inc.
Hernandez née Gonzalez v. DermCare Management, LLC, et al. Settlement

XXXXXX

City, State, XXXXX

Email:

If you ask to be excluded from the Settlement, you will not be legally bound by anything that happens in the Action, except as it relates to settlement of the PAGA claim. If you ask to be excluded from the Settlement you will not be able to object to the Settlement and you will not receive an Individual Class Payment, but you will still receive an Individual PAGA Payment if you worked for Defendants during the PAGA Period (August 22, 2022 through the date of preliminary approval or November 30, 2025, whichever date is sooner). If you ask to be excluded, you may be able to sue (or continue to sue) Defendants in the future.

13. IF I DON'T EXCLUDE MYSELF, CAN I SUE DEFENDANTS FOR THE SAME THING LATER?

No. Unless you exclude yourself, you give up any right to sue Defendants for the claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from this Class to continue your own lawsuit. Remember, the exclusion deadline is [45 days after Class Notice is Mailed].

14. IF I EXCLUDE MYSELF, CAN I GET MONEY FROM THIS SETTLEMENT?

No. If you exclude yourself, you will not receive an Individual Class Payment. If you exclude yourself, you will still receive an Individual PAGA Payment if you worked for Defendants during the PAGA period (August 22, 2022 through November 30, 2025). However, if you timely exclude yourself from the Settlement, you will retain the right to pursue your own legal action against Defendants, if you desire.

THE LAWYERS REPRESENTING YOU IN THIS LAWSUIT

15. DO I HAVE A LAWYER IN THIS CASE?

The Court has preliminarily determined that Wilshire Law Firm is qualified to represent you and the Class Members in the lawsuit. These lawyers are called Class Counsel and their contact information is listed below. If you want to be represented by your own lawyer, you may hire one at your own expense.

John G. Yslas
john.yslas@wilshirelawfirm.com
Jeffrey C. Bills
jeffrey.bills@wilshirelawfirm.com
Aram Boyadjian
aram.boyadjian@wilshirelawfirm.com
Andrew Sandoval
andrew.sandoval@wilshirelawfirm.com
WILSHIRE LAW FIRM
660 S. Figueroa St., Sky Lobby
Los Angeles, California 90017
Telephone: (213) 378-2548
Facsimile: (213) 381-9989

16. HOW WILL THE LAWYERS BE PAID?

Class Counsel will ask the Court to approve up to 1/3rd of the GSA (currently \$283,333.33) for attorneys' fees incurred in investigating the facts, litigating the case, and negotiating the Settlement. Class Counsel will also seek Court-approval of up to \$37,000.00 in litigation expenses incurred in this matter. The Court may award Class Counsel less than what they request. Class Counsel will also ask the Court to approve payment to Plaintiff Vanessa Hernandez née Gonzalez in the amount of \$10,000 in addition to Plaintiff's Individual Class Payment and Individual PAGA Payment for the initiative, risk, and time and energy Plaintiff has spent in service to the Class as the Class Representative. The Court may award the Class Representative less than what is requested.

OBJECTING TO THE SETTLEMENT

You can and have the right to tell the Court you do not agree with the Settlement or some part of it.

17. HOW DO I TELL THE COURT THAT I OBJECT TO THE SETTLEMENT?

If you don't think the Settlement is fair, you can object to some or all of the Settlement. You can either object to the Settlement in person at the Final Approval Hearing or you can submit a written objection. Written objections and notices of intent to appear at the Final Approval Hearing must be mailed to the Settlement Administrator and postmarked on or before [REDACTED], at the following address:

ILYM Group, Inc.
Hernandez née Gonzalez v. DermCare Management, LLC, et al. Settlement

XXXXX
City, State, XXXXX
Email:

The written objection should state your name and address and describe all legal and factual reasons that you object to the terms of the Settlement. You should also include or attach any documents upon which your objection is based. If the Court overrules the objection at the Final Approval hearing, the Settlement Agreement will be approved, and you will receive your payment. If you do not submit a written objection by the deadline, you may still appear at the Final Approval hearing to voice your objection or to otherwise observe the proceedings.

