

Blake R. Jones (SBN 211221)

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BLAKE JONES LAW, PC

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Los Angeles, CA 90071

Tel: (323) 576-3221

Attorneys for Plaintiff

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

GONZALEZ, DANIEL, an individual, on
behalf of himself and all others similarly
situated;

Plaintiff,

v.

OFFLINE, INC., a California corporation;
and DOES 1 through 10, inclusive;

Defendants.

CASE NO.: 24STCV04666

NOTICE OF RULING

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TO DEFENDANT AND ITS ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on October 22, 2024, at 8:30 a.m., Plaintiff’s Motion for Approval of PAGA Settlement was heard by the above-captioned Court with appearances by Blake R. Jones for Plaintiff and Kyle Ignatius for Defendant; and, the Court issued the rulings/orders attached hereto as Exhibit A.

Dated: October 23, 2024

BLAKE JONES LAW, PC.

By: 
Blake R. Jones
Attorneys for Plaintiff

EXHIBIT A

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

Civil Division

Central District, Stanley Mosk Courthouse, Department 76

24STCV04666

October 22, 2024

**DANIEL GONZALEZ, AN INDIVIDUAL, ON BEHALF OF
HIM AND ALL OTHERS SIMILARLY SITUATED vs
OFFLINE, INC., A CALIFORNIA CORPORATION**

8:30 AM

Judge: Honorable Christopher K. Lui
Judicial Assistant: C. Cain
Courtroom Assistant: S. Sato

CSR: None
ERM: None
Deputy Sheriff: None

APPEARANCES:

For Plaintiff(s): Blake R. Jones (Telephonic)

For Defendant(s): Kyle Ignatius for Katherine C. DenBleyker (Telephonic)

NATURE OF PROCEEDINGS: Hearing on Motion for Order of Plaintiff, Daniel Gonzalez, for Approval of PAGA Settlement [Res. ID# 049900411073]

The matter is called for hearing.

The Court has read and considered the moving papers and all documents in support thereof.

The parties are heard.

After discussion, the Court rules as follows:

The Motion for Approval of PAGA Settlement [Res. ID #1073] filed by Daniel Gonzalez on 09/13/2024 is Granted.

The order is signed and filed this date and incorporated herein.

Pursuant to stipulation of the parties, the Court dismisses the matter as follows:

The Court orders the Complaint filed by Daniel Gonzalez, an individual, ON BEHALF OF HIM AND ALL OTHERS SIMILARLY SITUATED on 02/26/2024 dismissed with prejudice.

The Court retains jurisdiction to make orders to enforce any and all terms of settlement, including judgment, pursuant to Code of Civil Procedure Section 664.6.

The following event(s) is/are advanced to this date and vacated:
10/30/2024 8:30 AM Case Management Conference in Department 76

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

Civil Division

Central District, Stanley Mosk Courthouse, Department 76

24STCV04666

October 22, 2024

**DANIEL GONZALEZ, AN INDIVIDUAL, ON BEHALF OF
HIM AND ALL OTHERS SIMILARLY SITUATED vs
OFFLINE, INC., A CALIFORNIA CORPORATION**

8:30 AM

Judge: Honorable Christopher K. Lui

CSR: None

Judicial Assistant: C. Cain

ERM: None

Courtroom Assistant: S. Sato

Deputy Sheriff: None

Plaintiff is to give notice as to the California Labor and Workforce Development of Agency
("LWDA")

Blake R. Jones (SBN 211221)
blake@blakejones.law
BLAKE JONES LAW, PC
355 South Grand Avenue
Suite 2450 - #2052
Los Angeles, CA 90071
Tel: (323) 576-3221

Attorneys for Plaintiff

FILED
Superior Court of California
County of Los Angeles
10/22/2024

David W. Slayton, Executive Officer / Clerk of Court
By: C. Cain Deputy

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

GONZALEZ, DANIEL, an individual, on
behalf of himself and all others similarly
situated;

Plaintiff,

v.

