

Karen I. Gold (SBN 258360)
kgold@blackstonepc.com
Sara Pezeshkpour (State Bar No. 260240)
spezeshkpour@blackstonepc.com
Ashley Cruz (SBN 306235)
acruz@blackstonepc.com
Marissa A. Mayhood (SBN 334376)
mmayhood@blackstonepc.com
BLACKSTONE LAW, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

*Attorneys for Plaintiff JESSE ROMERO,
Individually, on behalf of others similarly situated,
and on behalf of Aggrieved Employees pursuant to the
California Private Attorneys General Act*

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

JESSE ROMERO, individually and on behalf
of others similarly situated,

Plaintiff,

vs.

CALIFORNIA CLOSET COMPANY, a
California corporation; CAL CLOSET
RETAIL, INC., a Delaware corporation; and
DOES 1 through 25, inclusive,

Defendants..

Case No. 23STCV27355 (related to Case No.
23STCV31746)

*Assigned for all purposes to Hon. Lawrence P.
Riff, Dept. 7*

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: January 29, 2025

Time: 10:00 a.m.

Dept.: 7

Complaint Filed: November 7, 2023

FAC Filed: October 10, 2024

Trial Date: Not Set

**[PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL
OF CLASS ACTION AND PAGA SETTLEMENT**

1
2
3
4
5
6
7
8
9
10
11
12

[PROPOSED] ORDER

On **January 29, 2025 at 10:00 a.m.** in Department 7 of the above-captioned Court located at 312 N. Spring Street, Los Angeles, California 90012, Plaintiff Jesse Romero's ("Plaintiff") Motion for Preliminary Approval of Class Action and PAGA Settlement came on for hearing before the Honorable Lawrence P. Riff. Blackstone Law, APC appeared on behalf of Plaintiff and Littler Mendelson, P.C. appeared on behalf of defendants California Closet Company, Inc. (incorrectly named as California Closet Company) and Cal Closets Retail, Inc. (incorrectly named as Cal Closet Retail, Inc.) ("Defendants").

The Court, having carefully considered the papers, argument of counsel, and all matters presented to the Court, and good cause appearing, hereby **GRANTS** Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement.

13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IT IS HEREBY ORDERED THAT:

1. The Court preliminarily approves the Joint Stipulation of Class Action and PAGA Settlement ("Settlement" or "Settlement Agreement") attached as Exhibit 2 to the Declaration of Karen I. Gold in Support of Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement. Upon review, this Court has determined that the Settlement falls within the range of fair, adequate, and reasonable resolutions of these matters.

2. This Order incorporates by reference the definitions in the Settlement Agreement, and all capitalized terms defined therein shall have the same meaning in this Order as set forth in the Settlement Agreement.

3. The Settlement appears to be fair, adequate, and reasonable. The Court finds that extensive investigation and research have been conducted such that counsel for the parties were able to reasonably evaluate their respective positions, and that the Settlement will avoid substantial additional costs and the delay and risks of further prosecution of the case. The Court further finds that the Settlement was reached as the result of intensive, serious, and non-collusive, arms-length negotiations, and was entered into in good faith.

4. The Court preliminarily finds that the Settlement, including the allocations for the Class Counsel's Attorneys' Fees and Class Counsel's Litigation Costs, Enhancement Payment, LWDA

1 Payment, Settlement Administration Costs, and payments to the Participating Class Members and
2 Aggrieved Employees provided for in the Settlement Agreement, appears to be within the range of
3 reasonableness of a settlement that could ultimately be given final approval by this Court. Indeed, the
4 Court has reviewed the monetary recovery that is being granted as part of the Settlement and
5 preliminarily finds that the monetary settlement awards made available to the Class Members and
6 Aggrieved Employees are fair, adequate, and reasonable when balanced against the risks of further
7 litigation relating to certification, liability, and damages issues and are consistent with the
8 requirements of California Labor Code § 2699(1).