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

18. WHAT'S THE DIFFERENCE BETWEEN OBJECTING AND REQUESTING EXCLUSION?

Objecting is simply telling the Court that you do not agree with something about the Settlement. You can object only if you stay in the Class.

Requesting exclusion is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you, and you do not get any money from this Settlement. If you submit both an objection and a request to be excluded from the settlement, the request to be excluded will control and you will not get any money from this settlement.

THE COURT'S FAIRNESS HEARING

The Court will hold a Final Approval Hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you don't have to.

19. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Court will hold a Final Approval Hearing at [REDACTED] on [REDACTED] in Department 1 of the Los Angeles County Superior Court located at 312 N Spring St, Los Angeles, CA 90012 to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. If there are objections, the Court will consider them at that time. The Court will also be asked to approve the requests for the Class Representative Service Payment and the Class Counsel Fees and Litigation Expenses Payments.

20. DO I HAVE TO COME TO THE HEARING?

No. Class Counsel will answer questions the Court may have. However, you are welcome to attend. If you send an objection, you do not have to come to the Court to talk about it. As long as you mailed your written objection to the settlement administrator on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

IF YOU DO NOTHING

21. WHAT IF I DO NOTHING AT ALL?

If you do nothing, you will receive a Settlement payment, and you will be bound by the terms of Settlement, which means that you will not be able to start a lawsuit, continue a lawsuit, or be a part of any other lawsuit against the Defendants about the legal issues in the Action.

GETTING MORE INFORMATION

22. HOW DO I GET MORE INFORMATION?

You may contact Class Counsel at the contact information listed above in Section 15 if you have any questions about the Settlement. You may also contact the Court-appointed Settlement Administrator, ILYM Group, Inc., by calling toll free 1-800-[REDACTED], or you can write to the Administrator at the following address:

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

ILYM Group, Inc.
Hernandez née Gonzalez v. DermCare Management, LLC, et al. Settlement

XXXXX
City, State, XXXXX
Email:

PLEASE DO NOT TELEPHONE THE COURT OR DERMCARE MANAGEMENT, LLC AND SKIN AND BEAUTY CENTER, INC.'S COUNSEL FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS. YOU MAY, HOWEVER, CALL CLASS COUNSEL OR THE SETTLEMENT ADMINISTRATOR, LISTED ABOVE.

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

EXHIBIT 2

WILSHIRE LAW FIRM, PLC

3055 Wilshire Blvd, 12th Floor
Los Angeles, CA 90010
Tel: (213) 381-9988
Fax: (213) 381-9989
www.wilshirelawfirm.com



Bobby Saadian, Esq. JD/MBA

Colin M. Jones, Esq.
Justin F. Marquez,
Esq.
John Yslas, Esq.
Tae Kim, Esq.
Jon Teller, Esq.
Johnny Ogata, Esq.
Carolyn Shining, Esq.
Brad Stuckey, Esq.
Nicol Hajjar, Esq.
Thiago Coelho, Esq.

Christina Le, Esq.
Jennifer Leinbach, Esq.
Jeffrey Bils, Esq.
Nathan Kingery, Esq.
Elizabeth Votra, Esq.
Benjamin Haber, Esq.
Ghazaleh Attaran, Esq.
Jesenia Martinez, Esq.
Christian Girgis, Esq.
Jesse Chen, Esq.

