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9 Attorneys for Plaintiff Fabian Gonzalez
10

11 **SUPERIOR COURT OF CALIFORNIA**
12 **COUNTY OF SAN DIEGO**

13 FABIAN GONZALEZ, individually and on
behalf of all others similarly situated,

14 Plaintiff,

15 v.

16
17 SEVEN SEAS ASSOCIATES, LLC, a California
Limited Liability Company; and DOES 1 to 100,

18 Defendants.
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ELECTRONICALLY RECEIVED
Superior Court of California,
County of San Diego

04/30/2024 at 10:35:24 AM

Clerk of the Superior Court
By Mariejo Guyot, Deputy Clerk

FILED
Clerk of the Superior Court

MAY 17 2024

By: J. Virissimo, Deputy

Case No.: 37-2023-00042280-CU-OE-CTL
Judge: Loren G. Freestone

**[PROPOSED] ORDER GRANTING
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT**

Date: May 17, 2024
Time: 10:00 a.m.
Dept.: C-64

Action filed: September 27, 2023

**[PROPOSED] ORDER GRANTING PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL
OF CLASS ACTION AND PAGA SETTLEMENT**

1 WHEREAS, this Action is pending before this Court as a putative class action lawsuit
2 brought by Fabian Gonzalez, the Named Plaintiff ("Plaintiff" or "Named Plaintiff") against
3 Defendant Seven Seas Associates, LLC (hereinafter referred to as "Defendant"); and

4 WHEREAS, Class Counsel applied to this Court for an order preliminarily approving the
5 settlement of the Action in accordance with the Class Action and PAGA Settlement Agreement
6 (the "Settlement Agreement"), which, together with the exhibits annexed thereto, sets forth the
7 terms and conditions for a proposed Settlement and final resolution of the Action upon the terms
8 and conditions set forth therein; and the Court having read and considered the Settlement
9 Agreement and the exhibits annexed thereto;

10 NOW, THEREFORE, IT IS HEREBY ORDERED:

11 1. This Order incorporates by reference the definitions in the Settlement Agreement,
12 and all terms defined therein shall have the same meaning in this Order as set forth in the
13 Settlement Agreement. Per the Parties' Settlement Agreement, the Court hereby conditionally
14 certifies the following Settlement Class: All current and former non-exempt hourly individuals
15 employed by Defendant at any time from September 27, 2019, through April 30, 2024.

16 2. Effective on the date when Defendant fully funds the entire Gross Settlement
17 Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class
18 Payments, Plaintiffs, Participating Class Members, and Class Counsel will release claims against
19 all Released Parties as follows:

20 **A. Plaintiff's Release.**

21 As part of the consideration for the settlement of Plaintiff's representative service
22 award, Plaintiff shall enter into individual general releases of all known and unknown
23 claims of any type whatsoever that they may have against the Released Parties. This
24 release is entitled "Individual General Release," ("Releases"). This Release is
25 incorporated herein by reference and attached to the Settlement Agreement as Exhibit
26 2. This Release will include, but will not be limited to, a release of all claims under
27 the Fair Employment and Housing Act, Americans with Disabilities Act, and Title
28 VII of the Civil Rights Act of 1964. This will also include a release of any and all

1 claims, known or unknown, contingent or accrued arising out of any act or event that
2 occurred prior to execution of the release, including a California Civil Code section
3 1542 waiver.

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

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

12 Plaintiff expressly acknowledges that the Release will include in their effect, without
13 limitation, all claims which Plaintiff does not know of or suspect to exist at the time
14 of signing this Agreement, and that this Agreement contemplates the release of any
15 such claims.

16 **B. Release by Class Members:**

17 Each Class Member who does not opt out of the settlement shall be deemed to release
18 the Released Parties from any and all claims, known or unknown, that: were asserted
19 in any and/or all of the complaints in the Action and/or any of Plaintiff's letters to the
20 LWDA (including any subsequently amended complaints or letters); and/or any and
21 all claims, that could have been asserted based on the factual allegations in all of the
22 complaints in the Action and/or any of Plaintiffs' letters to the LWDA (including any
23 subsequently amended complaints or letters). This includes but is not limited to
24 claims for or related to: pay for all hours worked/compensation due for services;
25 calculation of the regular rate of pay; meal periods; rest periods; meal and/or rest
26 period premiums pay, including the calculation of premium pay; wage statements;
27 failure to reimburse for work related out-of-pocket expenses, payment of wages at
28 termination; maintain accurate and complete records; unfair competition related to
any or all of the foregoing; any unpaid wages or compensation related to any or all of