9 5. The Court concludes that, for settlement purposes only, the proposed Class meets the
10 requirements for certification under section 382 of the California Code of Civil Procedure in that: (a)
11 the Class is ascertainable and so numerous that joinder of all members of the Class is impracticable;
12 (b) common questions of law and fact predominate, and there is a well-defined community of interest
13 amongst the members of the Class with respect to the subject matter of the litigation; (c) Plaintiff's
14 claims are typical of the claims of the members of the Class; (d) Plaintiff will fairly and adequately
15 protect the interests of the members of the Class; (e) a class action is superior to other available
16 methods for the efficient adjudication of the controversy; and (f) Class Counsel is qualified to act as
17 counsel for Plaintiff in his individual capacity and as the representative of the Class.

18 6. The Court conditionally certifies, for settlement purposes only, the Class, defined as
19 follows:

20 All current and former hourly-paid and/or non-exempt employees who worked for
21 Defendants within the State of California at any time during the Class Period.

22 (The Class Period is defined as the period from November 7, 2019, through
23 Preliminary Approval of the settlement with regard to defendant California Closet
24 Company, Inc., and January 1, 2022, through Preliminary Approval of the
25 settlement with regard to defendant Cal Closets Retail, Inc. unless Defendants
26 decide to cap the release period at an earlier date pursuant to Paragraph 13 of the
27 Settlement Agreement.¹)

28 ¹ If Defendants opt for an alternative release period end date, the Parties shall amend the class notice with the
updated class period.

1 7. The Court provisionally appoints Jonathan M. Genish, Karen I. Gold, Sara
2 Pezeshkpour, Ashley H. Cruz, and Marissa A. Mayhood of Blackstone Law, APC as counsel for the
3 Class (“Class Counsel”).

4 8. The Court provisionally appoints Plaintiff Jesse Romero as the representative of the
5 Class (“Class Representative”).

6 9. The Court provisionally appoints Apex Class Action, LLC to handle the administration
7 of the Settlement (“Settlement Administrator”).

8 10. Within thirty (30) calendar days following the Preliminary Approval Date, Defendant
9 will provide the Settlement Administrator with the Class List, including each Class Member’s (1) full
10 name; (2) last known mailing address; (3) last known phone numbers; (4) Social Security number; (5)
11 workweek and pay period numbers where feasible, and hire and termination dates to calculate
12 workweeks and pay periods where workweek/pay period numbers are not provided; and (6) such other
13 information as is necessary for the Settlement Administrator to calculate Workweeks and PAGA
14 Workweeks.

15 11. The Court approves, both as to form and content, the Notice of Class Action and PAGA
16 Settlement (“Class Notice”) attached hereto as **Exhibit 1**. The Class Notice shall be provided to Class
17 Members in the manner set forth in the Settlement Agreement. The Court finds that the Class Notice
18 appears to fully and accurately inform the Class Members of all material elements of the Settlement,
19 of Class Members’ right to be excluded from the Class Settlement by submitting a Request for
20 Exclusion, of Class Members’ right to dispute the Credited Workweeks to each of them by submitting
21 a Credited Workweeks dispute, and of each Participating Class Member’s right and opportunity to
22 object to the Class Settlement by submitting a notice of objection to the Settlement Administrator. The
23 Court further finds that the Class Notice will be addressed to the name of each Class Member. The
24 Court further finds that distribution of the Class Notice substantially in the manner and form set forth
25 in the Settlement Agreement and this Order, and that all other dates set forth in the Settlement
26 Agreement and this Order, meet the requirements of due process and shall constitute due and sufficient
27 notice to all persons entitled thereto. The Court further orders the Settlement Administrator to mail
28 the Class Notice by First-Class U.S. Mail in English and Spanish to all Class Members within seven

(7) calendar days of receipt of the Class List, pursuant to the terms set forth in the Settlement Agreement.

12. The Court hereby preliminarily approves the proposed procedure, set forth in the Settlement Agreement, for seeking exclusion from the Class Settlement. Any Class Member may choose to be excluded from the Class Settlement by submitting a Request for Exclusion in conformity with the requirements set forth in the Class Notice, to the Settlement Administrator, postmarked on or before the date that is forty-five (45) calendar days from the initial mailing of the Class Notice by the Settlement Administrator to Class Members (“Response Deadline”). In the event that a Class Notice is re-mailed to a Class Member, the Response Deadline for that Class Member shall be extended fifteen (15) calendar days from the original Response Deadline. Any such person who timely and validly chooses to opt out of, and be excluded from, the Class Settlement will not be entitled to any recovery under the Class Settlement and will not be bound by the Class Settlement or have any right to object, appeal, or comment thereon. Nevertheless, all Aggrieved Employees will be issued their PAGA Settlement Payment, irrespective of whether they submit a Request for Exclusion. To the extent a Class Member does not submit a timely and valid Request for Exclusion (i.e., Participating Class Members), such Class Member shall be bound by the Settlement Agreement and any final judgment based thereon.

