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MONICA FERNANDEZ and EVA ZAVALA

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

MONICA FERNANDEZ, as an individual;
EVA ZAVALA, as an individual; and
on behalf of all others similarly situated,

Plaintiffs,

v.

MICHAEL NICHOLAS DESIGNS, a
California corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No. 30-2023-01362788-CU-OE-CXC

*[Assigned for all purposes to the Hon. Layne H.
Melzer, Dept. CX102]*

**DECLARATION OF MILAN MOORE
IN SUPPORT OF PLAINTIFFS'
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT**

Date: September 4, 2025

Time: 2:00 p.m.

Dept.: CX102

1 I, MILAN MOORE, declare as follows:

2 1. I am a Partner at Lidman Law, APC, counsel for named Plaintiff Monica Fernandez and
3 Plaintiff Eva Zavala (hereafter collectively referred to as “Plaintiffs”) and the proposed Settlement
4 Class in the above-captioned matter. I am a member in good standing of the bar of the State of
5 California and am admitted to practice in this Court. I have personal knowledge of the facts stated in
6 this declaration and could testify competently to them if called upon to do so.

7 2. I am a 2015 graduate of UConn School of Law. I was admitted to the California State
8 Bar in December 2015 after passing the bar exam on my first attempt. Since that time, I have practiced
9 exclusively in the area of employment litigation. Prior to joining Lidman Law, APC, I worked for an
10 employment litigation boutique, where I successfully represented employees in discrimination,
11 harassment, retaliation and wrongful termination cases in both state and federal court. While non-
12 exhaustive, the type of work I performed included: conducting client intakes, performing pre-filing
13 research and analysis, drafting complaints, attending court hearings, corresponding with opposing
14 counsel, drafting and responding to written discovery, preparing for and taking and defending
15 depositions, drafting and opposing motions for remand, demurrers and motions to strike, motions to
16 compel, drafting mediation briefs, and attending mediations.

17 3. Since June 11, 2018, I have worked as an associate at my current firm, Lidman Law,
18 APC. I am currently staffed on approximately seventy (70) active wage and hour class action lawsuits
19 in both state and federal court.

20 4. I have been appointed Class Counsel in *Hanke v. C&W Facility Services, Inc.*, Case No.
21 CIVDS1814412, California Superior Court, County of San Bernardino, Honorable Judge David Cohn
22 presiding; *Molina v. Mader News, Inc.*, Case No. BC685960, California Superior Court, County of Los
23 Angeles, Honorable Judge Yvette M. Palazuelos presiding; *Alvarez v. Salamander Fire Protection,*
24 *Inc.*, Case No. BC688326, California Superior Court, County of Los Angeles, Honorable Judge
25 William F. Highberger presiding; *Fregoso v. Amerigas Propane, Inc.*, Case No. BC697973, California
26 Superior Court, County of Los Angeles, Honorable Rafael A. Ongkeko presiding; *Teran v. Western*
27 *Plastics, Inc.*, Case No. RIC1722619, California Superior Court, County of Riverside, Honorable Judge
28

1 Sunshine Sykes presiding; *Villegas de Torres v. El Monte Superstore Inc.*, Case No. BC688477,
2 California Superior Court, County of Los Angeles, Honorable Judge Daniel J. Buckley presiding;
3 *Guzman v. Century Blinds*, Case No. RIC1723654, California Superior Court, County of Riverside,
4 Honorable Judge Sunshine S. Sykes presiding; *George v. Convergence Marketing*, Case No.
5 CIVDS1901039, California Superior Court, County of San Bernardino, Honorable Judge David S.
6 Cohn presiding; *Romero v. Fillmore Hospitality, LLC*, Case No. BC705667, California Superior Court,
7 County of Los Angeles, Honorable Judge Maren E. Nelson presiding; *Davis v. WeDriveU*, Case No.
8 18CV322578, California Superior Court, County of Santa Clara, Honorable Judge Brian C. Walsh
9 presiding; *Acuna v. Canton Food Co., Inc.*, Case No. BC685001, California Superior Court, County of
10 Los Angeles, Honorable Judge David S. Cunningham presiding; and *Contreras v. Worldwide Flight*
11 *Services, Inc.*, Case No. 2:18-cv-06036-PSG-SS, United States District Court for the Central District
12 of California, the Honorable Judge Philip S. Gutierrez presiding.

13 5. In 2023 and 2024, Thomson Reuters and Los Angeles Magazine recognized me as a
14 Top Young Attorney in Southern California in the annual Rising Star Edition of Super Lawyer. This
15 is an honor awarded to no more than two and a half percent of attorneys under the age of forty in
16 Southern California each year.

17 6. As co-lead counsel for Plaintiffs and the proposed Settlement Class, I have been
18 intimately involved in every aspect of this case from its inception through the present, and I believe
19 that the proposed Settlement is a favorable result for the Settlement Class Members under the
20 circumstances presented.

21 7. Defendant Michael Nicholas Designs, Inc. and Defendant Michael Nicholas Designs,
22 LLC (hereafter collectively referred to as “Defendants”) are in the business of manufacturing furniture.
23 On November 17, 2023, Plaintiff Fernandez filed a putative class action complaint against Defendant
24 Michael Nicholas Designs, Inc. in Orange County Superior Court (“Class Action”). On November 17,
25 2023, Plaintiff Fernandez submitted a letter to the California Labor & Workforce Development Agency
26 (“LWDA”) and Defendant Michael Nicholas Designs, Inc. advising of her intention of filing a PAGA
27 claim based on the Labor Code violations alleged in her operative complaint. A true and correct copy
28

1 of Plaintiff Fernandez's LWDA letter is attached hereto as **Exhibit 1**. On January 22, 2024, Plaintiff
2 Fernandez a First Amended Complaint ("FAC") adding a cause of action for penalties under the Private
3 Attorneys General Act of 2004 ("PAGA Action").

4 8. Plaintiff Fernandez and Defendant Michael Nicholas Designs, Inc. entered a stipulation
5 allowing Plaintiff Fernandez leave to amend her FAC to add Eva Zavala as a named plaintiff. On July
6 18, 2024, Plaintiff Zavala submitted a letter to the LWDA and Defendant Michael Nicholas Designs,
7 Inc. advising of her intention of filing a PAGA claim based on the Labor Code violations alleged within
8 the letter. A true and correct copy of Plaintiff Zavala's LWDA letter is attached hereto as **Exhibit 2**.
9 On August 26, 2024, Plaintiff Fernandez filed a Second Amended Complaint ("SAC") adding Plaintiff
10 Zavala. On February 4, 2025, Plaintiffs filed an Amendment to Complaint adding Michael Nicholas
11 Designs, LLC as a named defendant. Plaintiffs allege that Defendants: (1) failed to pay all overtime
12 wages owed; (2) failed to pay all minimum wages owed; (3) failed to provide meal periods; (4) failed
13 to authorize and permit all rest periods; (5) failed to provide accurate, itemized wage statements; (6)
14 failed to pay all wages owed upon termination; (7) engaged in unfair competition; and (8) are liable for
15 civil penalties under the PAGA.

16 9. After agreeing to participate in private mediation, Defendants informally produced a
17 sampling of timekeeping and payroll data for the putative class, as well as their wage and hour policies
18 and other documents and information relevant to the claims alleged. After a detailed review of the
19 sample of time and payroll records for the putative class and other documents and policies produced by
20 Defendants, Class Counsel drew on their extensive experience in similar cases to assess the strengths
21 and weaknesses of Plaintiffs' case.

22 10. On January 30, 2025, a mediation was held with Marc J. Feder, Esq., a well-respected
23 wage and hour class action mediator. During mediation, the Parties vigorously debated their opposing
24 legal positions, the likelihood of certification of Plaintiffs' claims, and the legal basis for the claims and
25 defenses. Ultimately, the Parties agreed to the mediator's proposal and signed a Memorandum of
26 Understanding. In the months that followed, the Parties finalized the terms of settlement and executed
27 the Class Action and PAGA Settlement Agreement and Class Notice ("Settlement"). A true and correct
28 copy of the Settlement is attached hereto as **Exhibit 3**. The proposed Notice of Class Action and

Proposed Settlement is attached as Exhibit A to the Settlement.

11. If the Court approves this Settlement, Defendants will pay a Gross Settlement Amount (“GSA”) of \$773,360.00. Significantly, this Settlement is **non-reversionary**, and no Settlement Class member will have to submit a claim form to receive a Settlement Award. Each Settlement Class member will automatically receive a Settlement Award unless he or she affirmatively opts out of the Settlement. The monetary terms of the Settlement are summarized below:

Gross Settlement Amount (“GSA”):	\$773,360.00
Minus Court-approved attorneys’ fees (1/3 of GSA):	\$257,786.67
Minus Court-approved, verified costs (up to):	\$20,000.00
Minus Court-approved Class Representative Service Awards:	\$15,000.00
Minus Settlement Administration Costs:	\$13,500.00
Minus PAGA Penalties:	\$40,000.00
Net Settlement Amount (“NSA”):	\$427,073.33
Settlement Class Members:	920
Average Individual Payment (NSA/Settlement Class):	\$464.21

Defendants shall deposit the Gross Settlement Amount (including one-third of any increase to the Gross Settlement Amount pursuant to the Escalator Clause if such increase is triggered and elected by Defendants) and Defendants’ share of all payroll taxes on the portion allocated as wages with the Settlement Administrator in two separate payments. Defendants shall deposit the first payment in the amount of \$386,680.00 at the time of preliminary approval or August 1, 2025, whichever is later. Defendants shall deposit the remaining funds, \$386,680.00 plus the amounts necessary to fully pay Defendants’ share of payroll taxes, no later than six months after Final Approval.

After deducting amounts for the Court-approved attorneys’ fees and verified costs, Service Award to each Plaintiff, Settlement Administrator costs, and the PAGA Civil Penalties, the Settlement requires Defendants to pay a Net Settlement Amount (“NSA”) of at least \$427,073.33 on a pro-rata basis to all Settlement Class members who do not timely opt out. This amount does not include \$10,000.00 of the PAGA Penalties to be paid to Aggrieved Employees.

1 12. According to Defendants, there are approximately 920 total Settlement Class Members
2 who worked from March 23, 2021 through January 30, 2025. “Settlement Class Members” is defined
3 as:

4 All individuals who worked as non-exempt employees of Defendant Michael
5 Nicholas Designs, LLC and/or Michael Nicholas Designs, Inc. in California at
6 any time during the Class Period.

7 The “Class Period” is defined as the period of time starting on March 23, 2021
8 and ending on June 30, 2025 or the date that the Court enters an order
preliminarily approving the Settlement, whichever is sooner.