1 the foregoing; restitution related to any or all of the foregoing; and any penalties,
2 including statutory or civil penalties, related to any or all of the foregoing.. This
3 release includes, but is not limited to any and all claims pursuant to: California Labor
4 Code §§ 200, 201, 202, 203, 204, 218, 226, 226.7, 510, 512, 558, 1194, 1194.2, 1197,
5 1197.1, 1198, and 2802, and 2698, et seq.; Business & Professions Code § 17200; and
6 Industrial Welfare Commission Wage Order 5-01. The release shall run through April
7 30, 2024.

8 **C. Release by PAGA Representative Action Members:**

9 Each PAGA Representative Action Member, irrespective of whether he or she opts
10 out of the settlement as a Non-Participating Class Member, shall be deemed to release
11 the Released Parties from any and all claims, known or unknown, for civil penalties
12 under California Labor Code section 2698 et seq. (PAGA) that: were asserted in any
13 and/or all of the complaints in the Action and/or any of Plaintiffs' letters to the
14 LWDA (including any subsequently amended complaints or letters); and/or any and
15 all claims, that could have been asserted based on any or all the factual allegations in
16 any and/or all of the complaints in the Action and/or any of Plaintiffs' letters to the
17 LWDA (including any subsequently amended complaints or letters). This release
18 includes, but is not limited to, claims for PAGA civil penalties premised on: Labor
19 Code §§ 200, 201, 202, 203, 204, 218, 226, 226.7, 510, 512, 558, 1194, 1194.2, 1197,
20 1197.1, 1198, 2698, 2699, and 2802; failure to pay overtime; failure to pay for all
21 hours worked/compensation due for services; calculation of the regular rate of pay,
22 including failure to include all remuneration into the regular rate for overtime, rest
23 period premiums and meal period premiums; failure to provide meal periods and rest
24 periods; failure to pay meal period and rest period premiums, including the
25 calculation of the premium pay; failure to reimburse for work related out-of-pocket
26 expenses, failure to provide accurate itemized wage statements; inaccurate wage
27 statements; and failure to timely pay wages at termination; The release shall run
28 through April 30, 2024.

1 3. Named Plaintiff is hereby appointed and designated, for all purposes, as the
2 representative of the Class and Representative Action, and the following attorneys are hereby
3 appointed and designated as counsel for the Named Plaintiff, the Class Representatives and the
4 Class: Janelle Carney of Janelle Carney – Attorney at Law, APC and Manny Starr and Adam
5 Rose of Frontier Law Center (“Class Counsel”). Class Counsel are authorized to act on behalf of
6 Participating Class Members with respect to all acts or consents required by, or which may be
7 given pursuant to, the Settlement, and such other acts reasonably necessary to consummate the
8 Settlement. Any Objecting Class Member may enter an appearance through counsel of such
9 Class Member’s own choosing and at such Class Member’s own expense.

10 4. The Court finds on a preliminary basis that the Settlement appears to be fair,
11 reasonable and adequate, and one that would merit, ultimately, final approval by this Court. The
12 Court has reviewed the Settlement and recognizes the value thereof to the Class Members. The
13 Court finds, on a preliminary basis, that the Settlement is fair, adequate and reasonable as to all
14 Class Members when balanced against the potential outcomes of further litigation relating to
15 liability and damages issues. The Court further finds that the Settlement has been reached as the
16 result of serious and non-collusive, arms-length negotiations by Defendant and Plaintiff (the
17 “Settling Parties”).

18 5. A hearing (the “Settlement Hearing”) shall be held before this Court, located at
19 330 W. Broadway, San Diego, CA 92101-3827, on 10/18/24 at 10:30 am, in Department C-
20 64, to determine all necessary matters concerning the Settlement, including: whether the
21 proposed settlement of the Action should be finally approved by the Court; whether a Judgment,
22 as provided in the Settlement Agreement, should be entered herein; whether the plan of
23 allocation contained in the Settlement Agreement should be approved as fair, adequate and
24 reasonable to the Class Members; and to finally approve Class Counsel’s Fees Award and Cost
25 Award, the Class Representative’s Enhancement award, payment to the Labor and Workforce
26 Development Agency and the Settlement Administration Costs.