OFFLINE, INC., a California corporation;
and DOES 1 through 10, inclusive;

Defendants.

CASE NO.: 24STCV04666

**~~PROPOSED~~ ORDER RE PLAINTIFF'S
MOTION FOR APPROVAL OF PAGA
SETTLEMENT**

[Filed Concurrently with Motion for Approval of
PAGA Settlement; and Declarations of Blake R.
Jones and Daniel Gonzalez]

Hon. Christopher K. Lui

Date: October 22, 2024
Time: 8:30 AM
Dept: 76

Reservation ID: 049900411073

1 **TO ALL PARTIES AND THEIR COUNSEL OF RECORD:**

2 PLEASE TAKE NOTICE that on October 22, 2024, Plaintiff's Motion for Approval of
3 PAGA Settlement was heard by this Court, the Hon. ~~Colin P. Leis~~ Christopher K. Lui presiding. The Court having
4 considered the papers and arguments submitted in support thereof,

5 **HEREBY ORDERS AS FOLLOWS:**

6 1. All terms used herein shall have the same meaning as defined in the PAGA
7 Settlement Agreement (the "Agreement") attached hereto as **Exhibit 1**.

8 2. Pursuant to Labor Code section 2699.3, Plaintiff provided notice to the California
9 Labor and Workforce Development of Agency ("LWDA") of Plaintiff's intent to pursue this
10 action against Defendant on December 18, 2023.

11 3. Pursuant to former Labor Code section 2699(1)(2)¹, Plaintiff submitted the
12 Agreement to LWDA via electronic submission on August 29, 2024.

13 4. The Court has jurisdiction over the subject matter of this litigation, All Aggrieved
14 Employees, and over those persons and entities undertaking obligations under the Agreement.

15 5. The Agreement is Approved pursuant to Labor Code section 2699(1)(2). The Court
16 finds that the Agreement is, in all respects, fair, adequate, reasonable, and just and is not arbitrary,
17 oppressive or confiscatory and directs the Parties to effectuate the Agreement according to its
18 terms. The Court finds that the Agreement has reached as a result of informed and non-collusive
19 arm's-length negotiations. The Court further finds that the Parties have conducted extensive
20 investigation and research and their attorneys were able to reasonably evaluate their respective
21 positions. The Court also finds that settlement now will avoid additional and potentially
22 substantial litigation costs, as well as delay and risks if the Parties were to continue to litigate the
23 case. The Court has reviewed the monetary recovery being provided as part of the Settlement and
24 recognizes the significant value accorded to Plaintiff and each Aggrieved Employee.

25 _____
26 ¹ The California Legislature amended Labor Code section 2699 in July 2024. The new provisions
27 apply to PAGA actions filed on or after June 19, 2024. This Action was filed before then. All
28 citations to Labor Code section 2699 refer to the statutory provision prior to the amendment.

6. The Notice of PAGA settlement, attached hereto as **Exhibit 2**, fairly and adequately describes the Action, the terms of the Settlement, and is the best notice practicable under the circumstances. The Administrator shall also include a certified Spanish translation of the Notice of PAGA Settlement to the Aggrieved Employees.

7. The Court further orders, adjudges, and decrees the following release of claims upon the Effective Date set forth in the Agreement:

