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and on behalf of others similarly situated

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CRUZ**

TYLER EMERY individually and on behalf of
others similarly situated,
Plaintiff,

vs.

SANTA CRUZ BICYCLES, LLC; and DOES
1 through 25, inclusive, Defendants.
Defendants.

Case No.: 24CV00244

*Assigned for all purposes to the Honorable
Syda K. Cogliati, Dept. 5*

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

Date: October 7, 2024
Time: 8:30 a.m.
Dept.: 5

Complaint Filed: January 25, 2024
Trial Date: Not Set

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[PROPOSED] ORDER

On October 7, 2024, at 8:30 a.m. in Department 5 of the above-captioned Court located at 701 Ocean Street, Santa Cruz, California 95060, Plaintiff Tyler Emery's ("Plaintiff") Motion for Preliminary Approval of Class Action and PAGA Settlement came on for hearing before the Honorable Syda K. Cogliati. Blackstone Law, APC appeared on behalf of Plaintiff and BOL Law appeared on behalf of Defendant Santa Cruz Bicycles, LLC ("Defendant").

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

IT IS HEREBY ORDERED THAT:

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

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

3. The Settlement appears to be fair, adequate, and reasonable. Extensive investigation and research have been conducted such that counsel for the parties at this time are able to reasonably evaluate their respective positions. The Settlement will avoid substantial additional costs by all parties, as well as avoid the delay and risks that would be presented by further prosecution of the case, and that the Settlement has been reached as the result of intensive, serious, and non-collusive, arms-length negotiations, and was entered into in good faith.

4. The Court preliminarily finds that the Settlement, including the allocations for the Class Counsel's Attorneys' Fees and Class Counsel's Litigation Costs, Class Representative Incentive Payment, LWDA Payment, Settlement Administration Costs, and payments to the Participating Class Members and Aggrieved Employees provided for in the Settlement Agreement, appears to be within the range of reasonableness of a settlement that could ultimately be given final approval by this Court.

1 Indeed, the Court has reviewed the monetary recovery that is being granted as part of the Settlement
2 and preliminarily finds that the monetary settlement awards made available to the Class Members and
3 Aggrieved Employees are fair, adequate, and reasonable when balanced against the risks of further
4 litigation relating to certification, liability, and damages issues and are consistent with the
5 requirements of California Labor Code § 2699(1).

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

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

17 All current and former hourly-paid and/or non-exempt employees who worked for
18 Defendant in the State of California at any time during the Class Period.

19 (The Class Period is defined as the period from January 25, 2020, through October
20 15, 2024.)

21 7. The Court provisionally appoints Jonathan M. Genish, Karen I. Gold, Ashley H. Cruz,
22 and Marissa A. Mayhood of Blackstone Law, APC as counsel for the Class ("Class Counsel").

23 8. The Court provisionally appoints Plaintiff Tyler Emery as the representative of the
24 Class ("Class Representative").

25 9. The Court provisionally appoints ILYM Group, Inc. to handle the administration of the
26 Settlement ("Settlement Administrator").

27 10. Within fifteen (15) calendar days following the Preliminary Approval Date, Defendant
28 will provide the Settlement Administrator with the Class List: each Class Members' (1) full name; (2)
last known address; (3) Social Security Number or Individual Taxpayer Identification Number; (4)

1 dates worked for the Defendant during the Class Period; (5) last known telephone number; (6) names
2 and amounts paid to each Class Member in connection with any prior settlement efforts obtained in
3 connection to the Actions; and (7) the number of workweeks worked during the Class Period and
4 PAGA Period (or information allowing the Settlement Administrator to calculate same).

5 11. The Court approves, both as to form and content, the Notice of Proposed Class Action
6 and PAGA Representative Action Settlement (“Class Notice”) attached hereto as **Exhibit 1**. The Class
7 Notice shall be provided to Class Members in the manner set forth in the Settlement Agreement. The
8 Court finds that the Class Notice appears to fully and accurately inform the Class Members of all
9 material elements of the Settlement, of Class Members’ right to be excluded from the Class Settlement
10 by submitting a Request for Exclusion, of Class Members’ right to dispute the Credited Workweeks
11 to each of them by submitting a Credited Workweeks dispute, and of each Participating Class
12 Member’s right and opportunity to object to the Class Settlement by submitting a notice of objection
13 to the Settlement Administrator. The Court further finds that the Class Notice will be addressed to the
14 name of each Class Member. The Court further finds that distribution of the Class Notice substantially
15 in the manner and form set forth in the Settlement Agreement and this Order, and that all other dates
16 set forth in the Settlement Agreement and this Order, meet the requirements of due process and shall
17 constitute due and sufficient notice to all persons entitled thereto. The Court further orders the
18 Settlement Administrator to mail the Class Notice by First-Class U.S. Mail in English and Spanish to
19 all Class Members within five (5) business days of receipt of the Class List, pursuant to the terms set
20 forth in the Settlement Agreement.

