MEMORANDUM OF UNDERSTANDING RE CLASS & PAGA ACTION SETTLEMENT

Los Angeles County Superior Court Case No. 23STCV14059: (Class & PAGA)
Los Angeles County Superior Court Case No. 23STCV28240: (Class & PAGA)

Subject to final approval by the Court, which the parties and their counsel will recommend in good faith, and with the provision that this Memorandum of Understanding ("MOU") will be further incorporated into a Joint Stipulation of Settlement and Release, Plaintiff Iman Frederick and Roxanne Elliot ("Plaintiffs"), on the one hand, and *The Private Suite Holdings, LLC, et al.,* ("Defendant"), on the other hand, (collectively referred to as "the Parties") agree to the following material terms of settlement (the "Settlement") of the Class and PAGA representative actions entitled*, Iman Frederick v. The Private Suite Holdings, LLC, et al. and Roxanne Elliot v. The Private Suite Holdings, LLC, et al.* in Los Angeles County Superior Court, as Case No. *23STCV14059 (*the "Frederick Class & PAGA Action") and *23STCV28240* (the "Elliot Class & PAGA Action"). For purposes of this MOU and the Settlement, the "Action" is defined collectively as the Frederick Class & PAGA Action and the Elliot Class & PAGA Action as they were consolidated August 14th, 2024.

1. **Gross Settlement Amount (Class and PAGA Settlement):** Defendant shall pay the Gross Settlement Amount in the amount of $ 1,404,168.00 (one million four hundred-four thousand and one hundred sixty-eight dollars). This amount shall be payable 60 days from the Court granting final approval of the settlement of the Action in its entirety.

2. **Net Settlement Amount:** Class counsel's court approved attorneys' fees, costs, class representative Enhancement Awards, LWDA Payment, Aggrieved Employees Payment, and the settlement administration costs will be deducted from the Gross Settlement Amount to calculate the Net Settlement Amount to be distributed to the Class Members who do not opt out of the Settlement. The Aggrieved Employees Payment shall be distributed to the Aggrieved Employees.

3. **No Reversion, No Claims Made:** There will be no reversion to Defendant and no claims process for Class Members to receive payment.

4. **Settlement Class:** "Class Members" shall include all current and former non-exempt, hourly paid employees who worked for Defendant in California at any time during the period of June 15, 2019, through May 10, 2025 (the "Class Period"). "Aggrieved Employees" shall include all current and former non-exempt, hourly paid employees who worked for Defendant in California at any time during the period of June 27, 2022, to May 10th, 2025 ("PAGA Period").

5. **Escalator Clause.** Defendant estimates there are a total of 34,248 Workweeks as of March 10, 2025. If the actual number of workweeks worked by Class Members eligible to participate in the Settlement is greater than 10% of this estimate (i.e., by more than 3,424.80 Workweeks), then Defendant has the option to either: (1) agree to increase the Gross Settlement Amount on a proportional basis above 10% (i.e., if there is an 11% increase in the number of workweeks during the Class Period, Defendant would agree to increase the

Gross Settlement Amount by 1%); or (2) elect to end the Class Period and PAGA Period on an earlier date at the Defendant's discretion in order to limit the covered workweeks to 10% more than the estimate provided (i.e., to the date on which the workweeks do not exceed 37,672.80) in lieu of paying an increase to the Gross Settlement Amount.

6. **Released Class Claims:** Participating Class Members and Plaintiff, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, shall release Released Parties from any and all claims that were or could have been alleged in the Operative Complaint that arose during the Class Period including without limitation with respect to the following claims: (a) failure to pay overtime wages, including failure to include additional renumeration when calculating overtime wages, sick pay or meal and rest period premiums; (b) failure to provide compliant meal periods or pay meal period premiums in lieu thereof; (c) failure to authorize and permit compliant rest periods or pay rest period premiums in lieu thereof; (d) failure to pay minimum and straight time wages; (e) failure to timely pay all earned wages and final paychecks due at time of separation of employment; (f) failure to timely pay wages during employment; (g) failure to provide complete and accurate wage statements; (h) failure to keep requisite payroll records; (i) failure to reimburse necessary business-related expenses and costs; (j) failure to pay all accrued and vested vacation and sick pay; and (k) all claims under California Business & Professions Code § 17200 for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories described above; and (k) violation of the California Industrial Wage Orders that could have been premised on the facts, claims, causes of action or legal theories described above, as well as any potential penalties, interest or attorneys' fees associated with all of such causes of action under California law ("Released Class Claims").