(a) Plaintiff's Release. Plaintiff and his respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors and assigns generally, release and discharge Released Parties from all claims, demands, charges, grievances, causes of action, transactions, or occurrences that occurred during Plaintiff's employment with Defendant or are in any way connected to Plaintiff's employment with Defendant or Plaintiff's separation from Defendant, 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 the PAGA Notice, including Plaintiff's claims pursuant to California Labor Code sections, 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, 203, 205.5, 226, 226.3, 226.7, 246, 432.5, 432.6, 510, 512, 516, 558, 1174, 1194, 1197, 1197.1, 1198, 2698 et seq., and 2802 (b) any and all claims for civil penalties pursuant to PAGA arising at any time during the PAGA period and alleged in the pleadings, alleged in the LWDA notice, prosecuted in this lawsuit, as well as claims for civil penalties arising at any time during the PAGA period that could have been alleged based on the facts alleged in the pleadings, stated in the LWDA notice, or raised in this case, including Plaintiff's claims pursuant to California Labor Code sections, 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, 203, 204 205.5, 226, 226.3, 226.7, 246, 432.5, 432.6, 510, 512, 516, 558, 1174, 1194, 1197, 1197.1, 1198, 2698 et seq., and 2802; (c) discrimination, harassment, and retaliation under local, state or federal law based on age, sex, race, color, national origin, religion, disability status, or any other category protected by any such law including, but not limited to, Federal and State Civil Rights Statutes; wrongful termination, breach of express and implied-in-fact contract, breach of the covenant of good faith and fair dealing, intentional and negligent infliction of emotional

1 distress, defamation and self-compelled defamation, invasion of privacy, breach of employment
2 contract, fraud or negligent misrepresentation, assault, battery, intentional interference with
3 contractual relations and prospective economic advantage, violation of public policy, and other
4 torts; failure to pay wages, overtime, meals and rest breaks, penalties, interest, severance pay,
5 commissions, bonuses, sick leave, holiday pay, vacation pay, either individually or as part of a
6 class action, collective action and/or representative action; violation of California Business and
7 Professions Code Section 17200, et seq., and/or the California Labor Code, including Labor Code
8 section 1102.5; the California Fair Employment and Housing Act; the California Industrial
9 Welfare Commission 17200, et seq., and/or the California Labor Code, including Labor Code
10 section 1102.5; the California Fair Employment and Housing Act; the California Industrial
11 Welfare Commission

12 (b) Release by Aggrieved Employees. All Aggrieved Employees are deemed to waive and
13 release, on behalf of themselves and their respective former and present representatives, agents,
14 attorneys, heirs, administrators, successors and assigns, the Released Parties from any and all claims
15 for PAGA penalties arising at any time during the PAGA period and alleged in the pleadings, alleged
16 in the LWDA notice, prosecuted in this lawsuit, as well as claims for PAGA penalties arising at any
17 time during the PAGA period that could have been alleged based on the facts alleged, or reasonably
18 could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and
19 the PAGA Notice, including any PAGA claim for violations of California Labor Code sections, 201,
20 201.3, 201.5, 201.6, 201.8, 201.9, 202, 203, 204 205.5, 226, 226.3, 226.7, 246, 432.5, 432.6, 510,
21 512, 516, 558, 1174, 1194, 1197, 1197.1, 1198, 2698 et seq., and 2802.

22 (c) Release by PAGA Counsel. PAGA Counsel release on behalf of their present and former
23 attorneys, employees, agents, successors and assigns the Released Parties from any and all claims
24 for civil penalties pursuant to PAGA arising at any time during the PAGA period and alleged in the
25 pleadings, alleged in the LWDA notice, prosecuted in this lawsuit, as well as claims for civil
26 penalties arising at any time during the PAGA period that could have been alleged based on the
27 facts alleged in the pleadings, stated in the LWDA notice, or raised in this case, including Plaintiff's

1 claims pursuant to California Labor Code sections, 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, 203,
2 204 205.5, 226, 226.3, 226.7, 246, 432.5, 432.6, 510, 512, 516, 558, 1174, 1194, 1197, 1197.1,
3 1198, 2698 et seq., and 2802.

4 8. The Court approves the Goss Settlement Amount (\$65,000.00), as well as the
5 components of the Gross Settlement Amount, including the Individual PAGA Payments (\$7,271.38)
6 and the LWDA PAGA Payment (\$21,814.12), including the methodology for calculating these
7 amounts.

8 9. The Court approves Simpluris, Inc., as the Administrator and approves its costs and
9 fees not to exceed \$3,500.00.