27 6. The Court hereby approves, as to form and content, the Notice, attached hereto as
28 Exhibit 1. The Court finds that distribution of the Notice, substantially in the manner and form

1 set forth in the Settlement Agreement and this Order, meets the requirements of due process, is
2 the best notice practicable under the circumstances, and will constitute due and sufficient notice
3 to all persons entitled thereto.

4 7. The Court hereby appoints ILYM Group, Inc. as Settlement Administrator and
5 hereby directs the Settlement Administrator to simultaneously mail or cause to be mailed to
6 Class Members the Notice (Exhibit 1) by first class mail at their last known address within
7 fourteen (14) days of receiving a Class Information from Defendant.

8 8. Any Class Member (as defined by the Settlement Agreement) may choose to opt-
9 out of the Settlement or object to the Settlement as provided in the Notice by following the
10 instructions for requesting exclusion from the Settlement Class or objecting to the settlement.
11 Class Members will have forty-five (45) days from the date of mailing of the Notice in which to
12 postmark objections or a notice of opting out. All Class Members who do not timely and
13 properly notify the Settlement Administrator of their desire to opt-out of the Settlement, shall
14 become bound by all determinations of the Court, the Settlement Agreement and Judgment.

15 9. Any Class Member who did not opt-out may appear at the Settlement Hearing and
16 may object or express his/her views regarding the Settlement and may present evidence and file
17 briefs or other papers that may be proper and relevant to the issues to be heard and determined by
18 the Court as provided in the Notice. However, if a Class Member requests exclusion, the Class
19 Member shall not be heard or entitled to object, and no papers or briefs submitted by any such
20 person shall be received or considered by the Court.

21 10. As of the date this Order is signed, all dates and deadlines associated with the
22 Action shall be stayed, other than those pertaining to the administration of the Settlement of the
23 Action.

24 11. The Court reserves the right to adjourn or continue the date of the Final
25 Settlement Hearing and all dates provided for in the Settlement Agreement without further notice
26 to Class Members, and retains jurisdiction to consider all further applications arising out of or
27 connected with the proposed Settlement.
28

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2 Dated: 5/17/24

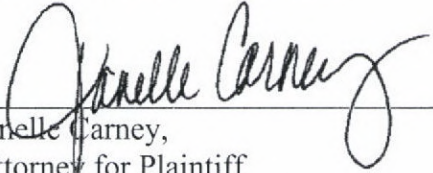

JUDGE OF THE SUPERIOR COURT
LOREN G. FREESTONE

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4
5 APPROVED AS TO FORM AND CONTENT:

6
7 Date: April 30, 2024

JANELLE CARNEY – ATTORNEY AT LAW, APC
FRONTIER LAW CENTER

8
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10 By:


Janelle Carney,
Attorney for Plaintiff
Fabian Gonzalez

11
12
13 Dated: April 29, 2024

KLEIN & PATEL, PC

14
15
16 By:


Sweta H. Patel
Attorney for Defendant

Exhibit 1

1 Janelle Carney (Bar No. 201570)
2 janelle@janellecarneylaw.com
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15 Attorneys for Plaintiff Fabian Gonzalez

16 **SUPERIOR COURT OF CALIFORNIA**

17 **COUNTY OF SAN DIEGO**

18 FABIAN GONZALEZ, individually and on
19 behalf of all others similarly situated,

20 Plaintiff,

21 v.