9 With 920 Settlement Class members, the average Individual Settlement Award is projected to
10 be approximately \$464.21. There are approximately 77,336 workweeks from March 23, 2021 through
11 January 30, 2025, which means the net value per workweek is \$5.52 (\$427,073.33 NSA / 77,336
12 workweeks). Therefore, the lowest estimated individual payment for a Settlement Class member is
13 \$5.52, while the highest estimated individual payment for a Settlement Class member is \$1,115.04
14 (\$5.52 x 202 workweeks).

15 13. According to Defendant, there are approximately 579 total Aggrieved Employees who
16 collectively worked a total of 21,731 PAGA Pay Periods from November 17, 2022 through January 10,
17 2025. “Aggrieved Employees” is defined as:

18 All individuals who worked as non-exempt employees of Defendant Michael
19 Nicholas Designs, LLC and/or Michael Nicholas Designs, Inc. in California at
20 any time during the PAGA Period.

21 The “PAGA Period” shall mean the period of time starting on November 17,
22 2022 and ending on June 30, 2025 or the date that the Court grants preliminary
approval of the settlement, whichever is sooner.

23 With 579 Aggrieved Employees, the average Individual PAGA Payment is estimated to be
24 \$17.27. There are approximately 21,731 PAGA Pay Periods during the PAGA Period, which means
25 the net value per PAGA Pay Period is \$0.46 (\$10,000 PAGA Award to Aggrieved Employees / 21,731
26 PAGA Pay Periods). Therefore, the lowest estimated Individual PAGA Payment for an Aggrieved
27 Employee is \$0.46, while the highest estimated Individual PAGA Payment for an Aggrieved Employee
28 is \$26.22 (\$0.46 x 57 workweeks).

1 14. Settlement Class Members' claims arise from Defendants' common, uniform policies
2 and practices that applied to Settlement Class members during the Class Period. Specifically, Plaintiffs
3 alleged that Defendants' common and uniform policies and practices resulted in the following
4 violations: (1) failure to pay all overtime wages owed; (2) failure to pay all minimum wages; (3) failure
5 to provide meal periods; (4) failure to authorize and permit all rest periods; (5) failure to provide
6 accurate, itemized wage statements; (6) failure to pay all wages owed upon termination; (7) unfair
7 competition; and (8) liability for civil penalties under the PAGA.

8 15. As described in the accompanying Motion for Preliminary Approval, Plaintiffs allege
9 that they and the other non-exempt employees were not paid for all time worked. Specifically, Plaintiffs
10 and other non-exempt employees allege that they were required to wait in line to be able to clock in at
11 6:30 a.m., often times waiting in line up to 30 minutes before clocking in. They further allege that
12 Defendants did not compensate their non-exempt employees for this time. Accordingly, Plaintiffs
13 contend that Defendants did not compensate Plaintiffs and other non-exempt employees for all
14 minimum and overtime wages earned. Based on a conservative estimate of five (5) minutes of unpaid
15 time per shift, Plaintiffs calculated Defendants' exposure for unpaid wages at \$598,168.00 (76,161
16 workweeks [pre-mediation data] x .42 [25 mins/workweek] x \$18.70 avg hourly rate).

17 16. Defendants contend that non-exempt employees did not wait up to 30 minutes in line
18 waiting to clock in. Defendants further contend that they compensated Settlement Class members for
19 all of their time worked. Defendants assert that Plaintiffs would be unable to certify this class given
20 the individualized inquiries that would be required. In light of these defenses, Plaintiffs discounted the
21 maximum exposure by 60% for the risk of non-certification, and an additional 65% to account for
22 Defendants' defenses on the merits, to arrive at an estimated exposure of \$83,743.52.

23 17. Plaintiffs allege that they and the Settlement Class Members were not provided with all
24 legally-compliant meal periods beginning before the end of the fifth hour of work and that Defendants
25 did not require them to clock in and out for meal periods. Further, Plaintiffs allege that Defendants used
26 a bell signaling system that rang twice, exactly 30 minutes apart, and Plaintiffs and other non-exempt
27 employees had to be back at their workstations at the time of the second bell resulting in short or
28

1 otherwise unlawful meal periods. Accordingly, Plaintiffs calculated Defendants' liability on the meal
2 period claim at \$7,121,054.00 (76,161 workweeks x 5 meal enabling shifts/week x \$18.70 avg hourly
3 rate).

4 18. Defendants counter that they have always maintained a lawful meal period policy and
5 there was no obligation to record the start and stop time of meal periods because all operations ceased
6 during that time. Further, Defendants contend that they have always provided non-exempt employees
7 with an opportunity to take legally compliant meal periods, and any non-compliant meal periods were
8 solely the result of employee choice, rather than any policy or practice of Defendants. Defendants point
9 out that under *Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal. 4th 1004, they are only
10 required to "provide" the opportunity to take meal periods, not "ensure" meal periods are taken, and that
11 they have always done so. Defendants argue they had a lawful bell schedule for breaks, and that
12 employees were instructed to report any non-compliant meals in order to receive a meal period premium.
13 Finally, Defendants contend Plaintiffs' meal period claim is not suited for class certification, given that
14 individual inquiries would be required to assess which employees took non-compliant meal periods, how
15 many meal periods were non-compliant or missed, and the reasons why a particular employee took a
16 non-compliant meal period or missed a meal period during a particular shift. Accordingly, Plaintiffs
17 discounted the maximum exposure by 60% for the risk of non-certification, and an additional 75% to
18 account for Defendant's defenses on the merits to arrive at an estimated exposure of \$712,105.40.

19 19. Plaintiffs alleges that they and Settlement Class Members were also not authorized and
20 permitted to take all required rest periods due to Defendants' rest period practices. Specifically, Plaintiffs
21 contend that due to work demands and the bell signaling system, non-exempt employees were not
22 authorized and permitted to take duty-free net 10-minute rest periods. Therefore, Plaintiffs calculated
23 Defendants' maximum exposure for the alleged rest period violations at approximately \$7,121,054.00
24 (76,161 workweeks x 5 rest enabling shifts/week x \$18.70 avg hourly rate).

25 20. Defendants contend they have always maintained and enforced lawful rest period policies
26 and practices, and that Settlement Class Members were authorized and permitted to take all off-duty rest
27 periods in compliance with California law. Defendants also argue that Plaintiffs' rest period claim is
28

1 inherently unsuited for class treatment as it requires an individualized inquiry into whether each
2 Settlement Class Member was in fact authorized and permitted to take a compliant rest period, which
3 would devolve into an unmanageable series of mini-trials. Accordingly, Plaintiffs discounted the
4 maximum exposure by 70% for the risk of non-certification, and an additional 65% to account for
5 Defendants' defenses on the merits to arrive at an estimated exposure of \$747,710.67.

6 21. Plaintiffs further allege that Defendants issued inaccurate wage statements in violation of
7 Labor Code § 226 as a result of the alleged unpaid wages and unpaid meal and rest period premium
8 wages described above. Specifically, Plaintiffs contend that this conduct violated Labor Code § 226(a)
9 because the wage statements issued to Settlement Class Members did not include all hours worked.
10 Plaintiffs calculated Defendants' maximum exposure for wage statement violations at approximately
11 \$2,056,050.00.

12 22. Defendants argue that their alleged wage statement violations could not be shown to be
13 "knowing and intentional," and that Plaintiffs cannot show that they or any other employee "suffer[ed]
14 injury" as a result of the alleged wage statement violations, as required by Lab. Code § 226(e) for
15 imposition of penalties. As such, Plaintiffs discounted the calculated exposure by 45% for a risk of non-
16 certification and an additional 30% for a risk of being unsuccessful on the merits, to arrive at an estimated
17 total of approximately \$791,579.25.

18 23. Plaintiffs allege that Defendants are also liable for waiting time penalties under Labor
19 Code section 203 as a result of their failure to pay all wages at the time of separation of employment.
20 Based on the data provided by Defendants, there were approximately 203 Settlement Class Members
21 who have separated their employment with Defendants during the relevant time period who could be
22 entitled to waiting time penalties. Therefore, Plaintiffs calculated Defendants' maximum exposure for
23 waiting time penalties at approximately \$2,472,888.00 (551 former employees x \$18.70 avg hourly rate
24 x 8 hours/day x 30 days).

25 24. Defendants assert they have strong defenses to the waiting time claim because there exist
26 good-faith disputes as to Plaintiffs' underlying claims, precluding imposition of penalties. Accordingly,
27 Plaintiffs discounted the maximum exposure by 45% for the risk of non-certification, and an additional
28

1 55% to account for Defendants' defenses on the merits, to arrive at an estimated exposure of
2 approximately \$612,039.78.

3 25. Plaintiffs also seek civil penalties under the PAGA as a result of the foregoing alleged
4 Labor Code violations. Plaintiffs calculated Defendants' maximum exposure at \$2,101,900.00 based on
5 each unique Labor code violation for failure to pay all minimum and overtime wages due, meal period
6 violations, rest period violations, wage statement violations, and failure to pay all wages upon
7 termination (21,019 pay periods x \$100 initial violation rate).

8 26. Defendants argue that Plaintiffs' PAGA claim will fail for the same reasons that their
9 underlying claims will fail. Defendants also maintains that, given their good faith defenses, this Court
10 would exercise its discretion to substantially reduce any PAGA penalties if it were to find Defendants
11 liable for any of Plaintiffs' claims. Therefore, Plaintiffs discounted the maximum exposure figure by
12 30% for a risk of being unsuccessful on the merits, and an additional 80% to account for the possibility
13 of this Court reducing penalties, to arrive at an estimated exposure of \$294,266.00.

14 27. Using these estimated figures for each of the claims described above, Plaintiffs predicted
15 the realistic total recovery for the Settlement Class would be approximately \$3,241,444.62. The
16 proposed settlement of \$773,360.00 therefore represents approximately 23.8% of the reasonably
17 forecasted recovery for the Settlement Class. *Id.* Preliminary approval is appropriate as the settlement
18 will provide tangible monetary relief to Settlement Class members and will still provide an average
19 recovery to Settlement Class members of over \$460.

20 28. Here, Class Counsel will apply for an attorneys' fees award of one-third of the GSA,
21 which is currently estimated to be \$257,786.67, and up to \$20,000.00 in verified costs reimbursement.
22 Plaintiffs submit the requested fee is fair compensation for undertaking complex, risky, expensive, and
23 time-consuming litigation on a purely contingent fee basis. Further, Plaintiffs have provided written
24 approval of the split of attorneys' fees in this action. Class Counsel has incurred substantial attorney
25 fees conducting pre-filing investigation, analyzing Plaintiffs' claims, conducting legal research,
26 reviewing Defendants' documents and policies, analyzing Plaintiffs' timekeeping and payroll records,
27 preparing for and attending mediation, preparing the memorandum of understanding, negotiating and
28 revising the long-form settlement agreement, preparing this Motion, and otherwise litigating the case.