10 10. The Court approves Plaintiff's Individual Enhancement of \$10,000.00 in exchange
11 for his release of claims.

12 11. The Court approves the PAGA Counsel Fees Payment of \$21,664.50 and PAGA
13 Counsel Litigation Expense Payment of \$750.00, finding that the attorney's fees and costs are
14 reasonable and warranted.

15 12. The checks for the Individual PAGA Payments shall be negotiable for 180 days after
16 they are issued. Any funds remaining from uncashed checks for the Individual PAGA Payments
17 shall be disbursed to the California Controller's Unclaimed Property Fund in the name of the
18 respective Aggrieved Employees.

19 13. The Administrator shall administer the Agreement pursuant to its terms.

20 14. The Court retains jurisdiction over this Action for the purposes of supervising,
21 administering, interpreting and enforcing the Agreement.

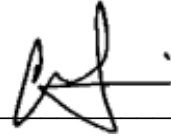
22 15. Plaintiff shall submit a copy of this Order and Judgement to the LWDA within 10
23 days of the date of this Order.

24 16. The Agreement is not an admission by Defendant or Released Parties defined above,
25 nor is this Order a finding of the validity of any allegations or of any wrongdoing by Defendant or
26 Released Parties. Neither this Order, the Settlement, nor any document referred to herein, nor any
27 action taken to carry out the Agreement, may be construed as, or may be used as an admission of

1 any fault, wrongdoing, omission, concession, or liability whatsoever by or against Defendant or
2 Released Parties.

3 17. The Action is hereby DISMISSED WITH PREJUDICE.

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5 Dated: October 22 , 2024



6 Hon. Christopher K. Lui

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EXHIBIT 1

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Daniel Gonzalez, an individual, on behalf of himself and all other similarly situated, (“Plaintiff”) and defendant Offline, Inc. dba Sugar Lips, a California corporation (“Defendant” or “Offline”). The Agreement refers to Plaintiff and Offline collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1 “Action” means the Plaintiff’s PAGA lawsuit alleging wage and hour violations against Offline captioned *Daniel Gonzalez, et al. v. Offline, Inc.* initiated on February 26, 2024, and pending in Superior Court of the State of California, County of Los Angeles, as case number 24STCV04666.
- 1.2 “Administrator” means ILYM Group, Inc., of which 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 approval of this Settlement.
- 1.4 “Aggrieved Employee” means any current or former employee who was employed by Defendant Offline, Inc. dba Sugar Lips, as a non-exempt hourly employee in the State of California during the PAGA Period, including Plaintiff Daniel Gonzalez.
- 1.5 “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendants’ possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.
- 1.6 “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee 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 Aggrieved Employees.
- 1.7 “Court” means the Superior Court of California, County of Los Angeles.
- 1.8 “Defense Counsel” means O’Hagan Meyer, LLP.
- 1.9 “Effective Date” means the date by when both of the following have occurred: (a) Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) the day the Court enters Judgment.

- 1.10 “Gross Settlement Amount” means \$65,000 which is the total amount Offline agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the Individual Payment to Plaintiff Gonzalez, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator’s Expenses Payment.
- 1.11 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.12 “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.13 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subdivision (i).
- 1.14 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).
- 1.15 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the Individual Payment to Plaintiff Gonzalez, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.
- 1.16 “PAGA Counsel” means Blake Jones Law PC, the attorneys representing the Plaintiff and Aggrieved Employees in the Action.
- 1.17 “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.18 “PAGA Pay Period” means any pay period during which an Aggrieved Employee worked for Offline for at least one day during the PAGA Period.
- 1.19 “PAGA Period” means the period from December 18, 2022 through August 24, 2024.
- 1.20 “PAGA” means the Labor Code Private Attorneys General Act (Lab. Code, § 2698. et seq.).
- 1.21 “PAGA Notice” means Plaintiff’s December 18, 2023 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).
- 1.22 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid

from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$7,271.38) and the 75% to LWDA (\$21,814.12) in settlement of PAGA claims.