May 17, 2023

LWDA

Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
(Via Online Submission)

Dermcare Management, LLC
4000 Hollywood Blvd. STE 215-S
Hollywood, FL 33021
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6362 4877 69

C T Corporation
Agent for Service of Process
Dermcare Management, LLC
330 N. Brand Blvd, Suite 700
Glendale, CA 91203
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6362 4877 76

Skin and Beauty Center, Inc.
2220 N Screenland Dr
Burbank, CA 91505
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6362 4877 83

Skin and Beauty Center, Inc.
4000 Hollywood Blvd., Suite 215-S
Hollywood, FL 33021
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6362 4877 90

Registered Agent, Inc.
Agent for Service of Process
Skin and Beauty Center, Inc.
1401 21st Street, Suite R
Sacramento, CA 95811
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6362 4878 06

Rebecca Torrey
The Torrey Firm
1626 Montana Avenue, Suite 647
Santa Monica, CA 90403
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6362 4878 13

Re: ***Vanessa Hernandez née Gonzalez adv. Dermcare Management, LLC, et al.***
Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Vanessa Hernandez née Gonzalez ("Employee") to pursue a Labor Code Private Attorneys General Act of 2004 ("PAGA") representative action (Cal. Lab. Code §§ 2699, *et seq.*) against Employee's former employers, Dermcare Management, LLC and Skin and Beauty Center, Inc. (together, "Employers"). The

purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Employers engaged in with respect to Employee and all of Employers' Aggrieved Employees.

Employee wishes to pursue this action on behalf of Employee as an aggrieved employee, on behalf of the State of California, as well as on behalf of all other persons who worked for Employers in California as a non-exempt or hourly-paid employee at any time within the applicable statutory period (hereafter, the "Aggrieved Employees").

Employee and the Aggrieved Employees suffered the Labor Code violations described below.

Employee's Employment with Employers

Employers own/owned and operate/operated an industry, business, and establishment within the State of California, including Los Angeles County. As such, and based upon all the facts and circumstances incident to Employers' business in California, Employers are subject to the California Labor Code, Wage Orders issued by the Industrial Welfare Commission ("IWC"), and the California Business & Professions Code.

Employee Vanessa Hernandez née Gonzalez is a resident of San Fernando, California who worked for Employers in Los Angeles County, California as an hourly-paid, non-exempt employee from approximately October 2021 to October 2022.

During Employee's employment for Employers, Employers paid Employee an hourly wage and classified Employee as non-exempt from overtime. Employers typically scheduled Employee to work at least five days in a workweek and at least eight hours per day, but Employee also worked more than eight hours in a workday and more than forty (40) hours in a workweek.

Throughout Employee's employment, Employers failed to pay for all hours worked (including minimum, straight time, and overtime wages), failed to provide Employee with legally compliant meal periods, failed to authorize and permit Employee to take rest periods, failed to timely pay all final wages to Employee when Employers terminated Employee's employment, failed to furnish accurate wage statements to Employee, and failed to indemnify Employee for business expenditures. As discussed below, Employee's experience working for Employers was typical and illustrative.

Failure to Pay for All Hours Worked, Including Minimum, Straight Time, and Overtime Wages

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.

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In addition, Labor Code § 510 provides that employees in California shall not be employed more than eight 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 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 IWC is unlawful.

Throughout the statutory period, Employers failed to pay Employee and the Aggrieved Employees for all hours worked, including minimum, straight time, and overtime wages. Employers required Employee and the Aggrieved Employees to work “off-the-clock,” uncompensated, by, for example, requiring Employee and the Aggrieved Employees to perform work during uncompensated meal periods and rest periods, and requiring Employee and the Aggrieved Employees to perform work before clocking in and/or after clocking out. Some of this unpaid work should have been paid at the overtime rate. In failing to pay for all hours worked, Employers also failed to maintain accurate records of the hours Employee and the Aggrieved Employees worked.

As a result, Employers are liable to Employee and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

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).

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Despite these legal requirements, Employers wrongfully failed to provide Employee and the Aggrieved Employees with their legally mandated 30-minute, uninterrupted, and duty-free meal period in a manner required by law. Employers also continued to assert control over Employee and the Aggrieved Employees by, among other things, requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Employee and the Aggrieved Employees permission to take a meal period under the conditions required by law, and without properly compensating Employee and the Aggrieved Employees for meal periods that were not provided as required by law. Employers also did not inform Employee of Employee's right to, nor permitted Employee to take, all of Employee's second meal periods when Employee worked at least ten hours of work in a workday and otherwise unlawfully pressured Employee to waive such breaks. Accordingly, Employers failed to provide meal periods to Employee and the Aggrieved Employees in compliance with California law.