22 SEVEN SEAS ASSOCIATES, LLC, a California
23 Limited Liability Company; and DOES 1 to 100,

24 Defendants.

Case No.: 37-2023-00042280-CU-OE-CTL
Judge: Loren G. Freestone

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

Action filed: September 27, 2023

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

3 *Gonzalez v. Seven Seas Associates, LLC*
4 Case No.: 37-2023-00042280-CU-OE-CTL
5 San Diego Superior Court

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

9 **You may be eligible to receive money** from an employee class action lawsuit (“Action”) against Defendant, Seven Seas Associates, LLC (hereinafter collectively referred to as “Defendant” or “Seven Seas”) for alleged wage and hour violations, including failing to pay all wages, specifically failing to pay for all time worked, proper premium overtime and failing to calculate the regular rate for overtime and when paying meal and/or rest period violations; and failing to provide compliant, off-premises meal periods and rest breaks and failure to provide accurate itemized wage statements, failing to reimburse for work related expenses, and waiting time penalties. The Action was filed by Fabian Gonzalez, a former employee of Defendant. Defendant denies all alleged violations and denies that it owes class members any damages, penalties, or other remedies. The Court has not made a ruling on the merits of the case.

18 Plaintiff seeks payment for a class of all current and former non-exempt hourly individuals employed by Defendant at any time from September 27, 2019, until the date of preliminary approval or April 30, 2024. The PAGA Period is September 27, 2022, through April 30, 2024.

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

26 Based on Defendant’s records, and the Parties’ current assumptions, (1) **your estimated settlement share is \$_____**, your gross earnings based on hours worked during the class period are \$_____, and (2) **your Individual PAGA Payment is estimated to be \$_____.**

1 (Total Pay periods worked during the PAGA period are) The actual amount you may receive
2 likely will be different and will depend on a number of factors. (If no amount is stated for your
3 Individual PAGA Payment, then according to Defendant's records you are not eligible for an
4 Individual PAGA Payment under the Settlement because you didn't work during the PAGA
5 Period.)

6 If you believe that you earned more during the class period, you can submit a challenge
7 by the deadline date. See Section 4 of this Notice.

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

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

18 (1) **Do Nothing.** You don't have to do anything to participate in the proposed
19 Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment.
20 As a Participating Class Member, though, you will give up your right to assert Class Period wage
21 and hour claims and PAGA Period penalty claims against Defendant.

22 (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class
23 Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the
24 Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual
25 Class Payment. You will, however, preserve your right to personally pursue Class Period wage
26 claims against Defendant. *You cannot opt-out of the PAGA portion of the proposed Settlement.*

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage and hour claims against Defendant that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____ (45 days)	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____ (45 days)	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class.
You can Participate in the _____ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.

You Can Challenge the Calculation of Your Workweeks/Pay Periods

Written Challenges Must be Submitted by _____

The amount of your Individual Class Payment is based on your total earnings and your PAGA payment is based on the total pay periods, respectively. Your gross earnings and total PAGA pay periods are based on Defendant's records, as stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendant. The Action accuses Defendant of violating California labor laws by failing to pay all wages, specifically failing to pay for all time worked, proper premium overtime and failing to calculate the regular rate for overtime and when paying meal and/or rest period violations; and failing to provide compliant, off-premises meal periods and rest breaks and failure to provide accurate itemized wage statements, failing to reimburse for work related expenses, and waiting time penalties. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiff is represented by attorneys in the Action: Janelle Carney of Janelle Carney – Attorney at Law, APC, Manny Starr and Adam Rose of Frontier Law Center. ("Class Counsel.")

Defendant strongly denies violating any laws or failing to pay any wages and contend they complied with all applicable laws.

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

So far, the Court has made no determination whether Defendant or Plaintiff is correct on the merits. In the meantime, Plaintiff and Defendant hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendant have negotiated a proposed Settlement that is subject to the Court's Final

1 Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By
2 agreeing to settle, Defendant does not admit any violations or concede the merit of any claims.

3 The Court preliminarily approved the proposed Settlement as fair, reasonable and
4 adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

6 1. Defendant Will Pay \$500,000.00 as the Gross Settlement Amount (Gross
7 Settlement). Defendant has agreed to deposit the Gross Settlement into an account controlled by
8 the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the
9 Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment,
10 Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be
11 paid to the California Labor and Workforce Development Agency ("LWDA").

12 2. Funding of Gross Settlement Amount. Defendant shall fund the Gross Settlement
13 Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by
14 transmitting the funds to the Administrator, as follows:

15 a. Within 30 days of the Court entering an order granting preliminary
16 approval, Defendant shall deposit \$225,000.00 with the Administrator in an
17 interest-bearing escrow account.

18 b. Within 6 months of the Court entering an order granting final approval,
19 Defendant shall deposit \$275,000 and the applicable payroll taxes with the
20 Administrator in interest-bearing escrow account.