- 1.23 “Plaintiff” means Daniel Gonzalez, the named-representative plaintiff in the Action.
- 1.24 “Approval Order” means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.25 “Released PAGA Claims” means the claims being released by the Plaintiff, the State of California, Aggrieved Employees, and PAGA Counsel, and as described in Paragraph 5 below.
- 1.26 “Released Parties” means Offline, Inc. dba Sugar Lips, and each of its former and present directors, officers, shareholders, owners, members, attorneys, accountants, insurers, predecessors, successors, parents, assigns, subsidiaries, agents, joint employers, and affiliates.
- 1.27 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.28 “Offline” or “Defendant” means named Defendant, Offline, Inc. dba Sugar Lips.

2. RECITALS.

- 2.1 On December 18, 2023, Plaintiff filed a notice of intent to bring a PAGA lawsuit with the LWDA. The LWDA did not respond to Plaintiff’s PAGA Notice. On February 26, 2024, Plaintiff commenced this Action by filing a PAGA Representative Action Complaint alleging causes of action against Defendant for violations pursuant to Labor Code section 2698, et seq. This Complaint is the operative complaint in the Action (the “Operative Complaint.”). Offline denies the allegations in the PAGA Notice, the Operative Complaint, or otherwise raised in this case. Further, Offline denies any failure to comply with the laws identified in in the PAGA Notice, the Operative Complaint, or otherwise raised in this case. Offline denies any and all liability for the causes of action alleged.
- 2.2 Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.3 Between April 16, 2024, and June 24, 2024, the Parties participated in extensive informal settlement discussions, which led to this Agreement to settle the Action.
- 2.4 Prior to negotiating the settlement, Plaintiff obtained through informal discovery, a sampling of time and payroll data for the aggrieved employees, and figures and information regarding the total number of aggrieved employees and PAGA pay periods.

2.5 The Parties, PAGA 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 9 below, Offline promises to pay \$65,000 and no more as the Gross Settlement Amount. Offline has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Offline.

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 PAGA Counsel: A PAGA Counsel Fees Payment of not more than 33.33% which is currently estimated to be \$21,664.50, and PAGA Counsel Litigation Expenses Payment of not more than \$750.00. Offline will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA 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 PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Offline harmless, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2 To the Administrator: An Administrator Expenses Payment not to exceed \$3,500 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$3,500, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.3 To the Plaintiff: An Individual Enhancement of \$10,000.00 ("the Individual Enhancement Payment") in consideration for Plaintiff's full general release of claims against Defendant.

3.2.4 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$29,085.50 to be paid from the Gross Settlement Amount, with 75% (\$21,814.12)

allocated to the LWDA PAGA Payment and 25% (\$7,271.38) allocated to the Individual PAGA Payments.

3.2.4.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Period 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. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

3.2.4.2 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.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Aggrieved Employee Pay Periods. Based on a review of its records to date, Offline estimates there are 46 Aggrieved Employees who worked a total of 1,150 PAGA Pay Periods.

4.2 Aggrieved Employee Data. Within five (5) business day of Court of approval of this Agreement, Offline will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Offline has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Offline must send the Aggrieved Employee 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 Aggrieved Employee Data.

4.3 Funding of Gross Settlement Amount. Offline shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 30 days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within 14 days after Offline funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Expenses Payment. Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.4.1 The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees 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. 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 an Aggrieved Employee Address Search for all Aggrieved Employees 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 Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