21 12. The Court hereby preliminarily approves the proposed procedure, set forth in the
22 Settlement Agreement, for seeking exclusion from the Class Settlement. Any Class Member may
23 choose to be excluded from the Class Settlement by submitting a Request for Exclusion in conformity
24 with the requirements set forth in the Class Notice, to the Settlement Administrator, postmarked on or
25 before the date that is forty-five (45) calendar days from the initial mailing of the Class Notice by the
26 Settlement Administrator to Class Members (“Response Deadline”) or, in the case of a re-mailed Class
27 Notice, the Response Deadline shall be the original Response Deadline or 10 calendar days after the
28 re-mailing of the Class Notice, whichever is later. Any such person who timely and validly chooses to

1 opt out of, and be excluded from, the Class Settlement will not be entitled to any recovery under the
2 Class Settlement and will not be bound by the Class Settlement or have any right to object, appeal, or
3 comment thereon. Nevertheless, all Aggrieved Employees will be issued their PAGA Settlement
4 Payment, irrespective of whether they submit a Request for Exclusion. To the extent a Class Member
5 does not submit a timely and valid Request for Exclusion (i.e., Participating Class Members), such
6 Class Member shall be bound by the Settlement Agreement and any final judgment based thereon.

7 13. A Final Approval Hearing shall be held before this Court on _____
8 at _____ a.m./p.m. in Department 5 of the Santa Cruz County Superior Court, located at
9 701 Ocean Street, Santa Cruz 95060, to determine all necessary matters concerning the Settlement,
10 including: whether the proposed settlement of the actions, titled *Emery v. Santa Cruz Bicycles, LLC*,
11 Santa Cruz Superior Court, Case No. 24CV00244 and *Emery v. Santa Cruz Bicycles, LLC*, Santa Cruz
12 Superior Court, Case No. 24CV00839, on the terms and conditions provided for in the Settlement is
13 fair, adequate, and reasonable and should be finally approved by the Court; whether a judgment, as
14 provided in the Settlement, should be entered herein; whether the plan of allocation contained in the
15 Settlement should be approved as fair, adequate, and reasonable to the Class Members and Aggrieved
16 Employees; and determine whether to approve the requests for the Class Counsel's Attorneys' Fees
17 and Class Counsel's Litigation Costs, Class Representative Incentive Payment, Settlement
18 Administration Costs, and allocation for the PAGA Payment.

19 14. Class Counsel shall file a motion for final approval of the Settlement and for Class
20 Counsel's Attorneys' Fees and Class Counsel's Litigation Costs, Class Representative Incentive
21 Payment, and Settlement Administration Costs, along with the appropriate declarations and supporting
22 evidence, including the Settlement Administrator's declaration, by sixteen (16) court days prior to the
23 Final Approval Hearing, to be heard at the Final Approval Hearing.

24 15. To object to the Class Settlement, a Participating Class Member must submit their
25 notice of objection to the Settlement Administrator on or before the Response Deadline. The notice
26 of objection must be signed and must contain the information that is required, as set forth in the Class
27 Notice, including and not limited to the grounds for the objection. Class Members, individually or
28 through counsel, may also present their objection orally at the Final Approval Hearing, regardless of

1 whether they have submitted a notice of objection.

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

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

12 **IT IS SO ORDERED.**

13
14 Dated: _____

The Honorable Syda K. Cogliati
Judge of the Superior Court

EXHIBIT 1

NOTICE OF PROPOSED CLASS ACTION AND PAGA REPRESENTATIVE ACTION SETTLEMENT

Tyler Emery v. Santa Cruz Bicycles, LLC

Superior Court of California for the County of Santa Cruz, Case Nos. 24CV00244 and 24CV00839

PLEASE READ THIS CLASS NOTICE CAREFULLY.