Employee 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). Employers, however, regularly failed to pay Employee and the Aggrieved Employees the additional wages to which they were entitled for meal periods and that were not provided.

As a result, Employers are liable to Employee and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210 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 ten 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 six 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.

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Throughout the statutory period, Employers have wrongfully failed to authorize and permit Employee and the Aggrieved Employees to take legally compliant rest periods in a manner required by law. Employers regularly required Employee and the Aggrieved Employees to work in excess of four consecutive hours a day without Employers authorizing and permitting Employee to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Employee and the Aggrieved Employees for rest periods that were not authorized or permitted. Instead, Employers continued to assert control over Employee and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or by denying Employee and the Aggrieved Employees permission to take a rest period. Accordingly, Employers failed to authorize and permit Employee and the Aggrieved Employees to take rest periods in compliance with California law.

Employee 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). Employers, however, regularly failed to pay Employee 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, Employers are liable to Employee and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Pay All Earned Wages Twice Per Month

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

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were 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 overtime hours worked. However, during all such times, Employers 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 Employers, all wages for all rest periods not authorized and permitted by Employers, and all wages for all hours worked. As a result, Employers owe employees the legally required wages for unpaid wages, and Employee and the Aggrieved Employees suffered damages in those amounts.

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

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Failure to Maintain Accurate Records of Hours Worked and Meal Periods

Employee seeks penalties under California Labor Code § 1174(d). Pursuant to California Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by California 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.

Employers, however, failed to maintain accurate records of hours worked and all meal periods taken or missed by Employee and the Aggrieved Employees.

Employers' failure to provide and maintain records required by the California Labor Code and the applicable IWC Wage Orders deprived Employee 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 Employers' records. Therefore, Employee 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 Employers. As a direct result, Employee 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 Employers to fully perform its obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Employers' knowing failure to comply with the California Labor Code and applicable IWC Wage Orders, Employee 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.

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.

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Within the applicable statute of limitations, the employment of Employee and many other Aggrieved Employees ended, i.e., was terminated by quitting or being discharged, and the employment of others will be terminated. However, during the relevant time period, Employers failed, and continue to fail to pay Employee 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 Employers' employment. These unpaid wages include wages for unpaid work time (including minimum, straight time, and overtime wages), missed meal period premium wages, and missed rest period premium wages.

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

Moreover, Employers are liable to Employee 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, semimonthly or at the time of each payment of wages, 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).)

Throughout the statutory period, Employers failed to, and continue to fail to timely furnish Employee and the Aggrieved Employees with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law).

Because Employers violated Labor Code § 226, Employee and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights. Accordingly, Employee and similarly Aggrieved Employees are entitled to recover from Employers the greater of their actual damages caused by Employers' failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding four thousand dollars (\$4,000) per employee. Moreover, Employers are liable to Employee and the Aggrieved Employees for the civil penalties provided for in Labor Code § 226.3 for failing to timely furnish accurate itemized wage statements.

Failure to Indemnify for Necessary Expenditures

Labor Code § 2802(a) provides that employers shall indemnify his or her employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of his or her duties. Throughout the statute of limitations period applicable to this cause of action, Employers wrongfully required Employee and the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Employers. Employee and the Aggrieved Employees regularly paid out-of-pocket for necessary employment-related expenses, including, without limitation, ride share expenses and mileage. Employee and the Aggrieved Employees incurred substantial expenses as a direct result of performing their job duties for Employers, but Employers failed to indemnify Employee and the Aggrieved Employees for these employment-related expenses.