4.4.3 For any Aggrieved Employee whose 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 Aggrieved Employee.

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

5. RELEASES OF CLAIMS. Effective on the date when Offline fully funds the entire Gross Settlement Amount Plaintiff and PAGA Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. Plaintiff and his respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors and assigns generally, release and discharge Released Parties from all claims, demands, charges, grievances, causes of action, transactions, or occurrences that occurred during Plaintiff's employment with Defendant or are in any way connected to Plaintiff's employment with Defendant or Plaintiff's separation from Defendant, 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 the PAGA Notice, including Plaintiff's claims pursuant to California Labor Code sections, 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, 203, 205.5, 226, 226.3, 226.7, 246, 432.5, 432.6, 510, 512, 516, 558, 1174, 1194, 1197, 1197.1, 1198, 2698 et seq., and 2802 (b) any and all claims for civil penalties pursuant to PAGA arising at any time during the PAGA period and alleged in the pleadings, alleged in the LWDA notice, prosecuted in this lawsuit, as well as claims for civil penalties arising at any time during the PAGA

period that could have been alleged based on the facts alleged in the pleadings, stated in the LWDA notice, or raised in this case, including Plaintiff's claims pursuant to California Labor Code sections, 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, 203, 204, 205.5, 226, 226.3, 226.7, 246, 432.5, 432.6, 510, 512, 516, 558, 1174, 1194, 1197, 1197.1, 1198, 2698 et seq., and 2802; (c) discrimination, harassment, and retaliation under local, state or federal law based on age, sex, race, color, national origin, religion, disability status, or any other category protected by any such law including, but not limited to, Federal and State Civil Rights Statutes; wrongful termination, breach of express and implied-in-fact contract, breach of the covenant of good faith and fair dealing, intentional and negligent infliction of emotional distress, defamation and self-compelled defamation, invasion of privacy, breach of employment contract, fraud or negligent misrepresentation, assault, battery, intentional interference with contractual relations and prospective economic advantage, violation of public policy, and other torts; failure to pay wages, overtime, meals and rest breaks, penalties, interest, severance pay, commissions, bonuses, sick leave, holiday pay, vacation pay, either individually or as part of a class action, collective action and/or representative action; violation of California *Business and Professions Code* Section 17200, et seq., and/or the California *Labor Code*, including *Labor Code* section 1102.5; the California Fair Employment and Housing Act; the California Industrial Welfare Commission 17200, et seq., and/or the California Labor Code, including Labor Code section 1102.5; the California Fair Employment and Housing Act; the California Industrial Welfare Commission ("Plaintiff's Release"). It is Plaintiff's intention that Plaintiff's execution of this Agreement will forever bar every claim, demand, cause of action, charge and grievance against Defendant existing at any time prior to and through the date of execution of this Agreement. Plaintiff's 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 arose at any time, or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes 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 Aggrieved Employees:

All Aggrieved Employees are deemed to waive and release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs,

administrators, successors and assigns, the Released Parties from any and all claims for PAGA penalties arising at any time during the PAGA period and alleged in the pleadings, alleged in the LWDA notice, prosecuted in this lawsuit, as well as claims for PAGA penalties arising at any time during the PAGA period that could have been alleged based on the facts alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice, including any PAGA claim for violations of California Labor Code sections, 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, 203, 204 205.5, 226, 226.3, 226.7, 246, 432.5, 432.6, 510, 512, 516, 558, 1174, 1194, 1197, 1197.1, 1198, 2698 et seq., and 2802.

5.3 Release by PAGA Counsel:

PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from any and all claims for civil penalties pursuant to PAGA arising at any time during the PAGA period and alleged in the pleadings, alleged in the LWDA notice, prosecuted in this lawsuit, as well as claims for civil penalties arising at any time during the PAGA period that could have been alleged based on the facts alleged in the pleadings, stated in the LWDA notice, or raised in this case, including Plaintiff's claims pursuant to California Labor Code sections, 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, 203, 204 205.5, 226, 226.3, 226.7, 246, 432.5, 432.6, 510, 512, 516, 558, 1174, 1194, 1197, 1197.1, 1198, 2698 et seq., and 2802.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT. The Parties agree to prepare and file an application or motion for approval of this Settlement.