13. A Final Approval Hearing shall be held before this Court on _____ at _____ a.m./p.m. in Department 7 of the Los Angeles Superior Court, located at 312 N. Spring Street, Los Angeles, California 90012, to determine all necessary matters concerning the Settlement, including: whether the proposed settlement of this action on the terms and conditions provided for in the Settlement is fair, adequate, and reasonable and should be finally approved by the Court; whether a judgment, as provided in the Settlement, should be entered herein; whether the plan of allocation contained in the Settlement should be approved as fair, adequate, and reasonable to the Class Members and Aggrieved Employees; and determine whether to approve the requests for the Class Counsel’s Attorneys’ Fees and Class Counsel’s Litigation Costs, Enhancement Payment, Settlement Administration Costs, and allocation for the PAGA Payment.

14. Class Counsel shall file a motion for final approval of the Settlement and for Class

Counsel's Attorneys' Fees and Class Counsel's Litigation Costs, Enhancement Payment, and Settlement Administration Costs, along with the appropriate declarations and supporting evidence, including the Settlement Administrator's declaration, by sixteen (16) court days prior to the Final Approval Hearing, to be heard at the Final Approval Hearing.

15. To object to the Class Settlement, a Participating Class Member must submit their notice of objection to the Settlement Administrator on or before the Response Deadline. The notice of objection must: (a) contain the case name and number of the Actions; (b) contain the objector's full name, signature, address, telephone number, and the last four (4) digits of the objector's Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

16. Class Members, individually or through counsel, may also present their objection orally at the Final Approval Hearing, regardless of whether they have submitted a notice of objection.

17. In the event the Settlement does not become effective in accordance with the terms of the Settlement Agreement, or the Settlement is not finally approved, or is terminated, canceled, or fails to become effective for any reason, this Order shall be rendered null and void, shall be vacated, and the parties shall revert back to their respective positions as of before entering into the Settlement Agreement. The fact that the Court certified the Class for settlement purposes shall not be admissible or have any bearing on the issue of whether any class should be certified in a non-settlement context.

18. The Court reserves the right to adjourn or continue the date of the Final Approval Hearing and any dates provided for in the Settlement Agreement without further notice to the Class Members and retains jurisdiction to consider all further applications arising out of or connected with the Settlement.

///

///

1 19. Within 7 days of this Order, Plaintiff shall file a dismissal without prejudice of the
2 matter entitled *Romero v. Cal. Closets Retail, Inc., et al.*, Los Angeles County Superior Court, Case
3 No. 23STCV31746.

4 **IT IS SO ORDERED.**

5
6 Dated: _____

The Honorable Lawrence P. Riff
Judge of the Superior Court

EXHIBIT 1

NOTICE OF CLASS ACTION AND PAGA SETTLEMENT

Jesse Romero v. Cal. Closets Retail Inc., et al.

Superior Court of California for the County of Los Angeles, Case Nos. 23STCV27355; 23STCV31746

PLEASE READ THIS CLASS NOTICE CAREFULLY.

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

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiff Jesse Romero (“Plaintiff”) and Defendants California Closet Company, Inc. and Cal Closets Retail, Inc. (collectively, “Defendants”) (Plaintiff and Defendants are collectively referred to as the “Parties”) in the cases entitled *Jesse Romero v. Cal. Closets Retail Inc., et al.*, Los Angeles County Superior Court, Case Nos. 23STCV27355; 23STCV31746 (the “Actions”), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] to determine whether or not the Court should grant final approval of the settlement (“Final Approval Hearing”).

I. IMPORTANT DEFINITIONS

“**Class**” or “**Class Member**” means all current and former hourly-paid and/or non-exempt employees who worked for Defendants within the State of California at any time during the Class Period.

“**Class Period**” means the period from November 7, 2019, through Preliminary Approval of the settlement with regard to Defendant California Closet Company, Inc., and January 1, 2022, through Preliminary Approval of the settlement with regard to defendant Cal Closets Retail, Inc.