You have received this Class Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Class Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Credited Workweeks that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiff Tyler Emery ("Plaintiff") and Defendant Santa Cruz Bicycles, LLC ("Defendant") (Plaintiff and Defendant are collectively referred to as the "Parties") in the cases entitled *Tyler Emery v. Santa Cruz Bicycles, LLC*, Santa Cruz County Superior Court, Case Nos. 24CV00244 and 24CV00839 (together, "Actions"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" or "Class Members" means all current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the Class Period.

"Class Period" means the period from January 25, 2020 through October 15, 2024, inclusive.

"Class Settlement" means the settlement and resolution of all Class Released Claims.

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

"PAGA Period" means the period from January 16, 2023 through October 15, 2024, inclusive.

"PAGA Settlement" means the settlement and resolution of all PAGA Released Claims.

II. BACKGROUND OF THE ACTION

On January 16, 2024, Plaintiff provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendant of the specific provisions of the California Labor Code that Plaintiff contends were violated. On January 25, 2024, Plaintiff commenced a putative class action lawsuit against Defendant by filing a Class Action Complaint for Damages. On March 22, 2024, Plaintiff filed a separate Complaint for Damages and Enforcement Action Under the Private Attorneys General Act, California Labor Code §§ 2698 Et Seq. for the same wage and hour violations alleged in the class action lawsuit.

Plaintiff contends that Defendant failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages upon termination of employment and associated waiting-time penalties, provide accurate wage statements, and reimburse business expenses, and thereby engaged in unfair business practices in violation of the California Business and Professions Code section 17200, *et seq.*, and conduct that gives rise to penalties under PAGA. Plaintiff seeks, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys' fees and costs.

Defendant denies all of the allegations in the Actions or that it violated any law.

The Parties participated in mediation with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into a Class Action and PAGA Representative Action Settlement and Release (“Settlement” or “Settlement Agreement”).

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed ILYM Group, Inc. as the administrator of the Settlement (“Settlement Administrator”), Plaintiff Tyler Emery as representative of the Class (“Class Representative”), and the following Plaintiff’s attorneys as counsel for the Class (“Class Counsel”):

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

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

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

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is Nine Hundred Forty-Nine Thousand Two Hundred Eighty-Five Dollars and No Cents (\$949,285.00) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys’ fees, in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (*i.e.*, \$332,249.75 if the Gross Settlement Amount is \$949,285.00), and reimbursement of litigation costs and expenses, in an amount not to exceed Twenty-Four Thousand Dollars and No Cents (\$24,000.00) to Class Counsel; (2) Class Representative Incentive Payment in an amount not to exceed Seven Thousand Five Hundred Dollars and No Cents (\$7,500.00) to Plaintiff for his services in the Actions; (3) the amount of Fifty Thousand Dollars and No Cents (\$50,000.00) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Payment”), of which the LWDA will be paid 75% (\$37,500.00) and the remaining 25% (\$12,500.00) will be distributed to Aggrieved Employees; and (4) Settlement Administration Costs in an amount not to exceed Nine Thousand Dollars and No Cents (\$9,000.00) to the Settlement Administrator.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Class Member Payment”) and Aggrieved Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the 25% portion of the PAGA Payment (“Individual PAGA Payment”). Class Member Payments and Individual PAGA Payments are based on the number of workweeks worked by the Class Members during the Class Period and the number of workweeks worked by the Aggrieved Employees during the PAGA Period (“Credited Workweeks”).

To calculate Class Member Payments, the Settlement Administrator has multiplied the Net Settlement Amount by a

fraction, the numerator of which is the Class Member's Credited Workweeks during the Class Period, and the denominator of which is the total Credited Workweeks worked by all Class Members during the Class Period. If the Class Member has previously entered into a settlement agreement and received a settlement payment from Defendant, the amount of the settlement payment you already received will be deducted from the Class Member's Class Member Payment.

Class Members who do not submit a timely and valid Request for Exclusion ("Participating Class Members") will be issued their final Class Member Payment.

Each Class Member Payments will be allocated as twenty percent (20%) as wages; sixty-five percent (65%) as penalties; and fifteen (15%) as interest. The wages will be reported on an IRS Form W-2, and the interest and penalties will be reported on IRS Forms 1099-MISC and/or 1099-INT to the extent required by law. Each Class Member Payment will be subject to reduction for the employee's share of payroll taxes and withholdings with respect to the wages portion of the Class Member Payment resulting in a net payment to the Participating Class Member. The employer's share of taxes and contributions in connection with the wages portion of Class Member Payments will be paid by Defendant separately and in addition to the Gross Settlement Amount.