1 Class Counsel expects to expend additional attorney time in attending the hearing on this Motion,
2 overseeing the Notice process, fielding questions from Settlement Class members, preparing the final
3 approval papers, and attending the final approval hearing.

4 29. Plaintiffs have provided written approval of the split of attorneys' fees in this action.

5 30. Plaintiffs will each seek a service award of \$7,500.00 at the time of seeking final
6 approval, and I believe this is reasonable. As will be fully briefed at the time of final approval,
7 Plaintiffs' requested service award is intended to recognize the time and effort Plaintiffs expended on
8 behalf of the Settlement Class, including providing substantial factual information and documents to
9 Class Counsel, multiple conferences with Class Counsel to discuss the claims and theories at issue in
10 the litigation, the significant risks Plaintiffs undertook by agreeing to serve as the named plaintiffs in
11 this case, as well as a general release and waiver of rights under Civil Code § 1542.

12 31. There are no apparent conflicts of interest between Plaintiffs and the Settlement Class
13 they seek to represent. There are no apparent conflicts of interest between Class Counsel and the
14 Settlement Class.

15 32. Although the Parties engaged in informal discovery throughout this action, the Parties
16 still had significant discovery to complete in formal litigation had the matter not settled. Moreover,
17 Plaintiffs still had to file for class certification and faced the prospect of appeals in the wake of a disputed
18 class certification ruling for Plaintiffs and/or an adverse summary judgment ruling. Even if the classes
19 sought to be certified by Plaintiffs were in fact certified, the Parties would incur considerably more
20 attorneys' fees and costs through a possible decertification motion, trial, and possible appeal.

21 //

1 33. I have directed my office to submit a copy of the instant Motion for Preliminary
2 Approval and all supporting documents via the LWDA's website on the same date concurrently
3 herewith and will have a supplemental declaration filed after the Motion for Preliminary Approval and
4 all supporting documents are submitted to the LWDA.

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

7 Executed on May 23, 2025, at El Segundo, California.

8 
9 _____
10 Milan Moore

EXHIBIT 1

EXHIBIT 1

LIDMAN LAW

2155 CAMPUS DRIVE, SUITE 150, EL SEGUNDO, CA 90245

OFFICE: (424) 322-4772

FAX: (424) 322-4775

November 17, 2023

VIA LWDA WEBSITE

Labor and Workforce Development Agency

Attn: PAGA Administrator

1515 Clay Street, Suite 801

Oakland, CA 94612

**VIA U.S. CERTIFIED MAIL – RETURN
RECEIPT REQUESTED**

Michael Nicholas Designs

c/o Michael J. Cimarusti

2330 Raymer Avenue

Fullerton, CA 92833

Re: *Monica Fernandez v. Michael Nicholas Designs*

To Whom It May Concern:

Please be advised that this law firm represents Monica Fernandez (“Ms. Fernandez”) in claims arising from her employment with Michael Nicholas Designs (“Defendant”). Ms. Fernandez is an “aggrieved employee” as defined by Labor Code sections 2699, *et seq.* due to Defendant’s numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code section 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, an “aggrieved employee” should be considered to include all current and former hourly, non-exempt employees working for Defendant in California during the one year immediately preceding the date of this letter through the present date, and continuing through a civil judgment if the LWDA takes no action and Ms. Fernandez files a civil lawsuit seeking civil penalties.

Defendant does business by manufacturing fabric and furniture. Ms. Fernandez, a former employee, a former employee, was employed by Defendant as a non-exempt employee from approximately 2016 through approximately May 2022. During her employment with Defendant, Ms. Fernandez was a general helper.

Ms. Fernandez was generally scheduled to work six days a week, Monday – Thursday, 6:30 a.m. to 5:00 p.m., Friday 6:30 a.m. to 4:00 p.m., and Saturday from 6:30 a.m. to 1:00 p.m. Ms. Fernandez would use her handprint to clock in and out. Ms. Fernandez and other hourly, non-exempt employees would often work more than 8 hours in a workday and/or 40 hours in a workweek.

During her employment with Defendant, Defendant did not compensate Ms. Fernandez and other hourly, non-exempt employees for all hours worked. Specifically, Defendant had two or three timeclocks and therefore required Ms. Fernandez and other hundreds of hourly, non-exempt employees

to wait in line for about 5 to 10 minutes prior to their scheduled start time of 6:30 a.m. to wait in line to clock in. Accordingly, because Defendant failed to pay Ms. Fernandez and other non-exempt employees for the time they were required to stand in line while under their direction and control, Defendant failed to pay them for all minimum wages owed. Further, Ms. Fernandez and other non-exempt employees often worked over eight hours in a day and/or forty hours in a workweek, and Defendant's policy and practice of failing to compensate them for all hours worked also deprived them of all overtime wages owed.

Throughout Ms. Fernandez's employment with Defendant, she was not provided all legally required meal periods due to Defendant's meal period policies and practices. Due to the work demands imposed by Defendant, Ms. Fernandez and other hourly, non-exempt employees were often provided with a meal period that was late, short, missed, and/or otherwise unlawful. Specifically, Defendant had a policy/practice of notifying Ms. Fernandez and other hourly, non-exempt employees of the time to take a meal period by ringing a bell to signal the commencement of the meal period. Defendant had a policy of requiring Ms. Fernandez and its other hourly, non-exempt employees to be at their work stations ready to re-commence work by the time the second bell rang, which was 30 minutes after the first bell. Therefore, Defendant provided short or otherwise unlawful meal periods to Ms. Fernandez and its other hourly, non-exempt employees because they would be required to cut their 30 minutes short in order to be back at their workstations ready to commence work. Therefore, Defendant failed to provide Ms. Fernandez and other hourly, non-exempt employees with meal periods that were at least a net thirty (30) minutes in duration, resulting in short meal periods. In addition, Defendant also failed to keep any records of meal periods taken by Ms. Fernandez and other hourly, non-exempt employees, in violation of California law. As a result, Ms. Fernandez is informed and believes that Defendant unlawfully automatically deducted thirty minutes from her work time and other hourly, non-exempt employees' work time each shift for their meal period regardless of whether a meal period was taken or not. Defendant's policies and practices resulted in the failure by Defendant to provide lawful meal periods and failure to pay wages (including minimum and overtime wages) to Ms. Fernandez and other non-exempt, hourly employees.

Additionally, Defendant's meal period policies and practices fail to provide Ms. Fernandez and the other hourly, non-exempt employees a second meal period for shifts over 10.0 hours. As a result, when Ms. Fernandez worked in excess of 10.0 hours, she was not provided with a second 30-minute meal period in violation of California law

Although Ms. Fernandez and other hourly, non-exempt employees were not provided with all legally-compliant meal periods to which they were entitled, Defendant failed to compensate Ms. Fernandez and other hourly, non-exempt employees with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7.

In addition, throughout Ms. Fernandez's employment with Defendant, Ms. Fernandez and other hourly, non-exempt employees were not authorized and permitted to take legally required rest periods due to Defendant's unlawful rest period policies and practices. Defendant's rest period policies and practices fail to authorize and permit paid rest periods for every four hours worked, *or major fraction thereof*. Specifically, Defendant utilized a bell schedule for rest periods and required employees to be back at their workstations and working at the second bell, which rang at the 10-minute mark. As such, Defendant had a policy and/or practice of requiring Ms. Fernandez and its other hourly, non-exempt employees to return from their rest periods before the full 10 minutes had elapsed and be at their workstations ready to recommence work. As a result, Ms. Fernandez and other non-exempt employees

were not authorized and permitted to take rest breaks of at least net ten minutes in violation of California law. Additionally, Ms. Fernandez and other hourly, non-exempt employees were not authorized and permitted to take a third rest period when they worked shifts in excess of 10.0 hours.

On those occasions when Ms. Fernandez and other hourly, non-exempt employees were not authorized and permitted to take all legally-compliant rest periods to which they were entitled, Defendant failed to compensate them with the required rest period premium for each workday in which they experienced a rest period violation as mandated by Labor Code § 226.7.

As a result of Defendant's failure to pay all minimum and overtime wages, as well as meal and rest period premium wages, Defendant maintained inaccurate payroll records and issued inaccurate wage statements to Ms. Fernandez and other hourly, non-exempt employees.

As a further result of Defendant's failure to pay all overtime and/or minimum wages owed, and failure to pay all meal and rest period premium wages, Defendant failed to provide pay Ms. Fernandez and other hourly, non-exempt employees all wages owed upon their separation of employment with Defendant.

As described above, Defendant committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 1 ("Wage Order 1"):

Minimum Wage Violations

Defendant was required to pay Ms. Fernandez and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1194; 1194.2, 1197, 1197.1; The Wage Order 1, § 4. Plaintiff and other aggrieved employees were not paid for all hours worked due to Defendant's unlawful practices and procedures. As alleged above, Defendant's unlawful policies and procedures were to pay pursuant to the scheduled hours, even though Defendant knowingly permitted and required Ms. Fernandez and other aggrieved employees to be under their direction and control prior to clocking in. These practices by Defendant resulted in Defendant not paying Ms. Fernandez and other aggrieved employees for all wages owed for the work they performed, including failing to pay them all required minimum wages.

Overtime Violations

Defendant was required to pay Ms. Fernandez and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; the Wage Order 1, § 3. According to Labor Code § 510(a), "Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee." This Section further provides, "Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee." As alleged above, Defendant's unlawful policies and procedures were to pay pursuant to the scheduled hours, even though Defendant knowingly permitted and required Ms. Fernandez and other aggrieved employees to be under their direction and control prior to clocking in. As a result of Defendant's policies and/or practices that fail to compensate for all hours worked, Ms. Fernandez and other aggrieved employees were deprived all required overtime wages earned.

Meal Period Violations

As alleged above, Defendant failed to provide the aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 1, § 11. As described above, Due to the bell signaling system, Defendant failed to provide Ms. Fernandez and other aggrieved employees with all legally compliant meal periods due to Defendant's meal period policies/practices, which have frequently resulted in late (commencing after the fifth hour of work), short (less than 30 minutes), and missed meal periods. Further, Defendant did not require its employees to record their meal periods and instead automatically deducted from their work time, irrespective of whether or not a compliant meal period was provided. In addition, Defendant failed to provide Ms. Fernandez or other aggrieved employees with second meal periods on shifts over 10.0 hours. Therefore, the aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided."). Although Ms. Fernandez and other aggrieved employees were not provided with all legally-compliant meal periods to which they were entitled, Defendant failed to compensate them with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7.