“**Class Settlement**” means the settlement and resolution of all Class Released Claims (as defined below).

“**Aggrieved Employees**” means all current and former hourly-paid and/or non-exempt employees who worked for Defendants in the State of California at any time during the PAGA Period.

“**PAGA Period**” means the period from October 24, 2022, through Preliminary Approval of the settlement.

“**PAGA Settlement**” means the settlement and resolution of all PAGA Released Claims (as defined below).

“**Preliminary Approval**” means the date the Court issues its order preliminarily approving the settlement.

II. BACKGROUND OF THE ACTION

On October 24, 2023, Plaintiff provided written notice to the California Labor and Workforce Development Agency (“LWDA”) and Defendants of alleged violations of the California Labor Code (“PAGA Letter”). On November 7, 2023, Plaintiff commenced a putative class action lawsuit by filing a Class Action Complaint for Damages in the Los Angeles County Superior Court, Case No. 23STCV27355. On December 28, 2023, Plaintiff filed a Complaint for Enforcement Action Under the Private Attorneys General Act, California Labor Code §§ 2698. *et seq.* in the Los Angeles County Superior Court, Case No. 23STCV31746. On October 8, 2024, Plaintiff provided written notice to the LWDA and Defendants of additional provisions of the California Labor Code that Plaintiff contends were violated (“Amended PAGA Letter”). On October 10, 2024, Plaintiff filed a First Amended Class and PAGA Representative Action Complaint (“Operative Complaint”) alleging the following causes of action: (1) Minimum Wage and Straight Time Violations; (2) Overtime Wage Violations; (3) Unpaid Vacation and Holiday Wages; (4) Meal Period Violations; (5) Rest Period Violations; (6) Failure to Timely Pay Wages During Employment; (7) Failure to Provide Accurate Wage Statements, Maintain Required Records, and Recordkeeping Violations; (8) Failure to Pay All Wages Earned and Unpaid at Separation; (9) Improper Payment of Final Wages; (10) Failure to Reimburse Business Expenses; (11) Failure to Provide Sick Leave and Notice of Entitlement to Sick Leave; (12) Unfair Competition; and (13) Violation of the California Private Attorneys General Act.

Plaintiff contends that Defendants failed to: (i) properly pay minimum and overtime wages, (ii) provide compliant meal and

rest breaks and associated premiums, (iii) timely pay wages during employment, (iv) timely pay wages upon termination of employment and associated waiting-time penalties, (v) provide accurate wage statements, (vi) properly pay vacation and holiday wages, (vii) provide proper payment of final wages, (viii) provide sick leave and notice of entitlement to sick leave and (ix) reimburse business expenses, and thereby (x) engaged in unfair business practices in violation of the California Business and Professions Code section 17200, *et seq.*, and (xi) conduct that gives rise to penalties under the PAGA. Plaintiff sought, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys' fees and costs.

Defendants deny all of the allegations in the Actions, that they violated any law, or that they failed to pay any wages and contend they complied with all applicable laws.

The Parties participated in mediation with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into a Joint Stipulation of Class Action and PAGA Settlement ("Settlement" or "Settlement Agreement").

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and require Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants unless they timely opt-out of the settlement.

If you are a Class Member, you need not take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks and/or PAGA Workweeks credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are an Aggrieved Employee, you do not need to take any action to receive an Individual PAGA Payment; you will not have the opportunity to object or seek exclusion from the PAGA Settlement and all Aggrieved Employees will be bound to the PAGA Settlement if the Court grants final approval of the Settlement.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendants that the claims in the Actions have merit or that Defendants have any liability to Plaintiff, Class Members, or Aggrieved Employees. Plaintiff and Defendants, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, the State of California, and Aggrieved Employees.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is one million four hundred and ninety-five thousand dollars and zero cents (\$1,495,000.00) (the "Gross Fund Value"). The portion of the Gross Fund Value that is available for payment to Class Members is referred to as the "Net Settlement Amount." The Net Settlement Amount will be the Gross Fund Value less the following payments which are subject to approval by the Court: (1) attorneys' fees, in an amount not to exceed 33.33% of the Gross Fund Value (i.e., \$498,333.33 if the Gross Fund Value is \$1,495,000.00), and reimbursement of litigation costs and expenses, in an amount not to exceed twenty-three thousand dollars and zero cents (\$23,000.00) to Class Counsel; (2) Enhancement Payment in an amount not to exceed seven thousand five hundred dollars and zero cents (\$7,500.00) to Plaintiff for his services in the Actions; (3) the amount of one hundred and forty-nine thousand five hundred and zero cents (\$149,500.00) allocated toward civil penalties under the Private Attorneys General Act ("PAGA Payment"), of which the LWDA will be paid 75% (\$112,125.00) ("LWDA Payment") and the remaining 25% (\$37,375.00) will be distributed to Aggrieved Employees ("PAGA Employee Amount"); and (4) Settlement Administration Costs in an amount not to exceed eleven thousand five hundred and zero cents (\$11,500.00) to Apex Class Action, LLC ("Settlement Administrator").