To calculate PAGA Settlement Payments, the Settlement Administrator has multiplied the 25% portion of the PAGA Payment by a fraction, the numerator of which is the Aggrieved Employee's Credited Workweeks during the PAGA Period, and the denominator of which is the total Credited Workweeks worked by all Aggrieved Employees during the PAGA Period

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

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

B. Your Covered Workweeks Based on Defendant's Records

According to Defendant's records:

- **From January 25, 2020 through October 15, 2024 (i.e., the Class Period), you are credited as having worked [REDACTED] Covered Workweeks.**
- **From January 16, 2023 through October 15, 2024 (i.e., the PAGA Period), you are credited as having worked [REDACTED] Covered Workweeks.**

If you wish to dispute the Covered Workweeks credited to you, you must submit your dispute in writing to the Settlement Administrator. The Covered Workweeks dispute must: (a) contain the case name and number of one or both of the Actions (*Emery v. Santa Cruz Bicycles, LLC*, Case Nos. 24CV00244 and 24CV00839); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security number or Employee Identification Number; (c) contain a statement indicating that you seek to dispute the number of Credited Workweeks credited to you, the time period(s) you worked for Defendant in an hourly paid or non-exempt position in California during the Class Period and/or PAGA Period, and the number of Credited Workweeks that you contend should be credited to you; (d) contain documentation and/or other facts supporting your position; and (e) be postmarked no later than **[Response Deadline]**.

C. Your Estimated Class Member Payment and PAGA Settlement Payment (if applicable)

As explained above, your estimated Class Member Payment and PAGA Settlement Payment (if applicable) is based on the number of Covered Workweeks credited to you. If you already entered into a settlement agreement and received a settlement payment from Defendant, then your portion of your Class Member Payment will be reduced to account for that previous payment.

Under the terms of the Settlement, your Class Member Payment is estimated to be \$ [REDACTED].

Based on Defendant's records, you already received \$ [REDACTED] in settlement funds related to the claims asserted in this lawsuit. Accordingly, that amount has been deducted from your Class Member Payment.

The Class Member Payment is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Class Member Payment and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

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

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

D. Release of Claims

In exchange for the consideration under the Settlement, and upon Defendant's delivery of the Gross Settlement Amount and employer-side payroll taxes on wages paid to Class Members to the Settlement Administrator, all Participating Class Members, on behalf of themselves and their current, former, and future heirs, executors, administrators, attorneys, agents, and assigns, will and hereby do forever release, waive, acquit, and discharge the Released Parties from the Class Released Claims.

In exchange for the consideration under the Settlement, and upon Defendant's delivery of the Gross Settlement Amount to the Settlement Administrator, Plaintiff, the LWDA, and the Aggrieved Employees, will fully and finally release and discharge the Released Parties from the PAGA Released Claims.

"Class Released Claims" means all claims made or which could have been made based on the facts pled in the Class Action Complaint, arising during the Class Period, including, but not limited to, claims for: (i) Failure to Pay Minimum Wage (Labor Code §§ 1194, 1197, and 1197.1); (ii) Failure to Pay Overtime (Labor Code §§ 510 and 1198); (iii) Failure to Provide Timely Off-Duty Meal Breaks or Compensation in Lieu Thereof (Labor Code §§ 226.7 and 512); (iv) Failure to Provide Timely, Off-Duty Rest Periods or Compensation in Lieu Thereof (Labor Code § 226.7); (v) Failure to Timely Pay Wages During Employment (Labor Code §§ 204 and 210); (vi) Failure to Provide Accurate Itemized Wage Statements (Labor Code § 226(a)); (vii) Failure to Timely Pay All Wages Due at Separation (Labor Code §§ 201, 202 and 203); (viii) Failure to Reimburse Necessary Business Expenses (Labor Code §§ 2800 and 2802); and (ix) Violation of Unfair Competition Law (Business & Professions Code § 17200, *et seq.*).