7. **Released PAGA Claims by Aggrieved Employees:** Plaintiff and all Class Members who are Aggrieved Employees, regardless of whether they are Participating Class Members or Non-Participating Class Members, shall release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims, demands, rights, liabilities and causes of action under the California Labor Code Private Attorneys General Act that were alleged, or reasonably could have been alleged, based on the claims asserted in the Operative Complaint, the PAGA Notice (and any amendments thereto) and ascertained in the course of the Action, arising during or with respect to the PAGA Period. ("Released PAGA Claims"). The foregoing release shall be binding on Plaintiffs, the Aggrieved Employees, and the State of California, and shall bar by res judicata any claim under the PAGA brought by any person, including the Aggrieved Employees, on behalf of the State of California, as to any claims predicated on the Released PAGA Claims.

8. **Released Parties:** The Released Parties shall include Defendant, and any of its past, present and/or future, directors, officers, partners, principals, trustees, shareholders, owners, members, managers, employees, administrators, agents, attorneys, insurers, predecessors, successors, assigns, DBAs, parents, subsidiaries.

9. **<u>Net Settlement Fund Designation/Characterization of Settlement Payments to Class</u>:** Portions of Class Member individual settlement payments allocated for the release of class claims shall be characterized 20% wages, 80% penalties and interest. Portions of Aggrieved Employees individual settlement payments allocated for the release of PAGA claims shall be characterized 100% penalties. The portion allocated to wages shall be subject to usual and customary withholdings and shall be reported on an IRS Form W-2 and the portion allocated to interest and penalties shall be reported on an IRS Form 1099 by the Settlement Administrator.

10. **<u>Enhancement Award</u>:** Non-opposition to a request for up to $20,000.00 for Plaintiff Iman Frederick and up to $10,000 for Plaintiff Roxanne Elliot for Plaintiffs' Enhancement Awards. Any portion of the Enhancement Awards allocation not approved by the court will revert to participating class members. 100% of each Plaintiff's Enhancement Award shall be made without deduction for State or Federal taxes but subject to issuance of IRS Form 1099. Plaintiffs' enhancement awards are subject to strict confidentiality; neither Plaintiffs nor their counsel shall disclose any terms of this agreement unless and until the terms become public through other sources (i.e., filing with court).

11. **<u>Release for Individual Plaintiffs:</u>** Plaintiffs shall execute a general release of all known and unknown claims Plaintiffs may have against Released Parties, including a 1542 Waiver as to Released Parties for any all claims arising out of her employment with Defendants.

12. **<u>Employer's Share of Payroll Taxes</u>:** Defendant's share of payroll taxes for amounts allocated as wages will be paid by Defendant separate from and in addition to the Gross Settlement Amount.

13. **<u>Uncashed or Returned Checks</u>:** Funds from uncashed or returned checks will be transmitted to the State Controller 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), as amended.

14. **<u>Settlement Administration Costs</u>:** Non-opposition to a request for reimbursement for the claims administrator's costs for their reasonable fees and expenses related to administering this Settlement, which will be paid from the Gross Settlement Amount. Any unused funds of this cost allocation will revert to participating Class Members. The Settlement Administrator shall be mutually chosen by Class Counsel and Defense Counsel.

15. **<u>Attorney's Fees</u>:** Non-opposition to a request for attorney's fees of up to 35% of the Gross Settlement Amount ($491,458.80). Any portion of the fee allocation not approved by the court will revert to participating Class Members. The Parties agree to the designation of Labor Law PC and Blackstone Law APC as counsel for the Settlement Class for all purposes in this case

16. **<u>Costs</u>:** Non-opposition to a request for reimbursement for Plaintiffs' reasonable litigation costs, which will be paid from the Gross Settlement Amount. Any unused funds of this cost allocation will revert to participating Class Members. The Settlement Administrator shall

issue an IRS Form 1099 to Class Counsel reflecting the Attorneys' Fees and Costs awarded by the Court.

17. **Payment to LWDA and Aggrieved Employees:** The parties allocate $50,000.00 of the Gross Settlement Amount to the settlement of PAGA claims, 75% of which shall be paid to the California Labor & Workforce Development Agency ("LWDA Payment") and 25% of which shall be distributed to the Aggrieved Employees ("Aggrieved Employees Payment") on a pro rata basis, based on the PAGA Employee's pay periods worked during the PAGA Period.