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) based on the number of weeks each Class Member worked for Defendants as an hourly-paid or non-exempt employee in California during the Class Period (“Workweeks”). The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek Value,” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek Value to yield an estimated Individual Settlement Share that each Class Member may be entitled to receive under the Class Settlement (which is listed in Section III.C below). Class Members who do not submit a timely and valid Request for Exclusion (“Settlement Class Members”) will be issued their final Individual Settlement Payment following final approval of the settlement by the Court.

Each Individual Settlement Share will be allocated as twenty-five percent (25%) as wages, which will be reported on an IRS Form W-2, and seventy-five percent (75%) as non-wage damages and penalties, which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s share of payroll taxes and withholdings with respect to the wages portion of the Individual Settlement Shares resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”). The employer’s share of taxes and contributions in connection with the wages portion of Individual Settlement Shares (“Employer Taxes”) will be paid by Defendants separately and in addition to the Gross Fund Value.

Aggrieved Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the PAGA Employee Amount (“Individual PAGA Payment”) based on the number of weeks each Aggrieved Employee worked for Defendants as an hourly-paid or non-exempt employee in California during the PAGA Period (“PAGA Workweeks”). The Settlement Administrator has divided the PAGA Employee Amount, i.e., 25% of the PAGA Payment, by the PAGA Workweeks of all Aggrieved Employees to yield the “PAGA Workweek Value,” and multiplied each Aggrieved Employee’s individual PAGA Workweeks by the PAGA Workweek Value to yield each Aggrieved Employee’s Individual PAGA Payment.

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject to withholdings, and will be reported on IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to Aggrieved Employees at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Your Workweeks and PAGA Workweeks (if applicable) Based on Defendant’s Records

According to Defendants’ records:

- From [REDACTED] through [REDACTED] (i.e., the Class Period), you are credited as having worked [REDACTED] Workweeks.
- From [REDACTED] through [REDACTED] (i.e., the PAGA Period), you are credited as having worked [REDACTED] PAGA Workweeks.

If you wish to dispute the Workweeks and/or PAGA Workweeks credited to you, you must submit your dispute in writing to the Settlement Administrator (“Workweeks Dispute”). The Workweeks Dispute must: (a) contain the case name and number of the Actions (*Jesse Romero v. Cal. Closets Retail Inc., et al.*, Case Nos. 23STCV27355; 23STCV31746); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) clearly state that you dispute the number of Workweeks and/or PAGA Workweeks credited to you and what you contend is the correct number; (d) include support for your challenge by sending copies of pay stubs or other records; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B below, postmarked **on or before** [Response Deadline].

The Settlement Administrator will accept Defendants’ calculation of Workweeks based on Defendants’ records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Settlement Administrator will resolve Workweek challenges based on your submission and on input from Class Counsel and Defendants’ Counsel. The Settlement Administrator’s decision is final.

You can't appeal or otherwise challenge its final decision.

C. Your Estimated Individual Settlement Share and Individual PAGA Payment (if applicable)

As explained above, your estimated Individual Settlement Share and Individual PAGA Payment (if applicable) is based on the number of Workweeks and PAGA Workweeks (if applicable) credited to you.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED]. The Individual Settlement Share is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED] and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Share and Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and Individual PAGA Payment (if applicable) may be higher or lower.

D. Release of Claims

Upon the full funding of the Gross Fund Value, Plaintiff and all Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Class Released Claims.