"PAGA Released Claims" means all claims made or which could have been made for civil penalties under the PAGA, Labor Code section 2698, *et seq.*, based on the facts pled in Plaintiff's letter to the LWDA and the PAGA Action Complaint, arising during the PAGA Period, including, but not limited to, claims for: (i) Failure to Pay Minimum Wage (Labor Code §§ 1194, 1197, and 1197.1); (ii) Failure to Pay Overtime (Labor Code §§ 510 and 1198); (iii) Failure to Provide Timely Off-Duty Meal Breaks or Compensation in Lieu Thereof (Labor Code §§ 226.7 and 512); (iv) Failure to Provide Timely, Off-Duty Rest Periods or Compensation in Lieu Thereof (Labor Code § 226.7); (v) Failure to Timely Pay Wages During Employment (Labor Code §§ 204 and 210); (vi) Failure to Provide Accurate Itemized Wage Statements (Labor Code § 226(a)); (vii) Failure to Timely Pay All Wages Due at Separation (Labor Code §§ 201, 202 and 203); (viii) Failure to Keep Complete and Accurate Payroll Records (Labor Code § 1174(d)); and (ix) Failure to Reimburse Necessary Business Expenses (Labor Code §§ 2800 and 2802).

"Released Parties" means Santa Cruz Bicycles, LLC, their present and former officers, directors, members, managers, shareholders, employees, agents, parents, subsidiaries, affiliates, insurers, operators, partners, joint ventures, consultants, attorneys, successors, or assignees.

E. Attorneys' Fees and Costs to Class Counsel

Class Counsel will seek attorneys' fees in an amount not to exceed (35%) of the Gross Settlement Amount (*i.e.*, \$332,249.75 if the Gross Settlement Amount is \$949,285.00) ("Class Counsel's Attorneys' Fees") and reimbursement of litigation costs and expenses in an amount not to exceed Twenty-Four Thousand Dollars and No Cents (\$24,000.00) ("Class Counsel's Litigation Costs"), subject to approval by the Court. The Class Counsel's Attorneys' Fees and Class Counsel's Litigation Costs granted by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Actions on behalf of Plaintiff, Class Members, and Aggrieved Employees on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Class Representative Incentive Payment to Plaintiff

Plaintiff will seek the amount of Seven Thousand Five Hundred Dollars and No Cents (\$7,500.00) ("Class Representative Incentive Payment"), in recognition of his services in connection with the Actions. The Class Representative Incentive Payment will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, it will be paid to Plaintiff in addition to his Class Member Payment and PAGA Settlement Payment that he is entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Nine Thousand Dollars and No Cents (\$9,000.00) ("Settlement Administration Costs") for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, written objections, and Covered Workweeks disputes, calculating Class Member Payments and PAGA Settlement Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

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

A. Participate in the Settlement

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

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

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

As a Class Member and Aggrieved Employee (if applicable), you will not be separately responsible for the payment of attorney's fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

B. Request Exclusion from the Class Settlement

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

[Settlement Administrator]
[Mailing Address]

A Request for Exclusion must: (a) contain the case name and number of one or both of the Actions (*Emery v. Santa Cruz Bicycles, LLC*, Case Nos. 24CV00244 and 24CV00839); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security number or Employee Identification Number; (c) contain a statement that you

wish to be excluded from the Class Settlement; and (d) be postmarked no later than **[Response Deadline]**.

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

C. Object to the Class Settlement

You can object to the Class Settlement as long as you have not submitted a Request for Exclusion by submitting a written objection to the Settlement Administrator.

The written objection must: (a) contain the case name and number of one or both of the Actions (*Emery v. Santa Cruz Bicycles, LLC*, Case Nos. 24CV00244 and 24CV00839); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security number or Employee Identification Number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; and (d) be postmarked no later than **[Response Deadline]**.

You may also appear at the Final Approval Hearing and present your objection orally, regardless of whether you have submitted a written objection.

If the Court overrules your objection, you will be bound by the Settlement and will receive your Class Member Payment.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 5 of the Santa Cruz County Superior Court, located at 701 Ocean Street, Santa Cruz, California, 95060, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and grant the Class Counsel's Attorneys' Fees and Class Counsel's Litigation Costs to Class Counsel, Class Representative Incentive Payment to Plaintiff, and Settlement Administration Costs to the Settlement Administrator.

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

You can appear remotely at <https://santacruzcourt-org.zoomgov.com/j/1615592790> or Dial: 1 (669) 216-1590 and provide the Meeting ID: 161 559 2790.

VI. ADDITIONAL INFORMATION

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

You may view the Settlement Agreement and other documents filed in the Action for free by visiting the civil clerk's office located at Santa Cruz Courthouse, 701 Ocean Street, Santa Cruz, California 95060, during business hours, or online by visiting the following website: <https://portal.santacruzcourt.org/portal>, clicking "Smart Search" and typing in the Court Case Numbers "24CV00244" and/or "24CV00839."

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

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