21 Within fourteen (14) days after Defendant fully funds the Gross Settlement Amount, the
22 Administrator will mail checks for all Individual Class Payments, all Individual PAGA
23 Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class
24 Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class
25 Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class
26 Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not
27 precede disbursement of Individual Class Payments and Individual PAGA Payments.
28

1 The Judgment will be final on the date the Court enters Judgment, or a later date if
2 Participating Class Members object to the proposed Settlement or the Judgment is appealed.

3 2. Court Approved Deductions from Gross Settlement. At the Final Approval
4 Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions
5 from the Gross Settlement, the amounts of which will be decided by the Court at the
6 Final Approval Hearing:

7 A. Up to \$166,666.67 (33.33% of the Gross Settlement] to Class
8 Counsel for attorneys' fees and up to \$7,500.00 for their litigation
9 expenses. To date, Class Counsel have worked and incurred expenses on
10 the Action without payment.

11 B. Class Representative Award of up to \$7,500.00 to the Class
12 Representative for filing the Action, working with Class Counsel and
13 representing the Class (in addition to any Individual Class Payment, and
14 any Individual PAGA Payment, the Class Representative is entitled to
15 receive as a Participating Class Member).

16 C. Up to \$9,250.00 to the Administrator for services administering
17 the Settlement.

18 D. Up to \$50,000.00 for PAGA Penalties, allocated 75% (\$37,500.00) to the
19 LWDA PAGA Payment and 25% (\$12,500.00) in Individual PAGA
20 Payments to the Aggrieved Employees based on their PAGA Period Pay
21 Periods. Participating Class Members have the right to object to any of
22 these deductions. The Court will consider all objections.

23 3. Net Settlement Distributed to Class Members. After making the above deductions
24 in amounts approved by the Court, the Administrator will distribute the rest of the Gross
25 Settlement (the "Net Settlement") by making Individual Class Payments to Participating
26 Class Members based on their Class Period earnings.

27 4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking
28 the Court to approve an allocation of 30% of each Individual Class Payment to taxable wages

1 (“Wage Portion”) and 70% to [e.g., interest, and penalties] (“Non-Wage Portion.”). The Wage
2 Portion is subject to withholdings and will be reported on IRS W-2 Forms.

3 Defendant will separately pay employer payroll taxes it owes on the Wage Portion
4 outside the gross settlement fund. The Individual PAGA Payments are counted as penalties
5 rather than wages for tax purposes. The Administrator will report the Individual PAGA
6 Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms. It
7 will be your responsibility to pay any tax owing on these amounts.

8 Although Plaintiff and Defendant have agreed to these allocations, neither side is giving
9 you any advice on whether your Payments are taxable or how much you might owe in taxes.
10 You are responsible for paying all taxes (including penalties and interest on back taxes)
11 on any Payments received from the proposed Settlement. You should consult a tax advisor if you
12 have any questions about the tax consequences of the proposed Settlement.

13 5. Need to Promptly Cash Payment Checks. The front of every check issued for
14 Individual Class Payments and Individual PAGA Payments will show the date when the check
15 expires (the void date). If you don’t cash it by the void date, your check will be automatically
16 cancelled, and the monies will be deposited with the California Controller's Unclaimed Property
17 Fund in your name. If the monies represented by your check are sent to the Controller’s
18 Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve
19 your money.

20 6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated
21 as a Participating Class Member, participating fully in the Class Settlement, unless you notify
22 the Administrator in writing, not later than _____, that you wish to opt-out. The
23 easiest way to notify the Administrator is to send a written and signed Request for Exclusion by
24 the _____ Response Deadline. The Request for Exclusion should be a letter from a
25 Class Member or his/her representative setting forth a Class Member’s name, present address,
26 telephone number, and a simple statement electing to be excluded from the Settlement. Excluded
27 Class Members (i.e., Non-Participating Class Members) will not receive Individual Class
28

1 Payments, but will preserve their rights to personally pursue wage and hour claims against
2 Defendant.

3 You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude
4 themselves from the Class Settlement (Non-Participating Class Members) remain eligible for
5 Individual PAGA Payments and are required to give up their right to assert PAGA
6 claims against Defendant based on the PAGA Period facts alleged in the Action.