- 6.1 Plaintiff's Responsibilities.** Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code section 2699, subdivision (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) 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 Aggrieved Employee 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 Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Lab. Code, §2699, subd. (1)(1)), this Agreement (Lab. Code, § 2699, subd. (1)(2)); (iv) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (v) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their Declarations, Plaintiff and PAGA 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.

- 6.2 Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than thirty (30) days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA 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 application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA 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 the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA 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 Simpluris, Inc. to serve as the Administrator and verified that, as a condition of appointment, Simpluris, Inc., 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 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 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.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES and ESCALATOR CLAUSE

Based on its records, Offline estimates that, as of the date of the Settlement, there are 46 Aggrieved Employees who worked 1,150 Pay Periods during the PAGA Period.

9. **CONTINUING JURISDICTION OF THE COURT.** The Parties agree that, after entry of Judgment, 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.

- 9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel 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 another party 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. ADDITIONAL PROVISIONS.

- 10.1 No Admission of Liability 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 Offline that any of the allegations in the Operative Complaint have merit or that Offline has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's 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).
- 10.2 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.
- 10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Offline 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.
- 10.4 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.

- 10.5 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.
- 10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Offline 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.
- 10.7 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.
- 10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 10.9 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.
- 10.10 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.
- 10.11 Confidentiality. To the extent permitted by law, all agreements made and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Offline 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 California Rules of Court rule. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendant or Defense Counsel unless, prior to the Administrator's payment of all Settlement Funds, Defense Counsel makes a written request to PAGA Counsel for the return, rather than the destruction, of Aggrieved Employee Data.

- 10.13 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.
- 10.14 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.
- 10.15 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 Plaintiff:

Blake R. Jones
Blake Jones Law, PC
355 South Grand Ave., Suite 2450 - #2052
Los Angeles, CA 90071
Telephone: (323) 576-3221

To: Offline, Inc. dba Sugar Lips

Katherine C. Den Bleyker
Elizabeth M. Martin
O’Hagan Meyer LLP
550 South Hope St., Suite 2400
Los Angeles, CA 90071
(213) 423-6018

- 10.16 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email 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.
- 10.17 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 Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

Plaintiff Daniel Gonzalez, on behalf of
himself, the Aggrieved Employees, and the
State of California

Date:

BLAKE JONES LAW PC

COUNSEL FOR PLAINTIFF

DATE: _____



Defendant, Offline, Inc.

By: Karen Park

Its: C.F.O.

Date: 08.19.2024

O'HAGAN MEYER LLP



COUNSEL FOR DEFENDANT

DATE: August 23, 2024

Daniel Gonzalez
Plaintiff Daniel Gonzalez, on behalf of
himself, the Aggrieved Employees, and the
State of California

Date: 8-15-02

BLAKE JONES LAW PC


COUNSEL FOR PLAINTIFF

DATE: 08/20/24

Defendant, Offline, Inc.

By: _____

Its: _____

Date: _____

O'HAGAN MEYER LLP

COUNSEL FOR DEFENDANT

DATE: _____

EXHIBIT 2

NOTICE OF PAGA SETTLEMENT AND RELEASE OF CLAIMS

Gonzalez v. Offline, Inc.

Superior Court of the State of California for the County of Los Angeles,
Case No. 24STCV04666

<<Employee Name>>

<<Street Address>>

<<City, State, Zip Code>>

1. NOTICE OF PAGA SETTLEMENT

The Superior Court of the State of California for the County of Los Angeles (the “Court”) has approved a settlement in the above-captioned action filed by Daniel Gonzalez (“Plaintiff”) against Offline, Inc. (“Offline” or “Defendant”) asserting a claim under the California Private Attorneys General Act (“PAGA”) (Labor Code §§ 2698 et seq.) on behalf of himself and all other Aggrieved Employees (the “Action”). Plaintiff and Defendant are collectively referred to herein as the “Parties.