18. **Settlement Distribution to Class Members**: There will be no claims process and no reversion. Rather, all Class Members who do not opt out will receive a check for their respective shares of the Net Settlement Amount. The Net Settlement Amount will be distributed to Class Members based on number of weeks each Class Member worked ("Workweeks") during the Class Period in the State of California (the "Individual Settlement Payment"). The entire Net Settlement Amount will be disbursed to all Class Members who do not submit timely and valid requests for exclusion ("Participating Class Members"). If there are any valid and timely requests for exclusion, the Settlement Administrator shall proportionately increase the Individual Settlement Payment for each Participating Class Member according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Amount.

19. **Informal Discovery:** The Parties agree that any and all disclosures and/or exchanges of information in anticipation of mediation and the Settlement shall be covered by the mediation privilege.

20. **Enforceability:** The Parties intend to enter into a more formal "long form" agreement not inconsistent with the terms of this MOU within 60 days of the date of execution of this MOU, but if they fail to execute a more formal agreement, this MOU will be final, binding and enforceable pursuant to California Code of Civil Procedure section 664.6. By virtue of the foregoing language and pursuant to Evidence Code section 1123(b), this written MOU is not made inadmissible, nor is it protected from disclosure.

21. **Drafting of Long-Form Settlement Agreement and Preliminary Approval Papers**: Plaintiff's counsel will draft the long-form settlement agreement and provide to Defendant for review and comment within 45 days of execution of the MOU. Defendant shall thereafter have ten (10) days to respond with any proposed revisions. If Defendant does not respond with revisions within ten (10) days, this MOU will be final, binding and enforceable. Plaintiff's counsel will draft the motion for preliminary approval and motion for final approval.

22. **Confidentiality:** The Parties agree that the terms of this MOU are confidential until Plaintiff is required to enforce the MOU. Neither Plaintiffs nor their counsel shall disclose any terms of this agreement or the long-form settlement agreement unless and until the terms become public through other sources (i.e., filing with court). The Parties agree that other than in connection with any court-approved notice arising from this Settlement, they

will not issue any press release concerning this Settlement or anything related thereto. The Parties further agree that they will not seek to obtain media coverage in relation to the Settlement.

23. **Cooperation:** The Parties agree to cooperate fully with each other to accomplish the terms of the settlement, and to use their reasonable best efforts to finalize the settlement. If the Parties are unable to agree on the terms of the final long-form settlement agreements, the Parties agree to reengage Lynn Frank, Esq. to mediate the final terms, and split the cost 50/50, if any. The Parties further agree to use any other reasonable efforts that may become necessary by the Court, or otherwise, to effectuate the settlement.

24. **Electronic Signatures:** This Agreement may be executed in counter-parts electronic signature or DocuSign, each of which will be deemed an original, and all of which together will constitute but one and the same instrument.

Dated: 03/19/2025

PLAINTIFF: Iman Frederick

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Iman Frederick

Dated: ________________________

PLAINTIFF: Roxanne Elliot

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Roxanne Elliot

Dated: ________________________

DEFENDANT: *The Private Suite Holdings, LLC, et al*

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By: Amina Belouizdad Porter, CEO

APPROVED AS TO FORM AND CONTENT

Dated: ________________________

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Noel Harlow, Esq.
Danny Yadidsion, Esq.
Attorneys for Plaintiff Iman Frederick

Dated: March 13, 2025

Karen Gold
Karen Gold, Esq.
Noam Reiffman, Esq.
Attorneys for Plaintiff Roxanne Elliot

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Iman Frederick

Dated: 03/13/2025

PLAINTIFF: Roxanne Elliot

Roxanne M. Elliott
Roxanne Elliot

Dated: ______________________

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Danny Yadidsion, Esq.
Attorneys for Plaintiff Iman Frederick

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Iman Frederick

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PLAINTIFF: Roxanne Elliot

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Roxanne Elliot

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Iman Frederick

Dated: ________________________ PLAINTIFF: Roxanne Elliot

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Roxanne Elliot

Dated: ________________________ DEFENDANT: *The Private Suite Holdings, LLC, et al*

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By: Amina Belouizdad Porter, CEO

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Attorneys for Plaintiff Iman Frederick

Dated: March 13, 2025

Karen Gold
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Karen Gold, Esq.
Noam Reiffman, Esq.
Attorneys for Plaintiff Roxanne Elliot

Dated: 03/13/2025

Brian Selvan
Attorney for Defendant