

LIDMAN LAW, APC

Scott M. Lidman (SBN 199433)

slidman@lidmanlaw.com

Milan Moore (SBN 308095)

mmoore@lidmanlaw.com

Tiara Gose-Hardy (SBN 323823)

tgose@lidmanlaw.com

2155 Campus Drive, Suite 150

El Segundo, California 90245

Tel: (424) 322-4772

Fax: (424) 322-4775

Attorneys for Plaintiffs

MONICA FERNANDEZ and EVA ZAVALA

HAINES LAW GROUP, APC

Paul K. Haines (SBN 248226)

phaines@haineslawgroup.com

2155 Campus Drive, Suite 180

El Segundo, California 90245

Tel: (424) 292-2350

Fax: (424) 292-2355

Attorneys for Plaintiffs

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]*

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

Date: February 19, 2026

Time: 2:00 p.m.

Dept.: CX102

Complaint Filed: November 17, 2023

Trial Date: None Set

1 I, MILAN MOORE, declare as follows:

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

7 2. Plaintiffs filed their Motion for Preliminary Approval of Class Action Settlement on May
8 23, 2025, with the hearing being held on October 30, 2025.

9 3. On October 30, 2025, the Court issued a Minute Order detailing the issues that need to be
10 addressed in subsequent briefing.

11 4. On November 3, 2025, Plaintiffs provided notice of the Court’s minute order to the LWDA
12 and Defendants Michael Nicholas Designs, LLC and Michael Nicholas Designs, Inc. (collectively,
13 “Defendants”).

14 5. The Parties have prepared and executed the First Amendment to Class Action and PAGA
15 Settlement Agreement and revised the Court Approved Notice of Class Action Settlement and Hearing
16 Date for Final Court Approval and the following documents are being submitted concurrently herewith as
17 Exhibits hereto:

18 a. Attached as **Exhibit A** is a true and correct copy of the Class Action and PAGA
19 Settlement Agreement and Class Notice and First Amendment to Class Action and
20 PAGA Settlement Agreement, signed by the Parties and all counsel.

21 b. Attached as **Exhibit B** is a true and correct copy of the redlined version of the
22 revised Court Approved Notice of Class Action Settlement and Hearing Date for
23 Final Court Approval.

24 c. Attached as **Exhibit C** is a true and correct copy of the final version of the revised
25 Court Approved Notice of Class Action Settlement and Hearing Date for Final
26 Court Approval with the changes accepted.

1 6. On January 30, 2025, Plaintiffs and Defendants attended mediation. After debating
2 opposing legal positions, the likelihood of certification of Plaintiffs' claims, and the legal basis for the
3 claims and defenses, the parties agreed to a mediator's proposal to resolve the matter for \$773,360.00.
4 The Settlement represents a compromise and settlement of highly disputed claims however, in order for
5 Defendants to be able to fund the GSA and employer-side payroll taxes, they needed be able to make two
6 installment payments. I am informed and believe that this is due to the fact that on January 2, 2025, an
7 airplane crashed into Defendants' factory, causing a temporary closure and financial strain on Defendants.

8 7. The Class Notice will be mailed to Class Members subsequent to the Settlement
9 Administrator receiving the Class Data and informing Class Counsel of the total number of Workweeks
10 worked by the Class. Should the Escalator Clause be triggered, Class Counsel will inform Defendants'
11 counsel and discuss Defendants' election, all before the Class Notice is mailed and Class Members are
12 informed. The Class Period will be certain and those individuals who are eliminated from being eligible
13 Class Members will be excluded from the releases and retain their right to pursue wage and hour claims
14 against Defendants.

15 8. There were 917 estimated Class Members and a total of 21,019 pay periods during the
16 Class Period. Plaintiffs argue that all wage statements issued by Defendants during that time were
17 inaccurate as a result of the alleged unpaid wages and unpaid meal and rest period premium wages.
18 Plaintiffs attributed \$50.00 to each Class Member for their initial inaccurate wage statement (per Labor
19 Code § 226) for every member of the Class, resulting in damages of \$45,850.00. In addition, the remaining
20 20,102 wage statements that were subsequently issued account for \$2,010,200.00 in damages. In total,
21 Plaintiffs calculated Defendants' maximum exposure for wage statement violations at approximately
22 \$2,056,050.00 [(\$50 x 917 initial violations) + (\$100 x 20,102 subsequent violations)].

23 9. In Plaintiffs' Motion for Preliminary Approval of Settlement, the stated number of former
24 employees is 551, while the supporting declaration of Milan Moore states the number of former employees
25 is 203. The error is in the supporting declaration; the correct number of estimated former employees is
26 551.

1 10. The First Amendment to Class Action and PAGA Settlement Agreement makes it so that
2 Class Members have 30 days from remailing to respond to the Class Notice. *See* Exhibit A.

3 11. The First Amendment to Class Action and PAGA Settlement Agreement makes it so that,
4 “While the Administrator will attempt to resolve any question of validity and authenticity of Requests for
5 Exclusion, the Court ultimately will decide any unresolved issues.” *See* Exhibit A.