PLEASE DO NOT CONTACT THE COURT REGARDING THIS NOTICE

In the Action, Plaintiff asserts that Defendants failed to comply with provisions of the California Labor Code giving rise to civil penalties, including for (1) failing to maintain accurate records; (2) failing to provide compliant meal periods, (3) failing to provide compliant rest periods, (4) failing to pay minimum wage and overtime for all hours worked; (5) failing to provide sick pay, (6) failing to reimburse business expenses, (7) failing to provide sick pay; (8) failing provide accurate wage statements; and (9) failing to timely pay wages. Plaintiff seeks to recover civil penalties on behalf of the California Labor and Workforce Development Agency (“LWDA”) and other Aggrieved Employees under PAGA.

Defendant denies Plaintiff’s claims, asserts that Plaintiff is not entitled to any relief, and asserts that it has complied with all applicable employment laws.

The Court has not made any determination about the merits of Plaintiff’s allegations or Defendant’s defenses. This Notice is not an expression by the Court as to the merits of the Action.

Offline denies all liability and is confident it has strong legal and factual defenses to these claims, but recognizes the risks, distractions, and costs associated with continued litigation. Offline contends that its business practices are and have been lawful at all relevant times and maintains that it was in compliance with the California Labor Code at all times and enter into this Settlement with no admission of liability and solely for the purposes of compromising and settling the action to avoid the cost and operational burden of continued litigation

You are receiving this Notice because you are an “Aggrieved Employee,” which is defined as all non-exempt employees who were employed by Defendant as a non-exempt employee at any time from December 18, 2022 – August 24, 2024 (“PAGA Period”)

2. CALCULATION OF INDIVIDUAL PAGA PAYMENTS

By law, under the Private Attorney Generals Act, the amount recovered in settlement, after paying for attorneys' fees and costs, costs of administration of settlement, and the PAGA Representative Enhancement Payment ("Net Settlement Amount"), is to be split between the State of California and the PAGA Settlement Members. The State receives 75% of the Net Settlement Amount and the PAGA Settlement Members receive 25% of the Net Settlement Amount (to be allocated on a pro rata basis).

According to Defendant's records, you worked <<No. of Pay Periods>> pay periods during the PAGA Period. The total amount of pay periods worked by all Aggrieved Employees during the PAGA Period is <<Total Number of Pay Periods in PAGA Period>>.

Each individual PAGA payment was calculated on a pro rata basis (i.e., proportional) based on the number of pay periods worked by Each Aggrieved Employee in the PAGA Pay Period divided by the total number of pay periods worked by all Aggrieved Employees.

Your Individual PAGA payment is <<Check Amount>>.

Please be advised that your settlement check is negotiable for 180 days. If you fail to cash or deposit your check before this deadline, the fund shall be disbursed to the California Controller's Unclaimed Property Fund in your name.

3. RELEASE

The Court has approved the Parties' Settlement Agreement. By operation of the Settlement's terms, all Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notices, including, any PAGA claim for violations of California Labor Code sections, 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, 203, 204, 205.5, 226, 226.3, 226.7, 246, 432.5, 432.6, 510, 512, 516, 558, 1174, 1194, 1197, 1197.1, 1198, 2698 et seq., and 2802.

"Released Parties" shall mean Offline, Inc. dba Sugar Lips, and each of its former and present directors, officers, shareholders, owners, members, attorneys, accountants, insurers, predecessors, successors, parents, assigns, subsidiaries, agents, joint employers, and affiliates.

Upon entry of the Order approving the Settlement, all Aggrieved Employees will be barred from pursuing any claim released by the Settlement.

4. SETTLEMENT ADMINISTRATOR

The Settlement Administrator is Simpluris, Inc. Should you have questions, you may contact the Settlement Administrator toll-free at 1 (800) 779-2104. Please notify the Settlement Administrator in the event your address has changed.

PLEASE DO NOT CONTACT THE COURT ABOUT THIS NOTICE

4854-9388-4885, v. 1