7 7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is
8 possible the Court will decline to grant Final Approval of the Settlement or decline to enter a
9 Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff
10 and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not
11 pay any money and Class Members will not release any claims against Defendant.

12 8. Administrator. The Court has appointed a neutral company, ILYM Group, Inc.
13 (the "Administrator") to send this Notice, calculate and make payments, and process Class
14 Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges
15 over total earnings, mail and remail settlement checks and tax forms, and perform other tasks
16 necessary to administer the Settlement. The Administrator's contact information is contained in
17 Section 9 of this Notice.

18 9. Participating Class Members' Release. After the Judgment is final and Defendant
19 has fully funded the Gross Settlement and separately paid all employer payroll taxes,
20 Participating Class Members will be legally barred from asserting any of the claims released
21 under the Settlement. This means that unless you opted out by validly excluding yourself from
22 the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against
23 Seven Seas Associates, LLC, or related entities for wages and penalties based on the Class
24 Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and
25 resolved by this Settlement.

26 The Participating Class Members will be bound by the following release which includes
27 all the released parties as stated in the settlement agreement on file with the court including but
28 not limited to Defendant, and their subsidiaries, facilities, parents and attorneys, and agents, and

1 each of their past, present and future officers, directors shareholders, managers, general partners,
2 employees, agents, principals, owners, founders, heirs, representatives, accountants, auditors,
3 consultants, attorneys, and insurers.:

4 Each Class Member who does not opt out of the settlement shall be deemed to
5 release the Released Parties from any and all claims, known or unknown, that:
6 were asserted in any and/or all of the complaints in the Action and/or any of
7 Plaintiff's letters to the LWDA (including any subsequently amended complaints
8 or letters); and/or any and all claims, that could have been asserted based on the
9 factual allegations in all of the complaints in the Action and/or any of Plaintiffs'
10 letters to the LWDA (including any subsequently amended complaints or letters).
11 This includes but is not limited to claims for or related to: pay for all hours
12 worked/compensation due for services; calculation of the regular rate of pay; meal
13 periods; rest periods; meal and/or rest period premiums pay, including the
14 calculation of premium pay; wage statements; failure to reimburse for work
15 related out-of-pocket expenses, payment of wages at termination; maintain
16 accurate and complete records; unfair competition related to any or all of the
17 foregoing; any unpaid wages or compensation related to any or all of the
18 foregoing; restitution related to any or all of the foregoing; and any penalties,
19 including statutory or civil penalties, related to any or all of the foregoing.. This
20 release includes, but is not limited to any and all claims pursuant to: California
21 Labor Code §§ 200, 201, 202, 203, 204, 218, 226, 226.7, 510, 512, 558, 1194,
22 1194.2, 1197, 1197.1, 1198, and 2802, and 2698, et seq.; Business & Professions
23 Code § 17200; and Industrial Welfare Commission Wage Order 5-01. The release
24 shall run through April 30, 2024

17 10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and
18 Defendant has paid the Gross Settlement (and separately paid the employer-side payroll taxes),
19 all Aggrieved Employees will be barred from asserting PAGA claims against Defendant,
20 whether or not they exclude themselves from the Settlement. This means that all Aggrieved
21 Employees, including those who are Participating Class Members and those who opt-out of the
22 Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against
23 Seven Seas Associates, LLC, or their related entities based on the PAGA Period facts alleged in
24 the Action and resolved by this Settlement.

25 The Aggrieved Employees' Releases for Participating and Non-Participating Class
26 Members are as follows:

27 Each PAGA Representative Action Member, irrespective of whether he or she
28 opts out of the settlement as a Non-Participating Class Member, shall be deemed