Upon the full funding of the Gross Fund Value, Plaintiff, the State of California with respect to all Aggrieved Employees, and all Aggrieved Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all PAGA Released Claims.

"Class Released Claims" means all claims that were alleged, or reasonably could have been alleged based on the factual allegations contained in the Operative Complaint, including, but not limited to, California Labor Code sections 201, 202, 203, 204, 210, 213, 216, 218.5, 218.6, 223, 225.5, 226, 226.3, 226.6, 226.7, 227.3, 233, 245, 245.5, 246, 246.5, 247, 247.5, 248.1, 248.2, 249, 256, 510, 511, 512, 551, 558, 558.1, 1174, 1174.5, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2800, 2802, California Industrial Commission Wage Orders, and including all claims related to alleged: (1) Minimum Wage and Straight Time Violations; (2) Overtime Wage Violations; (3) Unpaid Vacation and Holiday Wages; (4) Meal Period Violations; (5) Rest Period Violations; (6) Failure to Timely Pay Wages During Employment; (7) Failure to Provide Accurate Wage Statements, Maintain Required Records, and Recordkeeping Violations; (8) Failure to Pay All Wages Earned and Unpaid at Separation; (9) Improper Payment of Final Wages; (10) Failure to Reimburse Business Expenses; (11) Failure to Provide Sick Leave and Notice of Entitlement to Sick Leave; and (12) Unfair Competition. This further includes any and all other claims under California common law, the California Labor Code, and the California Business and Professions Code alleged in or that could have been alleged under the facts, allegations and/or claims pleaded in the Actions. This expressly excludes the PAGA Released Claims, which are separately released below.

"PAGA Released Claims" means upon Defendant's fulfillment of its payment obligations of this Agreement, in exchange for the consideration provided by this Agreement, Plaintiff, the State of California, the LWDA, the Aggrieved Employees and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns and any other representative, proxy, or agent thereof shall release the Released Parties from all claims made or which could have been made for civil penalties under the PAGA, Labor Code section 2698, et seq., based on the facts pled in Plaintiff's letters to the LWDA (including his initial letter to the LWDA and the amended letter discussed above) and the Operative Complaint, from October 24, 2022 to the date of Preliminary Approval of the settlement including, but not limited to, any and all claims for PAGA penalties involving any allegations that Defendants failed to pay all wages due (including minimum wages, regular wages, sick pay, vacation pay, holiday pay, paid time off and overtime wages or double time wages); failed to provide legally-compliant meal and rest breaks and failed to pay premium pay for missed, late, interrupted or short meal and rest breaks; failed to timely pay all earned wages and compensation; failed to timely pay wages during employment; improper payment of final wages; failure to provide sick leave and notice of entitlement to sick leave; failed to reimburse necessary business expenses; failed to provide timely final pay; failed to maintain required records;

recordkeeping violations; failed to properly pay sick pay and vacation time; failed to provide accurate itemized wage statements, as well as any claims under the California Labor Code for violations of Labor Code sections 201, 202, 203, 204, 210, 213, 216, 218.5, 218.6, 223, 225.5, 226, 226.3, 226.6, 226.7, 227.3, 233, 245, 245.5, 246, 246.5, 247, 247.5, 248.1, 248.2, 249, 256, 510, 511, 512, 551, 558, 558.1, 1174, 1174.5, 1185, 1194, 1197, 1197.1, 1198, 1199, 2800, 2802, and applicable IWC Wage Orders, and California Code of Regulations, Title 8, section 11000, et seq. The Aggrieved Employees shall release their PAGA claims, to the extent they have any interest, in their entirety and may not opt out of the PAGA Released Claims.

“Released Parties” means: (i) Defendants; (ii) each of Defendants’ past, present, and future direct and indirect parents; (iii) the respective past, present, and future direct and indirect subsidiaries and affiliates of any of the foregoing; (iv) the past, present, and future shareholders, directors, officers, agents, employees, attorneys, insurers, members, partners, managers, contractors, agents, consultants, representatives, administrators, fiduciaries, benefit plans, transferees, predecessors, successors and assigns of any of the foregoing; and (v) any individual or entity which could be jointly liable with any of the foregoing.