6 12. The First Amendment to Class Action and PAGA Settlement Agreement reflects that the
7 Court will retain jurisdiction over the Parties, Action and Settlement pursuant to Code of Civil Procedure
8 section 664.6 and California Rules of Court rule 3.769(h). *See* Exhibit A.

9 13. I am not aware of any concurrent pending cases involving similar claims against
10 Defendants.

11 14. The First Amendment to Class Action and PAGA Settlement Agreement removes the
12 “and/or ascertained in the course of the Action” language from the Class and PAGA releases. *See* Exhibit
13 A.

14 15. The following corrections have been made to the Class Notice:

- 15 a. The class notice has been revised to be consistent with the resolution of the issues
16 identified above.
- 17 b. All pages now restart at 1.
- 18 c. All dates that can now be determined are filled in.
- 19 d. The Class Notice reflects that Participating Class Members can object to the
20 PAGA portion of the settlement.
- 21 e. The Notice informs Class Members that they may submit opt out requests,
22 objections, and disputes by fax, email, or mail.
- 23 f. The instructions in the Class Notice explicitly reference the Request for Exclusion,
24 Workweek Challenge, and Objection forms.
- 25 g. The “Allocation Form” has been renamed to “Workweek Challenge Form”.

h. The following language is now bolded: “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.”

See Exhibit C.

16. My office will provide the LWDA with a copy of the supplemental briefing and First Amendment to the Settlement Agreement after it is filed and will file a supplemental proof of service prior to the hearing.

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

Executed on January 26, 2026, at El Segundo, California.

Milan Moore

EXHIBIT A

EXHIBIT A

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

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: _____

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

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: _____

**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)

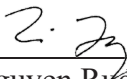
By: _____

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:

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

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 _____

FIRST AMENDMENT TO CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This First Amendment to Class Action and PAGA Settlement Agreement is reached by and between Plaintiffs Monica Fernandez and Eva Zavala (“Plaintiffs”), individually and on behalf of all members of the Settlement Class, on the one hand, and Defendants Michael Nicholas Designs, LLC and Michael Nicholas Designs, Inc. (collectively, “Defendants”), on the other hand. Plaintiffs and Defendants are referred to herein collectively as the “Parties.”

The Parties hereby agree to be bound by the terms in this First Amendment to Class Action and PAGA Settlement Agreement (this “Amendment”) which is intended to replace and supersede the definition of “Response Deadline”, as well as Paragraphs 5.2, 5.3, 7.5.2, and 10.3 of the Class Action and PAGA Settlement Agreement and Class Notice (the “Settlement Agreement”) as set forth below. Terms used herein shall have the same meaning as in the Settlement Agreement unless defined differently in this Amendment. This Amendment is being made in accordance with Paragraph 12.9 of the Settlement Agreement which provides as follows: “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.”

The Settlement Agreement shall be modified as follows:

“Response Deadline” is hereby amended to now be defined as follows:

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, email, 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 30 calendar days before the date that the Response Deadline has expired.

Paragraph 5.2 of the Settlement Agreement is hereby amended to now state as follows:

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 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.

Paragraph 5.3 of the Settlement Agreement is hereby amended to now state 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 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.

Paragraph 7.4.2 of the Settlement Agreement is hereby amended to now state as follows:

Using best efforts to perform as soon as possible, and in no event later than 14 calendar days after receiving Class Data from Defendant, 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 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.

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.

Paragraph 7.5.2 of the Settlement Agreement is hereby amended to now state as follows:

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. 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. While the Administrator will attempt to resolve any question of validity and authenticity of Requests for Exclusion, the Court ultimately will decide any unresolved issues.

Paragraph 10.3 of the Settlement Agreement is hereby amended to now state as follows:

The Parties agree that, after entry of Final Judgment, pursuant to Code of Civil Procedure section 664.6 and California Rules of Court rule 3.769(h), 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.

Dated: _____
Plaintiff Monica Fernandez

Dated: _____
Plaintiff Eva Zavala

Dated: 1-22-26

Michael Cimarusti [name]
For Defendant Michael Nicholas Designs, LLC

Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

Paragraph 7.5.2 of the Settlement Agreement is hereby amended to now state as follows:

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. 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. While the Administrator will attempt to resolve any question of validity and authenticity of Requests for Exclusion, the Court ultimately will decide any unresolved issues.

Paragraph 10.3 of the Settlement Agreement is hereby amended to now state as follows:

The Parties agree that, after entry of Final Judgment, pursuant to Code of Civil Procedure section 664.6 and California Rules of Court rule 3.769(h), 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.

Dated: Jan 26, 2026

 (Jan 26, 2026 12:47:20 PST)

Plaintiff Monica Fernandez

Dated: _____

Plaintiff Eva Zavala

Dated: _____

[name]
For Defendant Michael Nicholas Designs, LLC

Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

Paragraph 7.5.2 of the Settlement Agreement is hereby amended to now state as follows:

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. 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. While the Administrator will attempt to resolve any question of validity and authenticity of Requests for Exclusion, the Court ultimately will decide any unresolved issues.