1 to release the Released Parties from any and all claims, known or unknown, for
2 civil penalties under California Labor Code section 2698 et seq. (PAGA) that:
3 were asserted in any and/or all of the complaints in the Action and/or any of
4 Plaintiff's letters to the LWDA (including any subsequently amended complaints
5 or letters); and/or any and all claims, that could have been asserted based on any
6 or all the factual allegations in any and/or all of the complaints in the Action
7 and/or any of Plaintiff's letters to the LWDA (including any subsequently
8 amended complaints or letters). This release includes, but is not limited to, claims
9 for PAGA civil penalties premised on: Labor Code §§ 200, 201, 202, 203, 204,
10 218, 226, 226.7, 510, 512, 558, 1194, 1194.2, 1197, 1197.1, 1198, 2698, 2699,
11 and 2802; failure to pay overtime; failure to pay for all hours
12 worked/compensation due for services; calculation of the regular rate of pay,
including failure to include all remuneration into the regular rate for overtime,
meal period premiums; failure to provide meal periods; failure to pay meal period
premiums, including the calculation of the premium pay; failure to reimburse for
work related out-of-pocket expenses, failure to provide accurate itemized wage
statements; and failure to timely pay wages at termination; The release shall run
through the date the San Diego Superior Court grants preliminary approval of the
settlement or April 30, 2024, whichever occurs first.

13 **4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?**

14 A. The estimated proportionate share of the Net Settlement Amount shall be
15 determined by the Settlement Administrator pursuant to the following formula:

16 1. To determine the Gross Individual Settlement Payment for each
17 Participating Settlement Class Members, the Settlement Administrator will:

- 18 i. Determine the Total Earnings paid to all the Participating Settlement
19 Class Members during the Class Period as provided in the Class List and
20 Data Report.
- 21 ii. Determine the amount of Earnings each Participating Settlement Class
22 Member earned while employed as a Settlement Class Member during
23 the applicable Class Period as provided in the Class List and Data
24 Report.
- 25 iii. Calculate each Participating Settlement Class Member's Gross
26 Individual Wages Percentage by dividing the individual Participating
27 Settlement Class Member's Earnings by the Total Earnings earned by all
28 Participating Settlement Class Members.

- 1 iv. The distribution of the Net Class Settlement Fund is determined by
2 allocating to each Participating Settlement Class Member a percentage
3 of the Net Class Settlement Fund that is equivalent to his or her Gross
4 Individual Wages Percentage. The resulting monetary amount is the
5 Gross Individual Settlement Payment for each Participating Settlement
6 Class Members.
- 7 v. For taxation purposes, the Gross Individual Settlement Payment to each
8 Participating Settlement Class Member shall be allocated as follows:
9 seventy percent (70%) shall be attributed to penalties and interest and
10 payable on a IRS form 1099 and thirty percent (30%) shall be attributed
11 to wages ("Wage Component"), to be reported on a W-2 form.
- 12 vi. The Settlement Administrator shall determine the eligibility for, and the
13 amounts of, any Individual Settlement Payments under the terms of this
14 Settlement Agreement.
- 15 vii. The Gross Individual Settlement Payments will be reduced by any
16 required legal deductions for each Participating Settlement Class
17 Member. Standard employer and employee payroll deductions will be
18 made for state and federal withholding taxes and any other applicable
19 payroll deductions owed by the Participating Class Members as a result
20 of the Wage Component. The Settlement Administrator will issue a
21 check and W-2 Form to each Participating Settlement Class Member for
22 the Wage Component.
- 23 viii. The Parties stipulate to a) class certification for purposes of settling the
24 Action only; and b) stipulate to stay the action pending approval. The
25 Parties agree that class certification will be revoked if the Court denies
26 preliminary or final approval of the settlement, or if the settlement does
27 not become final for any other reason. The Parties shall cooperate in
28 good faith to secure a court order staying the Action and all deadlines,

1 pending implementation of the settlement. If the settlement is declared
2 null and void by Defendant pursuant to Paragraph 10, or if the Court
3 denies preliminary or final approval of the settlement, the Parties will
4 resume litigation.

- 5 ix. Effect of Non-Participating Class Members on Calculation of Individual
6 Class Payments (i.e., those that have requested exclusion). Non-
7 Participating Class Members will not receive any Individual Class
8 Payments. The Administrator will retain amounts equal to their
9 Individual Class Payments in the Net Settlement Amount for distribution
10 to Participating Class Members on a pro rata basis.