Rest Period Violations

Defendant also failed to authorize and permit their aggrieved employees to take all required rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 1, § 12. Specifically, Ms. Fernandez and other aggrieved employees were not authorized and permitted to take all required rest periods due to Defendant's rest period policies/practices, which upon information and belief, fail to authorize and permit all rest periods for every four hours worked, or *major fraction thereof*. Additionally, Defendant has often failed to authorize and permit a third rest period when Ms. Fernandez worked a shift in excess of 10.0 hours. As a result, Ms. Fernandez and the aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest period is not provided.")

Wage Statement Violations

Defendant knowingly and intentionally, as a matter of uniform practice and policy, failed to furnish Ms. Fernandez and other aggrieved employees with accurate and complete, itemized wage statements that included, among other requirements, all minimum and/or overtime wages earned, meal and rest period premiums, total gross wages earned, and total net wages earned, in violation of Labor Code § 226 *et seq.* Defendant's failure to furnish Ms. Fernandez and other aggrieved employees with complete and accurate, itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all minimum and/or overtime wages earned and meal and rest period premiums, and deprived them of the information necessary to identify discrepancies in Defendant's reported data.

Waiting Time Penalties

Labor Code §§ 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. Defendant failed to timely pay Ms. Fernandez and other aggrieved employees all of their final wages at the time of separation, which included, among other things, unpaid minimum and/or overtime wages, and meal and rest period premium wages.

As an “aggrieved employee,” Ms. Fernandez will initiate a civil action on behalf of herself and other aggrieved employees to recover damages, statutory penalties, and civil penalties resulting from the wage and hour violations alleged herein. Based on Ms. Fernandez’s own investigation, and on information and belief, Defendant committed the following Labor Code violations:

- a) Defendant violated Labor Code §§ 1194, 1194.2, and 1197 by failing to pay Ms. Fernandez and other aggrieved employees the statutory minimum wage for all hours worked;
- b) Defendant violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Ms. Fernandez and other aggrieved employees all overtime compensation earned;
- c) Defendant violated Labor Code §§ 226.7, 512, and 558 by failing to provide all legally required meal periods and failing to pay meal period premiums to Ms. Fernandez and the aggrieved employees;
- d) Defendant violated Labor Code §§ 226.7, 516, and 558 by failing to provide all legally required rest periods and failing to pay rest period premiums to Ms. Fernandez and the aggrieved employees;
- e) Defendant violated Labor Code § 226 by failing to furnish Ms. Fernandez and other aggrieved employees with accurate and compliant itemized wage statements;
- f) Defendant violated Labor Code §§ 204 and 210 by failing to pay Ms. Fernandez and other aggrieved employees all earned wages at least twice during each calendar month;
- g) Defendant violated Labor Code §§ 201, 202 and 203 by failing to timely pay all final wages due to Ms. Fernandez and other aggrieved employees; and
- h) Defendant violated Labor Code § 1174 by failing to maintain accurate records on behalf of Ms. Fernandez and other aggrieved employees.

Pursuant to Labor Code section 2699.3(a)(2)(A), please notify us and Defendant if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
LIDMAN LAW, APC

Scott M. Lidman

EXHIBIT 2

EXHIBIT 2

LIDMAN LAW

2155 CAMPUS DRIVE, SUITE 150, EL SEGUNDO, CA 90245

OFFICE: (424) 322-4772

FAX: (424) 322-4775

July 18, 2024

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612

**VIA U.S. CERTIFIED MAIL – RETURN
RECEIPT REQUESTED**

Michael Nicholas Designs, LLC
c/o Michael J. Cimarusti
2330 Raymer Avenue
Fullerton, CA 92833

Re: *Eva Zavala v. Michael Nicholas Designs, LLC*

To Whom It May Concern:

Please be advised that this law firm represents Eva Zavala (“Ms. Zavala”) in claims arising from her employment with Michael Nicholas Designs, LLC (“Defendant”). Ms. Zavala is an “aggrieved employee” as defined by Labor Code sections 2699, *et seq.* due to Defendant’s numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code section 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, an “aggrieved employee” should be considered to include all current and former hourly, non-exempt employees working for Defendant in California during the one year immediately preceding the date of this letter through the present date, and continuing through a civil judgment if the LWDA takes no action and Ms. Zavala files a civil lawsuit seeking civil penalties.

Defendant does business by manufacturing fabric and furniture. Ms. Zavala, a former employee, a former employee, was employed by Defendant as a non-exempt employee from approximately 2020 through approximately October 2023. During her employment with Defendant, Ms. Zavala was a general laborer.

Ms. Zavala was generally scheduled to work six days a week, Monday – Friday, 6:30 a.m. to 5:00 p.m., but sometimes would end her shift between 2:30 p.m. and 5:00 p.m. Ms. Zavala would use her thumbprint to clock in and out. Ms. Zavala and other hourly, non-exempt employees would often work more than 8 hours in a workday and/or 40 hours in a workweek.

During her employment with Defendant, Defendant did not compensate Ms. Zavala and other hourly, non-exempt employees for all hours worked. Specifically, Defendant had two or three timeclocks and therefore required Ms. Zavala and other hundreds of hourly, non-exempt employees to wait in line for about 5 to 10 minutes prior to their scheduled start time of 6:30 a.m. to wait in line to

clock in. Accordingly, because Defendant failed to pay Ms. Zavala and other non-exempt employees for the time they were required to stand in line while under their direction and control, Defendant failed to pay them for all minimum wages owed. Further, Ms. Zavala and other non-exempt employees often worked over eight hours in a day and/or forty hours in a workweek, and Defendant's policy and practice of failing to compensate them for all hours worked also deprived them of all overtime wages owed.

Throughout Ms. Zavala's employment with Defendant, she was not provided all legally required meal periods due to Defendant's meal period policies and practices. Due to the work demands imposed by Defendant, Ms. Zavala and other hourly, non-exempt employees were often provided with a meal period that was late, short, missed, and/or otherwise unlawful. Specifically, Defendant had a policy/practice of notifying Ms. Zavala and other hourly, non-exempt employees of the time to take a meal period by ringing a bell to signal the commencement of the meal period. Defendant had a policy of requiring Ms. Zavala and its other hourly, non-exempt employees to be at their work stations ready to re-commence work by the time the second bell rang, which was 30 minutes after the first bell. Therefore, Defendant provided short or otherwise unlawful meal periods to Ms. Zavala and its other hourly, non-exempt employees because they would be required to cut their 30 minutes short in order to be back at their workstations ready to commence work. Therefore, Defendant failed to provide Ms. Zavala and other hourly, non-exempt employees with meal periods that were at least a net thirty (30) minutes in duration, resulting in short meal periods. In addition, Defendant also failed to keep any records of meal periods taken by Ms. Zavala and other hourly, non-exempt employees, in violation of California law. As a result, Ms. Zavala is informed and believes that Defendant unlawfully automatically deducted thirty minutes from her work time and other hourly, non-exempt employees' work time each shift for their meal period regardless of whether a meal period was taken or not. Defendant's policies and practices resulted in the failure by Defendant to provide lawful meal periods and failure to pay wages (including minimum and overtime wages) to Ms. Zavala and other non-exempt, hourly employees.

Additionally, Defendant's meal period policies and practices fail to provide Ms. Zavala and the other hourly, non-exempt employees a second meal period for shifts over 10.0 hours. As a result, when Ms. Zavala worked in excess of 10.0 hours, she was not provided with a second 30-minute meal period in violation of California law

Although Ms. Zavala and other hourly, non-exempt employees were not provided with all legally-compliant meal periods to which they were entitled, Defendant failed to compensate Ms. Zavala and other hourly, non-exempt employees with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7.

In addition, throughout Ms. Zavala's employment with Defendant, Ms. Zavala and other hourly, non-exempt employees were not authorized and permitted to take legally required rest periods due to Defendant's unlawful rest period policies and practices. Defendant's rest period policies and practices fail to authorize and permit paid rest periods for every four hours worked, *or major fraction thereof*. Specifically, Defendant utilized a bell schedule for rest periods and required employees to be back at their workstations and working at the second bell, which rang at the 10-minute mark. As such, Defendant had a policy and/or practice of requiring Ms. Zavala and its other hourly, non-exempt employees to return from their rest periods before the full 10 minutes had elapsed and be at their workstations ready to recommence work. As a result, Ms. Zavala and other non-exempt employees were not authorized and permitted to take rest breaks of at least net ten minutes in violation of California

law. Additionally, Ms. Zavala and other hourly, non-exempt employees were not authorized and permitted to take a third rest period when they worked shifts in excess of 10.0 hours.

On those occasions when Ms. Zavala and other hourly, non-exempt employees were not authorized and permitted to take all legally-compliant rest periods to which they were entitled, Defendant failed to compensate them with the required rest period premium for each workday in which they experienced a rest period violation as mandated by Labor Code § 226.7.

As a result of Defendant's failure to pay all minimum and overtime wages, as well as meal and rest period premium wages, Defendant maintained inaccurate payroll records and issued inaccurate wage statements to Ms. Zavala and other hourly, non-exempt employees.

As a further result of Defendant's failure to pay all overtime and/or minimum wages owed, and failure to pay all meal and rest period premium wages, Defendant failed to provide pay Ms. Zavala and other hourly, non-exempt employees all wages owed upon their separation of employment with Defendant.

As described above, Defendant committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 1 ("Wage Order 1"):

Minimum Wage Violations

Defendant was required to pay Ms. Zavala and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1194; 1194.2, 1197, 1197.1; The Wage Order 1, § 4. Plaintiff and other aggrieved employees were not paid for all hours worked due to Defendant's unlawful practices and procedures. As alleged above, Defendant's unlawful policies and procedures were to pay pursuant to the scheduled hours, even though Defendant knowingly permitted and required Ms. Zavala and other aggrieved employees to be under their direction and control prior to clocking in. These practices by Defendant resulted in Defendant not paying Ms. Zavala and other aggrieved employees for all wages owed for the work they performed, including failing to pay them all required minimum wages.

Overtime Violations

Defendant was required to pay Ms. Zavala and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; the Wage Order 1, § 3. According to Labor Code § 510(a), "Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee." This Section further provides, "Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee." As alleged above, Defendant's unlawful policies and procedures were to pay pursuant to the scheduled hours, even though Defendant knowingly permitted and required Ms. Zavala and other aggrieved employees to be under their direction and control prior to clocking in. As a result of Defendant's policies and/or practices that fail to compensate for all hours worked, Ms. Zavala and other aggrieved employees were deprived all required overtime wages earned.