E. Attorneys’ Fees and Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount not to exceed one third (33.33%) of the Gross Fund Value (i.e., \$498,333.33 if the Gross Fund Value is \$1,495,000.00) and reimbursement of litigation costs and expenses in an amount not to exceed twenty-three thousand dollars and zero cents (\$23,000.00) (collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and Costs granted by the Court will be paid from the Gross Fund Value. Class Counsel has been prosecuting the Actions on behalf of Plaintiff, Class Members, and Aggrieved Employees on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Enhancement Payment to Plaintiff

Plaintiff will seek the amount of seven thousand five hundred dollars and zero cents (\$7,500.00) (“Enhancement Payment), in recognition of his services in connection with the Actions. The Enhancement Payment will be paid from the Gross Fund Value, subject to approval by the Court, and if awarded, it will be paid to Plaintiff in addition to his Individual Settlement Payment and Individual PAGA Payment that he is entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed eleven thousand five hundred and zero cents (\$11,500.00) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including, and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Notices of Objection, and Workweeks Disputes, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Fund Value, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Class Settlement and receive money from the Class Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement and if the Court grants final approval of the Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will release the Class Released Claims against the Released Parties as described in Section III.D above.

If you are an **Aggrieved** Employee and the Court grants final approval of the Settlement, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the PAGA Released Claims against the Released Parties as described in Section III.D above.

As a Class Member and **Aggrieved** Employee (if applicable), you will not be separately responsible for the payment of

attorney's fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

B. Request Exclusion from the Class Settlement

Class Members may request to be excluded from the Class Settlement by submitting a letter ("Request for Exclusion") to the Settlement Administrator, at the following address:

[Settlement Administrator]

[Mailing Address]

A Request for Exclusion must: (a) contain the case name and number of the Actions (*Jesse Romero v. Cal. Closets Retail Inc. et al.*, Case Nos. 23STCV27355; 23STCV31746); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security number; (c) clearly state that you do not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address above, postmarked **on or before** [Response Deadline].

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be issued an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Class Released Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit a timely and valid Request for Exclusion will be deemed Settlement Class Members and will be bound by all terms of the Class Settlement, including those pertaining to the release of claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon.

Aggrieved Employees will be bound to the PAGA Settlement (and the release of PAGA Released Claims described in Section III.D above) and will still be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

C. Object to the Class Settlement

You can object to the Class Settlement as long as you have not submitted a Request for Exclusion by submitting a written objection ("Notice of Objection") to the Settlement Administrator.

The Notice of Objection must: (a) contain the case name and number of the Actions (*Jesse Romero v. Cal. Closets Retail Inc. et al.*, Case Nos. 23STCV27355; 23STCV31746); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before** [Response Deadline].

You may also appear at the Final Approval Hearing (discussed below) and present your objection orally, regardless of whether you have submitted a Notice of Objection.

D. Need to Promptly Cash Payment Checks

The front of every check issued for Individual Class Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name. If the monies represented by your check are sent to the Controller's Unclaimed Property, you should consult the rules of the California Controller's Unclaimed Property Fund for instructions on how to retrieve your money.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 7 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California, 90012 on [date], at [time], to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and grant the Attorneys' Fees and Costs to Class Counsel, Enhancement Payment to Plaintiff, and Settlement Administration Costs to the Settlement Administrator.

The Final Approval Hearing may be continued without further notice to the Class Members and Aggrieved Employees. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

You can find more information regarding appearing remotely through LA Court Connect online at: <https://www.lacourt.org/lacceligibility/ui/civil.aspx?casetype=cj>.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers, which are on file with the Court.

You may view the Settlement Agreement and other documents filed in the Action by for a fee by making an appointment in advance and visiting the civil clerk's office during business hours, located at the Stanley Mosk Courthouse, 111 North Hill Street, Los Angeles, California 90012, or online by visiting the following website: <https://www.lacourt.org/casesummary/ui/>

You may also visit the Settlement Administrator's website at [REDACTED] for more information and documents relating to the Settlement, or you may contact Plaintiff's attorneys and counsel for the Class (whose information is also below):

Settlement Administrator:

[Settlement Administrator]

[Mailing Address]

[Telephone]

[Email address]

Class Counsel:

Jonathan M. Genish
Karen I. Gold
Sara Pezeshkpour
Ashley H. Cruz
Marissa A. Mayhood
Blackstone Law, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

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