11 2. PAGA Representative Action Members estimated proportionate share of
12 the PAGA Settlement Amount shall be determined by the Settlement Administrator pursuant to
13 the following formula:

- 14 i. Individual PAGA Members who worked as current and former
15 non-exempt hourly individuals employed by Defendant at any time
16 from September 27, 2022, until the date of preliminary approval or
17 April 30, 2024, whichever is earlier;
- 18 ii. To calculate each PAGA Individual's proportionate share: The
19 Settlement Administrator shall calculate the total aggregate
20 number of Pay Periods that all PAGA Individuals were employed
21 by, and worked for, Defendant as non-exempt hourly individuals
22 employed in California at any time during the PAGA Period. The
23 value of each individual Pay Period shall then be determined by
24 dividing the PAGA Payment Amount of \$12,500.00 by the Total
25 Pay Periods, resulting in the "Pay Period Value." Each Individual
26 PAGA Share shall then be determined by multiplying the
27 Individual PAGA Member's number of Pay Periods by the Pay
28 Period Value.

1 B. Total Earnings/Pay Period Challenges. The total gross earnings you earned during
2 the Class Period and the number of PAGA Pay Periods you worked during the PAGA
3 Period, as recorded in Defendant's records, are stated in the first page of this Notice. You
4 have until _____ to challenge these figures. You can submit your challenge by
5 signing and sending a letter to the Administrator via mail. (See Section 9 of this Notice for the
6 Administrator's contact information.)

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

15 **5. HOW WILL I GET PAID?**

16 1. Participating Class Members. The Administrator will send, by U.S. mail, a single
17 check to every Participating Class Member (i.e., every Class Member who doesn't opt-out)
18 including those who also qualify as Aggrieved Employees. The single check will combine the
19 Individual Class Payment and the Individual PAGA Payment. Please make sure the
20 administrator has your correct address.

21 2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a
22 single Individual PAGA Payment check to every Aggrieved Employee who opts out of the
23 Class Settlement (i.e., every Non-Participating Class Member). Your check will be sent to the
24 same address as this Notice. If you change your address, be sure to notify the Administrator as
25 soon as possible. Section 9 of this Notice has the Administrator's contact information.

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

27 Submit a written and signed letter with your name, present address, telephone number,
28 and a simple statement that you do not want to participate in the Settlement. The Administrator

will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Gonzalez v. Seven Seas Associates, LLC*, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. The Administrator must be sent your request to be excluded by _____, or it will be invalid. Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendant are asking the Court to approve. At least sixteen (16) court days before the _____ Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is _____.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Gonzalez v. Seven Seas Associates, LLC* and include your name, current address, telephone number, and approximate dates of employment for Defendant and sign the objection.

Section 9 of this Notice has the Administrator's contact information.

1 Alternatively, a Participating Class Member can object (or personally retain a lawyer to
2 object at your own cost) by attending the Final Approval Hearing. You (or your attorney)
3 should be ready to tell the Court what you object to, why you object, and any facts that support
4 your objection. See Section 8 of this Notice (immediately below) for specifics regarding the
5 Final Approval Hearing.

6 **8. CAN I ATTEND THE FINAL APPROVAL HEARING?**

7 You can, but don't have to, attend the Final Approval Hearing on _____, 2024 at
8 _____ in Department C-64 of the San Diego Superior Court, located at 330 W. Broadway
9 San Diego, CA. At the Hearing, the judge will decide whether to grant Final Approval of the
10 Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and
11 the Administrator. The Court will invite comment from objectors, Class Counsel and Defense
12 Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally,
13 or virtually. Check the Court's website for the most current information.

14 It's possible the Court will reschedule the Final Approval Hearing. You should check the
15 Court's website at <https://roa.sdcourt.ca.gov/roa/> beforehand or contact Class Counsel to verify
16 the date and time of the Final Approval Hearing.

17 **9. HOW CAN I GET MORE INFORMATION?**

18 The Agreement sets forth everything Defendant and Plaintiff have promised to do under
19 the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other
20 Settlement documents is to go to the court's website at <https://roa.sdcourt.ca.gov/roa/>. You can
21 also telephone or send an email to Class Counsel or the Administrator using the contact
22 information listed below. You can also make an appointment to personally review court
23 documents in the Clerk's Office at the San Diego Superior Court courthouse by calling (619)
24 450-7064.

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

27 **Class Counsel:**
28

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Settlement Administrator: ILYM Group, Inc.
Name of Company:
Email Address:
Mailing Address:
Telephone:
Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the Unclaimed Property Fund https://www.sco.ca.gov/upd_inss.html, for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

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