Meal Period Violations

As alleged above, Defendant failed to provide the aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 1, § 11. As described above, Due to the bell signaling system, Defendant failed to provide Ms. Zavala and other aggrieved employees with all legally compliant meal periods due to Defendant's meal period policies/practices, which have frequently resulted in late (commencing after the fifth hour of work), short (less than 30 minutes), and missed meal periods. Further, Defendant did not require its employees to record their meal periods and instead automatically deducted from their work time, irrespective of whether or not a compliant meal period was provided. In addition, Defendant failed to provide Ms. Zavala or other aggrieved employees with second meal periods on shifts over 10.0 hours. Therefore, the aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided."). Although Ms. Zavala and other aggrieved employees were not provided with all legally-compliant meal periods to which they were entitled, Defendant failed to compensate them with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7.

Rest Period Violations

Defendant also failed to authorize and permit their aggrieved employees to take all required rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 1, § 12. Specifically, Ms. Zavala and other aggrieved employees were not authorized and permitted to take all required rest periods due to Defendant's rest period policies/practices, which upon information and belief, fail to authorize and permit all rest periods for every four hours worked, or *major fraction thereof*. Additionally, Defendant has often failed to authorize and permit a third rest period when Ms. Zavala worked a shift in excess of 10.0 hours. As a result, Ms. Zavala and the aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest period is not provided.")

Wage Statement Violations

Defendant knowingly and intentionally, as a matter of uniform practice and policy, failed to furnish Ms. Zavala and other aggrieved employees with accurate and complete, itemized wage statements that included, among other requirements, all minimum and/or overtime wages earned, meal and rest period premiums, total gross wages earned, and total net wages earned, in violation of Labor Code § 226 *et seq.* Defendant's failure to furnish Ms. Zavala and other aggrieved employees with complete and accurate, itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all minimum and/or overtime wages earned and meal and rest period premiums, and deprived them of the information necessary to identify discrepancies in Defendant's reported data.

Waiting Time Penalties

Labor Code §§ 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. Defendant failed to timely pay Ms. Zavala and other aggrieved employees all of their final wages at the time of separation, which included, among other things, unpaid minimum and/or overtime wages, and meal and rest period premium wages.

As an “aggrieved employee,” Ms. Zavala will initiate a civil action on behalf of herself and other aggrieved employees to recover damages, statutory penalties, and civil penalties resulting from the wage and hour violations alleged herein. Based on Ms. Zavala’s own investigation, and on information and belief, Defendant committed the following Labor Code violations:

- a) Defendant violated Labor Code §§ 1194, 1194.2, and 1197 by failing to pay Ms. Zavala and other aggrieved employees the statutory minimum wage for all hours worked;
- b) Defendant violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Ms. Zavala and other aggrieved employees all overtime compensation earned;
- c) Defendant violated Labor Code §§ 226.7, 512, and 558 by failing to provide all legally required meal periods and failing to pay meal period premiums to Ms. Zavala and the aggrieved employees;
- d) Defendant violated Labor Code §§ 226.7, 516, and 558 by failing to provide all legally required rest periods and failing to pay rest period premiums to Ms. Zavala and the aggrieved employees;
- e) Defendant violated Labor Code § 226 by failing to furnish Ms. Zavala and other aggrieved employees with accurate and compliant itemized wage statements;
- f) Defendant violated Labor Code §§ 204 and 210 by failing to pay Ms. Zavala and other aggrieved employees all earned wages at least twice during each calendar month;
- g) Defendant violated Labor Code §§ 201, 202 and 203 by failing to timely pay all final wages due to Ms. Zavala and other aggrieved employees; and
- h) Defendant violated Labor Code § 1174 by failing to maintain accurate records on behalf of Ms. Zavala and other aggrieved employees.

Pursuant to Labor Code section 2699.3(a)(2)(A), please notify us and Defendant if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
LIDMAN LAW, APC

Scott M. Lidman

EXHIBIT 3

EXHIBIT 3

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiffs Monica Fernandez and Eva Zavala (“Plaintiffs”), and Defendants Michael Nicholas Designs, LLC and Michael Nicholas Designs, Inc. (collectively, “Defendants”). The Agreement refers to Plaintiffs and Defendants collectively as “Parties,” or individually as “Party.”

1. **DEFINITIONS:**

1.1. “Action” means the Plaintiffs’ lawsuit alleging wage and hour violations against Defendants captioned *Fernandez, et al. v. Michael Nicholas Designs*, Case No. 30-2023-01362788-CU-OE-CXC, initiated on November 17, 2023, and pending in Superior Court of the State of California, County of Orange.

1.2. “Administrator” or “Settlement Administrator” means Phoenix Class Action Administration Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement.

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

1.4. “Aggrieved Employee” or “PAGA Members” means all individuals who worked as non-exempt employees of Defendants Michael Nicholas Designs, LLC and/or Michael Nicholas Designs, Inc. in California at any time during the PAGA Period.

1.5. “Class” means all individuals who worked as non-exempt employees of Defendants Michael Nicholas Designs, LLC and/or Michael Nicholas Designs, Inc. in California at any time during the Class Period.

1.6. “Class Counsel” means Scott M. Lidman, Milan Moore, and Tiara Gose-Hardy of Lidman Law, APC and Paul Haines of Haines Law Group, APC.

1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” means the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.

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

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

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

1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English with a Spanish translation in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.12. “Class Period” means the period of time starting on March 23, 2021 and ending on June 30, 2025 or the date that the Court enters an order preliminarily approving the Settlement, whichever is sooner.

1.13. “Class Representatives” means Monica Fernandez and Eva Zavala, the named Plaintiffs in the operative complaint in the Action seeking Court approval to serve as a Class Representatives.

1.14. “Class Representative Service Payments” means the payments to the Class Representatives for initiating the Action and providing services in support of the Action, and for which Plaintiffs will provide a general release and waiver of Civil Code section 1542 rights. Subject to the Court’s approval, Plaintiffs shall receive \$7,500 each as Class Representative Service Payments.

1.15. “Court” means the Superior Court of California, County of Orange.

1.16. “Defendants” means Michael Nicholas Designs, LLC and Michael Nicholas Designs, Inc.

1.17. “Defense Counsel” means An Nguyen Ruda and Elizabeth T. Ferguson of Bartko Pavia LLP.

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

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

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

1.21. “Final Judgment” or “Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

1.22. “Gross Settlement Amount” means Seven Hundred Seventy-Three Thousand Three Hundred Sixty Dollars and Zero Cents (\$773,360.00). The Gross Settlement Amount is the total amount Defendants agree to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, Class Representative Service Payments, and the Administration Expenses Payment.

1.23. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated pursuant to Paragraph 3.2.4 below.

1.24. “Individual PAGA Payment” means each Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated pursuant to Paragraph 3.2.5 below.

1.25. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled to monitor Labor Code compliance, under Labor Code section 2699, subd. (i) (2016).¹

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

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

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

1.29. “PAGA Pay Period” means any pay period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period. Pay periods as used herein run on a biweekly schedule starting Sunday and ending on the second ensuing Saturday.

1.30. “PAGA Period” means the period of time starting on November 17, 2022 and ending on June 30, 2025 or the date that the Court grants preliminary approval of the settlement, whichever is sooner.

1.31. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. *et seq.*).

¹ The Parties recognize that Labor Code section 2699 was recently amended. Since the 75% PAGA Penalty allocation does not affect PAGA actions filed prior to June 19, 2024, we have kept this allocation in this Agreement and reference the prior version of the statute here.

1.32. “PAGA Notices” means Plaintiff Fernandez’s November 17, 2023 and Plaintiff Zavala’s July 18, 2024 letters to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3.

1.33. “PAGA Penalties” means the total amount of PAGA civil penalties (\$40,000.00) to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$10,000.00) and the 75% to LWDA (\$30,000.00) in settlement of PAGA claims.

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

1.35. “Plaintiffs” means Monica Fernandez and Eva Zavala, the named plaintiffs in the Action.

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

1.37. “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.

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

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

1.40. “Released Parties” means: Defendants and all of their present and former parent companies, subsidiaries, affiliates and joint ventures, and all of their owners, officers, managers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any persons acting by through, under or in concert with any of them.

1.41. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member pursuant to Paragraph 7.5 of this Agreement.

1.42. “Response Deadline” means 60 days after the Administrator mails Notice to Class Members and the Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, e-mail, or mail Requests for Exclusion from the Settlement; (b) fax, e-mail, or mail his or her Objection to the Settlement; (c) fax, email, or mail a challenge to the number of Workweeks; or (d) fax, email, or mail a challenge to the number of PAGA Pay Periods. Class Members to whom Class Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the date that the Response Deadline has expired.

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

1.44. “Workweek” means any week during which a Class Member worked for Defendants for at least one day, during the Class Period. A week for the purposes of this definition runs from Sunday and ends on the ensuing Saturday.

2. RECITALS:

2.1. On November 17, 2023, Plaintiff Fernandez commenced this Action by filing a Complaint alleging causes of action against Defendants for: (i) failure to pay all overtime wages owed; (ii) failure to pay all minimum wages owed; (iii) failure to provide meal periods; (iv) failure to authorize and permit all rest periods; (v) failure to provide accurate, itemized wage statements; (vi) failure to pay all wages upon termination; and (vii) unfair competition.

2.2. Pursuant to Labor Code section 2699.3, on November 17, 2023, Plaintiff Fernandez gave timely written notice to Defendants and the LWDA by sending her PAGA Notice.

2.3. On January 22, 2024, Plaintiff Fernandez filed a First Amended Complaint (“FAC”) that contained all of the causes of action in the original complaint, and also added a claim for civil penalties under the PAGA.

2.4. Pursuant to Labor Code section 2699.3, on July 18, 2024, Plaintiff Zavala gave timely written notice to Defendants and the LWDA by sending her PAGA Notice.

2.5. The Parties entered a stipulation allowing Plaintiff Fernandez leave to amend her FAC to add Eva Zavala as a named Plaintiff. On August 26, 2024, Plaintiff Fernandez filed a Second Amended Complaint adding Plaintiff Eva Zavala (“Operative Complaint”).

2.6. On January 30, 2025, the Parties participated in an all-day mediation presided over by Marc Feder, Esq. The Parties agreed to a mediator’s proposal, which led to this Agreement to settle the Action.

2.7. Prior to mediation, Plaintiffs conducted informal discovery. Through this informal discovery prior to mediation, Plaintiffs obtained a sampling of Defendants’ time data, payroll data, as well as other documents and information relevant to the claims alleged. Plaintiffs’ investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).

2.8. Defendant Michael Nicholas Designs, LLC took over as the employing entity during the relevant time period. Therefore, on February 4, 2025, Plaintiffs filed a DOE Amendment in the Action substituting Michael Nicholas Designs, LLC in as a named defendant in place of DOE 1.

2.9. Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint and deny any and all liability for the causes of action alleged.