As a result, Employers are liable to Employee and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 2802 and 2699(f)(2) for failing to indemnify Employee and the Aggrieved Employees for necessary business expenditures.

Failure to Produce Requested Employment Records

Labor Code § 226 provides that current and former employees have the right to inspect or receive a copy of their records pertaining to their employment, upon reasonable request to their employer. Under this statute, an employer that receives a request to inspect or receive a copy of records pertaining to a current or former employee must comply with the request as soon as practicable, but no later than twenty-one (21) calendar days from the date of the request. Labor Code § 1198.5(a) also provides that every current and former employee, or his or her representative, has the right to inspect and receive a copy of the personnel records that the employer maintains relating to the employee's performance or to any grievance concerning the employee. Under this statute, upon written request from a current or former employee or his or her representative, an employer

must make the contents of those personnel records available for inspection or provide a copy of the personnel records to the current or former employee, or his or her representative, not later than thirty (30) calendar days from the date the employer receives the written request, subject to some limited exceptions. Labor Code § 432 provides that if an employee or applicant signs any instrument relating to the obtaining or holding of employment, he or she shall be given a copy of the instrument upon request. On information and belief, Employee and the Aggrieved Employees, or some of them, submitted written request(s) to Employers for their payroll records, timecards, and personnel records but did not timely receive them as required by the Labor Code.

As a result, Employers are liable to Employee and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 226(f), 1198.5(k), and 2699 for failing to timely produce the requested records.

Action for Civil Penalties Under PAGA

In light of the above, Employee alleges that Employers 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 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 § 204 by failing to pay all earned wages two times per month;
5. California Labor Code § 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;
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 § 2802 by failing to indemnify for necessary expenditures; and
9. Labor Code §§ 226, 432, and 1198.5 by failing to timely produce requested payroll records, timecards, and personnel records.

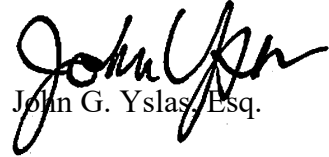
Therefore, on behalf of all Aggrieved Employees, Employee seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 1174.5, 1197.1, and 2699.

Employee has placed Employers on notice by mailing a certified copy of this correspondence, as indicated on the first page. Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

LWDA
Notice of Labor Code Violations and PAGA
May 17, 2023
Page 10 of 10

Sincerely,

WILSHIRE LAW FIRM

A handwritten signature in black ink, appearing to read "John Yslas". The signature is fluid and cursive, with the first name "John" and last name "Yslas" clearly distinguishable.

John G. Yslas, Esq.

EXHIBIT 3



Outlook

Thank you for your Proposed Settlement Submission

From no-reply@formassembly.com <no-reply@formassembly.com>

Date Mon 3/9/2026 2:21 PM

To Theresa Chan <theresa.chan@wilshirelawfirm.com>

03/09/2026 02:21:22 PM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

On 03/09/2026 02:21:22 PM your Proposed Settlement was successfully processed for case number LWDA-CM-955804-23

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: [https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate Attorneys General Act.htm&data=05%7C02%7Ctheresa.chan%40wilshirelawfirm.com%7C7023a3258c8e4e480a8308de7e21dc48%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639086881120778282%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMtIsIklFOljoITWFpbGlldUljoyfQ%3D%3D%7C0%7C%7C%7C&sddata=vXaLbfJelBAXus%2FktNv00GHoCNw38PP6BBiTg4I6%2Bk4%3D&reserved=0](https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate%20Attorneys%20General%20Act.htm&data=05%7C02%7Ctheresa.chan%40wilshirelawfirm.com%7C7023a3258c8e4e480a8308de7e21dc48%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639086881120778282%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMtIsIklFOljoITWFpbGlldUljoyfQ%3D%3D%7C0%7C%7C%7C&sddata=vXaLbfJelBAXus%2FktNv00GHoCNw38PP6BBiTg4I6%2Bk4%3D&reserved=0)