Paragraph 10.3 of the Settlement Agreement is hereby amended to now state as follows:

The Parties agree that, after entry of Final Judgment, pursuant to Code of Civil Procedure section 664.6 and California Rules of Court rule 3.769(h), 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.

Dated: _____
Plaintiff Monica Fernandez

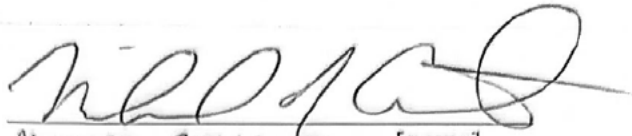
Dated: Jan 26, 2026

Eva Zavala (Jan 26, 2026 12:37:58 PST)
Plaintiff Eva Zavala

Dated: _____

[name]
For Defendant Michael Nicholas Designs, LLC

Dated: 1/23/2026


MICHAEL CIMARRUSTI [name]
For Defendant Michael Nicholas Designs, Inc.

Dated: _____

Scott M. Lidman
Milan Moore
Tiara Gose-Hardy
Lidman Law, APC
Attorney for Plaintiffs

Dated: _____

Paul K. Haines
Haines Law Group, APC
Attorney for Plaintiffs

Dated: 1/23/2026



An Nguyen Ruda
~~Yusef M. Jenkins~~ Josiah R. Jenkins
Bartko Pavia LLP
Attorney for Defendant

Dated: _____

[name]
For Defendant Michael Nicholas Designs, Inc.

Dated: January 26, 2026



Scott M. Lidman
Milan Moore
Tiara Gose-Hardy
Lidman Law, APC
Attorney for Plaintiffs

Dated: January 26, 2026



Paul K. Haines
Haines Law Group, APC
Attorney for Plaintiffs

Dated: _____

An Nguyen Ruda
Varouj N. Arabian
Bartko Pavia LLP
Attorney for Defendant

EXHIBIT B

EXHIBIT B

**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 [REDACTED]	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 [REDACTED]	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 Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.

You Can Participate in the <u> </u> <u>July 30, 2026</u> Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on <u> </u> <u>July 30, 2026</u>. 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 <u> </u>	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 <u>June 30, 2025</u> ~~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 <u>June 30, 2025</u> ~~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 <u>third</u>~~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 <u> </u>. 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 [submitting the enclosed Workweek Challenge Form via fax, email, or mail 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 enclosed~~ Request for Exclusion [Form](#) or otherwise notifying the Administrator in writing [via fax, email, or mail](#). 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. [You can object to the Class Settlement by submitting the enclosed Objection Form via fax, email, and mail, or appearing at the Final Approval hearing.](#) 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, Plaintiffs 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 [via fax, email, or mail](#), 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 ([see enclosed Request for Exclusion Form](#)) 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-third](#) 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 [or the enclosed Workweek Challenge Form](#) 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 [via fax, email, or mail the enclosed Request for Exclusion Form or](#) 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] July 30, 2026 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 July 30, 2026) 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 ([REDACTED])’s website at ([REDACTED]). 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 ([REDACTED]).

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

Class Counsel:

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
---	---

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 WORKWEEK CHALLENGE 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.>>**

|

|

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

[REDACTED]

Fernandez v. Michael Nicholas Designs

Administrator Name

c/o _____

EXHIBIT C

EXHIBIT C

**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 [date of preliminary approval], 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 [REDACTED]	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 Settlement Written Objections Must be Submitted by [REDACTED]	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 Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.

You Can Participate in the July 30, 2026 Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on July 30, 2026. 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	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 [the date of preliminary approval]) and how many pay periods you worked (at least one day during the PAGA Period of November 17, 2022 through [the date of preliminary approval]), 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 third page of this Notice. If you disagree with either of these numbers, you must challenge it by . 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] (“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] (“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 \$ (less tax withholding) and your Individual PAGA Payment is estimated to be \$**. 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, you can submit a challenge by submitting the enclosed Workweek Challenge Form via fax, email, or mail 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 enclosed Request for Exclusion Form or otherwise notifying the Administrator in writing via fax, email, or mail. 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. You can object to the Class Settlement by submitting the enclosed Objection Form via fax, email, and mail, or appearing at the Final Approval hearing. 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, Plaintiffs 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. 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 via fax, email, or mail 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 (see enclosed Request for Exclusion Form) 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 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 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; 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 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.

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 on the third 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 or the enclosed Workweek Challenge Form 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 via fax, email, or mail the enclosed Request for Exclusion Form or 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 July 30, 2026 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** . 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 July 30, 2026) at (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 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**) 622-8451.

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

Class Counsel:

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
---	---

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.

WORKWEEK CHALLENGE 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 [PRELIMINARY APPROVAL].

You were employed by Defendants and worked a total of [] pay periods during the time period between November 17, 2022 and [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.**

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 _____