2.10. To date, the Court has not ruled on nor granted class certification.

2.11. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS:

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendants promise to pay a total of Seven Hundred Seventy-Three Thousand Three Hundred Sixty Dollars and Zero Cents (\$773,360.00). Defendants also agree to separately pay any and all employer payroll taxes owed on the wage portions of the Individual Class Payments. Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadlines stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

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

3.2.1. To Plaintiffs: Class Representative Service Payments to the Class Representatives of not more than \$15,000 total, that is \$7,500.00 each (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member or PAGA Member). Defendants will not oppose Plaintiffs' request for Class Representative Service Payments that do not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves Class Representative Service Payments less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payments.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than one-third ($\frac{1}{3}$) of the Gross Settlement Amount, which is currently estimated to be \$257,786.67 and a Class Counsel Litigation Expenses Payment of not more than \$20,000.00. Defendants will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel

Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Released Parties harmless, and indemnifies Released Parties, from any dispute or controversy regarding any division or sharing of any of these payments.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$13,500.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less than estimated or the Court approves payment less than \$13,500.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To Each Participating Class Member. An Individual Class Payment shall be calculated by first dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members in order to establish the workweek amount. The workweek amount will then be multiplied by the number of Workweeks attributable to each Participating Class Member in order to determine the correct amount to be payable to each Participating Class Member.

3.2.4.1. Tax Allocation of Individual Class Payments. Twenty Percent (20%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form by the Settlement Administrator. The Settlement Administrator will calculate the amount of the Participating Class Members' and Defendants' portion of payroll withholding taxes owed on the Wage Portion. The Settlement Administrator will pay the amount of the Participating Class Members' portion of normal payroll withholding taxes out of the Wage Portion of each person's Individual Class Payment. The Settlement Administrator will submit Defendants' portion of payroll withholding tax calculation to Defendants for additional funding and forward those amounts along with each person's Individual Class Payment withholdings for the Wage Portion to the appropriate taxing authorities. Forty percent (40%) of each Participating Class Member's Individual Class Payment will be allocated to interest with the remaining forty percent (40%) as penalties (the "Non-Wage Portions"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms by the Settlement Administrator. Participating Class Members assume full responsibility and liability for any taxes owed on their Individual Class Payment other than employer taxes on the Wage Portion of the payment.

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

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$40,000.00 to be paid from the Gross Settlement Amount, with 75% (\$30,000.00) allocated to the LWDA PAGA Payment and 25% (\$10,000.00) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties \$10,000.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. PAGA Members will receive their respective Individual PAGA Payments regardless of whether they opt out of the Settlement with respect to their class claims.

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

3.2.5.3. All PAGA penalties shall be designated as 100% penalties and reported on an IRS Form 1099.

4. SETTLEMENT FUNDING AND PAYMENTS:

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of their records, Defendants estimate there are 920 Class Members who collectively worked a total of 77,336 Workweeks from March 23, 2021 through January 30, 2025. Defendants estimate that there are 579 Aggrieved Employees who collectively worked a total of 21,731 PAGA Pay Periods from November 17, 2022 through January 10, 2025.

4.2. Class Data. Not later than 20 days after the Court enters an Order granting Preliminary Approval of the Settlement, Defendants will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if they discover that the Class Data omitted class member identifying information and to provide the Administrator with corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3. Funding of Gross Settlement Amount. The Gross Settlement Amount shall be funded in two separate payments. Defendants shall make the first payment in the amount of \$386,680.00 at the time of Preliminary Approval or August 1, 2025, whichever is later. The remaining funds, \$386,680.00 plus the amounts necessary to fully pay Defendants' share of payroll taxes, shall be due no later than six months after Final Approval.

4.4. Payments from the Gross Settlement Amount. Within 21 days after the Effective Date, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

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

4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

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

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

5. **RELEASES OF CLAIMS**: Effective on the date when Defendants fully fund the entire Gross Settlement Amount and fund all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

- 5.1 **Plaintiffs' Release.** Plaintiffs release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint; and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint and Plaintiffs' PAGA Notices. Plaintiffs also agree to release, in addition to the Released Class Claims and Released PAGA Claims described above, all claims, whether known or unknown, under federal law, state law, or local law against the Released Parties for the time period March 23, 2021 through the date Plaintiffs execute this Agreement. Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that cannot be released by law, or based on occurrences outside of the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them. Notwithstanding the foregoing, the waiver and release in this Agreement does not apply to: (i) those rights as a matter of law that cannot be waived, including but not limited to, workers' compensation claims; (ii) rights or claims arising out of this Agreement after this Agreement is executed by Plaintiffs; and (iii) rights or claims arising of this Agreement with respect to Plaintiffs' right to enforce the Agreement. The Agreement in no way affects Plaintiffs' entitlement and/or benefits to be received by Plaintiffs in workers' compensation pursuant to the jurisdiction of workers' compensation. Plaintiffs also agree to not request an exclusion from this settlement.

5.1.1 **Plaintiffs' Waiver of Rights Under California Civil Code Section 1542.** For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

5.2 Release by Participating Class Members: All Participating Class Members release Released Parties from any and all claims that were alleged, or reasonably could have been alleged, based on or arising out of the facts stated in the Operative Complaint and/or ascertained in the course of the Action and which occurred during the Class Period. The claims released include, without limitation: (1) failure to pay all overtime wages owed; (2) failure to pay all minimum wages owed; (3) failure to provide meal periods; (4) failure to authorize and permit all rest periods; (5) failure to provide accurate, itemized wage statements; (6) failure to pay all wages owed upon termination; and (6) unfair business practices in violation of Business and Professions Code section 17200, *et seq.* premised on the above claims; and violation of or liability under California Labor Code under sections 201-204, 226 *et seq.*, 226.7, 226.8, 510, 512, 516, 558, 1182.12, 1174, 1194, 1194.2, 1197, 1197.1, 1198, the California Unfair Competition Law, and the relevant Wage Orders issued by the Industrial Welfare Commission, and any and all related claims for penalties and attorneys' fees and costs. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.3 Release by Aggrieved Employees: All Aggrieved Employees release the Released Parties from any and all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on or arising out of the facts stated in the Operative Complaint and/or the PAGA Notice and/or ascertained in the course of the Action and which occurred during the PAGA Period. The claims released include, without limitation: (1) failure to pay minimum wage for all hours worked; (2) failure to pay all overtime compensation owed; (3) failure to provide all legally required meal periods and failure to pay meal period premiums; (4) failure to provide all legally required rest periods and failure to pay rest period premiums; (5) failure to furnish accurate and compliant itemized wage statement; (6) failure to pay all earned wages at least twice during each calendar month; (7) failure to timely pay all final wages due; (8) failure to maintain accurate records; and (9) any and all related claims for attorneys' fees and costs. All Aggrieved Employees/PAGA Members shall release all claims arising under PAGA regardless of their decision to participate in the Settlement.

6. **MOTION FOR PRELIMINARY APPROVAL:** Class Counsel will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

6.1 Plaintiffs' Responsibilities. Plaintiffs will prepare all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice and memorandum in support of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense Counsel; (v) a

signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and the Administrator; (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), operative First Amended Complaint (Labor Code section 2699, subd. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); (vii) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (viii) all facts relevant to any actual or potential conflict of interest with Class Members, and the Administrator. In their Declarations, Plaintiffs and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement. Plaintiffs shall provide drafts of these documents to Defense Counsel not later than seven days prior to filing the Motion for Preliminary Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Preliminary Approval.

6.2 Responsibilities of Counsel. Class Counsel is responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 90 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

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

7. SETTLEMENT ADMINISTRATION:

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

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

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.

7.4 Notice to Class Members.

7.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and PAGA Pay Periods in the Class Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after Preliminary Approval of the Settlement by the Court, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice with Spanish translation, substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member/Aggrieved Employee, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 Not later than 3 business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

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

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

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

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

7.6 Challenges to Calculation of Workweeks/PAGA Pay Period. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Workweeks, PAGA Pay Periods (if any), allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, e-mail or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. Defendants' payroll records shall be determinative for purposes of calculating the number of pay periods during the Class Period and PAGA Period. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the

challenges. The Administrator's determination of the eligibility for an amount of any Individual Payment shall be binding upon the Class Member and the Parties, unless the Court determines otherwise. Class Members who submit a written, signed challenge to his/her number of Workweeks and/or PAGA Pay Periods must either (1) accept the adjusted Workweek and/or PAGA Pay Period count or rejection of the challenge, (2) submit a Request for Exclusion, or (3) submit an Objection to the Settlement by the date the Response Deadline expires or within 14 days from the date the Claims Administrator mails notice of an adjusted Workweek and/or PAGA Pay Period count or notice of rejection of the challenge, whichever is later.

7.7 Objections to Settlement.

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

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, e-mail, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

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

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

7.8.1 Website, E-mail Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payments, the Final Approval, and the Judgment. The Administrator will also maintain and monitor an e-mail address and a toll-free telephone number to receive Class Member calls, faxes and e-mails.

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for

Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

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

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

7.8.5 Administrator’s Declaration. Not later than seven (7) calendar days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.

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

8. **CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE:** Based on their records, Defendants estimate that there are approximately 77,336 Workweeks worked by Class Members through January 30, 2025. If the actual number of workweeks during the Class Period increases by more than 12% above 77,336 (*i.e.*, if there are 86,616 or more workweeks during the Class Period), Defendants agree to increase the Gross Settlement Amount on a proportional percentage basis (*i.e.*, if there was a 13% increase in the number workweeks during the Class Period, Defendants would agree to increase the Gross Settlement Amount by

13%), or at Defendants' option, the Class Period and PAGA Period shall end as of the last date on which the actual workweeks does not exceed 77,336 by more than 12% (i.e., did not exceed more than 86,616).

9. **TOLERANCE OF OPT-OUTS:** Notwithstanding any other provision of this Settlement, Defendants shall retain the right, in the exercise of their sole discretion, to nullify the settlement within fifteen (15) calendar days after the Administrator informs the Parties of the final number of timely and valid opt outs if five percent (5%) or more of the Class Members opt out of this Settlement.

10. **MOTION FOR FINAL APPROVAL:** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (1), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than seven (7) days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

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

10.2 **Duty to Cooperate.** If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval, provided that both Parties are in agreement with such revisions. If the Parties are unable to agree on modifications, the Parties will seek the assistance of a mediator and/or Court for resolution as provided in Paragraph 12.7. The Court's decision to award less than the amounts requested for the Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

10.3 **Continuing Jurisdiction of the Court.** The Parties agree that, after entry of Final Judgment, pursuant to Code of Civil Procedure section 664.6, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

10.4 **Waiver of Right to Appeal.** Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to

post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

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

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

12. **ADDITIONAL PROVISIONS:**

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

12.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendants and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a

court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendants and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that “the matter was resolved,” or words to that effect. This paragraph does not restrict Class Counsel’s communications with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.

No Publicity. Plaintiffs and Plaintiffs’ counsel (also referred to as Class Counsel herein) agree not to publicize the Settlement. Plaintiffs and Class Counsel agree to discuss the terms of this Settlement only in declarations submitted to the Court to establish Class Counsel’s adequacy to serve as Class Counsel, in declarations submitted to the Court in support of the Motion for Preliminary Approval, the Motion for Final Approval, for Class Counsel Litigation Expenses Payment, and any other pleading filed with the Court in conjunction with this Settlement, and in discussions with Class Members in the context of administering this Settlement until the Preliminary Approval Order is issued. Class Counsel and Plaintiffs agree that they shall not publish any press releases or press statement regarding the Settlement, identify Defendants or Defense Counsel by name in any media including Class Counsel’s firm website or any other website, or have any communications with the press or media about the Action or the Settlement. Plaintiffs, in response to inquiries, will state that the “Action was resolved.” This provision will not impede Class Counsel’s ability to discharge its fiduciary duties, including effectuating the terms of this Settlement. Further, this provision is not intended to interfere with or restrict: (1) the third-party Administrator from distributing the notice packets and otherwise complying with its obligation to provide information to affected Class Members; or (2) the third-party Administrator from posting any judgment on its website.

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

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

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

12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the

Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

12.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

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

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

12.10 Invalidity of Any Provision. Before declaring any provision of this Agreement invalid, the Parties request that the Court first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable.

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

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

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

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

12.15 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds,

Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants make a written request to Class Counsel for the return, rather than the destruction, of Class Data.

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

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

12.18 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

Scott M. Lidman
Milan Moore
Tiara Gose-Hardy
Lidman Law, APC
2155 Campus Drive, Suite 150
El Segundo, California 90245
Telephone: (424) 322-4772
Facsimile: (424) 322-4775
Email: slidman@lidmanlaw.com
mmoore@lidmanlaw.com
tgose@lidmanlaw.com

Paul K. Haines
Haines Law Group, APC
phaines@haineslawgroup.com
2155 Campus Drive, Suite 180
El Segundo, California 90245
Telephone: (424) 292-2350
Facsimile: (424) 292-2355
Email:
phaines@haineslawgroup.com

To Defendants:

An Nguyen Ruda
Elizabeth T. Ferguson
BARTKO PAVIA LLP
1100 Sansome Street
San Francisco, California 94111
Tel: (415) 956-1900
Fax: (415) 956-1152
Email: aruda@bartkopavia.com
eferguson@bartkopavia.com

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

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

DATED: 4/5/2025 _____

DEFENDANT MICHAEL NICHOLAS DESIGNS, LLC

Signed by:
Mike Cimarusti
2906181AB60A41B...

By: Mike Cimarusti _____
Its: President _____

DATED: 4/5/2025 _____

DEFENDANT MICHAEL NICHOLAS DESIGNS, INC.

Signed by:
Mike Cimarusti
2906181AB60A41B...

By: Mike Cimarusti _____
Its: President _____

DATED: _____

PLAINTIFF MONICA FERNANDEZ

By: _____

Plaintiff and Settlement Class Representative

DATED: _____

PLAINTIFF EVA ZAVALA

By: _____

Plaintiff and Settlement Class Representative

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DATED: _____

DEFENDANT MICHAEL NICHOLAS DESIGNS, LLC

By: _____

Its: _____

DATED: _____

DEFENDANT MICHAEL NICHOLAS DESIGNS, INC.

By: _____

Its: _____

DATED: Apr 7, 2025

PLAINTIFF MONICA FERNANDEZ


Monica Fernandez (Apr 7, 2025 20:26 PDT)

By: _____

Plaintiff and Settlement Class Representative

DATED: _____

PLAINTIFF EVA ZAVALA

By: _____

Plaintiff and Settlement Class Representative

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DATED: _____

DEFENDANT MICHAEL NICHOLAS DESIGNS, LLC

By: _____

Its: _____

DATED: _____

DEFENDANT MICHAEL NICHOLAS DESIGNS, INC.

By: _____

Its: _____

DATED: _____

PLAINTIFF MONICA FERNANDEZ

By: _____

Plaintiff and Settlement Class Representative

DATED: Apr 7, 2025

PLAINTIFF EVA ZAVALA


Eva Zavala (Apr 7, 2025 17:07 PDT)

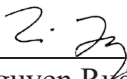
By: _____

Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: 4/7/2025

BARTKO PAVIA LLP

By: 
An Nguyen Ruda
Elizabeth T. Ferguson
Attorneys for Defendants

DATED: _____

HAINES LAW GROUP, APC

By: _____
Paul K. Haines
Attorneys for Plaintiffs

DATED: _____

LIDMAN LAW, APC

By: _____
Scott M. Lidman
Attorneys for Plaintiffs

APPROVED AS TO FORM:

DATED: _____

BARTKO PAVIA LLP

By: _____
An Nguyen Ruda
Elizabeth T. Ferguson
Attorneys for Defendants

DATED: April 8, 2025

HAINES LAW GROUP, APC

By:  _____
Paul K. Haines
Attorneys for Plaintiffs

DATED: April 8, 2025

LIDMAN LAW, APC

By:  _____
Scott M. Lidman
Attorneys for Plaintiffs

EXHIBIT A

EXHIBIT A

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

Fernandez, et al. v. Michael Nicholas Designs, Case No. 30-2023-01362788-CU-OE-CXC

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

If you worked for Michael Nicholas Designs, Inc. and/or Michael Nicholas Designs, LLC in California as a non-exempt, hourly employee between March 23, 2021 and ending on [June 30, 2025 or date of preliminary approval, whichever is sooner], then you may get money from a class action and PAGA 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 claims against Defendants and Released Parties 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	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	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 Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.

You Can Participate in the [REDACTED] Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on [REDACTED]. You don’t have to attend but you do have the right to appear (or hire an attorney at your own cost to appear on your behalf), 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 [REDACTED]	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked (at least one day during the Class Period of March 23, 2021 through [June 30, 2025 or the date of preliminary approval, whichever is sooner]) and how many pay periods you worked (at least one day during the PAGA Period of November 17, 2022 through [June 30, 2025 or the date of preliminary approval, whichever is sooner]), respectively. A workweek runs from Sunday and ends on the ensuing Saturday. Pay periods run on a biweekly schedule starting on Sunday and ending on the second ensuing Saturday. The number of Workweeks and number of PAGA Pay Periods you worked according to Defendants’ records is stated on the first page of this Notice. If you disagree with either of these numbers, or disagree with the amount of any prior payment received (if applicable) you must challenge it by [REDACTED]. See Section 4 of this Notice.

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Defendants Michael Nicholas Designs, LLC and Michael Nicholas Designs, Inc. (“Defendants”), for alleged wage and hour violations. The Action was filed by individuals classified by at least one of the Defendants as non-exempt employees, Monica Fernandez and Eva Zavala (“Plaintiffs”) and seek recovery for (1) unpaid minimum wages, unpaid overtime wages, failure to provide meal and rest periods and pay related premiums, failure to provide accurate and itemized wage statements, failure to pay all wages at termination, and unfair competition under California Business and Professions Code section 17200 for a class of individuals classified as non-exempt employees (“Class Members”) who worked for Defendants during the period of time starting on March 23, 2021 and ending on [date of preliminary approval or June 30, 2025, whichever is sooner] (“Class Period”); and also seeks (2) civil penalties under the California Private Attorney General Act (“PAGA”) for all individuals classified as non-exempt employees (“Aggrieved Employees”) who worked for Defendants during the period of time starting on November 17, 2022 and ending on [date of preliminary approval or June 30, 2025, whichever is sooner] (“PAGA Period”).

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

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

The above estimates are based on Defendants' records showing that **you worked [REDACTED] workweeks** during the Class Period and **you worked [REDACTED] pay periods** during the PAGA Period. If you believe that you worked more workweeks and/or pay periods during either period, or disagree with any prior payment potentially received by you from Defendants, you can submit a challenge by the deadline date. *See* Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. 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 Plaintiffs and Plaintiffs' attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

If you worked for either of the Defendants during the Class Period and/or the PAGA Period, you have three basic options under the Settlement:

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendants and Released Parties.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendants and Released Parties, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.
- (3) **Object to the Settlement.** All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. See section 7 of this notice for more information.

Defendants will not retaliate against you for any actions you take with respect to the proposed Settlement.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are individuals who worked for at least one of the Defendants and were classified as non-exempt employees. The Action accuses Defendants of violating California labor laws by failing to pay overtime wages, failing to pay minimum wages, failing to provide meal and rest periods, failing to provide accurate and itemized wage statements, and failing to pay all wages owed upon termination. Based on the same claims, Plaintiffs have also asserted a claim for unfair competition under California Business and Professions Code section 17200 and a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, *et seq.*) (“PAGA”). Plaintiffs are represented by attorneys in the Action: Scott M. Lidman, Milan Moore, and Tiara Gose-Hardy of Lidman Law, APC and Paul Haines of Haines Law Group, APC (“Class Counsel”).

Defendants strongly deny 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 Defendants or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendants hired an experienced, neutral mediator in an effort to resolve the Action by negotiating 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, Plaintiffs and Defendants have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims. Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants have agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees.

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

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

1. Defendants Will Pay \$773,360.00 as the Gross Settlement Amount (Gross Settlement). Defendants promise to pay a total of Seven Hundred Seventy-Three Thousand Three Hundred Sixty Dollars and Zero Cents (\$773,360.00). Defendants have agreed to deposit the money that is part of the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). The Gross Settlement Amount shall be funded in two separate payments. Defendants shall make the first payment in the amount of \$386,680.00 at the

time of Preliminary Approval or August 1, 2025, whichever is later. Assuming the Court grants Final Approval, the remaining funds, \$386,680.00 plus the amounts necessary to fully pay Defendants' share of payroll taxes, shall be due no later than six months after Final Approval.

The Gross Settlement Amount is estimated to be fully funded in [insert date]. Checks are estimated to be disbursed in [insert date].

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$257,786.67 ($\frac{1}{3}$ of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$20,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$7,500.00 to each Plaintiff (total \$15,000.00) as Class Representative Service Payments for filing the Action, working with Class Counsel and representing the Class. Class Representative Service Payments will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$13,500.00 to the Administrator for services administering the Settlement.
 - D. Up to \$40,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks and whether he or she received a prior payment from Defendants in exchange for a signed release. The calculation is explained more fully below in Section 4.
4. Taxes Owed on Payments to Class Members. Plaintiffs and Defendants are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages ("Wage Portion") and 80% to interest and penalties ("Non-Wage Portions"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendants will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099

Forms.

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

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA 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 money represented by your check is sent to the State Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [REDACTED], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendants.

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

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendants have agreed that, in either case, the Settlement will be void. That is, Defendants will not pay any money and Class Members will not release any claims against Defendants.
8. Administrator. The Court has appointed a neutral company, Phoenix Class Action Administration Solutions (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.

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

The Participating Class Members will be bound by the following release:

All Participating Class Members release Defendants and all of their present and former parent companies, subsidiaries, affiliates and joint ventures, and all of their owners, officers, managers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any persons acting by through, under or in concert with any of them ("Released Parties") from any and all claims that were alleged, or reasonably could have been alleged, based on or arising out of the facts stated in the Operative Complaint and/or ascertained in the course of the Action and which occurred during the Class Period. The claims released include, without limitation: (1) failure to pay all overtime wages owed; (2) failure to pay all minimum wages owed; (3) failure to provide meal periods; (4) failure to authorize and permit all rest periods; (5) failure to provide accurate, itemized wage statements; (6) failure to pay all wages owed upon termination; and (6) unfair business practices in violation of Business and Professions Code section 17200, *et seq.* premised on the above claims; and violation of or liability under California Labor Code under sections 201-204, 226 *et seq.*, 226.7, 226.8, 510, 512, 516, 558, 1182.12, 1174, 1194, 1194.2, 1197, 1197.1, 1198, the California Unfair Competition Law, and the relevant Wage Orders issued by the Industrial Welfare Commission, and any and all related claims for penalties and attorneys' fees and costs. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendants have paid the Gross Settlement and separately paid the employer-side payroll taxes, all Aggrieved Employees will be barred from asserting any and all claims for PAGA penalties against the Released Parties, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendants or their related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees' Releases are as follows:

All Aggrieved Employees release the Released Parties from any and all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on or arising out of the facts stated in the Operative Complaint and/or the PAGA Notice and/or ascertained in the course of the Action and which occurred during the PAGA Period. The claims released include, without limitation: (1) failure to pay minimum wage for all hours worked; (2) failure to pay all overtime compensation owed; (3) failure to provide all legally require meal periods and failure to pay meal period premiums; (4) failure to provide all legally required rest periods and failure to pay rest period premiums; (5) failure to furnish accurate and compliant itemized wage statement; (6) failure to pay all earned wages at least twice during each calendar month; (7) failure to timely pay all final wages due; and (8) failure to maintain accurate records. All Aggrieved Employees/PAGA Members shall release all claims arising under PAGA regardless of their decision to participate in the Settlement. All Aggrieved Employees release the Released Parties from any and all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on or arising out of the facts stated in the Operative Complaint and/or the PAGA Notice and/or ascertained in the course of the Action and which occurred during the PAGA Period. The claims released include, without limitation: (1) failure to pay minimum wage for all hours worked; (2) failure to pay all overtime compensation owed; (3) failure to provide all legally require meal periods and failure to pay meal period premiums; (4) failure to provide all legally required rest periods and failure to pay rest period premiums; (5) failure to furnish accurate and compliant itemized wage statement; (6) failure to pay all earned wages at least twice during each calendar month; (7) failure to timely pay all final wages due; (8) failure to maintain accurate records; and (9) any and all related claims for attorneys' fees and costs. All Aggrieved Employees/PAGA Members shall release all claims arising under PAGA regardless of their decision to participate in the Settlement.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments as follows: Dividing the Net Settlement Amount by the total number of workweeks worked by all Participating Class Members during Class Period in order to establish the workweek amount. The workweek amount will then be multiplied by the number of workweeks attributable to each Participating Class Member in order to determine the correct amount to be payable to each Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$10,000.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendants' records, are stated in the first page of this

Notice. You have until [insert response date] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, e-mail or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. Defendants' payroll records shall be determinative for purposes of calculating the number of pay periods during the Class Period and PAGA Period. The Administrator will accept Defendants' calculation of Workweeks and/or PAGA Pay Periods 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 Administrator will resolve Workweek and/or PAGA Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendants' Counsel. The determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Participating Class Members and Aggrieved Employees. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee even if the Aggrieved Employee opts out of the Class Settlement.

Your check(s) will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

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

Submit a written and signed letter with your name, present address, telephone number, 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 "Monica Fernandez, et al. v. Michael Nicholas Designs," Case No. 30-2023-01362788-CU-OE-CXC 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 [redacted], 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 Plaintiffs are asking the Court to approve. At least 16 Court days before the [redacted] Final Approval Hearing, Class Counsel and/or Plaintiffs 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 Class Representative Service Payments stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as a Class Representative Service Payments. 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. You can also view them on the Administrator's Website (url) or the Court's website (url).

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 Class Representative Service Payments may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The deadline for sending written objections to the Administrator is [redacted].** 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 as Monica Fernandez, et al. v. Michael Nicholas Designs, and include your name, current address, telephone number, and approximate dates of employment for Defendants and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [redacted] (date) at [redacted] (time) in Department CX102 of the Orange County Superior Court, located at 751 West Santa Ana Boulevard, Santa Ana, CA 92701. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via online conference (<https://www.occourts.org/civil-remote-hearings>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website [redacted] beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendants and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to (**specify entity**)'s website at (**url**). You can also telephone or send an e-mail to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://civilwebshopping.occourts.org/Search.do#searchAnchor>) and entering the Case Number for the Action, Case No. 230-2023-01362788_CU-OE-CXC. You can also make an appointment to personally review court documents in the courthouse at the Civil Complex Center by calling (**657**) 622-6878.

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

Class Counsel:

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Facsimile: (424) 292-2355
Email: phaines@haineslawgroup.com

Settlement Administrator:

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 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.

ALLOCATION FORM

FERNANDEZ V. MICHAEL NICHOLAS DESIGNS

Orange County Superior Court Case No. 30-2023-01362788-CU-OE-CJC

**You do NOT have to mail this Allocation Form to get your Individual Settlement
Payment**

Please complete, sign, date and return this form to <<ADMINISTRATOR CONTACT INFO>>
ONLY IF (1) your personal contact information has changed, and/or (2) you wish to dispute any of
the items listed in Section (III), below. It is your responsibility to keep a current address on file with
the Settlement Administrator.

(I) Please type or print your name:

(First, Middle, Last)

**(II) Please type or print the following identifying information if your contact information has
changed:**

Former Names (if any)

New Street Address

City State Zip Code

**(III) Information Used to Calculate Your Individual Settlement Payment and Aggrieved
Employee Payment:**

According to Michael Nicholas Designs, Inc. and/or Michael Nicholas Designs, LLC records
("Defendants"):

You were employed by Defendants and worked a total of workweeks during the time
period between March 23, 2021 and [June 30, 2025 or PRELIMINARY APPROVAL].

You were employed by Defendants and worked a total of pay periods during the time
period between November 17, 2022 and [June 30, 2025 or PRELIMINARY APPROVAL].

**Based on the above, your Individual Settlement Payment is estimated to be \$ and
Individual PAGA Payment is estimated to be \$.**

**(IV) If you disagree with items in Section (III) above, please explain why in the space
provided below and include copies of any supporting evidence or documentation with
this form:**

If you dispute the above information from Defendants' records, Defendants' records will control unless you are able to provide documentation that establishes that Defendants' records are mistaken. If there is a dispute about whether Defendants' information or yours is accurate, and the dispute cannot be resolved informally, the dispute will be resolved by the Parties and the Settlement Administrator as described in the "Court Approved Notice Of Class Action Settlement And Hearing Date For Final Court Approval" that accompanies this Form. The Settlement Administrator will render all final decisions on disputes.

**ANY DISPUTES, ALONG WITH ANY SUPPORTING DOCUMENTATION, MUST BE
POSTMARKED NO LATER THAN <<RESPONSE DEADLINE>**

REQUEST FOR EXCLUSION FORM

FERNANDEZ V. MICHAEL NICHOLAS DESIGNS

Orange County Superior Court Case No. 30-2023-01362788-CU-OE-CJC

**SUBMIT THIS FORM ONLY IF YOU WISH TO BE EXCLUDED FROM
PARTICIPATING IN THE CLASS ACTION SETTLEMENT**

By signing and returning this form, I represent that it is my desire to exclude myself from participating in the Settlement of the Class Action entitled ***Fernandez v. Michael Nicholas Designs.***, Orange County Superior Court Case No. 30-2023-01362788-CU-OE-CJC, and that I received notice of the Settlement. I understand by excluding myself, I will receive an Aggrieved Employee Payment if I worked during the PAGA Period, but I will not receive any other money from the settlement reached in this matter.

Please note: Any person who submits this form will not receive an Individual Settlement Payment.

Name (Please Print): _____
(First) (Middle) (Last)

Address: _____
(Street)

(City) (State) (Zip)

Last 4 Digits of Social Security Number: _____ Telephone No.: _____

Dated: _____ Signature: _____

**TO BE VALID, THIS FORM MUST BE POST-MARKED NO LATER THAN ,
2025 AND MAILED TO THE SETTLEMENT ADMINISTRATOR AT:**

Fernandez v. Michael Nicholas Designs

Administrator Name

c/o _____

OBJECTION FORM

FERNANDEZ V. MICHAEL NICHOLAS DESIGNS

Orange County Superior Court Case No. 30-2023-01362788-CU-OE-CJC

COMPLETE THIS FORM ONLY IF YOU WISH TO OBJECT TO THE CLASS ACTION SETTLEMENT

In order for you to object to the Class Action Settlement entitled *Fernandez v. Michael Nicholas Designs*, you must complete all steps listed in 1-5 below. You are not required to appear in Court in order to object to the Settlement. However, if you are planning on appearing in Court, please circle "yes" in Section 3 below. If you are planning on appearing in Court, you may still complete all steps listed in 1-5 below in order to object to the Settlement.

1. Provide the following information:

Your Name (Please Print): _____
(First) (Middle) (Last)

Your Address: _____

Last 4 Digits of your Social Security Number: _____

2. Describe the reasons for your objection to the Settlement (please attach additional documents if you need more space):

3. Do you intend to appear in Court at the Final Fairness Hearing, currently scheduled for [ADD DATE AND TIME].

Circle One: Yes No

You are not required to retain an attorney to object. However, if you are represented by an attorney, provide the name of your attorney and the attorney's phone number _____

4. Date and sign this form below:

Dated: _____ Signature: _____

5. **COMPLETE AND MAIL THIS FORM TO THE SETTLEMENT ADMINISTRATOR
AT THE ADDRESS BELOW SO THAT IT IS POST-MARKED NO LATER THAN**
_____.

Fernandez v. Michael Nicholas Designs

Administrator Name

c/o _____
